

Date: 02.09.2025

Ref: ETL/BSE/INT/036/25-26

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

**Scrip Code : 531346 Scrip ID: EASTRED**

**Sub:** Notice of 32<sup>nd</sup> Annual General Meeting and Annual Report for the Financial Year 2024-2025.

Sir/Madam,

The 32<sup>nd</sup> AGM of the Company is scheduled to be held on **Thursday, September 25, 2025 at 11:00 A.M.** (IST) through Video Conference (VC) / Other Audio Visual Means (OAVM).

Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, we herewith submit the copy of Annual Report for the Financial Year 2024-2025 including the Notice of the 32<sup>nd</sup> Annual General Meeting of the company which is being sent through electronic mode to the members of the company.

A letter providing the web-link where the Notice of AGM and Annual Report 2024-25 are available, shall also be sent to those members who have not registered their e-mail address.

In accordance with the relevant circulars issued by MCA and SEBI, the Notice of the AGM and the Annual Report of the Company for the Financial Year 2024-25 is being sent through electronic mode to all those members of the Company whose email addresses are registered with the Company and/or Depository Participant(s) and physical intimations to those members whose email address is not registered with the Company or Depository Participant or Registrar & Share Transfer Agents of the Company. The Notice of the AGM along with Annual Report is available in the Company's website at <https://www.easterntreads.com/investor-zone/annual-reports?year=2024-2025> and in the website of Central Depository Services (India) Limited at [www.evotingindia.com](http://www.evotingindia.com).

Thanking You  
For **EASTERN TREADS LIMITED**

**Abil Anil**  
**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.

**Factory :** Oonnukal P.O, Kothamangalam  
Ernakulam, Kerala - 686 693.

Phone : +91 484 7161234

E-mail : [treads@easterntreads.com](mailto:treads@easterntreads.com)

Web : [www.easterntreads.com](http://www.easterntreads.com)

Phone : +91 485 2855 448



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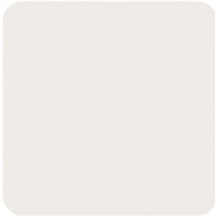
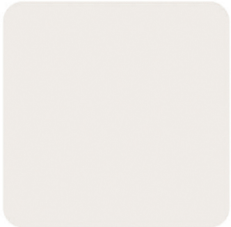
# ANNUAL REPORT

— 2024 - 25 —

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Tyres Never Retire



# EASTERN TREADS LIMITED

CIN: L25119KL1993PLC007213

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Navas M Meeran	Chairman
Mr. M.E. Mohamed	Managing Director
Mrs. Shereen Navas	Director
Mr. Naiju Joseph	Director
Mr. Natarajan Jeyaseelan	Director
Mrs. Rani Joseph	Director
Mr. Devarajan Krishnan	Chief Executive Officer & Chief Financial Officer
Mr. Abil Anil	Company Secretary

<b>REGISTERED &amp; CORPORATE OFFICE</b> 3A, 3 <sup>rd</sup> Floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682024, Kerala	<b>INVESTOR CORRESPONDENCE</b> The Company Secretary, Eastern Treads Limited 3A, 3 <sup>rd</sup> Floor, Eastern Corporate Office, NH Bypass, Edappally, Kochi, Ernakulam - 682024, Kerala
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<b>WEBSITE &amp; E MAIL</b> <a href="http://www.easterntreads.com">www.easterntreads.com</a> , <a href="mailto:info@easterntreads.com">info@easterntreads.com</a>	<b>BANKERS</b> Union Bank of India ICICI Bank Limited State Bank of India The Federal Bank Limited Kotak Mahindra Bank Limited
<b>FACTORY</b> Oonnukal, Kothamangalam, Ernakulam, Kerala	

<b>STATUTORY AUDITOR</b> G Joseph & Associates, Chartered Accountants, 37/2038, First Floor, Muttathil Lane, Kadavanthra, Cochin – 682020, Kerala	<b>INTERNAL AUDITOR</b> R G N Price and Co. G-234, Price Chambers, K.C.Joseph Road, Cross Road No. 8, Panampilly Nagar, Kochi – 682036
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<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b> Integrated Registry Management Services Private Limited, 2 <sup>nd</sup> Floor, 'Kences Towers' No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600017	<b>SECRETARIAL AUDITOR</b> BVR & Associates Company Secretaries LLP, Swastika, First Floor, Chitteth House, PC Road, Vyttila P.O., Cochin - 682 019
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## *From Chairman's Desk*

Dear Shareholders,

The financial year 2024–25 unfolded amidst contrasting economic conditions. The first half experienced challenging market conditions while the second half witnessed a gradual improvement, though it did not achieve the pace of recovery anticipated earlier. Automobile production remained below prior-year levels so the tyre industry was impacted by unprecedented surges in input costs, reaching historical highs.

While these have partially moderated, the cost environment continues to be elevated. Despite these headwinds, our company upheld its disciplined approach to cost management and operating efficiencies. In the face of challenging external conditions, we maintained a disciplined focus on protecting our margins through a stronger market pull for our products. This strategic approach remains central to our long-term vision, reinforcing the resilience and sustainability of our business. Throughout the year, our company has demonstrated resilience in the dynamic market. We have remained committed to operational excellence, technological advancement and market diversification that have significantly enhanced our production efficiency, product quality, and distribution network. These achievements are not an endpoint but a solid foundation for future progress, as we continue to embed sustainability across all aspects of our operations and growth initiatives.

As we look ahead, our priorities remain clear to strengthen our domestic market presence, expand our export reach, deliver long-term value through innovation, sustainability, and operational excellence and continue improving quality to stay ahead in a competitive industry. As a key player in this evolving landscape, we are aligning our efforts with national objectives while positioning ourselves to meet international standards and expectations. I extend my heartfelt appreciation and gratitude to our dedicated team for their unwavering commitments, our partners, government authorities and bankers for their continued support, and to our customers for their enduring trust and loyalty. Your support has been instrumental to our success and ongoing growth.

Thank you for being an integral part of our journey. Together we will keep pushing boundaries and shaping the future of tread industry.

With warm regards,



Navas Meeran

## NOTICE

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of Eastern Treads Limited (the “Company”) will be held on Thursday, 25<sup>th</sup> September 2025 at 11.00 AM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility to transact the following businesses:

### Ordinary Business

1. **To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2025 together with the Reports of the Board of Directors and the Auditors.**
2. **To appoint a Director in place of Mr. Navas Meeran, having DIN: 00128692, who retires by rotation in compliance with the provisions of Section 152 of the Companies Act, 2013 and being eligible, seeks reappointment.**

### Special Business

3. **Appointment of Dr. Siby Varghese (DIN: 11240695) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder and the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Dr. Siby Varghese (DIN: 11240695), who was appointed as an Additional Director of the Company, under the category of Independent Director with effect from August 14, 2025, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment under the provisions of the Act, read with the Rules made thereunder and the applicable provisions of Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from August 14, 2025 to August 13, 2030 (both days inclusive) on the Board of the Company.

**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters, acts and things, as may be necessary, desirable, or expedient to give effect to this resolution and to take all steps incidental and ancillary thereto.”

#### 4. Appointment of Mr. Devarajan Krishnan (DIN: 11240487) as Director of the Company

To consider and if thought fit, to pass the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 read with Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any amendments thereto or re-enactment thereof, for the time being in force) (hereinafter collectively referred to as the “Applicable Laws”) Mr. Devarajan Krishnan (DIN: 11240487), who was appointed as an Additional Director of the Company by the Board of Directors, effective from August 14, 2025, and who cease to hold office at this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors, be and is hereby authorized to do all such things, deeds, matters, acts and things, as may be necessary, desirable, or expedient to give effect to this resolution and to take all steps incidental and ancillary thereto.”

#### 5. Appointment of Mr. Devarajan Krishnan (DIN: 11240487) as a Whole Time Director of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** the provisions of Sections 196, 197, 198, read with Schedule V and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as per applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any amendments thereto or re-enactment thereof, for the time being in force) (hereinafter collectively referred to as the “Applicable Laws”) and the Articles of Association of the company and on the recommendation of the Nomination and Remuneration Committee and subject to such other approvals as may be necessary, the consent of the Members be and is hereby accorded for the appointment of Mr. Devarajan Krishnan (DIN: 11240487) as a Whole Time Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (three) consecutive years with effect from August 14, 2025 to August 13, 2028 (both days inclusive) on the terms and conditions including terms of remuneration as set out in the Explanatory Statement of this resolution shall be deemed to form part hereof be and is hereby approved, with liberty to the Board of Directors to alter and vary the terms of appointment as it may deem fit;

**RESOLVED FURTHER THAT** the Board of Directors, be and is hereby authorized to do all such things, deeds, matters, acts and things, as may be necessary, desirable, or expedient to give effect to this resolution and to take all steps incidental and ancillary thereto.”

6. **Approval of Related Party Transactions between Eastern Treads Limited and Group Meeran Private Limited having Corporate Identification Number U74110KL2001PTC015142.**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of the Section 188 and other applicable provisions of the Companies Act, 2013, and the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, and subject to such other approvals as may be necessary, the approval of the members be and is hereby accorded to the Board of Directors of the Company to enter into contracts/arrangements for sale, purchase or supply of any goods and materials, or for availing or rendering of any services, whether directly or through appointed authorized agents, with Group Meeran Private Limited, on such terms and conditions as may be decided by Board of Directors of the Company, as appropriate, as per the rules and regulations governing such transactions under the applicable provisions of the Act for a period of 5 financial years effective from FY 25-26, for an aggregate amount not exceeding Rupees Ten Crores per financial year, under Section 188 read with Rules made thereunder.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, desirable or expedient and to take all necessary steps, for and on behalf of the Company and is authorised and empowered to negotiate, fix the price and agree upon other terms and conditions and to enter into legal agreements and contracts, to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provisions under the Companies Act, 2013".

7. **Approval of Related Party Transactions between Eastern Treads Limited and Eastea Chai Private Limited having Corporate Identification Number U15491KL2010PTC025741**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of the Section 188 and other applicable provisions of the Companies Act, 2013, and the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, and subject to such other approvals as may be necessary, the approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contracts/arrangements for sale, purchase or supply of any goods and materials, or for availing or rendering of any services, whether directly or through appointed authorized agents, with Eastea Chai Private Limited, on such terms and conditions as may be decided by Board of Directors of the Company, as appropriate, as per the rules and regulations governing such transactions under the applicable provisions of the Act for a period of 5 financial years effective from FY 25-26, for an aggregate amount not exceeding Rupees Ten Crores per financial year, under Section 188 read with Rules made thereunder.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, desirable or expedient and to take all necessary steps, for and on behalf of the Company and is authorised and empowered to negotiate, fix the price and agree upon other terms and conditions and to enter into legal agreements and contracts, to the extent the

Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provisions under the Companies Act, 2013".

**By Order of the Board  
For Eastern Treads Limited**

**sd/-**

**Ernakulam  
August 14, 2025**

**Abil Anil  
Company Secretary**

**Notes**

1. In accordance with the provisions of the Companies Act, 2013 ("Act"), read with the Rules made thereunder and General Circular dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 08<sup>th</sup> December 2021, 14th December, 2021 and 5th May, 2022, 28th December, 2022, 25<sup>th</sup> September 2023 and 19<sup>th</sup> September 2024, issued by the Ministry of Corporate Affairs ("MCA") read with relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as ("the Circulars"), companies are allowed to hold Annual General Meeting (AGM) through VC or OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. The facility to attend the AGM through VC/OAVM will be provided through Central Depository Services (India) Limited (CDSL). The detailed instructions pertaining to remote e-voting, joining the AGM through VC/OAVM and Voting at the AGM are given separately hereunder.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and shall not be closed till expiry of 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with and pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence, Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.



6. As per the relaxation provided by the aforementioned MCA and SEBI circulars the Company will not be sending physical copies of AGM Notice and Annual Report to the shareholders. Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Hence the company request the members to provide their email address, mobile numbers and other KYC Details to the Registrar and Transfer Agent or update the same with their depositories to enable the Company to send the documents in electronic form. Notice and Audited Financial Statements for 2024-25 along with Directors' Report and Auditors' Report is also be available on the website of the Company at <https://www.easterntreads.com> under 'Investor Zone' section. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) . The AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. <https://www.evotingindia.com>.
7. The required material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the item under Special Business is annexed herewith and forming part of this Notice
8. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment/change in terms of appointment at this AGM are annexed to this notice.
9. The Company has fixed **September 19, 2025** as the '**Cut-off Date**' for the purpose of AGM and reckoning the entitlement of the shareholders to cast their voting through remote e-voting/ e-voting during the AGM. The remote e-voting /voting rights of the Members shall be reckoned on the Equity Shares held by them as on the Cut-off Date only. Any person who is not a member on the cut-off date should treat this notice for information purposes only.
10. The recorded transcript of the AGM will be hosted on the website of the Company at <https://easterntreads.com/investor-zone/meeting-updates>
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
12. In terms of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the amount of dividends that remain unclaimed/unpaid for a period of seven years from the date on which they were declared, is required to be transferred to the Investor Education and Protection Fund (IEPF) and if the dividends have been unpaid or unclaimed for seven consecutive years or more, the underlying shares shall be transferred to the IEPF Demat Account maintained with depositories. Upon transfer of such shares to IEPF account, all benefits if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The Company has effected the transfer of such shares to the IEPF account during the financial year 2024-25, in accordance with the aforesaid provision. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Complete details of unpaid or unclaimed



dividends and shares transferred to IEPF are available on the website of the Company, [www.easterntreads.com](http://www.easterntreads.com).

13. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority by following the procedure as set out in IEPF Rules.
14. The Company had released an Advertisement in National Daily viz., Business Line and Regional language daily viz., Deepika for transferring unpaid / unclaimed dividend and unclaimed shares of the Company to Investor Education and Protection Fund (IEPF) Account as per Section 124(6) of the Act. The Company had also sent individual communication to the shareholders concerned whose dividend remains unpaid or unclaimed for a period of Seven (7) consecutive years since 2016, at their registered address and shares are liable to be transferred to IEPF account under the aforesaid Rules, for taking appropriate action(s) by the shareholder concerned.
15. The statutory registers maintained under the Act and all other documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days between 10.00 AM and 5.00 PM up to the date of the Annual General Meeting. The members who wishes to inspect the same shall make a prior request for the same to the mail ID: [investors@easterntreads.com](mailto:investors@easterntreads.com).
16. The Shareholders are requested to update the contact address and e-mail address and are requested to notify immediately any change in their address, exclusively on separate letter without clubbing it with any other request, for quicker attention directly to the Company's Share Transfer Agent. Members who are holding shares in the same name or in the same order of names, under different folios, are requested to notify the same to the Registrar and Share Transfer Agent for consolidation of their shareholding into a single folio.
17. The Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e., postal address with PIN code, email address, mobile number, bank account details and latest specimen signature, etc.) and nomination details by holders of securities. SEBI also mandated compulsorily linking PAN with Aadhaar number, unless specifically exempt by the competent authority. In terms of the said SEBI mandate, folios, wherein any of the above mentioned document / details (except for nomination) are not available, such members will not be eligible to lodge any grievance or avail service request from the RTA. Relevant forms prescribed by SEBI in this regard are available under the Investor Information Section on the Investor's page on the website of the company at the web-link: <https://www.easterntreads.com/investor-zone/shareholder-communications>. Members are requested to update the same with the company's Registrar and Transfer Agent.
18. SEBI has vide its amendment Circular Nos. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 and SEBI/HO/MIRSD/POD1/P/CIR/2023/181 dated November 17, 2023 read with previous circulars issued in this regard has mandated that with effect from April 01, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. Further, relevant FAQs published by SEBI can be viewed on its website <https://www.sebi.gov.in/>. Members holding shares in physical form are advised to update the Bank Account details with the records of the company's Registrar and Transfer Agent.

19. Members holding shares in physical form are requested to address all their correspondence pertaining to change in their name, postal address, email address, telephone / mobile numbers, Permanent Account Number, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to the Registrar and Transfer Agents viz. **Integrated Registry Management Services Private Limited, 2<sup>nd</sup> Floor, Kences Towers, No: 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017. E-mail: yuvraj@integratedindia.in.** Members whose shareholdings are in electronic mode are requested to approach their respective depository participants for the same.
20. As per SEBI norms, with effect from January 25, 2022, all transmission / transfer requests including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only. Hence the shares of the Company are traded compulsorily in demat mode. To eliminate all risks associated with physical shares, **members holding shares in physical form are requested to convert their holdings to dematerialized form.** The Company is having agreements with NSDL and CDSL to enable Members to have the option of dealing and holding the shares of the Company in electronic form. Any member desirous to dematerialize his holding may do so through any of the depository participants. **The ISIN of the equity shares of the Company is INE500D01015.** Members can also contact the Company or its Registrars and Transfer Agents for assistance in this regard.
21. As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 2, 2025, a special six-month window has been announced—from **July 7, 2025, to January 6, 2026**—allowing investors to re-lodge physical share transfer requests that were previously **rejected or returned due to document deficiencies.**

SEBI had discontinued the transfer of securities in physical form effective April 1, 2019. However, it had allowed re-lodgement of transfer deeds originally submitted before this date if they were rejected due to documentation issues, with a prior deadline of March 31, 2021. In response to representations from investors who missed the earlier cut-off date, RTAs, and listed companies, SEBI has now provided a final opportunity to re-submit such transfer deeds. All transfers under this window must be completed in dematerialized (demat) mode only.

Shareholders wishing to transfer their physical shares are advised to make use of this final re-lodgement window.

22. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at [investors@easterntreads.com](mailto:investors@easterntreads.com) least 7 days in advance, so as to enable the Company to keep the information ready.

SEBI vide Circular no. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023 (updated as on August 04, 2023 and December 20, 2023) has specified that a shareholder shall first take up his / her / their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied

with the outcome, He / She / They can initiate dispute resolution through the Online Dispute Resolution (“ODR”) Portal at <https://smartodr.in/login>. The aforesaid SEBI Circular and the link for the ODR Portal is also available on the website of the company at <https://www.easterntreads.com/investor-zone/shareholder-communications>

23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM.

Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes (the “Remote e-voting”) by a member using remote e-Voting system as well as e-voting system on the date of AGM will be provided by CDSL to the members of the Company holding share in physical or dematerialized form, as on the cut-off date, being September 19, 2025, to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice.

24. **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (1) The voting period begins on **September 22, 2025 at 9.00 AM and ends on September 24, 2025 at 5.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 19, 2025** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (3) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (4) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; My Easi New (Token) Tab.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; My Easi New (Token) Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company</li> </ol>

	<p>name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAs “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>4) For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on <b>company name or e-Voting service provider name</b> and you will be re-directed to <b>e-Voting service provider website</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

## Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(5) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- I) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- II) Click on “Shareholders” module.
- III) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- IV) Next enter the Image Verification as displayed and Click on Login.
- V) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- VI) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>



Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li></ul>
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- (6) After entering these details appropriately, click on “SUBMIT” tab.
- (7) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (8) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice
- (9) Click on the **EVSN 250830012** relevant for the Eastern Treads Limited on which you choose to vote.
- (10) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (11) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (12) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (13) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (14) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (15) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (16) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(17) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- i Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- ii A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iii After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- iv The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
- v It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address at [investors@easterntreads.com](mailto:investors@easterntreads.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investors@easterntreads.com](mailto:investors@easterntreads.com).

The shareholders who wish to speak during the AGM but have queries may send their queries in advance **7days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investors@easterntreads.com](mailto:investors@easterntreads.com). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **[investors@easterntreads.com](mailto:investors@easterntreads.com)**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

25. The Board of Directors has appointed **CS Puzhankara Sivakumar, Company Secretary** (Membership No. 3050), Managing Partner M/s. SEP & Associates, Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
26. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or the company secretary, who shall countersign the same.

27. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company <http://www.easterntreads.com> and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or the Company Secretary. The results shall also be immediately forwarded to the BSE Limited, where the shares of the Company are listed.

## **STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 3 – To appoint Dr. Siby Varghese (DIN: 11240695) as an Independent Director of the Company**

Based on the recommendation of Nomination and Remuneration Committee and after taking into consideration, the balance of skills, knowledge and experience in the rubber industry, the Board of Directors of the Company at its meeting on August 14, 2025 has considered the proposal of appointment of Dr. Siby Varghese (DIN: 11240695) as an Independent Director, to hold office for a term of 5 years w.e.f. August 14, 2025 to August 13, 2030 (both days inclusive) (hereinafter referred to as 'first term') and appointed Dr. Siby Varghese as an Additional Director in the Category of Non- Executive Independent Director pursuant to Section 161 of Companies Act, 2013. As his office of Director ceases at this Annual General Meeting being an Additional Director, the approval of the members by a Special Resolution, in terms of the provisions of Sections 149, 150, 152 and Schedule IV of the Act read with rules thereunder and the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is required for his appointment as an Independent Director to hold office for his first term.

Dr. Siby Varghese (aged 61) has 36 years of experience in the rubber industry. He possess a Ph.D. in Polymer Chemistry from Mahatma Gandhi University. Currently he serves as a member of ISO TC45 and a Resource Person at Kerala Rubber Limited and an External Expert at the Bureau of Indian Standards, New Delhi. Further he is also a Visiting Professor at the School of Polymer Science & Technology, Mahatma Gandhi University.

He has been honoured with the Kerala Young Scientist Award in 1993 and the Indian Young Scientist Award in 1996. He holds fellowships from University of Tokyo, Japan as a JSPS Postdoctoral Fellow and from University of Kaiserslautern, Germany as a Humboldt Postdoctoral Fellow.

The necessary eligibility certificates and declarations including consent for appointment as an Independent Director of the Company and a declaration confirming that he meets the criteria of independence as prescribed under Section 149 of the Act and the Listing Regulations, have been received from Dr. Siby Varghese .

The Company has received declaration from Dr. Siby Varghese, confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and the rules made thereunder. Further, he is not debarred from holding of office by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), or any such regulatory authority.

A detailed resume of Dr. Siby Varghese is annexed to this Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

In line with the aforesaid provisions of the Act and considering the vast experience of Dr. Siby Varghese, the Board recommends the Special Resolution set out at Item No. 3 of the Notice for the approval of the members.

Except Dr. Siby Varghese none of the Directors, Key Managerial Personnel, or their relatives, or entities comprising the interest of Promoters, Directors, or Key Managerial Personnel are concerned or interested in this resolution..

The Board of Directors believe that the proposed appointment is in the best interest of the company and its members.

#### **Item No.4 & 5 - Appointment of Mr. Devarajan Krishnan (DIN: 11240487) as a Whole Time Director of the Company**

Mr. Devarajan Krishnan (DIN: 11240487) was appointed by the Board of Directors as the Chief Financial Officer (CFO) of the Company with effect from August 14, 2023. In addition to his responsibilities as CFO, he was further appointed as the Chief Executive Officer (CEO) of the Company, effective from November 11, 2024. He currently holds both positions—Chief Financial Officer and Chief Executive Officer. Subsequently, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on August 14, 2025, appointed Mr. Devarajan Krishnan as an Additional Director of the Company. His term as an Additional Director shall expire at the ensuing Annual General Meeting (AGM) unless the members regularize his appointment by appointing him as a Director of a company effective from August 14, 2025 at this Annual General Meeting. Hence, his appointment as a Director is being proposed to the members.

Following his induction to the Board, the Board also approved his appointment as a Whole-Time Director of the Company, for a period of 3 years with the remuneration as detailed under the terms and conditions hereunder, subject to the approval of the members at the forthcoming AGM. Notwithstanding his appointment as a Director, Mr. Krishnan will continue to serve as the Chief Financial Officer (Key Managerial Personnel) of the Company. Accordingly, the Board has designated Mr. Devarajan Krishnan as the Whole-Time Director & Chief Financial Officer of the Company, effective August 14, 2025, with the appointment to the office of Whole- Time Director for a period of 3 years is subject to shareholders' approval at the AGM.

#### **Brief Profile**

Mr. Devarajan Krishnan aged 57 years is a Chartered Accountant by qualification. He completed CA in 1993 and has extensive corporate work experience of over 30 plus years in key finance areas such as Corporate Finance, Financial Planning & Analytics, Accounting & Controllershship, Auditing & Taxation, Working capital management, Banking, Capex governance, Compliance & Regulatory matters, Cost optimization and Controls. He is very passionate towards Cost optimization, Business performance management, Investments, and business case proposals, ESG Project consulting and implementation, Fund raising, Regulatory Compliances, Business valuation etc. His corporate experience from various Organizations like Cognizant Technologies, Sutherland Global Solutions, Bank of America Continuum Pvt Ltd, Genpact, Genisys Integrated Systems and Aspinwall & Co. Ltd is benefiting the company. Over the years, he has been involved in sectors like Manufacturing, Shipping services, Global Capability Centers, BPO and IT development industries. Pursuant to Section 197 read with Schedule V, of the Companies Act, 2013 in case of absence or inadequacy of profits, the remuneration to be paid in excess of the limits specified in Schedule V has to be approved by the Members by way of a Special Resolution. Accordingly, in the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 in any Financial Year(s) shall be entitled to the proposed remuneration as minimum remuneration

subject to Schedule V to the Act. The Company has received an undertaking from Mr. Devarajan Krishnan that he is not debarred from holding the office of Director pursuant to order of SEBI or any other authority and Intimation in Form DIR 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub Section (2) of Section 164 of the Companies Act, 2013. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has not committed any default in payment of dues to any bank or public financial institution or any other secured creditor.

The profile and specific areas of expertise and other relevant information as required under the LODR Regulations and SS-2 are provided in additional information section of this Notice.

## STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

### a) Nature of industry :

The Company is primarily engaged in the business of manufacturing and dealing of tread rubber, rubber based adhesives, tyre retreading accessories and retreading services and is being in operation since 1993.

The engaged in the business of manufacturing and dealing of tread rubber, rubber based adhesives, tyre retreading accessories and retreading services and is being in operation since 1993.

### b) Date of commencement of commercial production :

The Company was incorporated on 02 July 1993

### c) Financial performance based on given indicators:

The financial performance of the Company in the last 3 years is as follows:

(In lakhs)

	Year ended		
	31/03/25	31/03/24	31/03/23
Revenue from Operations	6023	5,953	5984
Other Income	39	24	8
Total Revenue	6063	5,977	5992
Expenditure	6111	5,870	6272
(Loss) / Profit before Interest, Depreciation and Tax	(48)	107	(280)
Depreciation/Amortization/ Impairment	84	122	165
Profit before Finance Costs and Tax	(132)	(15)	(445)
Finance Costs	246	297	323
Profit (Loss) before Tax	(378)	(312)	(768)
Tax Expense	(75)	(17)	(45)
Profit (Loss) for the year	(303)	(295)	(723)
Other comprehensive income/ (loss)	(10)	14	(18.85)
Total comprehensive loss for the year	(313)	(280)	(742)



**d) Foreign investments or collaborations, if any : NIL**

**e) Background details**

For background details refer 'Brief Resume' including Experience in specific functional area as given above.

**f) Recognition or awards : NIL**

**g) Job profile and his suitability**

As a Director, his corporate experience from various Organizations like Cognizant Technologies, Sutherland Global Solutions, Bank of America Continuum Pvt Ltd, Genpact, Genisys Integrated Systems and Aspinwall & Co. Ltd will benefit the company.

**h) Past Remuneration:**

Being in the role of Chief Executive Officer and Chief Financial Officer of the company, Mr. Devarajan Krishnan has drawn salary for an amount of Rs. 52.41 lakhs in the financial year 2024-25 and Rs. 20.96 lakhs as Chief Financial Officer in the Financial Year 2023-24.

**i) Proposed Remuneration :**

He will be entitled to a minimum remuneration of Rs. 60 lakhs per annum by way of salary, perquisites, benefits (including retirement benefits), incentives, and other allowances, if any, as may be determined by the Board (including Committee(s)).

Subject to any statutory ceilings and the Company's Policy on remuneration, he shall be entitled to such increment from time to time as the Board (including Committee(s)) may by its discretion not higher than Rs. 90 lakhs per annum and perquisites, benefits (including retirement benefits), incentives, and other allowances, if any, as may be determined by the Board (including Committee(s)).

In the event of loss or inadequacy of profits in any financial year, he shall be paid a minimum remuneration as determined by the Board (including Committee(s)) within the above limits.

He shall be further eligible for ESOP / ESOS, if any as provided by the company.

**j) Comparative remuneration profile with respect to industry, size of the company, profile of the position;**

Taking into consideration the size of the Company, the nature of the industry, the profile, knowledge, skills and responsibilities shouldered by him, the proposed remuneration is commensurate and comparable with the remuneration drawn by managerial personnel in similar capacities in other companies in related industry.

**k) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any; Other than being the Chief Executive Officer and Chief Financial Officer (KMP) there exist no other relationship with the company.**

**l) Reasons of loss or inadequate profits, Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms**

Rising raw material and other costs, hike in petroleum prices and supply chain issues affected significantly on the performance of this tyre retreading industry. However, on an overall basis, the Company is looking

forward to recover and develop further. Company is reorienting and revamping its operations and implemented proactive measures to recover its growth and profitability. Company has taken aggressive marketing activities to boost competitiveness of the Company. Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits were discussed detail in Directors Report for the FY 24-25. Members are requested to refer the financial performance and the management discussion and analysis report provided in the aforesaid Directors report.

Relevant documents, if any, in respect of the said item will be available for inspection in electronic form on request by the members of the Company, upto the last date of the remote e-voting.

The Board of Directors accordingly, recommends the passing of the proposed Ordinary and Special Resolutions as contained in Item No. 4&5 of the notice respectively.

Except Mr. Devarajan Krishnan as KMP, none of the other Directors or Key Managerial Personnel or their relatives has any concern or interest, financial or otherwise, in passing of the said Special Resolution.

**Item No. 06– Approval of Related Party Transactions between Eastern Treads Limited and Group Meeran Private Limited**

Pursuant to Section 188 of the Companies Act 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, no contracts or arrangement with a related party with respect to the transactions specified in the said Section can be entered into by the company, except those which are in the ordinary course of business and on an arm's length basis without the prior consent of the Shareholders. It is also to be noted that the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company pursuant to the exemption criteria mentioned under Regulation 15 (2) of the said regulation.

Further, the company cannot enter into any contract or arrangement with its Related Party, Group Meeran Private Limited for transactions that are either not in the ordinary course of business or not on an arm's length basis unless prior approval from its Members has been obtained. Your Company proposes to enter into business transactions with Group Meeran Private Limited in the ordinary course of business for sale, purchase or supply of any goods or materials or availing or rendering of any services. In view of the growing operations, the Company requires to trade, avail and render services with aforesaid Related Party, Group Meeran Private Limited.

The transactions will be entered in the ordinary course of business of the Company either at arm's length basis or otherwise, but always in the best interest of the company. To remain fully compliant and uphold principles of good Corporate Governance, the consent of the shareholders is being sought pursuant to Section 188 of the Companies Act, 2013 and the Rules made thereunder, to enable the Board to enter into contracts for Sale, Purchase of goods and availing and rendering services with the above Related Party for a period of 5 Financial Years commencing from FY 25 -26 for an amount not exceeding Rs.10 Crores (Rupees Ten Crores) per financial year either at arms length basis or otherwise.

Mr.Navas Meeran (DIN: 00128692), Chairman and Mrs. Shereen Navas (DIN:00328770) Director are interested in the proposed resolution, as their immediate relatives, Mr. Feroz Meeran (brother of Mr. Navas Meeran) and Mr. Zubin Nazeel Navas (son of Mr. Navas Meeran and Mrs. Shereen Navas) are directors of Group Meeran Private Limited.

No other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution. The following disclosure(s) for any transaction with related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and the Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014

(i) Name of related Party	Group Meeran Private Limited
(ii) Name of the director or key managerial personnel who is related, if any;	Mr.Navas Meeran (DIN: 00128692) and Mrs.Shereen Navas (DIN:00328770)
(iii) Nature of relationship	A private company in which a director or his relative is a director.
(iv) Nature, duration of the contract and particulars of the contract or arrangement	Sale, purchase or supply of any goods or materials or availing or rendering of any services Duration : 5 Years
(v) Material terms of the contract or arrangement	The transactions will be in the ordinary course of business either at arms length or otherwise as decided by the board and approved / ratified by the audit committee.
(vi) Monetary value of the contract or arrangement	Rupees Ten Crores per annum
(vii) Any advance paid or received for the contract or arrangement, if any;	NIL
(viii) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;	The pricing and other commercial terms are in the ordinary course of business and will be in the best interest of the company.
(ix) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	All factors are considered
(x) Any other information relevant or important for the members to take a decision on the proposed transaction.	NIL

#### **Item No.07 – Approval of Related Party Transactions between Eastern Treads Private Limited and Eastea Chai Private Limited**

Pursuant to Section 188 of the Companies Act 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, no contracts or arrangement with a related party with respect to the transactions specified in the said Section can be entered into by the company, except those which are entered in the ordinary course of business and on an arm's length basis without the prior consent of the Shareholders. It is also to be noted that the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the company pursuant to the exemption criteria mentioned under Regulation 15 (2) of the said regulation.

Further, the company cannot enter into any contract or arrangement with its Related Party, Eastea Chai Private Limited for any transactions that are either not in the ordinary course of business or not on an arm's length basis unless prior approval from its Members has been obtained. Your Company proposes to enter into business transactions with Eastea Chai Private Limited in the ordinary course of business for sale, purchase or supply of any goods or materials or availing or rendering of any services.. In view of the growing operations, the Company requires to trade, avail and render services with aforesaid Related Party, Eastea Chai Private Limited.

The transactions will be entered in the ordinary course of business of the Company either at arm's length basis or otherwise, but always in the best interest of the company. To remain fully compliant and uphold principles

of good Corporate Governance the consent of the shareholders is being sought pursuant to Section 188 of the Companies Act, 2013 and the Rules made thereunder to enable the Board to enter into contracts for Sale, Purchase of goods and availing and rendering services with the above Related Party for a period of 5 Years for an amount not exceeding Rs.10 Crores (Rupees Ten Crores) per financial year.

Mr.Navas Meeran (DIN: 00128692 ) Chairman and Mrs. Shereen Navas (DIN: 00328770), Director are interested in the proposed resolution as they hold 5% and 45% of shares in Eastea Chai Private Limited respectively. Further Mr. Navas Meeran holds directorship in Eastea Chai Private Limited. No other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

The following disclosure(s) for any transaction with related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and the Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014.

(i) Name of related Party	Eastea Chai Private Limited
(ii) Name of the director or key managerial personnel who is related, if any;	Mr. Navas Meeran (DIN : 00128692)
(iii) Nature of relationship	A private company in which a director or his relative is a director and a member of the company.
(iv) Nature, duration of the contract and particulars of the contract or arrangement	Sale, purchase or supply of any goods or materials or availing or rendering of any services Duration : 5 Years
(v) Material terms of the contract or arrangement	The transactions will be in the ordinary course of business either at arms length or otherwise as decided by the board and approved / ratified by the audit committee.
(vi) Monetary value of the contract or arrangement	Rupees Ten Crores per annum
(vii) Any advance paid or received for the contract or arrangement, if any;	NIL
(viii) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;	The pricing and other commercial terms are in the ordinary course of business and will be in the best interest of the company.
(ix) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	All factors are considered
(viii) Any other information relevant or important for the members to take a decision on the proposed transaction.	NIL

**Place: Ernakulam**  
**Date: August 14, 2025**

**By order of the Board of Directors**  
**For Eastern Treads Limited**

**sd/-**  
**Abil Anil**  
**Company Secretary**

**Additional Information of Directors Pursuant to Section 102 of the Companies Act, 2013 and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India.**

<b>Name</b>	<b>Mr. Navas Meeran</b>	<b>Dr. Siby Varghese</b>	<b>Mr. Devarajan Krishnan</b>
DIN no.	00128692	11240695	11240487
Date of Birth	23-07-1969	03-05-1964	23-01-1968
Nationality	INDIAN	INDIAN	INDIAN
Date of first Appointment	26-08-1997	NA	NA
Qualifications	Post Graduate in Business Management	Ph.D. in Polymer Chemistry from Mahatma Gandhi University	Chartered Accountant
Experience in specific functional areas	<p>He is the current Chairman of the Meeran Group of Companies, a fast developing and progressive business group based in Kerala.</p> <p>He hails from a respectable business family in Adimali renowned for manufacturing and exporting of spices and curry powder. After graduating in Commerce, Mr. Navas Meeran joined the family business and has over 33 years of experience and having immense practical experience in tyre retreading industry. His distinct entrepreneurial talent coupled with his hard work and persistence has contributed substantially to the growth of the group to its present stature.</p>	<p>He has vast experience in rubber industry. He possess a Ph.D. in Polymer Chemistry from Mahatma Gandhi University and extensive international research experience from University of Tokyo, Japan as JSPS Postdoctoral and University of Kaiserslautern, Germany as Humboldt Postdoctoral.</p> <p>With over 120 international journal publications, 600+ conference papers, and five book chapters in rubber technology, Dr. Siby Varghese is expertise in the rubber industry. He holds patents for De-proteinization of natural rubber latex in US and for Semi-automatic machine for upgrading</p>	<p>He belongs to Kochi and is a Chartered Accountant by qualification. He completed CA in 1993 and has extensive corporate work experience of over 30 plus years in key finance areas such as Corporate Finance, Financial Planning &amp; Analytics, Accounting &amp; Controllershship, Auditing &amp; Taxation, Working capital management, Banking, Capex governance, Compliance &amp; Regulatory matters, Cost optimization and Controls.</p> <p>He is very passionate towards Cost optimization, Business performance management, Investments, and business case proposals, ESG Project</p>

	<p>Through his leadership, Eastern has gained global presence, and its growth in the international market continues to soar. He is the past Chairman of Confederation of Indian Industry (CII), Southern Region and Co-Chair-CII Expert Group on Doubling Farmers' Income, Member-CII National Council. Apart from this, he is also the Chairman of M E Meeran Foundation for Entrepreneurship.</p>	<p>low-quality sheet rubber, Fast-drying trolley for sheet rubber and Rubber nanocomposites with enhanced barrier properties in India, Currently he is a member of ISO TC45 and a Resource Person at Kerala Rubber Limited and an External Expert, Bureau of Indian Standards, New Delhi. Further he acts as a Visiting Professor at School of Polymer Science &amp; Technology, Mahatma Gandhi University. His consultancy work has supported over 300 MSME products and produced more than 10,000 product test reports.</p> <p>Dr.Siby Varghese has been honoured with Kerala Young Scientist Award in 1993 and Indian Young Scientist Award in 1996 and has been invited speaker in multiple countries.</p>	<p>consulting and implementation, Fund raising, Regulatory Compliances, Business valuation etc. His corporate experience from various Organizations like Cognizant Technologies, Sutherland Global Solutions, Bank of America Continuum Pvt Ltd, Genpact, Genisys Integrated Systems and Aspinwall &amp; Co. Ltd is benefiting the company. Over the years, he has been involved in sectors like Manufacturing, Shipping services, Global Capability Centers, BPO and IT development industries.</p>
Directorship held in other Companies	<p>Eastea Chai Private Limited</p> <p>Eastern Mattresses Private Limited</p> <p>Reenaz Properties Private Limited</p> <p>Freenaz Properties Private Limited</p> <p>Locus Constructions Private Limited</p>	NIL	NIL



	Meerans Properties Private Limited  Shenaz Properties Private Limited  Shehab Properties Private Limited  Domino Builders Private Limited  Eastern Retreads Private Limited  Eastern Food Speciality Formulations Private Limited  NKF Realtors Private Limited  Zero Degree OOH Private Limited		
Relationship with other Directors or Manager or Key Managerial Personnel of the Company	Mr. Navas Meeran is related with Mrs. Shereen Navas, Director of the company, is spouse of Mr. Navas Meeran	NIL	NIL
Directorship held in other listed Companies	NIL	NIL	NIL
Memberships in the Committees of Board of other listed Companies	NIL	NIL	NIL
Member / Chairperson of Board Committees	Member of Stake Holder Relationship Committee, Risk Management Committee and Finance Committee of the Company	NIL	Member of Finance Committee of the company
No. of Board Meetings attended during the financial year 2024-25 (till the date of issue of this Notice of Annual General Meeting)	5	NA	NA
No. of shares held in	1353250 (25.86%) of Equity Shares	NIL	NIL

Terms and conditions of appointment/ re- appointment along with details of remuneration sought to be paid	Appointed subject to retirement by rotation Remuneration : NIL	Appointed for a term of 5 years Eligible for sitting fee	Appointed for a term of 3 years with remuneration within the limit of 60 - 90 lakhs per annum as fixed by the board He shall be further eligible for sitting fee and ESOP/ESOS, if any as provided by the company
Details of last drawn remuneration	NIL	NA	Being in the role of Chief Executive Officer and Chief Financial Officer of the company, Mr. Devarajan Krishnan has drawn salary for an amount of Rs. 52.41 lakhs in the financial year 2024-25 and Rs. 20.96 lakhs as Chief Financial Officer in the Financial Year 2023-24.
Details of the skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	NA	<p>I. Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Appointment Rules")</p> <p>II. Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act,</p> <p>III. Declaration to the effect that he meets the criteria</p>	NIL

		<p>of independence as provided in</p> <p>sub-section (6) of Section 149 of the Act and under LODR Regulations,</p> <p>IV. Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority,</p> <p>V. Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge duties as an Independent Director of the Company;</p> <p>VI. Confirmation that he is in compliance with Rules 6(1) and 6(2) of the Appointment Rules, with</p>	
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		three financial years with Infosys Limited or its subsidiaries amounting to 10 (ten) percent or more of its gross turnover	
Resignations from listed entity in last three years	NIL	NIL	NIL

**DIRECTORS' REPORT**

Dear Member,

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report on the business operations of the Company and the audited Ind AS financial statements for the financial year ended March 31, 2025 along with comparatives.

**Financial Summary and Highlights**

The following table shows the operational results of the Company for the year 2024-25 as compared to that of the previous year.

(₹ in lakhs)

	Year ended	
	31/03/25	31/03/24
Revenue from Operations	6023	5,953
Other Income	39	24
Total Revenue	6063	5,977
Expenditure	6111	5,870
(Loss) / Profit before Interest, Depreciation and Tax	(48)	107
Depreciation/Amortization/ Impairment	84	122
Profit before Finance Costs and Tax	(132)	(15)
Finance Costs	246	297
Profit (Loss) before Tax	(378)	(312)
Tax Expense	(75)	(17)
Profit (Loss) for the year	(303)	(295)
Other comprehensive income/ (loss)	(10)	14
Total comprehensive loss for the year	(313)	(280)

**Performance**

During the financial year ending March 31, 2025, your company recorded a total income of Rs. 6063 lakhs, compared to Rs. 5,977 lakhs in the preceding year. Despite the increase in income, the Company incurred a loss before tax of Rs. 378 lakhs, as compared to a loss of Rs. 312 lakhs in the previous year. The total comprehensive loss for the year stood at Rs. 313 lakhs, as compared to Rs. 280 lakhs in the previous year. Company anticipate positive results in the upcoming financial year mainly through increase in market share in both domestic & export markets. We have already achieved this goal in the second half of financial year 2024-25 by clocking average monthly turnover of more than 300 tons. Also exports have commenced to new markets such as United States and Mexico. Due to this, we have already achieved a positive outcome in the first quarter of FY 25-26 and we expect to continue the trend in the rest of the financial year 2025-26.

## Reserves

In view of the loss incurred during the year, the Board of Directors of your Company has decided not to transfer any amount to the reserves for the year under review.

## Dividend

In view of the losses incurred during the year under review and accumulated losses of earlier years, your Directors do not recommend any dividend during the year.

## Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this Report

## Information On State Of Company's Affairs

Information on operational and financial performance etc., is provided in the Management Discussion and Analysis Report, which is annexed to the Directors' Report as **Annexure 6**.

## Change in the nature of business, if any;

There has been no change in the nature of business of the Company during the year under review.

## Capital and Debt Structure

As at the end of the financial year the authorized Equity Share Capital of the Company stands at Rs. 600 lakhs and the paid-up Share Capital stands at Rs. 523.20 Lakhs, net of Rs. 17.98 Lakhs in the forfeiture account.

The promoters controls 65.75% of the paid up equity share capital while 34.25% of the paid up equity share capital is held by public shareholders.

The Company has not issued any equity shares with differential rights, sweat equity shares, employee stock options or Employee stock purchase scheme.

However, the company allotted 900 equity shares to Mrs. Wahida Begum G, whose shares were earlier forfeited by the company due to non-payment of allotment money. Mrs. Wahida Begum G made a request to the company to allot the shares earlier applied by her for which the application money was already paid. The board at its meeting held on February 14, 2025 considered her request and allotted 900 fully paid up equity shares upon payment of the balance amount, subject to approval from the Bombay Stock Exchange. The Bombay Stock Exchange has considered the application and issued the trading approval for the aforesaid shares on May 29, 2025. However the corporate action of the 900 shares are pending with the Central Depository Services Limited as on the date of this report.

Your Company neither issued any shares with differential voting rights nor granted any stock options or sweat equity and instruments convertible into equity shares. Your Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.



As per the terms of issue (as varied), the outstanding Zero Coupon Redeemable Preference Shares are liable to be redeemed at the rate of rupees One Crore every year in a phased manner. The Company has the option to stretch the redemption until 9<sup>th</sup> February 2029, being the date of expiry of twenty years from the date of the original allotment. While the first tranche of redemption of rupees One Crore was made in FY 2016-17, no redemption was made in subsequent financial years including FY 2024-25.

It is also to be noted that the Board of Directors at its meeting held on February 14, 2019, approved the proposal to convert 9,00,000 outstanding Redeemable Preference Shares into Equity Shares by issue of equity shares through Preferential Allotment route to the Preference Shareholders. Company was in the process of getting required approvals to take further steps for the proposed conversion of Preference Shares. Currently this preference shares continues to be Zero Coupon Redeemable Preference Shares.

### Directors and Key Managerial Personnel

The composition of the Board of Directors of the Company is duly constituted as per provisions of Companies Act 2013. It is further to be noted that Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to Board composition is not applicable to the company during the year under review. The Directors and Key Managerial Personnel (“KMPs”) of the Company as on March 31, 2025 are as below:

SI No	Name of the Director/KMP	DIN/PAN	Designation
1	Navas Meeran	00128692	Chairman
2	M E Mohamed	00129005	Managing Director (KMP)
3	N Jeyaseelan	02281278	Independent Director
5	Rani Joseph	07423144	Independent Director
6	Naiju Joseph	00419362	Director
7	Shereen Navas	00328770	Director
8	Devarajan Krishnan	AFMPK6587P	Chief Executive Officer & Chief Financial Officer (KMP)
9	Abil Anil	CPKPA5304J	Company Secretary (KMP)

Mr. K. S. Neelcanta Iyer (DIN: 00328870) and Mr. M S Ranganthan (DIN: 00254692), Independent Directors retired from their office due to expiry of their term effective from May 08, 2024. The Board appointed Mr. N. Jeyaseelan (DIN: 02281278) as an Additional Director in the capacity of Non-Executive Independent Director effective from May 06, 2024. The members of the company has consented to his appointment as Independent Director by passing a special resolution at the Annual General Meeting held on September 25, 2024. Mrs. Rani Joseph (DIN: 07423144) was re-appointed as Independent Director for her second tenure effective from May 08, 2024 and the consent of the members was obtained by a special resolution passed through postal ballot.

During the year under review, following changes occurred in the composition of Director/KMP:

SI No	Name of the Director/KMP	DIN	Designation	Effective Date	Nature of Change
1	Natarajan Jayaseelan	02281278	Independent Director	May 06, 2024	Appointment
2	K. S. Neelacanta Iyer	00328870	Independent Director	May 08, 2024	Cessation
3	M. S. Ranganathan	00254692	Independent Directors	May 08, 2024	Cessation
4	Rani Joseph	07423144	Independent Director	May 08, 2024	Re-appointment
5	Devarajan Krishnan	NA	Chief Executive Officer	August 14, 2024	Appointment
6	M.E.Mohamed	00129005	Managing Director	February 14, 2025	Re-appointment

Mr. Ravi Kumar Mava, Chief Operating Officer, Senior Management Personnel, tendered his resignation effective from November 30, 2024 citing personal reasons.

The members re-appointed Mrs. Shereen Navas (DIN: 00328770), who retired by rotation at the Annual General Meeting held on September 25, 2024. Mr. Navas Meeran, having DIN: 00128692, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his reappointment at the ensuing Annual General Meeting. Further the board considered the following changes in the board composition at its meeting held on August 14, 2025;

- i. The appointment of Dr. Siby Varghese as Additional Director in the category of Independent Director effective from August 14, 2025. His appointment is proposed for a period of 5 years from August 14, 2025 till August 13, 2030 (both days inclusive) subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.
- ii. The appointment of Mr. Devarajan Krishnan, currently the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) as Additional Director in the category of Executive Director effective from August 14, 2025. Further the board has re-designated Mr. Devarajan Krishnan from the position of CEO & CFO to Whole Time Director & CFO. His appointment as WTD is proposed for a period of 3 years from August 14, 2025 till August 13, 2028 (both days inclusive) subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

The Board has considered the declarations given by independent directors under Section 149(7) with respect to meeting the criteria of independence and compliance with the Code for Independent Directors. Independent directors further declared that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and are independent of the management.

The Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity. The Directors are compliant with the applicable provisions of Companies (Appointment and Qualification of Directors) Rules, 2014.

### **Committees of the Board**

Pursuant to the requirements under the Companies Act, 2013 the Board of Directors have constituted various committees such as Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

Details of all the committees along with their main terms, composition and meetings held during the year under review are provided in the Governance Report which is annexed as **Annexure 5** of this Annual Report. The Board has accepted all recommendations of the Audit Committee during the year under review.

### **Board Evaluation**

The Board has annually evaluated the performance of the Board, its committees and individual directors. The Board evaluated the performance of Non-Executive and Independent Directors and their core skills, expertise and competencies. All the Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions. Further details of Board evaluation are provided in the Governance Report.

### **Remuneration of Directors and Employees**

The Board has considered the Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a director. The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure -1** and forms part of this Report.

In accordance with the provisions of Section 197(12) of the Act and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of remuneration of top ten employees in terms of remuneration is available on the website of the Company at <https://easterntreads.com/investor-zone/annual-reports> . There were no employees in receipt of remuneration exceeding the limits as specified in the aforesaid rule and hence, no disclosure is made for the same.

### **Internal Financial Controls**

Internal financial control and their adequacy are included in the Management Discussion and Analysis, forming part of this report.

**Frauds reported by the Auditor, if any.**

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso to Section 143(12) of the Act.

**Subsidiaries, associates and joint ventures**

The company has no subsidiaries, associates and joint ventures during the period under review.

**Deposits**

The Company has not accepted any fixed deposits during the year to which the provisions of Section 73 of the Companies Act, 2013 are applicable.

**Corporate Social Responsibility**

The company does not fall within the ambit of the provisions of Section 135 of the Companies Act 2013 regarding Corporate Social Responsibility and hence there are no disclosures to be made as per the provisions of Section 135 and Schedule VII of the Companies Act, 2013.

**Loans, Guarantees or Investments**

Details regarding loans, guarantees, or investments as per Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements. The company has made investments in Shipnext Solutions Private Limited, holding 1441550 equity shares representing a 9.69% stake in the company and there existed a corporate guarantee with Federal Bank Limited for an amount of Rs.100 lakhs, extended by the company to Shipnext Solutions Private Limited at the beginning of the financial year. However, during the year the corporate guarantee was released on August 06, 2024.

**Contracts or Arrangements with Related Parties**

There were no materially significant related party transactions which could have a potential conflict with the interests of the Company. Transactions with related parties are in the ordinary course of business at arm's length and are periodically placed before the Audit Committee and Board for its approvals and the particulars of contracts entered during the year, in Form AOC-2 is enclosed as **Annexure - 2**.

The Board of Directors, as recommended by the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. The policy on Related Party Transactions is available on the website of the Company at <https://www.easterntreads.com/investor-zone/policies-downloads>. The details of the transactions with related parties during the financial year are provided in the financial statements as well as in the website of the company at <https://easterntreads.com/investor-zone/annual-reports>.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Your Company continues its efforts to improve energy conservation and utilization most efficiently to nurture and preserve the environment and to exploit all its avenues to adopt latest technology in its operations. The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies

(Accounts) Rules, 2014, regarding Conservation of Energy, Technology Absorption, Foreign Exchange Inflow and Outflow are given in **Annexure - 3** to this report.

### **Risk Management**

The Company has developed and implemented a risk management policy, and formed a Risk Management Committee to address and evaluate various risks impacting the Company and a report on risk management is provided in this Annual Report in Management Discussion and Analysis. The Risk Management Committee of the Company has not identified any elements of risk which in their opinion may threaten the existence of your Company.

### **Vigil Mechanism**

A Vigil Mechanism for directors and employees to report genuine concerns has been established as required under the provisions of Section 177 of the Companies Act, 2013. The Vigil Mechanism Policy has been uploaded on the website of the Company at <https://www.easterntreads.com/investor-zone/policies-downloads>.

### **Material Orders of Judicial Bodies / Regulators**

No significant and material orders were passed by Courts, Tribunals and other Regulatory Authorities affecting the going concern status of the Company's operations. However the Company has received the following orders from Income Tax Department.

1. The Company has received an order under section 143(3) read with section 144B of the Income tax Act, 1961 from the Income Tax Department. The penalty proceedings under section 274 read with section 271AAC(1) of Income-tax Act, 1961 is initiated as the company has received Notice under Section 156 of the Income-Tax Act, 1961 demanding a sum of Rs. 1.90 Crores. The Order and the Demand Notice alleges an expenditure adding to a sum of Rs. 1.98 Crores to the suppliers to be unexplained expenditure under Section 69(C) of the Income-tax Act, 1961. Consequently, the taxable income for Assessment Year 2023-24 has been reassessed by disallowing the expenditure amount of Rs. 1.98 Crores and thereby increasing the taxable income of the Company.

The company believes that the imposition of the aforesaid penalty due to absence of third-party response is not maintainable particularly when all documentary evidences proving the genuineness of transactions are on record. Hence, the company has filed an appeal against the order dated March 25, 2025 to Joint Commissioner (Appeals) or the Commissioner of Income Tax under Income Tax Act, 1961.

2. The Company has received an Intimation Letter dated March 31, 2025 from Principal Commissioner of Income Tax Department, Government of India including an order under Section 263 of the Income Tax Act, 1961, concluding the revision proceeding pertained to misstatement of Rs. 48.24 Lakhs as "Provision for bad or doubtful advances" instead of "Bad debts written off". The amount was mistakenly referred to as 'Provision for bad and doubtful advances' instead of "Bad debts written off" in the Assessment Year 2015-16. The company has claimed the aforesaid expenditure towards provision for bad and doubtful debts u/s. 36(1)(viiia). This has resulted in escapement of income to the tune of Rs. 48.24 Lakhs resulting in short levy of tax for an amount of Rs.30.68 Lakhs. National Faceless Assessment Centre (NaFAC) passed an order disallowing the expenditure and imposed tax. The

company was aggrieved by the order and appealed to the Appellate Authority. Subsequently Principal Commissioner of Income Tax Department, Government of India passed an order dated March 31, 2025 eliminating the uncertainty and potential liability associated with the dispute.

### **Statutory Auditors and Auditors' Report**

In accordance with Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. G Joseph & Associates, Chartered Accountants, Kochi were appointed as the Statutory Auditors of the Company at the 29<sup>th</sup> Annual General Meeting for a tenure of five years, from the conclusion the 29<sup>th</sup> Annual General Meeting till conclusion of 34<sup>th</sup> Annual General Meeting. Necessary certificate has been obtained from the Auditors as per Section 139(1) of the Companies Act, 2013. The Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. There were no qualifications, reservation or adverse remarks given in the Statutory Auditors Report. No offence of fraud was reported by the Statutory Auditor of the Company.

### **Secretarial Audit Report**

The Company has appointed M/s. BVR & Associates Company Secretaries LLP as the Secretarial Auditors of the Company for the period under review and the secretarial audit report on the compliance of the applicable Acts, Laws, Rules, Regulations, Guidelines, Listing Agreement, Standards etc. as stipulated by Section 204 of the Companies Act 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 forms part of this report as **Annexure - 4**. There were no qualifications, reservation or adverse remarks given in the Secretarial Audit Report. No offence of fraud was reported by the Secretarial Auditor of the Company. Further, Regulation 24 and 24A of SEBI (LODR) Regulations, 2015 is not applicable to the Company. The Company has re-appointed M/s. BVR & Associates Company Secretaries LLP as the Secretarial Auditors for the financial year 2025-26 at the meeting held on August 14, 2025.

### **Cost Records and Cost Audit**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 the Cost Audit Report is not mandatorily applicable to our Company for the financial year, hence, no such audit has been carried out during the year. The Cost accounts and records as required to be maintained under Section 148 (1) of Act are duly made and maintained by the Company.

### **Secretarial Standards**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

### **Corporate Insolvency Resolution Process**

No application filed for corporate insolvency resolution process, by financial or operational creditor or by the Company under The Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal during the year.



## Annual Return

In compliance with Section 92 and Section 134 of the Companies Act, 2013 the Annual Return in the prescribed format is available at <https://www.easterntreads.com/reports/Annual+Reports>

## Listing and Dematerialization

The equity shares of the Company are listed on the BSE Limited. The equity shares of the Company were not suspended from trading during the year. Shareholders are requested to convert their holdings to dematerialized form to derive its benefits by availing the demat facility provided by NSDL and CDSL.

## Corporate Governance Report

Your Company has been complying with the principles of good Corporate Governance over the years and is committed to the highest standards of compliance. Pursuant to Regulation 15(2) of the SEBI (LODR) Regulations 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V shall not apply to the Company. Hence the company has claimed exemptions with respect to the aforesaid regulations including the Corporate Governance provisions and the report. However, a Governance Report on the practices which are voluntarily followed in the company is disclosed as a means of communication to the shareholders and is annexed as **Annexure-5**.

## Management Discussion and Analysis Report

As required under SEBI (LODR) Regulations 2015 the Management Discussion and Analysis Report is annexed as **Annexure – 6** and forms part of this Report.

## Employee Wellbeing and Safety

Your Company has implemented policies and procedures with the objective of ensuring employee safety, security and wellbeing at the workplace. As stated in our Code of Conduct, we are committed to provide a gender friendly workplace, equal opportunities for men and women, prevent/redress sexual harassment and institute good employment practices. The Company has adopted policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013. The employees including their dependent family members are covered under group Medclaim policies, which gives them access to cashless claims across wide network of hospitals.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the year:

- |  |   |     |
|--|---|-----|
| a) Number of complaints pending at the beginning of the year | : | Nil |
| b) Number of complaints received during the year             | : | Nil |
| c) Number of complaints disposed off during the year         | : | Nil |
| d) Number of cases pending for more than 90 days             | : | Nil |
| e) Number of cases pending at the end of the year            | : | Nil |

During the year ended we had complied with provisions of Maternity Benefit Act and the disclosures with respect to the same is disclosed under:

- |   |   |     |
|---|---|-----|
| a) Paid maternity leave                 | : | Nil |
| b) Medical bonuses                      | : | Nil |
| c) Nursing breaks                       | : | Nil |
| d) Creche facilities (where applicable) | : | Nil |

During the period under review there were 16 female employees and 192 male employees in the company.

### Directors' Responsibility Statement

Pursuant to the requirement of Section 134 (3) and (5) of the Companies Act, 2013, your Directors confirm that:

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there are no material departures.
- (b) Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the loss of the Company for that period.
- (c) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- (d) Prepared the Annual Accounts on a going concern basis.
- (e) Devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (f) Had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

### Other Disclosures

Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof: NIL

### Acknowledgement

Your Directors wish to place on record their gratitude to Bankers, Share Transfer Agents, Auditors, Customers, Suppliers and Regulatory Authorities for their timely and valuable assistance and support. The Board values and appreciates the professionalism, commitment and dedication displayed by employees at all levels. Your Directors are thankful to the shareholders for their continued support and confidence.

**For and on behalf of the Board**

Ernakulam

sd/-

August 14, 2025

Navas Meeran  
Chairman

DIN: 00128692

## Annexure - 1

**DIRECTORS'/ EMPLOYEES REMUNERATION**

[Pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- 1) Ratio of the remuneration of each Director to the median remuneration of the employees and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2024-25 are as follows:

Name of Director / KMP	M.E Mohamed	Devarajan Krishnan	Abil Anil
Designation	MD	CEO & CFO	CS
Ratio of remuneration of each Director	5.25	NA	NA
% increase/(decrease) in remuneration of Directors & KMP in the FY 2024-25	5	66	12

- 2) The percentage increase in the median remuneration of employees in the financial year was 5%.
- 3) There were 208 permanent employees on the rolls of Company as on March 31, 2025.
- 4) Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year 2024-25 was 5%, whereas the percentile increase in the managerial remuneration (including remuneration to WKMPs) for the same financial year was 5%. The increase in remuneration was in line with the performance of the Company, industrial standards and individual employee's performance.
- 5) Key parameters for any variable components availed by the directors : NIL
- 6) It is hereby affirmed that the remuneration paid during the year 2024-25 is as per the Remuneration Policy of the Company.
- 7) None of the employees is in receipt of remuneration in excess of the limit laid down under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Note: -**

1. None of the Directors except Mr. M.E Mohamed, Managing Director received any remuneration other than sitting fees during the financial year 2024-25.
2. Median remuneration of the employees is calculated on the basis of remuneration details of employees including the Managing Director.

## Annexure - 2

## FORM NO. AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act  
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements  
entered into by the Company with related parties

Referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013  
Including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts, arrangements, or transactions entered into during the year ended March 31, 2025, which were not at arm's length basis.

**Details of material contracts or arrangement or transactions at arm's length basis:**

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2025, as required to be reported under Section 134 of the Companies Act, 2013 Rule 8(2) of the Companies (Accounts) Rules, 2014 and SEBI (LODR) Regulations read with policy for determination of materiality of events/ information of the Company.

**For and on behalf of the Board of Directors**

Ernakulam  
August 14, 2025

sd/-  
Navas Meeran  
Chairman  
DIN: 00128692

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As per Section 134(3) (m) of the Companies Act, 2013  
read with Rule 8 of the Companies (Accounts) Rules, 2014

### A. Conservation of Energy

(i). Steps taken or impact on conservation of energy	Towards conservation of energy, the Company has been focusing on continual improvement for efficient utilization of all kinds of energy sources. With innovative methods in manufacturing process, maintenance and distribution systems, we have reduced the energy utilization. As a measure towards optimum use of natural resources, the company ensures 100% recycling of the leftover rubber and other materials generated during various stages of manufacturing process.
(ii). Steps taken by the Company for utilizing alternate sources of energy	The Company continue using fire wood/rubber wood, as the fuel for thermic fluid heater saving fossil fuels. Company is planning to utilize alternate sources of energy like liquefied gas in its operations.
(iii). Capital investment on energy conservation equipment.	Most of the projects related to energy conservation were done without much capital investment.

### B. Technology Absorption

As an integral part of our continual efforts for implementing innovative technology for enhancing customer satisfaction we have successfully invented new retreading rubber matching with original new tyre performance. Utilizing high performance retread rubber helps to extend life of tyre twice or thrice depends on casing strength of the original tyre.

To illustrate the safety and durability of retreaded tyres we have undertaken a project of performance certification of retreaded tyres vs new tyres in its all range applications in collaboration with Rubber Board, Government of India. Its interim performance report is highly promising for Tyre retreading industry. The R&D department is further working on new materials, compounds, processing methodologies and product designs to meet both national as well as international requirements at optimum costs.

The Company would undertake appropriate R&D activities depending up on the future requirements too. The Company use latest technology and operates at international standards. No technology has been imported by the Company during the period.

### C. Foreign exchange earnings and Outgo

The Foreign Exchange inflows and outgo during the year are as follows:-

Particulars	(₹ in Lakhs)
Foreign exchange inflows	408.77
Foreign exchange outflows	0

**For and on behalf of the Board of Directors**

Ernakulam

August 14, 2025

sd/-  
Navas Meeran  
Chairman  
DIN: 00128692

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and

RuleNo.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

EASTERN TREADS LIMITED

CIN: L25119KL1993PLC007213.

We, BVR & Associates Company Secretaries LLP, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Eastern Treads Limited** (CIN: L25119KL1993PLC007213) (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Eastern Treads Limited's** books, papers, minutes book, forms and returns filed and other records produced to us and according to the information and explanations given to us by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31/03/2025 complied with the provisions of the Companies Act, 2013 (Act) and the Rules made there under, the Memorandum and Articles of Association of the Company and also applicable provisions of the aforesaid laws, standards, guidelines, agreements, etc.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Eastern Treads Limited** ("the Company") for the financial year ended on 31/03/2025 according to the provisions of:

1. The Companies Act, 2013 and the Rules made there under.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under.
3. The Depositories Act, 2018 and the Regulations and Bye-laws framed there under.
4. Foreign Exchange Management Act, 1999 and the applicable rules and regulations made there under.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.



- d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
6. The Listing Agreement has been entered into by the Company with BSE Limited.
7. As informed to us the following other Laws specifically applicable to the Company as under:
- 1) The Factories Act, 1948.
  - 2) The Competition Act, 2002.
  - 3) The Kerala Panchayat Raj Act, 1994.
  - 4) Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013.
  - 5) The Petroleum Act, 1934.
  - 6) The Rubber Act 1947.

**We have also examined compliance with the applicable clauses of the following:**

Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations noted against each legislation.

In respect of other laws specifically applicable to the Company, we have relied on information/ records produced by the Company during the course of our audit and the reporting is limited to that extent.

**We report that, during the year under review:**

- 1. The status of the Company during the financial year has been that of a Listed Public Company
- 2. The Company has no Subsidiaries, associates and joint ventures during the period under review.
- 3. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Woman Director. Adequate notice is given to all directors to schedule the Board Meetings, and agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- 4. The composition of the Board of Directors of the company is duly constituted.

5. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.
6. The Directors have complied with the requirements as to Disclosure of Interests and concerns in Contracts and Arrangements, Shareholdings/Debenture holdings and Directorships in other companies and interests in other entities.
7. The company provided a guarantee on behalf of Ship next Solutions Private Limited for a loan obtained from Federal Bank amounting to Rs. 100 lakhs and this guarantee has been settled as of the date of this report. The Company had invested in Ship next Solutions Private Limited and holds 1441550 equity shares aggregating to 9.69% holding in the shares.
8. The amount borrowed by the Company from its directors, members, bank(s)/ financial institution(s) and others were within the borrowing limits of the Company. Such borrowings were made by the Company in compliance with applicable laws.
9. The Company has not defaulted in the repayment of unsecured loans, facilities granted by bank(s)/ financial institution(s) or non-banking financial companies. The Company has not issued Debentures / collected Public Deposits.
10. Company has created /modified or satisfied charges on the assets of the Company and complied with the applicable provisions of Companies Act 2013 and other Laws.
11. All registrations under the various States and Local Laws as applicable to the Company are valid.
12. The Company has not issued and allotted the securities during the period under scrutiny.
13. The Company has not declared and paid dividends to its shareholders during the period under scrutiny.
14. The Company has not issued debentures and not accepted fixed deposits.
15. The Company has paid all its statutory dues and satisfactory arrangements have been made for arrears of any such dues.
16. The Company being a listed entity has complied with the provisions of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
17. The Company has provided a list of statutes in addition to the laws as mentioned above and it has been observed that there are proper systems in place to ensure compliance of all laws applicable to the company.

**We further report that:**

1. The Company has followed the Secretarial Standards issued by the Institute of Company Secretaries of India.
2. The Listing Agreement has been entered into by the Company with BSE Limited. The Company has complied with the provisions of Equity listing Agreements and the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It was observed that the Company received a fine of Rs. 10,000/- from the Securities and Exchange Board of India (SEBI) for delay in furnishing prior intimation regarding the meeting of the Board of Directors, as required under Regulation 29(2)/29(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the month of August, 2024. However, the said fine has been duly paid by the Company within the stipulated time as mentioned in the notice issued by SEBI.

3. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
4. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the Regulations.
5. The provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable for the company during the period under scrutiny.
6. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to grant of Stock Options and implementation of the Schemes are not applicable for the company during the period under scrutiny.
7. The provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable for the company during the period under scrutiny.
8. The Company has complied with the provisions of the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
9. The provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 with regard to buy back of Equity Shares are not applicable for the Company during the period under scrutiny.
10. The Company has complied with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 including the provisions with regard to disclosures and maintenance of records required under the Regulations.
11. The Company had complied with the provisions of The Competition Act, 2002 with regard to prohibition of anti-competitive agreements, abuse of dominance and ensuring of competition advocacy. As per the verification, the Company is ensuring fair competition in the market among its competitors.
12. The Company has not received any Investor Complaints under Regulation 13 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
13. The Company is not required to submit the Corporate Governance Report as required under the Regulation 27(2) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Company's paid-up equity share capital not exceeding Rupees Ten Crores and net worth not exceeding Rupees Twenty-Five Crores as on the last day last day of Previous Financial Year.

**We further report that:**

The compliance with regard to the following Acts is pointed out below:

1. The Factories Act, 1948.
  - a. Factory license is valid up to 31/12/2025.
  - b. Statutory registers as per Factories Act has been maintained.
2. The Competition Act 2002.

Overall Compliance under the Act complied by the Company.
3. The Kerala Panchayat Raj Act 1994.
  - a) The Panchayati Raj License is valid up to 31/03/2025.
  - b) The License to Dangerous and Offensive Trades is valid as on date and the Company has complied with the provisions of this Act. Necessary steps were taken by the Company for renewing all the Licenses during the period under review.
4. Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013.
  - a. The Company has a Policy and has constituted a committee against the Sexual Harassment of Women at Work Place and the policy has been published in the website of the company.
  - b. As per the information and records available from the Company there were no complaints during the financial year in this regard and the Company ensures protection to the women employees.
5. The Petroleum Act, 1934.
  - a. Overall Compliance under the Act complied by the Company.
  - b. The Company has obtained a valid license from the Petroleum & explosives safety organization and the license is valid up to 31/12/2025
6. The Rubber Act 1947.
  - a. Overall Compliance under the Act complied by the Company.
  - b. The License from Rubber Board for acquisition and sale is valid till 31/03/2028.
7. The Company has obtained integrated consent to operate license from Kerala State Pollution Control Board and the same is valid up to 30/06/2028.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**CS N. BALASUBRAMANIAN**  
**DESIGNATED PARTNER**  
**BVR & ASSOCIATES COMPANY SECRETARIES LLP**  
**MEMBERSHIP NUMBER: F6439**  
**CERTIFICATE OF PRACTICE NO: 4996**

Place: Ernakulam  
Date: 13.05.2025

**UDIN: FO06439G000328816**  
**PEER REVIEW NUMBER: P2010KE020500**

**‘ANNEXURE’**

To

**The Members**

**EASTERN TREADS LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the Compliance of Laws, Rules and Regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For and on behalf of BVR & ASSOCIATES COMPANY SECRETARIES LLP**

**CS N. BALASUBRAMANIAN**

**DESIGNATED PARTNER**

**& ASSOCIATES COMPANY SECRETARIES LLP**

**M. NO: F6439**

**C P. NO: 4996**

Place: Ernakulam

Date: 13.05.2025

**UDIN: FO06439G000328816**

**PEER REVIEW NO: P2010KE020500**

## GOVERNANCE REPORT

Pursuant to the Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the requirement of compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V is not mandatory to the Company. Accordingly, the Board at its meeting held on 13 September 2021 decided to opt this exemption. However, as a part of good Governance, the governance practices followed by your company is furnished below for the purpose of communication to the shareholders.

### Philosophy on Corporate Governance

The Company has established a reputation for honesty and integrity. While focusing on Corporate Governance, we practice the highest standards of ethical and responsible business culture and thereby enhance the value of all stakeholders. It is a combination of voluntary practices and compliance with laws and regulations in all areas of its operations and in its interactions with the stakeholders. It provides direction and control to the affairs of the Company.

Your Company is fully committed to practice sound Corporate Governance and uphold the highest business standards in conducting business. The Company has always worked towards building trust with all its stakeholders based on the principles of good corporate governance. Your Company is guided by a key set of values for all its internal and external interactions. The Company is open, accessible and consistent with its communication.

### Board of Directors

The Board consist of one Executive Director and Five Non-Executive Directors that includes a Woman Director and Independent Directors. A Non-Executive Director has been appointed as Chairman of the Company. The Composition, category and attendance of each Director at the Board and Annual General Meeting and number of other Directorship and Chairmanship / Membership of Committee of each Director in various companies are as follows:

Name of the Director	Category	Attendance Particulars		No. of other Directorships		Committee membership	
		Board Meetings	Last AGM	Director#	Chairman	Member	Chairman
Mr. Navas Meeran	P, C & NE	5	Yes	13	None	None	None
Mr. M.E. Mohamed	MD & ED	5	Yes	4	None	None	None
Mrs. Shereen Navas	P&NE	2	Yes	8	None	None	None
Mr. Naiju Joseph	NE	6	Yes	1	None	None	None



Mrs. Rani Joseph	NE & I	6	Yes	2	None	None	None
Mr. Natarajan Jeyaseelan	NE & I	5	Yes	2	None	None	None

*C: Chairman; P: Promoter/promoter group; E: Executive Director;*

*N: Nominee Director (Nominee of KSIDC)*

*I: Independent Director; NE: Non-Executive Director; MD: Managing Director;*

*# Includes directorships in Public and Private Ltd companies.*

Mrs. Shereen Navas, wife of Mr. Navas Meeran, Chairman occupy the position of woman director in the Board. No other director of the Company is relative of any other director of the Company.

Mr. Navas Meeran, Chairman hold 13,53,250 (25.86%) Equity Shares of Rs. 10 and 720000 (80%) zero coupon redeemable preference shares of Rs. 100 each of the Company. Regarding the details of number of shares held by non-executive directors, please refer the Annual Return, available at the website of the company, <https://easterntreads.com/investor-zone/annual-reports>. None of the Directors of the Company holds any convertible instruments in the Company. None of the above directors are holding directorship in other listed companies.

Knowledge in the industry in which the Company operates, its business, policies and culture, attributes and competencies to use their knowledge and skills, Strategic thinking and decision making, Financial skills, Technical or Professional skills and knowledge to direct the business of the Company are the core skills, expertise and competencies identified by the Board of Directors, as required in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The information about the director as required to be provided pursuant to SEBI (LODR) Regulations, 2015, furnished in the notice to Annual General Meeting.

### Number and date of Board Meetings

Six Board meetings were held during the year. The Board meets at least once in a quarter with a gap of not more than 120 days between any two meetings. The details of the Board meetings are as under.

Sl.No.	Date	Board Strength	Directors present	Sl.No.	Date	Board Strength	Directors present
1	May 06, 2024	7	7	5	January 23, 2025	6	6
2	May 29, 2024	7	4	6	February 14, 2025	6	4
3	August 12, 2024	6	5				
4	November 11, 2024	6	5				

### Independent Directors

The Company has complied with the provisions of Section 149(6) Companies Act, 2013 with respect to the appointment of Independent Directors. The Company obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

Appropriate orientation sessions were given to Directors to get involvement on Company's culture, organization structure, business, constitution, board procedures and risks and management strategy of the Company. The Board evaluated the performance of Non-executive and Independent Directors. All the Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

The Independent Directors held a meeting on March 31, 2025 without the attendance of Non-Independent Directors and members of Management. All Independent Directors were present at the meeting. The Independent Directors reviewed the performance of non-independent directors, the Board and the Chairman as well as the information flow structure of the Company.

### **Audit Committee**

The Audit Committee is duly constituted in accordance with the Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014. It adheres to the terms of reference, prepared in compliance with Section 177 of the Companies Act, 2013. The Members of the Committee are:

Name	Category	Position
Mr. N. Jayaseelan	Non-Executive Independent Director	Chairman
Mrs. Rani Joseph	Non-Executive Independent Director	Member
Mr. M.E. Mohamed	Managing Director	Member

Two third of the members are Independent Directors and members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws. The Audit Committee shall oversee financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors' qualifications, compliance with Accounting Standards etc. and oversee compliance with Stock Exchanges and legal requirements concerning financial statements and fixing audit fee as well as payment for other services etc.

Four Audit Committee meetings held during the year 2024-25 at the Registered Office of the Company on May 29, 2024, August 12, 2024, November 12, 2024 and February 14, 2025. The Chairman and other members of the Committee, representatives of Internal and Statutory Auditors and Chief Financial Officer, attended all the meetings. The Company Secretary acts as Secretary to the Audit Committee and no personnel has been denied access to the audit committee. The internal auditor is reporting directly to the Audit Committee. The Chairman of the Audit Committee was present at the Annual General Meeting held on September 25, 2024 to answer the shareholders' queries.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014. The Committee Members are:

Name	Category	Position
Mr. N. Jayaseelan	Non-Executive Independent Director	Chairman
Mrs. Rani Joseph	Non-Executive Independent Director	Member
Mr. Naiju Joseph	Non-Executive Director	Member

The Company Secretary acts as the Secretary to the Committee. The Committee formulates criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board the policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees and evaluation of Independent Directors and the Board. It identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

The Nomination and Remuneration Committee held meeting on May 06, 2024, November 11, 2024 and February 14, 2025, all members attended the meeting.

## Remuneration Policy

The remuneration policy is in consonance with the existing industry practice and also with the provisions of the Companies Act, 2013. The Board of Directors has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees. The Company's remuneration policy is driven by the success and performance of the individual employee and the performance of the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The said policy is available on the website of the company, <https://easterntreads.com/investor-zone/policies-downloads>.

## Remuneration paid to Directors

The company has paid remuneration to Mr. M. E. Mohamed, Managing Director an amount of Rs. 13.80 Lakhs (inclusive of Basic salary, HRA, Other Allowance and Perquisites) during FY 2024-25.

The details of remuneration/sitting fee paid to Directors during the financial year are as given in the notes to the Financial statements. Other than sitting fee the Company has not paid any remuneration such as salary, benefits, bonuses, stock options, pension, performance linked incentives etc. to other directors and there is no other pecuniary relationship or transactions between the Company and the non-executive directors, other than the related party transactions as reported in the notes to Financial statements.

## Stakeholders Relationship Committee

The Stakeholders Relationship Committee constituted in compliance with the Section 178 of the Companies Act, 2013. The Company Secretary acts as the Secretary to the Committee. The Members of the Committee are:

Name	Category	Position
Mr. Navas Meeran	Non-Executive Director	Chairman
Mr. M E Mohamed	Managing Director	Member
Mrs. Rani Joseph	Non-Executive Independent Director	Member

The Stakeholders Relationship Committee looks into shareholders' complaints, complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrars and Transfer Agent, and recommends measures for overall improvement in the quality of investor services.

The Stakeholders Relationship Committee held meetings on November 12, 2025 and February 14, 2025 at which all members attended the meeting.

The Company complied with the requirements of SCORES and Smart ODR platform, initiated by SEBI for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders' complaints. No complaints from the shareholders received during the financial year and there were no outstanding complaints as on March 31, 2025.

### **Risk Management Committee**

The Risk Management Committee constituted as a part of good corporate governance practice. The Company Secretary acts as the Secretary to the Committee and the members of the Committee are:

Name	Category	Position
Mr. Navas Meeran	Non-Executive	Chairman
Mr. M.E. Mohamed	Managing Director	Member
Mrs. Rani Joseph	Non-Executive Independent Director	Member

The Risk Management Committee had a meeting on August 13, 2024 at which all members were present. The Committee reviewed the risk management plan of the Company and its status of its implementation. The risk management plans and procedure implemented by the Company in its operation are adequate with respect to the operational risks in the business of the Company.

### **General Body Meetings**

#### **A. Annual General Meeting**

The location and time for last three Annual General Meetings are as follows:

Year	Venue	Date	Day	Time	Special Resolution passed
23-24	Registered Office, through (VC) / (OAVM)	25/09/2024	Wednesday	11.00 AM	Yes
22-23	Registered Office, through (VC) / (OAVM)	29/09/2023	Friday	11:00 AM	Yes
21-22	Registered Office, through (VC) / (OAVM)	29/09/2022	Thursday	4:00 PM	Yes

#### **B. Extra Ordinary General Meeting**

No Extraordinary General Meeting was held during the financial year or immediately preceding financial year.

**C. Postal Ballot**

During the period under review a postal ballot was issued dated February 14, 2025 with respect to the following items and the special resolutions proposed were duly passed by the members through e-voting and the scrutinizers report issued by CS Puzhankara Sivakumar, Managing Partner, SEP & Associates, dated March 26, 2025 were published by the company and is available at the website of the company at [www.easterntreads.com/brochures/1743075158.pdf](http://www.easterntreads.com/brochures/1743075158.pdf).

SI No	Items
1	Appointment of Mr. M E Mohamed (DIN: 00129005) as Managing Director
2	Approval for Related Party Transactions between Eastern Treads Limited and Eastern Retreads Private Limited.
3	Re-appointment of Mrs. Rani Joseph (DIN: 07423144) as Independent Director.

**D. Special Resolutions passed in the last 3 Annual General Meetings**

SI No	Item	Year
1	Appointment of Mr. Jeyaseelan Natarajan (DIN 02281278) as an Independent Director of the Company	2023-24
2	Approval of Related Party Transaction with Fleetaid Professional Private Limited.	2022-23
3	Re-appointment of Mr. M E Mohamed (DIN: 00129005) Managing Director	2021-22

**Financial Calendar (Tentative)**

Annual General Meeting	: September 25, 2025
Quarterly Financial Results	: Within 45 days of the end of each quarter
Audited yearly results - year ended 31 March 2026	: Within 60 days of the end of financial year

**Means of Communication**

The quarterly financial results, after their approval by the Board of Directors, promptly issued to the Stock Exchange (BSE). These Quarterly Financial Results normally published in "Business Line" or "Deepika" and posted on the Company's website: [www.easterntreads.com](http://www.easterntreads.com). The Company's website also displays all official news releases, if any and the presentations made to institutional investors or to the analysts. All material information about the Company promptly sent to the Stock Exchanges.

Annual General Meeting		Book Closure & Record Date	
Date	: September 25, 2025	Book Closure	: Nil
Time	: 11.00 A.M		
Mode	: VC /OAV	Cut-off Date	: Friday, September 19, 2025 (for entitlement to e-voting)
MVenue	: Registered Office		
(Deemed)	Eastern Corporate Office, NH Bypass, Edappally, Kochi, Ernakulam-682 024, Kerala		

### Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets. No penalties or strictures imposed on the Company by Stock Exchanges or SEBI and other Statutory Authorities on matters related to capital markets during the last three years except a fine of Rs.10,000/- penalized by the Securities and Exchange Board of India (SEBI) for delay in furnishing prior intimation regarding the meeting of the Board of Directors, as required under Regulation 29(2)/29(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the month of August, 2024. However, the said fine has been duly paid by the Company within the stipulated time as mentioned in the notice issued by SEBI.

The Board quarterly reviews the compliance report on applicable laws to the Company as well as steps taken by the Company to rectify the instances of non-compliance, if any.

### Code of Conduct

The Board approved and adopted the Code of Conduct including Code of Conduct for Prevention of Insider Trading and Whistle Blower Policy as applicable to the Board Members and the Senior Management Personnel of the Company. The Code has made available in the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code and a declaration to this effect signed by the Managing Director annexed to this report.

### Listing on Stock Exchange

The equity shares of the Company are listed on the BSE Ltd. The Company has paid the annual listing fees for the year 2024-25 to BSE Ltd and the annual custodial fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within due dates.

Stock Code & Demat ISIN Number	Registrar and Share Transfer Agent
Scrip Code No. : 531346 Trading Symbol : EASTRED Demat ISIN Number : INE500D01015	Integrated Registry Management Services (P) Ltd 2 <sup>nd</sup> Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600017 Phone: 044 28140801, 28140803, Fax; 044 – 28143378, 28142479 E-mail: corpserve@integratedindia.in

### Market Price Data: High, Low during Each Month in Last Financial Year

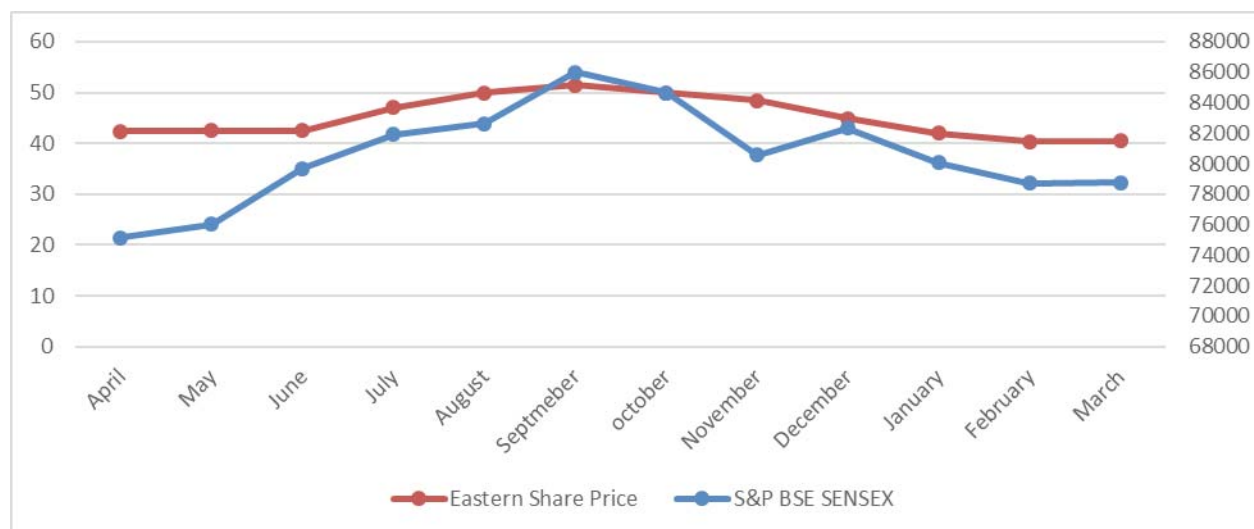
(Amount in ₹)

Month	BSE		Month	BSE	
	High Price	Low Price		High Price	Low Price
April, 2024	42.40	35.40	October, 2024	49.95	40.00
May, 2024	42.50	35.38	November, 2024	48.49	39.00
June, 2024	42.50	34.01	December, 2024	44.90	35.00



July, 2024	47.00	35.16	January, 2025	41.99	34.00
August, 2024	50.00	41.00	February, 2025	40.39	33.99
September, 2024	51.40	41.50	March, 2025	40.50	30.00

#### Performance in Comparison to Broad-based Indices such as BSE SENSEX



#### Share Transfer System

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Share Transfer Committee of the Board of Directors constituted for this purpose. A summary of transfer / transmission of the securities of the Company so approved by the Share Transfer Committee have placed at every Board meeting. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialised form. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form.

The share transmission/transposition were processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects and confirmation is given to NSDL and CDSL. No request for share transmission/transposition was pending as on 31/03/2025. Shares held in dematerialized form are electronically traded and the Registrars and Share Transfer Agent of the Company periodically receive from the Depository, the beneficiary holdings to update their records. Company obtained half-yearly certificate in compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulations 2015 from a Company Secretary in practice and submitted the certificate with the Stock Exchanges within the prescribed time limit.

#### Special Window for Physical Share Transfer

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 2, 2025, a special six-month window has been announced—from July 7, 2025, to January 6, 2026 allowing investors to re-lodge physical share transfer requests that were previously rejected or returned due to document deficiencies.

SEBI had discontinued the transfer of securities in physical form effective from April 1, 2019. However, it had allowed re-lodgement of transfer deeds originally submitted before this date if they were rejected due to documentation issues, with a prior deadline of March 31, 2021. In response to representations from investors, RTAs, and listed companies, SEBI has now provided a final opportunity to re-submit such transfer deeds to

shareholders who missed the earlier cut-off date or couldn't complete the transfer due to document issues. All transfers under this window must be completed in dematerialized (demat) mode only.

Shareholders wishing to transfer their physical shares are advised to make use of this final re-lodgement window.

#### Distribution of Shareholding as on March 31, 2025

Category	No. of shareholders	% of shareholders	No. of shares Holding	% Shares
<b>Equity</b>				
Up to 500	1936	85.93	217437	4.16
501 – 1000	177	7.86	148796	2.84
1001 – 2000	52	2.31	80246	1.53
2001 – 3000	25	1.11	62837	1.20
3001 – 4000	11	0.49	40237	0.77
4001 – 5000	9	0.40	42630	0.81
5001 – 10000	24	1.07	172926	3.31
Above 10000	19	0.84	4466891	85.38
<b>Total</b>	<b>2253</b>	<b>100.00</b>	<b>5232000</b>	<b>100.00</b>
<b>Preference</b>				
Above 10000	2	100.00	900000	100.00
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>900000</b>	<b>100.00</b>

#### Shareholding Pattern as on March 31, 2025

Category	Equity				Preference		
	No. of holders	%	No. of shares	%	No. of holders	No. of shares	%
Promoters	9	0.44	3439907	65.75	2	900000	100
Body Corporate	15	0.67	62535	1.20	-	-	-
NRI / OCB	26	1.15	13092	0.25	-	-	-
Public	2178	96.67	1371723	26.22	-	-	-
HUF	23	1.02	36560	0.69			
IEPF	1	0.05	308183	5.90	-	-	-
<b>Total :</b>	<b>2252</b>	<b>100.00</b>	<b>5232000</b>	<b>100.00</b>	<b>2</b>	<b>900000</b>	<b>100</b>

**Dematerialization of Shares and Liquidity**

As on 31 March 2025, 94.94% of the Company's total paid up equity capital representing 4967400 equity shares as in dematerialized form. The balance 5.06% equity representing 264600 shares are held in physical form.

**Convertible Instruments**

Outstanding GDRs, ADRs, Warrants, Convertible instruments, conversion date and likely impact on equity are not applicable.

**Plant Location**

The factory is located at Eastern Treads Limited, Oonnukal P.O, Kothamangalam, Ernakulam District, Kerala

**Credit Rating**

The credit ratings obtained by the Company during financial year 2024-25 from CRISIL are as follows:

Total Bank Loan Facilities rated	: ₹ 3050 Lakhs
Long term ratings	: CRISIL B/Stable (Downgraded from 'CRISIL BB- / Stable')
Short term ratings	: CRISIL A4 (Downgraded from 'CRISIL A4+')

**Commodity price risk or foreign exchange risk and hedging activities**

Commodity prices of natural rubber will affect the Company due to its disparity in demand and supply, weather conditions, market expectations etc. that will affect the price fluctuations. The Company manages these price fluctuations by actively managing the sourcing and private purchases. With continuous monitoring and market intelligence the purchase department, take appropriate strategy to deal with the market volatility. The export and import operations of the Company is exposed to foreign exchange risk, which can influence the profitability. Presently the Company has not executed foreign currency hedging to manage this risk.

**Investor Education and Protection Fund**

Pursuant to Section 124(5) of the Companies Act, 2013 the amount of dividends that remain unclaimed/unpaid for a period of seven years from the date on which they were declared shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, pursuant to Section 124(6) read with Rule 6 of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 members whose dividend amount has not been paid or claimed for seven consecutive years or more, the shares held by them shall be credited to the DEMAT Account of the Investor Education and Protection Fund Authority (IEPFA).

During the financial year 2024-25, with respect to dividend declared by the company for the financial year 2016-17, an amount of Rs. 1,78,245/- remaining as unpaid dividend for a period of 7 years was transferred to Investor Education and Protection Fund. The details with respect to the transfer is available in the website of the company.

### Transfer of shares to IEPF Authority

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refunds) Rules, 2016, as amended from time to time, ("the Rules" / "IEPF Rules") the Company is required to transfer the equity shares in respect of which dividends are not claimed for the last 7 years by any shareholder to the IEPF Authority. During the year under review, the Company has transferred to IEPF the following shares:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No of shares
2016-17	36464

Since, the company has transferred the dividend remaining unpaid for a period of 7 years and the respective shares to the Investor Education and Protection Fund, any other benefits, if any, arising out of such shares will be received by the IEPF Authority unless those shares are claimed by the respective shareholders. No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares / dividend by filing the electronic request for the same by following the procedure available on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in).

### Investor Correspondence

For share transfer, communication regarding share certificates, change of address and any other query relating to the shares or Annual Report of the Company, the members may contact in the following addresses:

<p>Integrated Registry Management Services (P) Ltd 2<sup>nd</sup> Floor, 'Kences Towers No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai-600017 Phone: 044 28140801, 28140803, Fax; 044 – 28143378, 28142479 E-mail: <a href="mailto:yuvraj@integratedindia.in">yuvraj@integratedindia.in</a></p>	<p>The Company Secretary Eastern Treads Limited, 3A, 3<sup>rd</sup> Floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024, Kerala. Phone: 0484 7161247 Email : <a href="mailto:investors@easterntreads.com">investors@easterntreads.com</a></p>
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### Demat Suspense Account/ Unclaimed Suspense Account

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

### Trading window closure

The trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

### Audit report

There are no qualifications in the Statutory Auditors Report for the period under the review.

### Secretarial Certifications

As stipulated by SEBI, a qualified Company Secretary in practice conducts the Audit for the purpose of reconciliation of total admitted capital with the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital of the Company.

The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter-alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**For and on behalf of the Board of Directors**

Ernakulam  
August 14, 2025

sd/-  
Navas Meeran  
Chairman  
DIN: 00128692

## DECLARATION ON CODE OF CONDUCT

To the best of my knowledge and belief and on the basis of declarations given to me by the Directors and the Senior Management Personnel of the Company, I hereby affirm that a Code of Conduct for the Board Members and the Senior Management Personnel of the Company which includes Code of Conduct for Prevention of Insider Trading and Whistle Blower Policy has been approved by the Board of Directors and all Directors and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct of the Company.

**For and on behalf of the Board of Directors**

Ernakulam  
August 14, 2025

sd/-  
M.E. Mohamed  
Managing Director  
Din: 00129005

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members,

**Eastern Treads Limited**

3A, 3rd Floor, Eastern Corporate Office

34/137 E, NH Bye-Pass,

Edappally Kochi- 682024

We, SEP & Associates, Company Secretaries, Kochi have examined the relevant registers, records, forms, returns and disclosures received from the directors of M/s. **Eastern Treads Limited** having CIN: **L25119KL1993PLC007213** having its registered office situated at **3A, 3rd Floor, Eastern Corporate Office 34/137 E, NH Bye-Pass, Edappally Kochi 682024** (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verifications as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the financial year ended March 31, 2025, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No	Name of the Director	DIN	Date of Appointment in the Company
1.	Navas Manalumparayil Meeran	00128692	26/08/1997
2.	Shereen Navas	00328770	31/03/2015
3.	Manalumparayil Ebrahim Mohamed	00129005	26/08/2005
4.	Rani Joseph	07423144	09/05/2019
5.	Naiju Joseph	00419362	01/09/1998
6.	Natarajan Jeyaseelan	02281278	06/05/2024



Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SEP & Associates**

**UDIN: F003050G001007416**

Company Secretaries

(The Peer Review Certificate No: 6780/2025)

sd/-

**CS Puzhankara Sivakumar**

Managing Partner

M. No.: F3050 COP: 2210

Date: 14.08.2025

Place: Ernakulam

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments

The tread manufacturing industry in India, which focuses on producing tyre treads and associated components, plays a crucial role in the automotive sector. It supports both commercial and passenger vehicle segments by extending the lifespan of tyres, reducing costs, and contributing to environmental sustainability. Key segments of the Treads industry includes Commercial Vehicles (CV), Passenger Vehicles (PV) and Two-wheeler segment (TW). The CV segment remains dominant due to high demand for retreaded tyres in freight and logistics whereas the PV segment is emerging as a result of increased vehicle ownership and a focus on cost-saving measures by consumers. The TW segment includes both scooters and motorcycles, with a focus on cost-effective solutions for a rapidly growing segment.

The key drivers to the market include rising vehicle numbers, cost-saving preferences, and regulatory support for sustainable practices. The industry is influenced by government policies on waste management and recycling, as well as automotive safety standards. Innovations in retreading technology, including improved materials and processes, enhance the performance and durability of retreaded tyres.

Domestic tyre demand is likely to grow at 6-8% in FY2024 driven by growth in replacement demand and select OE segments. Domestic demand growth may moderate to 4-6% in FY2025 as high base impacts OE demand growth. Consumer segments are expected to record healthy growth while commercial segments' growth would be impacted by high base and impact of the General Elections on Government capex

Industry revenues witnessed muted growth of 2.6% on a YoY basis in 9 months FY2024, on account of contraction in exports and impact of high base on domestic volume growth. Moreover, realisations were flattish as input costs eased in the past four quarters

Our Country's freight transportation sector is rapidly expanding to satisfy the rising demand for goods among a growing consumer base. Currently, road transport, mainly through trucks, dominates the movement of goods, handling 70% of domestic freight. Heavy and medium trucks are central to this system. As road freight continues to grow, the truck fleet is expected to increase to approximately 17 million by 2050. This growth will also drive up demand for tyres in both the Original Equipment Manufacturer (OEM) and replacement markets.

The operating margins of the industry has expanded to 16.8% in 9 months during the FY 2024 from 10.9% in FY 2023. On the back of softened input cost margins are expected to expand by 400-600 bps in FY2024 but moderate in FY2025 with increasing raw material (natural rubber and crude) prices and limited flexibility in passing on the same to customers owing to already elevated prices.

India's tyre industry is expected to post a revenue growth of 7-8 per cent in fiscal year 2026 (FY26), primarily driven by a strong replacement demand. The replacement market, which accounts for nearly half of tyre sales, is projected to grow 6-7% by this year, driven by a large vehicle base, steady freight movement, and signs of rural recovery. In comparison, sales to Original Equipment Manufacturers (OEMs) are expected to rise by 3-4%, while exports may grow 4-5% supported by demand from Europe, Africa and Latin America. Although exports showed improvement in the second half of the year, overall profitability was constrained by continued cost pressures. Capital expenditure was also scaled back, with companies shifting focus toward operational

efficiency and the development of premium product segments. This strategic adjustment indicates a more cautious approach in response to a more challenging business environment.

Adoption of newer technologies such as improved vulcanization processes and high-performance tread compounds is on the rise. These advancements are aimed at enhancing the durability and performance of retreaded tyres. Increased use of automation in production lines and digital tools for quality control and inventory management are improving operational efficiencies. There is a growing emphasis on environmental sustainability, with companies adopting more eco-friendly materials and processes. The government is also encouraging recycling and waste management practices.

Currently, 60% of truck and bus tyres are radial, and this trend is steadily increasing. Radial tyres are stronger and can support multiple retreads. Additionally, there is a growing demand in the retreading sector from bus owners seeking high-quality retreads.

Natural rubber makes up over 30% of the raw material mix, with carbon black at 25%, synthetic rubber at 20%, nylon tyre cord fabric at 10%, and other rubber chemicals making up the rest. Since many of these inputs are derived from crude oil, their prices generally follow oil price trends, though with some delay, in addition to being influenced by their own supply and demand conditions.

The tread manufacturing industry in India is poised for growth in FY 25-26, driven by technological advancements, increased market demand, and supportive regulatory frameworks. Companies are adapting to the evolving market landscape through innovation, strategic expansion, and a focus on sustainability. Despite facing challenges such as raw material costs and regulatory compliance, the industry is well-positioned to capitalize on emerging opportunities and continue its growth trajectory.

## Opportunities and Threats

### Opportunities

- *Rising Demand for Automobiles:* The automotive sector in India is gearing up for substantial growth fueled by increasing demand and favorable market conditions. As the third largest automobile market and fourth largest in production, globally India's automotive sector contributes substantially to the country's economy, around 7% of GDP. It also plays vital role in boosting exports by contributing 8% of total exports leading to increase in new tyres & retreaded tyres.
- *Cost-Effectiveness:* Retreaded tyres offer a cost-effective alternative to new tyres, making them attractive to budget-conscious consumers and businesses.
- *Environmental Sustainability:* Retreading helps in reducing tyre waste and the environmental impact associated with tyre disposal. This aligns with growing environmental concerns and regulations. Further the industry can capitalize on its eco-friendly image by emphasizing its role in recycling and waste reduction.
- *Regulatory Support:* Evolving regulations that promote environmental sustainability and recycling can create a more favorable business environment for retreading companies.
- *Infrastructure Development:* India has the second largest road network in the world. With the government's focus on infrastructure development, the demand for vehicles is likely to increase,

driving the demand for tyres. This enhances connectivity and boost economic activity, leading to increased tyre sales and replacement demand.

#### Threats

- *Volatility in Raw material Cost:* Fluctuations in the prices of key raw materials, such as rubber can impact production costs and profit margins for of Treads.
- *Export Tariff Rates :* The industry faces significant uncertainty due to the looming threat of tariffs, particularly with the US imposing 25% of tariffs on exports which is leading to higher production costs and supply chain disruptions.
- *Intense Competition:* The industry faces competition from both domestic and international manufacturers, which can put pressure on prices and margins.
- *Meeting ESG standards :* The industry faces significant challenge in meeting Environmental, Social and Governance (ESG) Standards, particularly with Europe accepting ESG- Compliant companies. This shift towards sustainability and responsible business practices requires tyre manufacturers to adapt their operations, supply chains and products to meet the stringent ESG criteria. Non compliance may lead to exclusion from key markets, impacting exports and revenue.
- *Technological Risks:* Rapid technological advancements in tyre manufacturing and retreading could render existing technologies obsolete or less competitive. Significant investment in new technology and equipment may be required to stay competitive, posing a financial risk. Alternative technologies, such as airless tyres, could potentially reduce the demand for retreaded tyres.

#### Segment-wise or product-wise Performance

The Company manufactures Pre cured tread rubber, Conventional Tread Rubber, Black Vulcanizing Cement, Bonding Gum and Tyre repair patches. The contribution of these products to the current year's turnover is 51%, 26%, 9%, 12% and 2% respectively.

#### Outlook

With the increased competition in tyre and related industries, the companies in this sector are slowly moving from product offering companies to service offering companies. This helps the customers to get better services of the product and improves efficiencies. The companies are able to get long-term relationships and usage of high end efficient products, which due to cost escalations customers are unable to afford. This also helps tyre related industries to offer service which the unorganized sector is unable to offer, thereby improving the market penetrations and helping customers building trust on the products. Our company has also taken various initiatives to place our brand as a cost effective service provider, with high quality products and services to fleet, based on cost per kilometer approach, which has expected to bring in positive impact in our business model.

We are on the path to build comprehensive and industry leading capabilities that would generate long term opportunities in India and worldwide. With an increasing distribution presence and high quality products and services, the company is hopeful of enhancing its share of the various markets it addresses. Our main objective is to become a one-stop shop for our customers' requirements and deliver substantial economic returns to their businesses.

Over the years, our company has invested aggressively in educating and growing the market, benefits of which will be seen in the medium to long term. We have achieved Pan-India presence with an extensive network and are further expanding our distribution footprint. We also have presence in overseas markets, catering to higher global demand for tread rubber. All these initiatives are expected to give ETL the platform from which we can achieve success in expanding our business.

During the FY 2024-25 we have marked our presence in global markets such as United States, Mexico and South Africa. New investments were carried out to improve the quality, consistency and reduced cost of operations. The company further invested in new moulds for fresh patterns to cater domestic and export markets.

## **Risks and Concerns**

Risks and opportunities are inevitable and inseparable components of all businesses. The Company's Directors and management take proactive decisions to protect stakeholder interests. The Company has in place a Risk Management Policy covering risk, risk exposure, potential impact and risk mitigation process. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis. These are monitored and reviewed under the guidance of Audit committee and Risk Management Committee. Various departmental heads meet regularly to identify processes which are exposed to risks.

The Company's Risk Management Committee, periodically reviews the risks in the organization, identifies new risk areas, develops action plans and monitors and reports any deviations if any, from the policy to the Audit Committee.

The Company's performance primarily depends on the performance of the tyre replacement market. This market has several growth levers like growth of the economy, development of infrastructure, commercial vehicle sales and other trends relating to the transportation sector. The Company's Board of Directors perceives the following risks as current high risks areas:

### **Financial Risk**

In the course of our business activities, financial risks may arise from changes in interest rates, exchange rates, raw material prices, or share and fund prices. The financial risks are managed in accordance with the risk management policy/practices. We use cash and carry, advance payments and bank guarantees to mitigate credit risk on account of material supplied to customers and payments received. There is an ongoing follow-up, which arrests any delay of payments from customers.

### **Fluctuation in Raw Material Price and Other Input Costs**

Risks can arise due to unexpected changes in commodity prices, which are following the global move can impact margins. We purchase a variety of raw materials and products, which we use in our production. Major risks could arise from a few raw materials, which we use such as Natural Rubber, Synthetic Rubber and Carbon Black. The Company manages this by actively managing the sourcing and private purchases.

As we import many categories of products, we are also exposed to foreign currency fluctuation, which could lead to a significant fluctuation in these raw material costs. We have maintained raw material inventories to mitigate this risk, which adversely impacted working capital and put pressure on interest costs. We generally factor in normal variations of raw material prices and input costs when fixing product

prices with customer but any exceptional fluctuations in input costs combined with market pricing patterns may have an adverse impact on profitability.

#### **Changes in Governments' Policies**

Unanticipated changes in Government policies may affect the company's financial position.

#### **Operational Risk**

Preventive maintenance is carried out periodically to achieve increased machine availability. Adequate inventory of stocks at each stage of operation is maintained to run production schedules uninterrupted.

#### **Product Risk**

Research and development efforts are undertaken to continuously develop new products categories and expand the portfolio, along with improved service and value to our customers.

### **Internal Control System and their Adequacy**

The company has implemented suitable controls to ensure the achievement of its operational, compliance and reporting objectives. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. The Company has a well-defined and structured internal control mechanism, commensurate with the size and nature of the business and complexity of its operations. Internal audit is conducted periodically to provide comprehensive risk-based combined assurance plan.

These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness, and compliance is ingrained into the management review process. The company follows stringent procedures to ensure accuracy in financial information recording, asset safeguarding from unauthorised use, and compliance with statutes and laws. All employees adhere to high standards of ethical conduct inspired by formally stated and regularly communicated policies.

The internal control is supplemented by an extensive audit by audit teams and periodic review by the top management, Audit Committee and Board of Directors. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. During the year, the Company has taken steps to review the adequacy and operating effectiveness of internal controls.

Nonetheless, your Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis. The statutory auditors, as part of their audit process, carry out a systems and process audit to ensure that the ERP and other IT systems used for transaction processing have adequate internal controls embedded to ensure preventive and detective controls.

During the period, external agencies were appointed as internal auditors. The internal audit reports were reviewed quarterly by Audit Committee as well as by the Board. Internal audit supports in assessment of Internal Control Systems and identification of other important issues as a powerful tool for risk control and governance. The system has designed to adequately ensure the reliability of financial and other records for preparing financial information and other data and for maintaining accountability of our assets. Further, the Board reviews the effectiveness of the Company's internal control system. Further Secretarial Audit is applicable for the company and the auditors evaluates legal and compliance issues.

The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company, evaluations and reinforcement actions were taken for better controls. The external auditors have evaluated the system of internal controls in the Company and have reported that the same is adequate and commensurate with the size of the Company and the nature of its business. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

### Operational Performance

Besides the products for trucks and busses which are the major customer for the Company as well as competitors we have also developed specialised compound formulation for the growing LCVs, cars and two wheeler markets.. With the mining industry opening up, the Company which is dominant in this sector hopes to get good growth opportunities. With the reduction in Chinese low cost tyres in the market the demand for retreaded tyres is also expected to grow further.

With the demand for services over products growing up, most of the tyre manufactures have started offering tyre management services for various fleets. Our company has also started supporting some of those tyre manufacturers who do not have retreading business in retreading their one time used tyres. Besides this the Company has its own fleet management service for selected customers with pay-per kilometre model.

### Financial Performance

The cash generated from operations in FY 24-25 was Rs. 46.00 Lakhs compared to Rs. 290 Lakhs in FY 23-24 which shows a significant improvement. This is mainly on account of reduction in inventory levels and outstanding receivables Rs.1924 Lakhs in FY 23-24 reduced to Rs.1764 Lakhs in FY 24-25. Also the bank liabilities levels have come up from Rs. 1863 Lakhs in FY 23-24 to Rs. 2199. 95 Lakhs in FY 24-25.

The Company continues to undertake cost saving initiatives and is moving into more profitable areas of business, based on higher value-addition to customers.

Significant financial highlights in Financial Year 2024-25 are as follows;

#### Revenue

Total Revenue reported Rs. 6,063 lakhs compared to the previous year's figure of Rs. 5,977 lakhs. Revenue has increased by 1.5%. Revenue increased due to value realization in the second half of the financial year.

#### Earnings Before interest, Tax, Depreciation and Amortization (EBITDA)

During the fiscal 2024-25 EBITDA reported as Rs. 48 lakhs when compared to the previous year's figure of Rs. 107 lakhs.

#### Profit Before Tax (PBT)

PBT was at Rs.(-) 378.41 lakhs in FY 2024-25, compared with previous years Rs.(-) 311.78 lakhs.

#### Profit After Tax (PAT)

PAT stood at Rs. (-) 303 lakhs in FY 2024-25 as compared to Rs.(-) 295 lakhs in FY 2023-24.



### Earnings Per Share (EPS)

EPS in FY 2024-25 stood at Rs. (-) 5.79 compared to EPS of Rs. (-) 5.63 in fiscal 2023-24.

### Key Financial Ratios

Key financial ratios, are as given in Note No 39 of the Financial Statement.

### Human Resource Development and Industrial Relations

The Company recognises that a committed, empowered and thinking team is the most important asset to maintain the company's progress and to retain its leadership position in the industry. Development and retention of talent, providing employees with cross functional experiences, extending enriched learning, an array of awards and recognition programme, and supporting personal and professional aspirations are some leading HR practices being followed at the Company. Hiring of apt talent and ensuring role optimization to improve efficiencies has been a key focus area. The Company recognizes the need for change management and talent management throughout the business and their criticality to its future growth and success as any other element of its commercial strategy.

We pursue management practices designed to enrich the quality of life of our employees, developing their potential and maximizing their productivity. Cordial and harmonious relationship is maintained between the management and employees at every location. We continue to organize various training programs with experts engaged to interact with our employees at various levels. A significant emphasis is placed on training personnel, increasing their skill levels, and fostering ongoing employee engagement and recognition with a holistic development perspective. In addition to casual workers, the company had 208 permanent employees as on March 31, 2025.

### Cautionary Statement

Statements in this Annual Report, particularly those that relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

Important factors that could influence the Company's operations include economic developments within the country, global and domestic demand and supply conditions in the industry, input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

Further to be noted that the corporate Governance Report as per SEBI (LODR) Regulations, 2015 is not applicable to the company. However, the company has prepared this Governance Report to show case the Governance practices followed in the company for information purpose only.

**For and on behalf of the Board of Directors**

Ernakulam  
August 14, 2025

sd/-  
Navas Meeran  
Chairman  
DIN: 00128692

**INDEPENDENT AUDITORS' REPORT****To the Members of Eastern Treads Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Eastern Treads Limited ('the Company'), which comprise the standalone Balance Sheet as at March 31, 2025, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Statement of Cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards ) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standard of Auditing (SAs) specified under section 143(10) of the Act. Our responsibility under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matter**

Key audit matter is a matter that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
<b>1. Valuation of Inventory</b> The net carrying value of inventory held by the Company as on 31 March 2025 amounts to Rs. 587.42 lakhs as disclosed in note 8 to accompanying standalone financial statements,	Our audit procedures in relation to valuation of inventory included, but were not limited to, the following:

<p>which is 17.43% of total assets of the company as on that date. Further, refer to note 1.15 for accounting policies relating to valuation of inventory adopted by the management in accordance with Ind AS 2, Inventories ('Ind AS 2').</p> <p>Inventories are valued at the lower of cost and net realisable value item wise. Cost includes costs incurred in bringing the inventory to its present location and condition as further detailed below:</p> <p><b>i) Raw Materials</b></p> <p>Cost includes cost of purchase net of duties and taxes that are recoverable from the government and other costs incurred in bringing the inventories to their present location and condition. Cost is determined basis using first-in, first-out ('FIFO') method of computation.</p> <p><b>ii) Finished goods and work in progress:</b></p> <p>Cost includes cost of direct materials and labour and a proportion of manufacturing overheads determined based on the normal operating capacity. Cost is determined using weighted average method of computation</p>	<p>1) Evaluated the design and implementation, and tested the operating effectiveness of key internal controls over measurement of inventory balances as at year end.</p> <p>2) Assessed the appropriateness of the principles used in the valuation of inventory in accordance with the requirements of Ind AS 2.</p> <p>3) Tested, on a sample basis, the accuracy of cost computed for raw material inventory by verifying the actual costs of latest purchase of raw materials applying the principle of FIFO method, by inspection of supporting documents</p> <p>4) Tested, on a sample basis, the accuracy of cost computed for work-in-progress and finished goods inventory by recomputing the weighted average cost computation. Further, in the process, tested the cost of direct materials used as per bills-of material (BOM), and allocation of labour and manufacturing overheads to such finished goods;</p> <p>5) Obtained management working of valuation of inventory and reconciled the quantities with the stock verification reports to ensure completeness of the underlying data on which valuation is performed by the management and tested the mathematical accuracy of such workings.</p>
<p>Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>The management also identifies slow-moving, obsolete and damaged inventory on a periodical basis and makes an appropriate provision for obsolescence for such items as at reporting date.</p> <p>The aforesaid inventory valuation and estimation of provision for obsolescence is manually performed by the management on the reporting date and involve significant estimates and judgements</p>	<p>Recomputed the overall allocation computation of overheads on inventory and ensured consistency of assumptions used therein by the management with prior periods.</p> <p>Tested, on sample basis, the inventory ageing report and net realisable value of inventories basis the latest market prices of the products.</p> <p>Evaluated the process followed by the management for identification of slow-moving, obsolete and damaged inventory items and accordingly assessed reasonableness of provision for obsolescence estimated by the Company.</p>

<p>Considering the size, the assumptions used in the valuation and the complexities involved significant auditor attention is required to test accuracy of inventory valuation, and thus, we have identified valuation of inventory as a key audit matter in the current year audit.</p>	<p>Evaluated the appropriateness and adequacy of disclosures presented by the management relating to inventory balances in the financial statements in accordance with applicable financial reporting framework.</p>
<p><b>2. Migration to new ERP</b></p> <p>The Company's Financial reporting process significantly relies on the design and operating effectiveness of its IT systems.</p> <p>The company is migrating to a centralised enterprise-wide resource planning (ERP) in a phased manner across its plants and offices.</p> <p>The changes in the ERP system represent a financial reporting risk as controls and processes that have been established and embedded over a number of years are likely to be revisited.</p> <p>Due to change in ERP system, there is a risk of breakdown in internal financial controls and risk of incomplete and inaccurate processing of financial data. Further the migration involved significant program and configuration changes. Accordingly, it is considered as a key audit matter.</p>	<p>We perform the following procedures with respect to transition to the new ERP system</p> <ol style="list-style-type: none"> <li>1) Obtained an understanding of the changes in the IT environment, IT infrastructure and ERP system by involving technology specialists.</li> <li>2) Obtained understanding and tested controls over data migration including proper authorisation, completeness and accuracy.</li> <li>3) Tested a sample of migrated balances of General ledger, sub-ledger and open items for completeness and accuracy as of the date of migration at the respective plant/office of company.</li> <li>4) Evaluated and tested relevant IT general controls over the ERP system and IT dependencies identified as relevant for our audit of the financial statement, and</li> <li>5) Communicated with those charged with governance and company's management and tested a combination of compensating controls or remediated controls and/or performed alternative audit procedures, wherever necessary.</li> </ol> <p>Based on the above no significant exceptions were noted.</p>
<p><b>3. Trade Receivables</b></p> <p>The total balance of trade receivable for the year ended 31 March 2025 is ₹ 1176.66 lakhs net of provision of ₹156.17 lakhs as disclosed in note No 4, to accompanying standalone financial statements, which is 34.90% of total assets of the company as on that date. Further, refer to note 1.17(d) for accounting</p>	<p>Our audit procedures in relation to valuation of ECL included, but were not limited to, the following:</p> <ol style="list-style-type: none"> <li>1) Evaluated the design and implementation, and tested the operating effectiveness of key internal controls over measurement of ECL and Trade receivables balances as at year end.</li> <li>2) Assessed the appropriateness of the principles</li> </ol>

policies relating to valuation of trade receivables adopted by the management in accordance with Ind AS 109, Financial Instruments ('Ind AS 109').

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company's financial statements include a significant amount of financial assets subject to ECL measurement. ECL involves complex models and significant judgment in determining the credit risk parameters and the calculation of future cash flows. Given the complexity and the high degree of estimation uncertainty, we considered ECL to be a key audit matter.

used in the valuation of ECL in accordance with the requirements of Ind AS 109 and Ind AS 37.

3) Sought external confirmations from a selected sample of debtors.

4) Obtained management working of ECL and reconciled the inputs used with the ageing reports to ensure completeness of the underlying data on which valuation is performed by the management and tested the mathematical accuracy of such workings.

### Other Information

- The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

### **Management's Responsibilities for the standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, and cash flows and changes in equity of the Company in accordance with the IND AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 SAs 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 these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of utmost significance in the audit of financial statements of the current year and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Report on Other Legal and Regulatory Requirements**

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. As required by Section 143 (3) of the Act, based on our audit we report that:
1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  2. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
  3. The company does not have any branches and so the provisions of section 143(8) are not applicable to the company.
  4. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash flows dealt with by this Report are in agreement with the books of account.
  5. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  6. On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
  7. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  8. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.
  9. With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - i. The Company, as detailed in note 31 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;

iii.

- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under the sub-clause (a) and (b) contain any material misstatement.
- v. Since the Company has not declared or paid any dividend during the year, the question of commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 does not arise.

C. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended 31 March 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

Place: Kochi

Date : 29-05-2025

**UDIN: 25228498BMLLOM1843**

**Allen Joseph**

Partner

M No. 228498

**ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT IN TERMS OF SECTION 143(11) OF THE COMPANIES ACT, 2013**

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
- b) As explained to us, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. However, for title deeds of immovable properties in the nature of land situated at Kuttamangalam, Ernakulam with gross carrying values of ₹ 720.61 lakhs, which have been pledged as security for loans taken by the Company, confirmations with respect to title of the Company is based on relevant documentation from the bank.
- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed
- b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore by banks or financial institutions on the basis of security of current assets. Subject to the differences mentioned in financial statements Note no. 14(iv), the quarterly returns/statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company for the respective periods, which were subject to review.
- (iii) The company has not provided loans or advances in the nature of loans, or guarantee to companies or any other parties during the year.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not provided any loans, guarantees, securities to parties covered under section 185. The company has complied with the provisions of Section 186 as applicable.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year and no order in respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any other Tribunals with regards to the Company
- (vi) The provisions regarding maintenance of cost records under sub-section (1) of section 148 of the Companies

Act are not applicable to the company.

- (vii) (a) According to the records of the Company and based on the information and explanations provided to us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Income Tax, Cess (to the extent applicable), and other material statutory dues with the appropriate authorities. There were no such undisputed statutory dues outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable, except as stated below:

Name of statute	Nature of dues	Gross Amount (In lakhs)	Period to which amount relates	Date of payment
Employees Provident Fund and Miscellaneous Provision's Act 1952	Provident Fund	0.45	2022-2023	Not paid

- (b) There were no dues of Income tax, Goods and Service Tax , cess and other material statutory dues in arrears as at 31 March 2025 on account of disputes, except for the following:

Name of statute	Nature of dues	Gross Amount (In lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax, 1961	Income tax	190.34 Amount paid under protest - Nil	AY 2023-24	Commissioner of Income Tax ( Appeals)

- (viii) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no unrecorded income
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of records of the company, the company has not defaulted in repayment of loans or other borrowings or in payment of interest to financial institutions, banks, government and dues to debenture holders.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial

- statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or associate
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary or associate company
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year
- (xii) The Company is not a Nidhi Company, therefore the provisions of clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) All transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such related party transactions have been suitably disclosed in the financial statements as required under the applicable Ind-AS.
- (xiv) a) In our opinion and according to the information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business;
- b) The reports of the Internal Auditors for the period under audit were considered by the statutory auditor
- (xv) Based on the audit procedures performed and the information and explanation given to us, we report that the company has not entered into any non-cash transactions with its directors/director of the company or associate company/a person connected with the directors during the year. Accordingly paragraph 3 (xv) of the order is not applicable to the company. hence provisions of section 192 of the act 2013 are not applicable to the company
- (xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) is not applicable to the Company
- d) According to the information and explanations provided by the management of the Company, the Company does not have any CICs as part of the Group. We have not, however, separately evaluated whether the information provided to us is accurate and complete.
- (xvii) The Company has incurred cash losses amounting to Rs. 409.02 lakhs in the current financial year and had incurred cash losses in the immediately preceding financial year amounting to Rs. 226.49 .
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly Clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) Based on the audit procedures performed and the information and explanation given to us, we report that the company has no liability to maintain fund according to the provision of section 135 of Companies Act , 2013

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

Place: Kochi  
Date : 29-05-2025

**UDIN: 25228498BMLLOM1843**

**Allen Joseph**  
Partner  
M No. 228498

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EASTERN TREADS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Eastern Treads Limited (“the Company”) as of 31st March, 2025 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “guidance note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Kochi  
Date : 29-05-2025

Allen Joseph  
**Partner**  
M No. 228498

**UDIN: 25228498BMLLOM1843**

**Standalone Balance Sheet as at 31st March 2025**  
(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	1,215.41	1,350.08
(b) Capital work-in-progress	2	16.21	-
(c) Other Intangible assets	3	11.39	0.70
(d) Financial assets			
(i) Trade receivables	4	0.35	0.35
(ii) Other financial assets	6	6.98	4.58
(e) Other non-current assets	7	17.46	2.09
<b>Total Non Current Assets (I)</b>		<b>1,267.81</b>	<b>1,357.80</b>
<b>Current assets</b>			
(a) Inventories	8	587.42	714.72
(b) Financial assets			
(i) Trade receivable	4	1,176.31	1,209.44
(ii) Cash and cash equivalents	9	97.61	73.53
(iii) Bank balances other than (ii) above	10	22.67	54.05
(iv) Loans	5	0.50	0.50
(v) Other financial assets	6	34.03	48.76
(c) Current tax assets (net)		27.93	30.22
(d) Other current assets	7	87.47	48.14
(e) Assets held for Sale	11	68.85	-
<b>Total Current Assets (II)</b>		<b>2,102.79</b>	<b>2,179.36</b>
<b>Total assets (I+II)</b>		<b>3,370.60</b>	<b>3,537.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	541.18	541.18
(b) Other equity	13	(1,820.02)	(1,507.45)
<b>Total Equity (I)</b>		<b>(1,278.84)</b>	<b>(966.27)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	611.11	750.46
(b) Provisions	16	109.64	97.62
(c) Deferred tax liabilities (net)	17	73.14	148.44
<b>Total Non Current Liabilities (II)</b>		<b>793.89</b>	<b>996.52</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	2,722.70	2,346.26
(ii) Trade payables	19		
(A) total outstanding dues of micro and small enterprises; and		70.68	105.68
(B) total outstanding dues of creditors other than micro and small enterprises		831.57	843.56
(iii) Other financial liabilities	15	45.69	44.73
(b) Other current liabilities	18	151.03	134.02
(c) Provisions	16	33.88	32.66
<b>Total Current Liabilities (III)</b>		<b>3,855.55</b>	<b>3,506.91</b>
<b>Total equity and liabilities (I+II+III)</b>		<b>3,370.60</b>	<b>3,537.16</b>

See accompanying notes forming part of these standalone financial statements.

As per our audit report of even date.

For **G. Joseph & Associates**  
Chartered Accountants  
(Reg No: 006310S)

For and on behalf of the Board of Directors of  
**Eastern Treads Limited**

**Allen Joseph**  
Partner  
M No 228498

**Devarajan Krishnan**  
Chief Financial Officer &  
Chief Executive Officer

**Abil Anil**  
Company Secretary

Kochi  
Date : 29-05 -2025

**M E Mohamed**  
Managing Director  
DIN: 00129005

**Navas M. Meeran**  
Chairman  
DIN: 00128692

**Standalone Profit and Loss for the year ended 31st March 2025**

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2025	Year ended 31 March 2024
<b>I Income</b>			
Revenue from operations	20	6,023.29	5,953.08
Other income	21	39.27	23.76
<b>Total income (I)</b>		<b>6,062.56</b>	<b>5,976.84</b>
<b>II Expenses</b>			
Cost of materials consumed	22	4,216.29	3,834.16
Purchases of stock-in-trade		5.40	2.82
Changes in stock of finished goods, work-in-progress and stock-in-trade	23	65.80	15.85
Employee benefits expense	24	899.93	963.74
Finance costs	25	246.04	296.82
Depreciation and amortisation expense	26	83.93	121.74
Other expenses	27	923.58	1,053.49
<b>Total expenses (II)</b>		<b>6,440.97</b>	<b>6,288.62</b>
<b>III Loss before exceptional items and tax (I-II)</b>		<b>(378.41)</b>	<b>(311.78)</b>
<b>IV Exceptional Items</b>		-	-
<b>V Loss before tax (III-IV)</b>		<b>(378.41)</b>	<b>(311.78)</b>
<b>VI Tax expense</b>			
Deferred tax	35	(75.29)	(17.05)
<b>Total tax expense (VI)</b>		<b>(75.29)</b>	<b>(17.05)</b>
<b>VII Loss for the period (V-VI)</b>		<b>(303.12)</b>	<b>(294.73)</b>
<b>VIII Other comprehensive Loss</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss:			
(a) Re-measurement loss in defined benefit plans		(9.45)	14.44
(ii) Income tax relating to items that will not be reclassified to profit and loss		-	-
<b>B</b> (i) Items that will be reclassified to profit or loss:			
(ii) Income tax relating to items that will be reclassified to profit and loss		-	-
<b>Other Comprehensive Loss for the Period (VII)</b>		<b>(9.45)</b>	<b>14.44</b>
<b>IX Total comprehensive loss for the year (VII+VIII)</b>		<b>(312.57)</b>	<b>(280.29)</b>
<b>Loss per equity share</b>	28		
(1) Basic		(5.79)	(5.63)
(2) Diluted		(5.79)	(5.63)

See accompanying notes forming part of these standalone financial statements.

As per our audit report of even date.

For **G. Joseph & Associates**

Chartered Accountants

(Reg No: 006310S)

For and on behalf of the Board of Directors of

**Eastern Treads Limited****Allen Joseph**

Partner

M No 228498

**Devarajan Krishnan**

Chief Financial Officer &amp;

Chief Executive Officer

**Abil Anil**

Company Secretary

Kochi

Date : 29-05-2025

**M E Mohamed**

Managing Director

DIN: 00129005

**Navas M. Meeran**

Chairman

DIN: 00128692

## Standalone Statement of Cash flows for the year ended 31st March 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2025	Year ended 31 March 2024
<b>A Cash flow from operating activities</b>			
Loss before tax		(378.41)	(311.78)
Adjustments for:			
Depreciation and amortisation expense		83.93	121.74
Finance costs		246.04	296.82
Provision for inventory		(2.46)	-
Unrealised forex loss		0.15	-
Provision for doubtful debts		(128.32)	(70.00)
Provision on employee benefits		13.78	33.54
Interest income		(3.36)	(3.94)
Provision for impairment		-	-
Operating profit before working capital changes		<b>(168.65)</b>	<b>66.38</b>
Adjustments for working capital changes:			
Decrease / (Increase) in inventories		129.76	10.77
Decrease /(Increase) in trade receivables		161.30	166.94
Decrease/(increase) in other receivables		(37.68)	(6.17)
Increase/(Decrease) in trade payables		(46.99)	335.19
Increase/(Decrease) in other current liabilities		7.97	(283.43)
<b>Cash generated from operations</b>		<b>45.71</b>	<b>289.68</b>
<b>Net cash (used in)/generated from operating activities (A)</b>		<b>45.71</b>	<b>289.68</b>
<b>B Cash flow from investing activities</b>			
Payments for purchase of Property, plant and equipment (including capital advances)		(45.02)	(8.15)
Proceeds from sale of Property, plant and equipment		-	8.58
Movement in other bank balances		31.38	26.02
Investment in Leased assets		(2.40)	(4.36)
Interest received		3.36	3.94
<b>Net cash used in investing activities (B)</b>		<b>(12.68)</b>	<b>26.03</b>
<b>C Cash flow from financing activities</b>			
Proceeds from long term borrowings		-	714.89
Repayment of long term borrowings		(194.02)	(1,093.80)
Short-term borrowings (net of repayments)		376.44	320.79
Interest paid		(191.37)	(232.13)
Dividend paid including dividend distribution tax		-	-
<b>Net cash generated from/ (used in) financing activities (C)</b>		<b>(8.95)</b>	<b>(290.25)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>24.08</b>	<b>25.46</b>
Cash and cash equivalents at the beginning of the year		73.53	48.07
<b>Cash and cash equivalents at the end of the year</b>		<b>97.61</b>	<b>73.53</b>
<b>Components of cash and cash equivalents</b>		<b>As at 31st March 2025</b>	<b>As at March 31, 2024</b>
Cash in hand		1.01	1.50
Balances with banks- in current accounts		96.60	72.03
<b>Total</b>		<b>97.61</b>	<b>73.53</b>

**Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities**

Particulars	As at 01 April 2024	Financing cash flows	Non-cash changes	As at 31st March 2025
Current Borrowings	2,346.26	376.44	-	2,722.70
Non-Current Borrowings (including current maturities)	750.46	(194.02)	54.67	611.11
<b>Total</b>	<b>3,096.72</b>	<b>182.42</b>	<b>54.67</b>	<b>3,333.81</b>

**Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities**

Particulars	As at 01 April 2023	Financing cash flows	Non-cash changes	As at 31 March 2024
Current Borrowings	2,025.47	320.79		2,346.26
Non-Current Borrowings (including current maturities)	1,064.68	(378.91)	64.69	750.46
<b>Total</b>	<b>3,090.15</b>	<b>(58.12)</b>	<b>64.69</b>	<b>3,096.72</b>

See accompanying notes forming part of these standalone financial statements.

As per our audit report of even date.

For **G. Joseph & Associates**  
Chartered Accountants  
(Reg No: 006310S)

For and on behalf of the Board of Directors of  
**Eastern Treads Limited**

**Allen Joseph**  
Partner  
M No 228498

**Devarajan Krishnan**  
Chief Financial Officer &  
Chief Executive Officer

**Abil Anil**  
Company Secretary

Kochi  
Date : 29-05-2025

**M E Mohamed**  
Managing Director  
DIN: 00129005

**Navas M. Meeran**  
Chairman  
DIN: 00128692

## Statement of Changes in Equity for the year ended 31st March 2025

(All amounts are in ₹ lakhs, unless otherwise stated)

### (A) EQUITY SHARE CAPITAL

#### (1) Current reporting period (as on March 31 2025)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
541.18	-	541.18	-	541.18

#### (2) Previous reporting period (as on March 31 2024)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the current reporting period
541.18	-	541.18	-	541.18

### (B) OTHER EQUITY

#### (1) Current reporting period (as on March 31 2025)

Particulars	Reserves and surplus			Other items of OCI			Total
	Capital reserve	General reserve	Securities premium	Retained earnings	Changes in Revaluation surplus	Remeasurement of defined benefit plans	
Balance at the beginning of the current reporting period	100.00	97.46	753.90	-	(2,812.77)	430.26	(1,507.45)
Changes in accounting policy/prior period errors							-
Restated balance at the beginning of the current reporting period							-
Profit for the year (net of taxes)				(303.12)			(303.12)
Other Comprehensive Income for the current year						(9.45)	(9.45)
Transfer to/from retained earnings					-		-
Shares issued on preferential basis							-
Transaction cost for Issue of Equity shares							-
Balance at the end of the current reporting period	100.00	97.46	753.90	-	(3,115.89)	430.26	(1,820.02)

(2) Previous reporting period (as on March 31 2024)

	Reserves and surplus			Other items of OCI		Total
	Capital reserve	General reserve	Securities premium	Retained earnings	Changes in Revaluation surplus	
Balance at the beginning of the previous reporting period	100.00	97.46	753.90	(2,518.04)	430.26	(1,227.16)
Changes in accounting policy/prior period errors						-
Restated balance at the beginning of the previous reporting period						-
Profit for the year (net of taxes)				(294.73)		(294.73)
Other Comprehensive Income for the current year					14.44	14.44
Transfer to/from retained earnings						-
Shares issued on preferential basis						-
Transaction cost for Issue of Equity shares						-
Balance at the end of the previous reporting period	100.00	97.46	753.90	(2,812.77)	430.26	(1,507.45)

See accompanying notes forming part of these standalone financial statements.  
This is the Statement of Changes in Equity referred to in our report of even date.

**For G. Joseph & Associates**  
Chartered Accountants  
(Reg No: 006310S)

**Allen Joseph**  
Partner  
M No 228498

Kochi  
Date : 29-05-2025

**For and on behalf of the Board of Directors of**  
**Eastern Treads Limited**

**Devarajan Krishnan**  
Chief Financial Officer &  
Chief Executive Officer

**M E Mohamed**  
Managing Director  
DIN: 00129005

**Abil Anil**  
Company Secretary

**Navas M. Meeran**  
Chairman  
DIN: 00128692



**Summary of significant accounting policies and other explanatory information  
for the year ended 31 March 2025**

(All amounts are in ₹ lakhs, unless otherwise stated)

**General Information:**

Eastern Treads Limited (the 'Company'/'ETL') was incorporated with its registered office at 3A, 3rd Floor, Eastern Corporate Office, 34/137 E, NH Bypass, Edappally, Kochi, Ernakulam - 682 024, Kerala. The Company's shares are listed in Bombay Stock Exchange. The Company is primarily engaged in the business of manufacturing and dealing of tread rubber, rubber based adhesives, tyre retreading accessories and retreading services.

**1 Summary of significant accounting policies**

**1.1A Basis of preparation**

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013 (the 'Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The accounting policies have been applied consistently over all the periods presented in these financial statements except as mentioned below:

Previous year figures have been re-grouped/reclassified where necessary, to confirm with the current year presentation for the purpose of comparability.

**1.1B Application of new accounting pronouncements**

The Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below :-

- i. Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases", as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019 using modified retrospective method. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The application of Ind AS 116 did not have material impact on the Financial Statements.
- ii. The Company has adopted Ind AS 12 "Income Taxes" as per Appendix C to Ind AS 12. The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. The application of the amended provision to Ind AS 12 did not have material impact on the Financial Statements.

- iii. The Company has adopted Ind AS 23 “Borrowing Costs” as amended, which requires the entity to calculate and apply the capitalisation rate on general borrowings, if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale and that borrowing becomes part of the funds that entity borrows generally. This amendment is also did not have a material impact on the Financial Statements.

## 1.2 Use of estimates and judgements

The preparation of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

### Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

#### *Classification of leases*

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset’s economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

#### *Recognition of deferred tax assets*

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

#### *Evaluation of indicators for impairment of assets*

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### *Recoverability of advances / receivables*

At each balance sheet date, based on historical default rates observed over expected life, the management

assesses the expected credit loss on outstanding receivables and advances.

#### *Useful lives of depreciable / amortisable assets*

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

#### *Defined benefit obligation (DBO)*

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### *Fair value measurements*

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### **1.3 Revenue recognition**

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflect the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a Performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that Performance obligation.

#### **a) Sale of goods**

Revenue from sale of goods is recognised when the control on the goods have been transferred to the customers. The Performance obligation in case of sale of goods is satisfied at a point of time, i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### **b) Rendering of Services**

Revenue from job work and retreading services are recognised at the completion of the agreed services.

#### **c) Interest and other income**

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

**d) Lease Income** Lease income arising from operating leases is accounted for over the lease terms and is included in other operating revenue in the statement of profit or loss.

- e) **Export Incentives** Income from export incentives are recognised when the right to receive credit as per the terms of the Scheme is established and when there is certainty of realisation.

#### 1.4 Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

##### *i. As a lessee*

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use

asset has been reduced to zero.

#### *Short-term leases and leases of low-value assets*

The company has elected not to recognise right-of-use assets and lease liabilities for shortterm leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

#### Finance Lease

In the comparative period, leases are classified as Finance Lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lease. All other leases are classified as Operating lease.

#### Operating Lease

In the comparative period, leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

ii. As a lessor Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### **1.5 Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

#### **a) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

#### **(b) Defined contribution plan**

The Company has defined contribution plans for employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

**(c) Defined benefit plans**

The Company has a defined benefit plan (the “Gratuity Plan”). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee’s last drawn salary and the number of years of employment with the Company. Presently the Company’s gratuity plan is unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss.

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service and interest cost on the Company’s defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

**1.6 Foreign currency transactions**

The functional currency of the Company is the Indian Rupee (INR). These financial statements are presented in INR (₹). In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

## 1.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 1.8 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

## 1.9 Taxation

### (a) Income tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred



### 1.11 Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

### 1.12 Depreciation

Assets in the course of development or construction and freehold land are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation on tangible assets has been provided under Straight Line Method over the useful life of the assets estimated by the management (determined based on technical estimates), which is in line with the terms prescribed in Schedule II to the Companies Act, 2013. Depreciation for assets purchased/sold during the year is proportionately charged.

The management estimates the useful life of the Property, Plant and Equipment as follows:

Asset Category	Useful Life
a) Buildings	30 Years
b) Roads - Non RCC	5 Years
c) Plant and machinery at Factory	7-15 Years
d) Plant and machinery at Branches	15 Years
e) Plant and machinery given for Lease	3-5 Years
f) Manufacturing tools	7 Years
g) Furniture and fixtures	10 Years
h) Computers	3 Years
i) Vehicles	8 Years
j) Office equipment	5 Years

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013. The management has not identified any significant component having different useful lives as the company's assets are not capable of being accounted separately as components. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

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Note: The useful life of Plant and machinery given under lease is taken as 3 years to 5 years based on the lease agreements. The residual value of the same has been considered as the amount guaranteed by the lessees as per the lease agreements at the end of the lease period. Hence the useful lives and residual values for these assets are different from the useful lives/residual value as prescribed under Part C of Schedule II of the Companies Act 2013. The useful life of vehicles given to employees as per the car policy scheme approved by the Company is taken as 3 years to 5 years based on the tenure of scheme availed by the employee.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

### 1.13 Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

The Company amortises intangible over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset Category	Useful lives (in years)
Computer software	5

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 1.14 Impairment of non - financial assets

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use; the estimated future cash flows are discounted to the present value using the weighted average cost of capital.

### 1.15 Inventories

Inventories are valued at the lower of cost and net realisable value item wise. Cost includes indirect costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- (i) Raw materials: cost includes cost of purchase net of duties, taxes that are recoverable from the

government and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis using weighted average rate.

- (ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 1.16 Provisions and Contingent Liabilities

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

### 1.17 Financial instruments

#### A) Financial assets

##### a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on

the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**b) Subsequent measurement**

Subsequent measurement of financial assets is described below -

**(i) Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**(ii) Debt instrument at fair value through other comprehensive income (FVTOCI)**

A debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

**(iii) Debt instrument at Fair Value Through Profit or Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**c) Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- 1) The rights to receive cash flows from the asset have expired, or
- 2) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either
  - a. the Company has transferred substantially all the risks and rewards of the asset, or
  - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**(d) Impairment of financial assets**

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are

possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- 1) **Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- 2) **Debt instruments measured at FVTPL:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the statement of Profit and Loss.
- 3) **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## **B) Financial liabilities –**

### **a) Recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

- 1) **Financial liabilities at fair value through statement of profit and loss** - Financial liabilities at fair



value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**2) Gains or losses on liabilities held for trading are recognised in the statement of profit and loss**

- Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

**3) Liabilities designated as FVTPL-** fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through statement of profit and loss.

**b) Financial liabilities - Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**C) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**a) Initial recognition and subsequent measurement**

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, futures and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to statement of profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

*For the purpose of hedge accounting, hedges are classified as:*

- 1) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- 2) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

#### **D) Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### **1.18 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels

- a) Level 1- Quoted prices (unadjusted) is the active market price for identical assets or liabilities
- b) Level 2 -Inputs other than quoted price included within level 1 that are observable for the assets or liability, either directly
- c) Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **1.19 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### **1.20 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Company is engaged in the business of manufacture and sale of tread rubber (pre-cured tread rubber, conventional tread), Rubber compounds, cushion/ bonding gum and black vulcanizing cement, which form broadly part of one product group and hence constitute a single business segment.

### **1.21 Earnings/ (Loss) per equity share (EPS)**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by

adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

## 1.22 Investments in subsidiaries

An offer of rights issue was made to the Company by Shipnext Solutions Private Limited ("Subsidiary") on 4 September 2021 which was renounced by the Company in its board of directors meeting held on 13 September 2021. Subsequently, the capital base of the Subsidiary was increased by way of private placement of equity shares to other investors on 30 November 2021. Consequently, the shareholding of the Company has reduced to 14.53% resulting in loss of control in Subsidiary and Shipnext Solutions Private Limited became an associate as per Ind AS 28 "Investments in Associates and Joint Ventures" with effect from 1 December 2021. Further, due to various actions taken by the management of the Company including amendment in shareholders' agreement, Shipnext Solutions Private Limited ceased to be an associate of the Company with effect from 15 February 2022.

## 2 Property, plant and equipment and Capital work-in progress

## Gross carrying amount:

Particulars	Land - freehold	Buildings	Plant and machinery	Plant and machinery under lease	Furniture and fixtures	Office equipments	Computers	Vehicles	Manufacturing tools	Leased Assets	Total	Capital work in progress
Opening balance as at 1st April 2023	720.61	342.06	1,139.06	132.19	22.70	5.38	34.74	18.12	236.04	5.59	2,656.42	-
Additions	20.00	24.00	2.29	-	-	2.96	1.27	-	4.55	-	55.07	-
Transferred to Current Assets	-	-	-	-	-	-	-	-	-	(5.59)	(5.59)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(17.85)	(0.12)	-	-	-	-	-	(17.97)	-
<b>Balance as at 31st March 2024</b>	<b>740.61</b>	<b>366.06</b>	<b>1,141.35</b>	<b>114.34</b>	<b>22.58</b>	<b>8.34</b>	<b>36.01</b>	<b>18.12</b>	<b>240.59</b>	<b>-</b>	<b>2,688.01</b>	<b>-</b>
Additions	-	-	3.24	-	-	1.92	2.53	0.60	8.50	-	16.79	16.21
Transferred to Current Assets	-	-	-	-	-	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Asset classified as held for sale	-	-	-	(114.34)	-	-	-	-	-	-	(114.34)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2025</b>	<b>740.61</b>	<b>366.06</b>	<b>1,144.59</b>	<b>-</b>	<b>22.58</b>	<b>10.26</b>	<b>38.54</b>	<b>18.72</b>	<b>249.09</b>	<b>-</b>	<b>2,590.46</b>	<b>16.21</b>

## Accumulated depreciation

Particulars	Land - freehold	Buildings	Plant and machinery	Plant and machinery under lease	Furniture and fixtures	Office equipments	Computers	Vehicles	Manufacturing tools	Leased Assets	Total	Capital work in progress
<b>Opening Balance at 1st April 2023</b>	<b>-</b>	<b>96.99</b>	<b>815.28</b>	<b>53.42</b>	<b>15.91</b>	<b>4.55</b>	<b>28.66</b>	<b>5.53</b>	<b>205.61</b>	<b>2.67</b>	<b>1,228.50</b>	<b>-</b>
Depreciation charge for the year	-	14.05	90.49	1.4	2.10	0.18	2.40	1.21	9.54	-	121.36	-
Capitalised during the year	-	-	-	(9.33)	(0.05)	-	-	-	-	-	(2.67)	(2.67)
Disposals	-	-	-	-	-	-	-	-	-	-	(9.38)	-
<b>Balance as at 31st March 2024</b>	<b>-</b>	<b>111.04</b>	<b>905.77</b>	<b>45.49</b>	<b>17.96</b>	<b>4.73</b>	<b>31.06</b>	<b>6.74</b>	<b>215.15</b>	<b>-</b>	<b>1,337.93</b>	<b>-</b>
Depreciation charge for the year	-	13.31	54.51	-	1.78	0.79	2.51	1.63	8.07	-	82.60	-
Asset classified as held for sale	-	-	-	(45.49)	-	-	-	-	-	-	(45.49)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2025</b>	<b>-</b>	<b>124.35</b>	<b>960.28</b>	<b>-</b>	<b>19.74</b>	<b>5.52</b>	<b>33.57</b>	<b>8.37</b>	<b>223.22</b>	<b>-</b>	<b>1,375.04</b>	<b>-</b>

**Net block**

Particulars	Land - freehold	Buildings	Plant and machinery	Plant and machinery under lease	Furniture and fixtures	Office equipments	Computers	Vehicles	Manufacturing tools	Leased Assets	Total	Capital work in progress
Opening Balance at 1st April 2023	720.61	245.07	323.78	78.77	6.79	0.83	6.08	12.59	30.43	2.92	1,427.88	-
Balance as at 31st March 2024	740.61	255.02	235.58	68.86	4.63	3.61	4.95	11.38	25.45	-	1,350.08	-
Balance as at 31st March 2025	740.61	241.71	184.31	-	2.84	4.74	4.97	10.35	25.88	-	1,215.41	16.21

Notes: Assets reclassified related to leases with Purchase Options for which the company had been depreciating the assets over their expected economic lives.

**a) Capitalised borrowing cost**

There is no borrowing costs capitalised during the year ended 31 March 2025 (31 March 2024: Nil).

**b) Useful life and method of depreciation**

Refer note 1.12

**c) Capital Working progress Ageing**

Ageing as on 31 March 2025

Particulars	Unbilled payables	Not due	Amount in CWIP for a period				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	16.21	-	-	-	16.21
Projects temporarily suspended	-	-	-	-	-	-	-
Total	-	-	16.21	-	-	-	16.21

Notes:

Ageing for the year ended 31 March 2024 is not prepared since it has no balance.

There are no capital work in progress which are overdue or has exceeded the costs compared to its original costs.

### 3 Other intangible assets

#### Software

Particulars	Software	Total
<b>Opening balance as at 1st April 2023</b>	<b>27.87</b>	<b>27.87</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31st March 2024</b>	<b>27.87</b>	<b>27.87</b>
Additions	12.02	12.02
Disposals	-	-
<b>Balance as at 31st March 2025</b>	<b>39.89</b>	<b>39.89</b>
<b>Accumulated amortisation</b>		
<b>Opening balance as at 1st April 2023</b>	<b>26.80</b>	<b>26.80</b>
Amortisation for the year	0.37	0.37
<b>Balance as at 31st March 2024</b>	<b>27.17</b>	<b>27.17</b>
Amortisation for the year	1.33	1.33
<b>Balance as at 31st March 2025</b>	<b>28.50</b>	<b>28.50</b>
<b>Net Block</b>		
<b>Opening Balance at 1st April 2023</b>	<b>1.07</b>	<b>1.07</b>
<b>Balance as at 31st March 2024</b>	<b>0.70</b>	<b>0.70</b>
<b>Balance as at 31st March 2025</b>	<b>11.39</b>	<b>11.39</b>

#### a. Contractual obligations

There are no contractual commitments for the acquisition of intangible assets

### 4 Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non-current</b>		
Trade Receivables considered good - Unsecured	0.35	0.35
	<b>0.35</b>	<b>0.35</b>
<b>Current</b>		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	1,067.66	1,111.23
(c) Trade Receivables considered good - Related party (Refer note 30)	108.65	98.24
(d) Trade Receivables which have significant increase in credit risk	156.17	284.50
	<b>1,332.48</b>	<b>1,493.97</b>
Less: Allowances for expected credit loss	(156.17)	(284.50)
	<b>1,176.31</b>	<b>1,209.47</b>



## Accounts Receivables Ageing Schedule as at 31st March 2025

Particulars	Not due	Outstanding from periods from due date of payment					Total
		<6 months	6 months -1yr	1-2 year	2-3 year	> 3 yrs	
Undisputed trade receivables - considered good	451.72	603.27	164.33	9.89	20.85	82.43	1,332.48
Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Less: Allowance for Expected credit Loss	-	-	-	-	-	-	(156.17)
<b>Total</b>	<b>451.72</b>	<b>603.27</b>	<b>164.33</b>	<b>9.89</b>	<b>20.85</b>	<b>82.43</b>	<b>1,176.31</b>

## Accounts Receivables Ageing Schedule as at 31st March 2024

Particulars	Not due	Outstanding from periods from due date of payment					Total
		<6 months	6 months -1yr	1-2 year	2-3 year	> 3 yrs	
Undisputed trade receivables - considered good	440.72	529.86	51.98	278.81	30.19	30.08	1,361.64
Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	0.05	41.64	90.64	132.33
Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Less: Allowance for Expected credit Loss							(284.50)
<b>Total</b>	<b>440.72</b>	<b>529.86</b>	<b>51.98</b>	<b>278.86</b>	<b>71.83</b>	<b>120.72</b>	<b>1,209.47</b>

## 5 Loans

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non-current</b>		
(Unsecured, considered good)		
Loans and advances	-	-
	-	-
<b>Current</b>		
(Unsecured, considered good)		

Loans and advances  
(a) to others

0.50 0.50

**0.50 0.50**

## 6 Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non-current</b>		
Security deposits	0.22	0.22
Lease Receivable	6.76	4.36
	<b>6.98</b>	<b>4.58</b>
The amount classified under balances with bank- Deposit account, consists of amount deposited with banks towards margin money for Bank Guarantee, Letter of Credit and Vendor bill discounting facilities.		
<b>Current</b>		
Security deposits	35.83	48.76
Interest receivables	-	-
Others	(1.80)	-
	<b>34.03</b>	<b>48.76</b>

## 7 Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non-current</b>		
(Unsecured, considered good)		
Prepaid expenses	0.82	0.82
Deferred Expenses	-	-
Capital advance	16.64	1.27
	<b>17.46</b>	<b>2.09</b>
<b>Current</b>		
(Unsecured, considered good)		
Advance Income Tax	-	-
Prepaid expenses	21.61	25.92
Balances with statutory authority	-	-
Advance for expenses	14.69	1.81
Other current assets	51.17	20.41
	<b>87.47</b>	<b>48.14</b>

## 8 Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	63.03	137.83
Work-in-progress	68.48	105.90
Finished goods (Refer note (a) and (b))	314.97	343.35
Packing materials	13.41	18.33

Retreaded Tyre- Vehicle Management	96.37	95.18
Fuel and oil	12.77	1.29
Tools and spares	15.72	12.64
Retreaded Tyre	1.74	1.74
Retreading Aecessories	0.93	0.93
Less Provision for inventory	-	(2.46)
	<b>587.42</b>	<b>714.72</b>

**Notes**

- (a) The Company has written off 2.46 lakhs of slow-moving finished goods inventory during the current financial year.
- (b) Inventory pledged as security- Refer note 29
- (c) Method of inventory Valuation- Refer note 1.15
- (d) The value of inventory includes ₹ 12.49 lakhs from the discontinued branches Guwahati (2.50 lakhs) and Hyderabad (9.99 lakhs).

**9 Cash and cash equivalents**

Particulars	As at March 31, 2025	As at March 31, 2024
Cash in hand	1.01	1.50
Balances with banks		
- in current accounts	96.60	72.03
	<b>97.61</b>	<b>73.53</b>

**10 Bank balances other than Cash and Cash equivalents**

Particulars	As at March 31, 2025	As at March 31, 2024
Unpaid dividend accounts	-	1.82
Balances with bank- Deposit account (Refer note (a))	22.67	52.23
	<b>22.67</b>	<b>54.05</b>

- (a) The amount classified under Balances with bank- Deposit account, consists of amount deposited with banks towards margin money for Bank Guarantee, Letter of Credit and Vendor bill discounting facilities.

**11 Assets Held for Sale**

Assets are classified as held for sale if their carrying amount will be recovered primarily through sale rather than through continuing use, if the assets are available for immediate sale in their present condition and if the sale is highly probable. Immediately before classification as held for sale, the assets are measured in accordance with company's accounting policies. Once classified as held for sale, asset are measured at the lower of their carrying amount and fair value less cost to sell. Any write-down on initial classification or

subsequent remeasurement are recognised in standalone statement of profit and loss.

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Property, Plant and Equipment	68.85	-
	<b>68.85</b>	<b>-</b>

Work to implement a disposal plan for each class of asset has already begun and is expected to be completed within twelve months of Balance Sheet date.

## 12 Share capital

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(a) Authorised share capital</b>		
<b>Equity shares</b>	600.00	600.00
60,00,000 equity shares of Rs 10 each (Previous year - 60,00,000)		
<b>Preference shares</b>	1,000.00	1,000.00
10,00,000 preference shares of Rs 100 each (Previous years - 10,00,000)		
<b>Total</b>	<b>1,600.00</b>	<b>1,600.00</b>
<b>(b) Issued, subscribed and paid-up equity capital</b>		
<b>Equity shares</b>	541.18	541.18
54,18,000 equity shares of Rs 10 each	<b>541.18</b>	<b>541.18</b>

### (c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

#### Equity shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares (in lakhs)	Amount	No. of Shares (in lakhs)	Amount
Balances as at the beginning of the year	52.32	523.20	52.32	523.20
<b>Add:</b> Issued and subscribed during the year	-	-	-	-
Shares forfeited	-	17.98	-	17.98
<b>Balance at the end of the year</b>	<b>52.32</b>	<b>541.18</b>	<b>52.32</b>	<b>541.18</b>

**(d) Details of shareholders holding more than 5% shares:**

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares (in lakhs)	Percentage of Holding	No. of Shares (in lakhs)	Percentage of Holding
<b>Equity shares of ₹ 10 each, par value</b>				
Feroz Meeran	13.51	25.81%	13.51	25.81%
Navas M Meeran	13.53	25.86%	13.53	25.86%
Kerala State Industrial Development Corporation Limited	6.15	11.75%	6.15	11.75%
<b>Total</b>	<b>33.19</b>	<b>63.43%</b>	<b>33.19</b>	<b>63.43%</b>

**(e) Terms/Rights attached to equity shares:**

The Company has only one class of shares referred to as equity shares with a face value of ₹ 10 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

**Redemption of preference shares**

(i) The Board Meeting held on 22.07.2016 has approved the redemption plan of the Preference Shares. Ten Lakhs Redeemable Preference Shares of Rs.100/- each shall be redeemed out of the profits of the company in not more than 10 annual installments of a minimum of 1,00,000 Preference Shares of Rs.100/- each aggregating to Rs. 1 crore per year. Pursuant to the above approval by the board the company has redeemed 100000 Zero percent Redeemable Preference Shares of Rs. 100/- each at a value of Rs. 1 Crore, during the FY 2016-17.

(ii) The company has not redeemed any preference shares during the financial Year 2024-25

**(f) Issue of bonus shares**

There has been no issuance of bonus shares or share buy back during five years immediately preceding 31 March 2025.

**(g) Details of forfeited shares**

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares (in lakhs)	Amount paid up	No. of Shares (in lakhs)	Amount paid up
Equity shares with voting rights*	3.64	17.98	3.64	17.98
*These shares were forfeited on 13 August 2014				

**13 Other equity**

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Redemption Reserve	100.00	100.00
Other equity	753.90	753.90
General reserves	97.46	97.46
Retained earnings	(3,115.89)	(2,812.77)
Other comprehensive Income -Changes in revaluation surplus	430.26	430.26
Other comprehensive loss	(85.75)	(76.30)
	<b>(1,820.02)</b>	<b>(1,507.45)</b>

**Nature and purpose of each reserve****Capital Redemption Reserve:**

The Company had redeemed 100,000 numbers of Zero coupon cumulative Redeemable Preference Shares of ₹ 100 each amounting to ₹ 1 crore during the FY 2016-17 and the amount equal to the face value of such number of shares has been transferred to Capital Redemption Reserve.

**Other Equity :**

The balance in the Other equity represents the owners equity component of the Preference shares reclassified in accordance with Ind AS 32.

**General Reserve :**

General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes.

**Retained Earnings :**

Retained earnings are the profits or losses that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**Other Comprehensive Income:**

Revaluation surplus : Gain on revaluation of Property, Plant and Equipment consequent to 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 is accumulated under Other comprehensive income - Change in Revaluation surplus.

Remeasurements of net defined benefit plans: Difference between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

**14 Borrowings**

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non-current</b>		
<b>Secured (Refer note (i))</b>		
Term loan from Bank	466.44	678.93
Deferred payment liabilities	(8.42)	(12.81)
<b>Unsecured</b>		
Loans from Related Parties (Refer note (ii))	236.80	417.82
Liability component of Cumulative Redeemable Preference Shares (Refer note (iii))	89.29	169.01
	<b>784.11</b>	<b>1,252.95</b>
Amount disclosed under "Current financial liabilities"		
Less: Current maturities of Secured Term Loan	(173.00)	(502.48)
	<b>611.11</b>	<b>750.46</b>
<b>Current</b>		
<b>Secured, from banks</b>		
Cash credit (Refer note (iv))	1,749.70	747.13
Current maturities of Secured Term Loan	173.00	502.48
Demand Loan	-	396.65
	<b>1,922.70</b>	<b>1,646.26</b>
<b>Unsecured</b>		
Liability component of Cumulative Redeemable Preference Shares (Refer note (iii))	800.00	700.00
	<b>800.00</b>	<b>700.00</b>
	<b>2,722.70</b>	<b>2,346.26</b>

**Notes:****(i) Term loans****Union Bank Term Loan**

The term loans from Union Bank of India are to be repaid in equal monthly installments over a period of 36 to 54 months, with installment amounts ranging from INR 7.22 to 7.23 lakhs. The annual interest rate for these loans varies between 7.50% and 9.25% .The term loan from Union Bank of India is secured by a first charge on the company's inventory, moveable plant, and machinery, with additional guarantees from the Promoter Directors. The loan is further secured by collateral, including the deposit of title deeds for the company's land and building.

Deferred payment liabilities are related to Term loan from Union bank and the same have been recognized in accordance with amortised cost principles.

**(ii) Loan from Related Party**

The Company has obtained unsecured loan from its director which is repayable within in 3 years with an interest of 7.95% . However, the Company is required to repay 1 loan in the next financial year within 12 months.



**(iii) Working Capital Loan**

The WCTL - GECL loan from Union Bank will be repaid in 8 equal monthly installments of Rs 14.13 lakhs each ,including an annual interest of 7.50 % . INDAS 109 requires, the borrowings from the banks to be carried in the books at amortised cost model. By using this model all the financial liabilities are recorded using effective rate of interest and the interest income needs to be segregated when the amounts are expected to be settled for more than 12 months. All the transaction cost including the upfront processing fees paid are to be amortised over the tenure of the loan/borrowings using effective interest method.

**(iii) Liability component of Cumulative Redeemable Preference Shares**

The Company had issued 10 lakhs Zero Coupon Cumulative redeemable preference shares of ₹ 100 each to the promoters, which are redeemable after 5 years from the date of allotment subject to achieving net worth of ₹ 100 lakhs (without considering the said Preference Shares).

The Board Meeting held on 22 July 2016 had approved the redemption plan of the Preference Shares. Ten Lakhs Redeemable Preference Shares of ₹ 100 each shall be redeemed out of the profits of the Company in not more than 10 annual installments of a minimum of 100,000 Preference Shares of ₹ 100 each aggregating to ₹ 1 crore per year. During the FY 16-17, the Company had redeemed 100,000 numbers of Zero coupon cumulative Redeemable Preference Shares of ₹ 100 each valued at ₹ 1 crore. In accordance with Ind AS 32, these preference shares are classified as amortised cost liability as the preference shares provides for redemption on specific date or at the option of the holder.

**(iv) Cash Credit**

The Cash Credit from the Federal Bank Ltd is secured by way of first charge on the floating assets and second charge on the fixed assets of the Company and are further guaranteed by the Promoter Directors of the Company. The above loans are further secured by collateral security by deposit of title deeds of the land and building of the Company.

The Cash Credit from the Union Bank of India is secured by way of first charge on the floating assets and second charge on the fixed assets of the Company and are further guaranteed by the Promoter Directors of the Company. The above loans are further secured by collateral security by deposit of title deeds of the land and building of the Company.

Name of Bank	Aggregate Working Capital limit sanctioned ( in lakhs)	Quarter ended	Amount disclosed as per quarterly return/ statements (in lakhs)	Amount as per books of accounts (in lakhs)	Difference (in lakhs)	Reasons for differences
Union Bank of India	900.00	Jun-24	2,131.47	2,137.88	(6.41)	Changes are due to audit entries and difference in stock valuation.
Union Bank of India	900.00	Sep-24	2,279.46	2,079.11	200.35	
Union Bank of India	900.00	Dec-24	2,104.80	2,151.23	(46.43)	
Union Bank of India	900.00	Mar-25	1,941.59	1,919.90	21.69	

**15 Other financial liabilities**

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Current</b>		
Security deposit / retention money payable	40.90	40.90
Creditors for capital goods	1.50	0.00
Other financial liabilities	3.29	2.01
Unpaid dividends	-	1.82
	<b>45.69</b>	<b>44.73</b>

**16 Provisions**

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non-current</b>		
Provision for employee benefits (Refer note 24.1)	109.64	97.62
	<b>109.64</b>	<b>97.62</b>
<b>Current</b>		
Provision for employee benefits (Refer note 24.1)	33.88	32.66
	<b>33.88</b>	<b>32.66</b>

**17 Deferred tax liabilities**

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax liability</b>		
On excess of net book value over Income tax written down value of fixed assets	72.57	117.77
Deferred tax impact on fair value changes	0.57	30.67
	<b>73.14</b>	<b>148.44</b>
<b>Deferred tax assets</b>		
On provisions	-	-
<b>Deferred tax liabilities, net</b>	<b>73.14</b>	<b>148.44</b>
Movement in deferred tax liabilities (Refer note 35)		

**18 Other liabilities**

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Current</b>		
Advance lease rent	0.94	0.94
Advances from customers	8.20	8.20
Statutory dues	54.30	54.16
Dues to employees	45.14	70.72
Others	42.45	-
	<b>151.03</b>	<b>134.02</b>

Notes:

*Includes ₹ 45.14 lakh (₹ 70.20 lakh in previous year) of employee-related payables regrouped from "Other Financial Liabilities" in the previous year.*

## 19 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to micro enterprises and small enterprises (refer note (a) below)	70.68	105.68
Dues to others		
a) related parties (Refer note 29)	0.24	2.14
b) others	831.33	841.42
	<b>902.25</b>	<b>949.24</b>

(a) Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details are mentioned below:

i) Principal amount remaining unpaid (but within due date as per the Micro, Small and Medium Enterprises Development Act, 2006)	70.68	105.68
ii) Interest due thereon remaining unpaid	-	-
iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
v) Interest accrued and remaining unpaid	-	-
vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
	<b>70.68</b>	<b>105.68</b>

## Accounts Payables Aging Schedule as on 31st March 2025

Particulars	Unbilled payables	Not due	Outstanding for following periods from due date of				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to Micro, Small and Medium Enterprises (MSME)							
- Disputed dues	-	-	-	-	-	-	-
- Undisputed dues	-	10.16	32.07	28.45	-	-	70.68
(ii) Dues to Others							
- Disputed dues	-	-	-	-	-	-	-
- Undisputed dues	-	314.80	516.21	0.56	-	-	831.57
<b>Total (i + ii)</b>	-	<b>324.96</b>	<b>548.28</b>	<b>29.01</b>	-	-	<b>902.25</b>

## Accounts Payables Aging Schedule as on 31st March 2024

Particulars	Unbilled payables	Not due	Outstanding for following periods from due date of				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to Micro, Small and Medium Enterprises (MSME)							
- Disputed dues	-	-	-	-	-	-	-
- Undisputed dues	-	39.67	55.43	10.58	-	-	105.68
(ii) Dues to Others							
- Disputed dues	-	-	-	-	-	-	-
- Undisputed dues	-	402.83	440.73	-	-	-	843.56
<b>Total (i + ii)</b>	-	<b>442.50</b>	<b>496.16</b>	<b>10.58</b>	-	-	<b>949.24</b>

## 20 Revenue from operations

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Gross sales	5,931.00	5,953.36
Discount	(108.37)	(172.90)
<b>Sale of products</b>	<b>5,822.63</b>	<b>5,780.46</b>
Retreading charges	200.66	171.96
Lease rent received	-	0.66
Sale of scrap and waste	-	-

Job work receipts	-	-
<b>Other operating revenue</b>	<b>200.66</b>	<b>172.62</b>
<b>Total</b>	<b>6,023.29</b>	<b>5,953.08</b>

The management determines that the segment information reported under Note 36 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from Contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported. The Company's performance obligation are satisfied upon shipment and payment is generally due by 30 to 60 days.

## 20.1 Reconciliation of revenue from sale of goods with the contracted price

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Contracted price	5,931.00	5,953.36
Less : Trade discount, rebates etc	(108.37)	(172.90)
<b>Net revenue recognised from contracts with customers</b>	<b>5,822.63</b>	<b>5,780.46</b>

## 21 Other income

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Interest income	3.36	3.94
Other non operating income	35.91	19.82
	<b>39.27</b>	<b>23.76</b>

## 22 Cost of materials consumed

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening inventory	137.83	157.67
Add: Purchases	4,141.49	3,814.31
Less: Closing inventory	(63.03)	(137.83)
	<b>4,216.29</b>	<b>3,834.16</b>

## 23 Changes in stock of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Opening Stock</b>		
Finished goods (including goods in transit)	346.02	436.96
Work-in-progress	105.90	30.81
	<b>451.92</b>	<b>467.77</b>
<b>Closing Stock</b>		
Finished goods (including goods in transit)	317.64	346.02
Work-in-progress	68.48	105.90
	<b>386.12</b>	<b>451.92</b>
	<b>65.80</b>	<b>15.85</b>

**24 Employee benefit expense**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus	795.16	842.72
Contributions to provident and other funds (refer note (a))	49.39	53.54
Gratuity (refer note (b))	13.78	33.54
Staff welfare expenses	41.60	33.94
	<b>899.93</b>	<b>963.74</b>

**Notes:**

(a) Eligible employees of the Company receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Company has no further obligation beyond making its contribution. The Company's monthly contributions are charged to Statement of Profit and Loss in the period in which they are incurred:

	Year ended 31 March 2025	Year ended 31 March 2024
Employer's contribution to Provident Fund	40.71	43.64
Employer's contribution to ESI	8.22	8.92
Labour welfare and other funds	0.46	0.98

(b) In accordance with the payment of gratuity under 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan covering eligible employees. Liability with regard to such gratuity is determined by an independent actuarial valuation using the Projected Unit Credit method and is charged to the Statement of Profit and Loss in the year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

The following table set out the status of the gratuity plan as required under Ind AS 19, Employee Benefits:

**Change in defined benefit obligations**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Present value of defined benefit obligations at the beginning of the year	134.94	154.91
Current service cost	10.41	12.37
Interest cost	9.08	10.55
Benefits settled	(18.71)	(28.54)
Actuarial (gain) / loss	8.97	(14.35)
Present value of defined benefit obligations at the end of the year	<b>144.69</b>	<b>134.94</b>

**Reconciliation of present value of obligation and the fair value of assets**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Present value of the defined benefit obligation at the end of the year	144.69	134.94
Fair Value of plan assets	1.17	4.66
Liability recognised in the Balance Sheet	<b>143.52</b>	<b>130.28</b>

**Change in defined benefit obligations**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Fair value of the plan assets at the beginning of the period	4.66	3.55
Expected return on plan assets	0.22	0.29
Contributions by employer	15.48	29.26
Benefits paid from the fund	(18.71)	(28.54)
Actuarial gain/loss	(0.47)	0.10
<b>Fair value of the plan assets at the end of the period</b>	<b>1.17</b>	<b>4.66</b>

**Components of net gratuity cost**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Current service cost	10.41	12.37
Net Interest cost	8.86	10.26
Net gratuity costs charged to profit or loss	<b>19.27</b>	<b>22.63</b>

**Components actuarial losses/(gains) in other comprehensive income**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Return on plan assets less than discount rate	0.47	0.10
Actuarial gain due to financial assumption changes in defined benefit obligations	5.10	(9.54)
Actuarial losses due to experience on defined benefit obligations	3.87	(4.80)
Total actuarial loss included in other comprehensive income	<b>9.45</b>	<b>(14.24)</b>

**Assumptions used**

Discount rate		
Permanent	6.73%	7.23%
Casual	6.73%	7.23%
Salary escalation rate *		
Permanent	5.00%	5.00%
Casual	5.00%	5.00%
Attrition rate		



Permanent	11.60%	11.60%
Casual	11.60%	11.60%
Retirement age	58	58

\* Estimates of future salary increases takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in employment market.

### Sensitivity analysis

#### Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

**Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time).

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**A quantitative sensitivity analysis for significant assumption is as shown below:**

Assumption	Year ended 31 March 2025		Year ended 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	(6.33)	7.07	6.78	(6.10)
Salary growth rate (- / + 1%)	6.94	(6.43)	(6.13)	6.72
Attrition rate (- / + 1%)	0.27	(0.29)	(0.41)	0.38

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

**25 Finance costs**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Interest expense	227.72	279.27
Deferred Expenses Term Loan	4.39	0.37
Other borrowing costs	13.93	17.18
	<b>246.04</b>	<b>296.82</b>

**26 Depreciation and amortisation expense**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation on tangible assets (Refer note 2.1)	82.60	180.52
Amortisation on intangible assets (Refer note 2.2)	1.33	2.71
	<b>83.93</b>	<b>183.23</b>

**27 Other expenses**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Repairs and maintenance:		
Building	1.24	0.77
Plant and machinery	5.93	2.48
Others	12.72	18.50
Rent	55.08	52.84
Insurance	9.05	8.61
Professional charges	137.31	174.33
Payments to the auditor (refer note 26.1 )	6.82	6.67
Travelling expenses	82.38	91.45
Business promotion expenses	32.70	27.64
Freight charges	130.92	122.80
Claim settlement	5.83	6.84
Tools and spares consumed	4.09	6.62
Commission	9.23	13.40
Power and fuel	233.60	247.46
Rates and taxes excluding taxes on income	10.08	20.48
Job work charges	37.50	33.99
Consumables	35.62	51.66
Packing materials consumed	167.45	163.20
General factory expenses	57.45	59.90
Provision for doubtful debts	(128.32)	(70.00)
Bad debts	(0.71)	-
Miscellaneous expenses	17.61	13.85
	<b>923.58</b>	<b>1,053.49</b>

	Year ended 31 March 2025	Year ended 31 March 2024
<b>27.1 Payments to the auditor</b>		
For tax audit	1.00	1.00
For statutory audit	5.50	5.50
Reimbursement of expenses	0.32	0.17
	<b>6.82</b>	<b>6.67</b>

**28 Loss per Equity share**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Net loss after tax attributable to equity shareholders	(303.12)	(294.73)
Weighted number of ordinary shares for basic EPS in lakhs	52.32	52.32
Nominal value of ordinary share (in Rs. per share)	10.00	10.00
Basic and Diluted earnings for ordinary shares (in Rs. per share)	(5.79)	(5.63)

**29 Assets pledged as security**

Particulars	As at March 31, 2025	As at March 31, 2024
The carrying amounts of assets pledged as security for current and non-current borrowings are:		
<b>Current</b>		
<b>First charge</b>		
Financial assets		
Trade receivables	1,176.31	1,209.44
Cash and cash equivalents	97.61	73.53
Bank balances other than cash and cash equivalents above	22.67	54.05
Loans	0.50	0.50
Other financial assets	34.03	48.76
Inventories	587.42	714.72
Other current assets	87.47	48.14
<b>Total current assets pledged as securities</b>	<b>2,006.01</b>	<b>2,149.14</b>
<b>Non-current</b>		
<b>First charge</b>		
Property, plant and equipment (PPE) and Capital work in progress	1,215.41	1,350.08
<b>Total non-current assets pledged as securities</b>	<b>1,215.41</b>	<b>1,350.08</b>
<b>Total assets pledged as security</b>	<b>3,221.42</b>	<b>3,499.23</b>

## 30 Related Party Disclosures

## (A) Name of the related party and nature of relationship where control exists

<b>Name of Related Party</b>	<b>Nature of Relationship</b>
Navas M Meeran	Chairman
Mathur Seshaiyer Ranganathan	Independent Director
Neelakanta Iyer Kaitharam Subramony Iyer	Independent Director
Rani Joseph	Independent Director
Shereen Navaz	Director
Naiju Joseph	Director
Rajesh Jacob	Former KSIDC Nominee Director
N Jayaseelan	Independent Director
<b>Key Managerial Personnel</b>	
M.E. Mohamed	Managing Director
Abil Anil	Company Secretary
Suresh S.	Former Chief Financial Officer
Devarajan Krishnan	Chief Financial Officer & Chief Executive Officer

**Entities where significant influence is exercised by the director, KMP and/or their relatives having transactions with the Company**

Eastern Condiments Private Limited  
 Eastern Retreads Private Limited  
 Eastea Chai Private Limited  
 Group Meeran Private Limited (Formerly known as Cannymate Business Solutions Pvt Ltd)  
 Reenaz Properties Pvt Ltd  
 Fleetaid Professional Private Limited

**(B) Transactions with related parties as per the books of account during the period**

Nature of Transaction	Subsidiary / Entities where significant influence is exercised by the director, KMP and/or their relatives having transactions with the Company		Key Managerial Person (KMP)	
	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
<b>Sale of finished goods</b>				
Eastern Retreads Pvt LTd	258.16	219.87		
Fleetaid Professional Pvt. Limited	10.52	-		
<b>Received services</b>				
Eastern Retreads Pvt LTd	0.13	0.46		
Group Meeran Pvt Ltd	104.35	139.75		
Reenaz Properties (P) Ltd	0.58	0.77		
<b>Quantity discount provided</b>				
Eastern Retreads Pvt LT	8.38	7.37		
<b>Interest Expense</b>				
Navas M Meeran	24.94	30.41		
<b>Loan Repaid</b>				
Navas M Meeran	205.88	-		
<b>Purchase of goods</b>				
Eastern Condiments (P) Ltd				
Eastern Retreads Pvt LTd		0.11		
<b>Leases</b>				
Eastern Retreads Pvt LTd	0.05	0.04		
Eastea Chai (P) Ltd	0.35	0.36		
Reenaz Properties (P) Ltd	30.71	29.41		
<b>Remuneration</b>				
Suresh S				- 9.60
Devarajan Krishnan			44.01	20.96
Abil Anil			9.49	8.49
M.E. Mohamed			10.35	13.80
<b>Sitting Fee</b>				
Naiju Joseph			0.35	0.35
M.S. Ranganathan			0.05	0.25
Neelacanta Iyer			0.05	0.35
Rani Joseph			0.45	0.35
Navas Meeran			0.40	-
N Jayaseelan			0.40	-
M.E. Mohamed			0.30	-

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Amount receivables</b>		
Eastern Retreads Pvt LTd	108.65	98.24
<b>Amount Payables</b>		
Eastern Condiments (P) Ltd	-	2.14
Group Meeran Pvt Ltd	21.14	38.28
Reenaz Properties (P) Ltd	36.05	26.12
M.E. Mohamed	0.24	-
<b>Loan and interest on loan</b>		
Navas Meeran	236.56	420.43
<b>Guarantees or collateral *</b>		
Navas M Meeran	1,801.09	1,808.73
Feroz Meeran	398.90	-
M.E. Mohamed	1,402.19	1,808.73
<b>Security Deposit Given</b>		
Sahara Treads	1.80	1.80

### 31 Contingent Liabilities And Commitments (To the extent not provided for) :

	Year ended 31 March 2025	Year ended 31 March 2024
<b>a. Claims against the company not acknowledged as debt</b>		
ii. Income tax matters	190.35	20.97
<b>b. Bank Guarantees outstanding</b>	193.84	201.85
<b>c. Commitments</b>		
i. Estimated amounts of contracts remaining to be executed not provided for	-	-

### 32 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

## A. Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk for receivables, cash and cash equivalents, short term investments and financial guarantee.

### Cash and cash equivalents and short term investments

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant deposit balances other than those required for its day to day operations.

### Trade receivables

The Company is exposed to credit risk from its operating activities primarily from trade receivables amounting to ₹ 1,332.48 Lakhs and ₹ 1493.94 as of 31 March 2025 and 31 March 2024 respectively. The Company has standard operating procedure for obtaining sufficient security like bank guarantees where appropriate, as a means of mitigating the risk of financial loss from defaults.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The history of trade receivables shows a negligible provision for bad and doubtful debts. The solvency of customers and their ability to repay the receivable is considered in assessing receivables for impairment. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties. Where receivables are impaired, the Company actively seeks to recover the amounts in question and enforce the compliance with credit terms.

Movement in the provision for doubtful receivable

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning	284.50	462.59
Credit loss recognised	(128.32)	(178.09)
Balance at the end	156.18	284.50

## B. Liquidity Risk

The Company requires funds both for short-term operational needs as well as for long-term growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents provide liquidity both in the short-term as well as in the long-term. In addition company has also availed short term / long term finance from banks as and when required. The Company has been rated by CRISIL Limited (CRISIL) for its banking facilities in line with Basel II norms with a rating of Long term - CRISIL B/ Stable and short term A4.

The Company remains committed to maintaining a healthy liquidity, gearing ratio and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.



**Maturities of financial liabilities****As at 31 March 2025**

	<b>&lt; 1year</b>	<b>1-5 years</b>	<b>&gt;5years</b>	<b>Total</b>
Borrowings	1,922.70	521.82	-	2,444.52
Preference share redemption	800.00	89.29	-	889.29
Other financial liabilities	45.69	-	-	45.69
Trade payables	902.25	-	-	902.25
	<b>3,670.64</b>	<b>611.11</b>	<b>-</b>	<b>4,281.74</b>

**As at 31 March 2024**

	<b>&lt; 1year</b>	<b>1-5 years</b>	<b>&gt; 5years</b>	<b>Total</b>
Borrowings	1,646.26	750.47		2,396.73
Preference share redemption	700.00	200.00	-	900.00
Other financial liabilities	44.73		-	44.73
Trade payables	949.24	-	-	949.24
	<b>3,340.23</b>	<b>950.47</b>	<b>-</b>	<b>4,290.70</b>

**C. Market Risk**

The company is exposed to market risk of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities. The company operates internationally and a significant portion of the business is transacted in USD currencies and consequently the Company is exposed to foreign exchange risk through us sales and purchases in foreign currencies. The exchange rate between rupee and foreign currency has changed substantially in recent years and may fluctuate substantially in future. Foreign currency denominated financial assets and liabilities which exposes the company to currency risk are discussed below:

Particulars		As at 31st March 2025		As at 31st March 2024	
Included in	Currency	Amount in foreign currency (Lakhs)	Amount in Rs (Lakhs)	Amount in foreign currency (Lakhs)	Amount in Rs (Lakhs)
<b>Financial Assets</b>					
Trade Receivables	USD	0.56	47.74	0.50	40.69
<b>Financial Liabilities</b>					
Trade Payables	USD	-	-	-	-

Conversion rates	Financial Assets	Financial Liabilities
	USD	USD
As at March 2025	85.48	NA
As at March 2024	82.07	NA

## Sensitivity

The following table details the company's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currency. 1% is the sensitivity rate used when reporting foreign currency risk internally to key managerial personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their transactions at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where rupees strengthen 1% against the relevant currency. For a 1% weakening of rupee against the relevant currency, there would be a comparable impact on profit or equity, and the balance below would be negative.

Impact on profit after tax	Increase 31st March 2025	Decrease 31 March 2025	Increase 31st March 2024	Decrease 31st March 2024
Sensitivity INR/USD	0.35	-0.35	0.30	(0.30)

## D. Interest rate risk

The Company is exposed to interest rate risk on short-term (cash credit) and long-term (term loans). The borrowings of the Company are principally denominated in Indian Rupees. These exposures are reviewed by appropriate levels of management on a regular basis. There are no foreign currency borrowings made by the company during the reporting periods. The impact on the company's profit or loss before tax due to change in interest rate is given below:

	Change in interest rate	Effect on profit or loss before tax	
		31 March 2025	31 March 2024
<b>Interest sensitivity:</b>			
Interest rates – increase by 100 basis points (100 bps)	1.00%	(22.16)	(14.26)
Interest rates – decrease by 100 basis points (100 bps)	1.00%	22.16	14.26

## 33 Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements. For the purpose of calculating gearing ratio, debt is defined as non-current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company.

	As at 31 March 2025	As at 31 March 2024
Current borrowings	2,549.70	1,447.13
Non current borrowings	611.11	750.46
Current maturities of non current borrowings	(173.00)	502.48
Less: Cash and cash equivalents	(97.61)	(73.53)
Less: Bank balances other than cash and cash equivalents	(22.67)	(54.05)
<b>Net debt</b>	<b>2,867.51</b>	<b>2,572.49</b>
Equity share capital	541.18	541.18
Other equity	(1,820.02)	(1,507.46)
<b>Total capital (equity + net debt)</b>	<b>1,588.68</b>	<b>1,606.21</b>
<b>Gearing ratio</b>	<b>180.50%</b>	<b>160.16%</b>

### 34 Disclosure with respect to operating leases

The lease expenses for cancellable operating leases during the year ended 31 March 2025:Rs. 55.08 lakhs (31 March 2024 is ₹ 52.84 lakhs)

The Company's significant leasing arrangements in respect of operating leases for office premises, which includes cancellable leases generally range between 11 months to 60 months and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent under note 2.27 to the financial statements.

#### Details of leasing arrangements as lessor:

During the year, certain items of plant and machinery previously provided under cancellable operating lease arrangements reached the end of their lease term. In accordance with the lease terms, the lessees were provided an option to purchase the assets at their written down value. The Company intends to dispose of these assets in the financial year 2025–26 and has accordingly classified them as assets held for sale in compliance with the requirements of Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. The disclosure of future minimum lease payments and net block of plant and machinery given on lease has not been provided for assets classified as held for sale during the year in accordance with Ind AS 105

	Year ended 31 March 2025	Year ended 31 March 2024
Net block value of plant and machinery given on lease (refer note 2.1)	-	68.86
<b>Future minimum lease payments</b>		
not later than one year	-	0.94
later than one year and not later than five years	-	-

## 35 Income Tax

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Current tax:</b>		
Current income tax charge	-	-
<b>Deferred tax credit</b>		
Relating to the origination and reversal of temporary differences	(75.29)	(17.05)
<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>(75.29)</b>	<b>(17.05)</b>
<b>Deferred tax related to items recognised in Other Comprehensive Income (OCI)</b>		
Income tax relating to re-measurement loss on defined benefit plans	-	-
	-	-
<b>Reconciliation of deferred tax (net)</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Opening balance	148.44	165.49
Tax credit during the year recognized in statement of profit and loss	(75.29)	(17.05)
Tax credit during the year recognised in Other Comprehensive Income (OCI)	-	-
<b>Closing balance</b>	<b>73.15</b>	<b>148.44</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
<b>Accounting loss before tax and exceptional item</b>	(378.41)	(311.78)
Tax on accounting profit at statutory income tax rate at 26% (31 March 2024: 26%)	(98.39)	(78.48)
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Deferred tax assets not recognized on the loss as there is no certainty of future taxable profit	435.96	221.84
Others	(412.86)	(160.41)
<b>Tax charge for the year</b>	<b>(75.29)</b>	<b>(17.05)</b>
Income tax expense reported in the Statement of Profit and Loss	(75.29)	(17.05)

### 36 Fair value measurements

#### (i) Financial instruments by category

The carrying value and fair value of financial instruments by categories are as follows:

	31-Mar-25			31-Mar-24		
	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI
<b>Financial Assets:</b>						
<b>Non-current</b>						
(i) Investments	-	-	-	-	-	-
(ii) Trade receivables	0.35	-	-	0.35	-	-
(iii) Other financial assets	6.98	-	-	4.58	-	-
<b>Current</b>						
(i) Trade receivables	1,176.31	-	-	1,209.44	-	-
(ii) Cash and cash equivalents	97.61	-	-	73.53	-	-
(iii) Bank balances other than (ii) above	22.67	-	-	54.05	-	-
(iv) Loans	0.50	-	-	0.50	-	-
(v) Other financial assets	34.03	-	-	48.76	-	-
<b>Total financial assets</b>	<b>1,338.45</b>	<b>-</b>	<b>-</b>	<b>1,391.21</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities:</b>						
<b>Non-current</b>						
(i) Borrowings	611.11	-	-	750.46	-	-
(ii) Other financial liabilities	-	-	-	-	-	-
<b>Current</b>						
Financial liabilities						
(i) Borrowings	2,722.70	-	-	2,346.26	-	-
(ii) Trade payables	902.25	-	-	949.24	-	-
(iii) Other financial liabilities	45.69	-	-	44.73	-	-
<b>Total financial liabilities</b>	<b>4,281.75</b>	<b>-</b>	<b>-</b>	<b>4,090.69</b>	<b>-</b>	<b>-</b>

The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, working capital loans and other financial liabilities approximate the carrying amount largely due to short-term maturity of this instruments.

#### (ii) Fair value of financial assets and liabilities measured at amortised cost

The management assessed that for amortised cost instruments, fair value approximate largely to the carrying amount.

**(iii) Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- a) Level 1- Quoted prices (unadjusted) is the active market price for identical assets or liabilities
- b) Level 2 -Inputs other than quoted price included within level 1 that are observable for the assets or liability, either directly
- c) Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short- term nature.

**37 Segment Information**

The Company is engaged in the manufacture and sale of products which form part of one product group which represents one operating segment, as the Chief Operating Decision Maker (CODM), reviews business performance at an overall company level. Entity-wide disclosure as required by Ind AS 108 "Operating Segment" are as follows:

- (i) Revenues from external customers for each product or each group of similar products:

	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Sales of products	5,822.63	5,780.46
	<b>5,822.63</b>	<b>5,780.46</b>

- (ii) Revenues from external customers attributed to the Company's country of domicile and attributed to all foreign countries from which the Company derives revenues:

	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
India	5,303.57	5,234.24
Outside India	519.06	546.22
	<b>5,822.63</b>	<b>5,780.46</b>

- (iii) Non-current assets (other than financial instruments and deferred tax assets) located in the Company's country of domicile and in all foreign countries in which the Company holds assets:

	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
India	1,260.48	1,352.87
Outside India	-	-
	<b>1,260.48</b>	<b>1,352.87</b>

- (iv) The following table gives details in respect of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale:

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from Top customer	593.37	619.14
Revenue from customers contributing 10% or more to the company's revenue from product sale	593.37	619.14

**38** An offer of rights issue was made to the Company by Shipnext Solutions Private Limited ("Subsidiary") on 4 September 2021 which was renounced by the Company in its board of directors meeting held on 13 September 2021. Subsequently, the capital base of the Subsidiary was increased by way of private placement of equity shares to other investors on 30 November 2021. Consequently, the shareholding of the Company has reduced to 14.53% resulting in loss of control in Subsidiary and Shipnext Solutions Private Limited became an associate as per Ind AS 28 "Investments in Associates and Joint Ventures" with effect from 1 December 2021. Further, due to various actions taken by the management of the Company including amendment in shareholders' agreement which resulted to reduce in share holdings to 9.69%, Shipnext Solutions Private Limited ceased to be an associate of the Company with effect from 15 February 2022.

### 39 Key Ratios

Particulars	31 March 2025	31 March 2024	% Variance	Reason for variance
Current ratio	0.55	0.62	-12%	Not applicable
Debt-equity ratio	(2.61)	(3.20)	-19%	Not applicable
Debt service coverage ratio	(0.11)	0.24	-147%	There was a decrease in operating income during the year due to which the earnings available for debt service has decreased.
Return on equity ratio	0.27	0.36	-24%	Not applicable
Inventory turnover ratio	9.25	8.27	12%	Not applicable
Trade receivables turnover ratio	5.05	4.73	7%	Not applicable
Trade payables turnover ratio	4.56	4.90	-7%	Not applicable
Net capital turnover ratio	(3.44)	(4.48)	-23%	Not applicable
Net profit ratio	(0.05)	(0.05)	2%	Not applicable
Return on capital employed	0.27	(0.05)	-613%	There is a increase in loss and reduction in capital employed when compared to previous year.



**Numerator and denominator used for computation**

Particulars	Numerator	Denominator
Current ratio	Current assets	Current liabilities
Debt-equity ratio	Total borrowings	Equity share capital and other equity
Debt service coverage ratio	Earnings available for debt service	Debt service
Return on equity ratio	Net loss	Average shareholder's equity
Inventory turnover ratio	Revenue from operations	Average inventory
Trade receivables turnover ratio	Revenue from operations	Average trade receivables
Trade payables turnover ratio	Total purchases	Average trade payables
Net capital turnover ratio	Revenue from operations	Working capital
Net profit ratio	Net loss	Revenue from operations
Return on capital employed	Loss before interest and tax	Capital employed

- 40 a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- c) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- e) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall
- 1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries).
  - 2) provide any guarantee, security or the like on behalf of the ultimate beneficiaries. Company has not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall
    - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
    - ii) provided any guarantee, security or the like on behalf of the ultimate beneficiaries.
- f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2025.
- g) The Company does not have any surrendered or undisclosed income during the year in the tax assessments under the Income Tax Act, 1961.
- h) The title deeds of all the immovable properties held by the Company disclosed in the financial statements

are held in the name of the Company.

- i) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.
- j) The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

#### **41 Events after the balance sheet date**

There were no material subsequent events after the reporting date which requires any adjustments or disclosures relating to reported assets and liabilities at the end of the reporting period.

- 42** Prior year comparatives have been regrouped/reclassified where necessary to conform with the current year classification.

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This is the summary of significant accounting policies and other explanatory information as referred to in our report of even date.

#### **For G. Joseph & Associates**

Chartered Accountants

Firm Registration Number 006310S

#### **For and on behalf of the Board of Directors of Eastern Treads Limited**

#### **Allen Joseph**

Partner

Membership No 228498

Kochi

Date: 29-05-2025

#### **M.E Mohamed**

Managing Director

DIN: 00129005

#### **Navas M. Meeran**

Chairman

DIN: 00128692

#### **Deverajan Krishnan**

Chief Financial Officer&

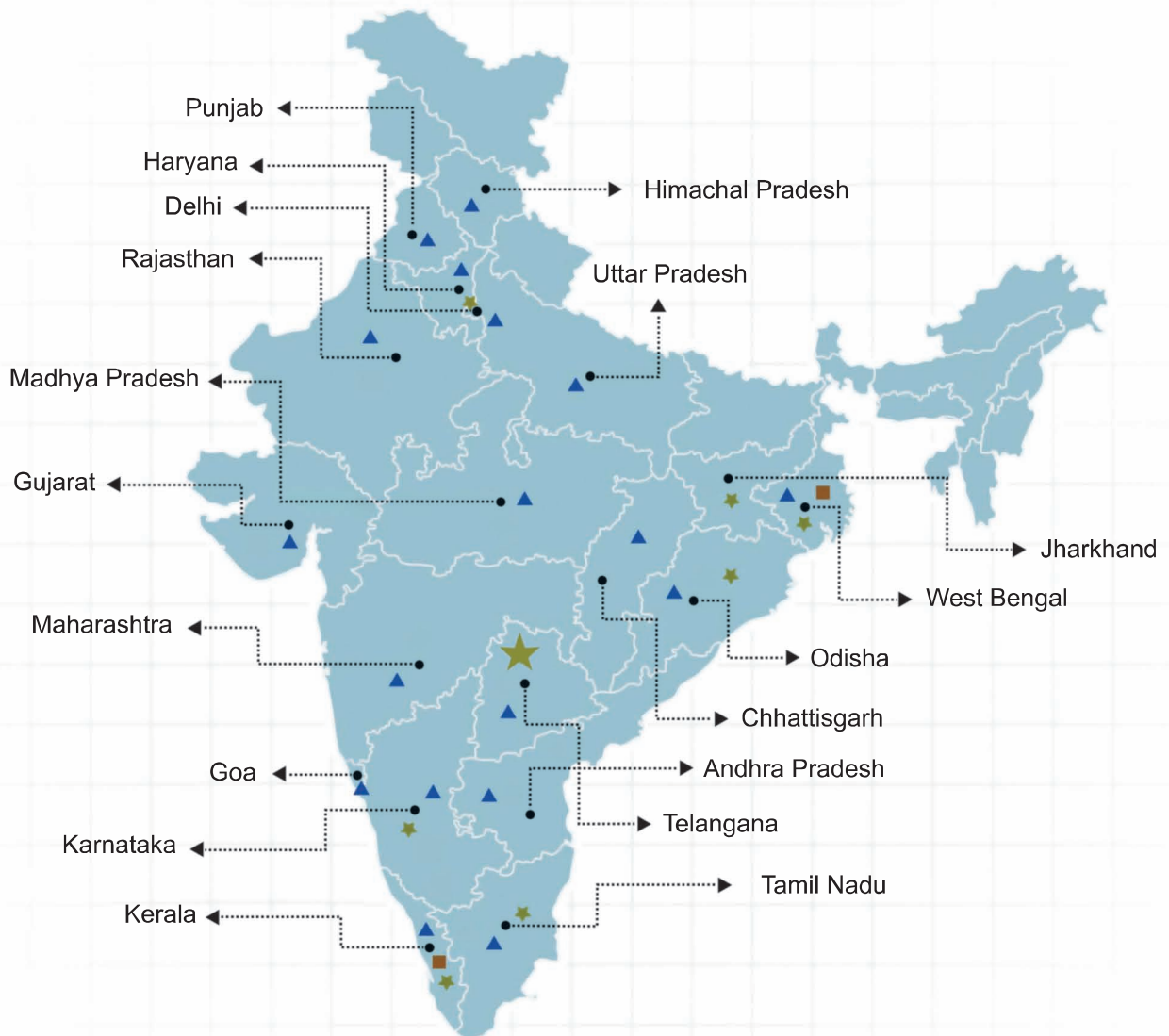
Chief Executive Officer

#### **Abil Anil**

Company Secretary



## OUR DISTRIBUTION CHANNELS



- ▲ Dealer presence
- RTC relationships
- ★ Company Own Depots



## **EASTERN TREADS LIMITED**

Reg. Office: 3A, 3rd Floor, Eastern corporate Office, 34/137 E,  
N H Bye-pass Edappally P.O, Kochi, Kerala-682 024.India

Ph: 91-484-7161234, E-mail: [info@easterntreads.com](mailto:info@easterntreads.com) | Web: [www.easterntreads.com](http://www.easterntreads.com)

CIN: L25119KL1993PLC007213