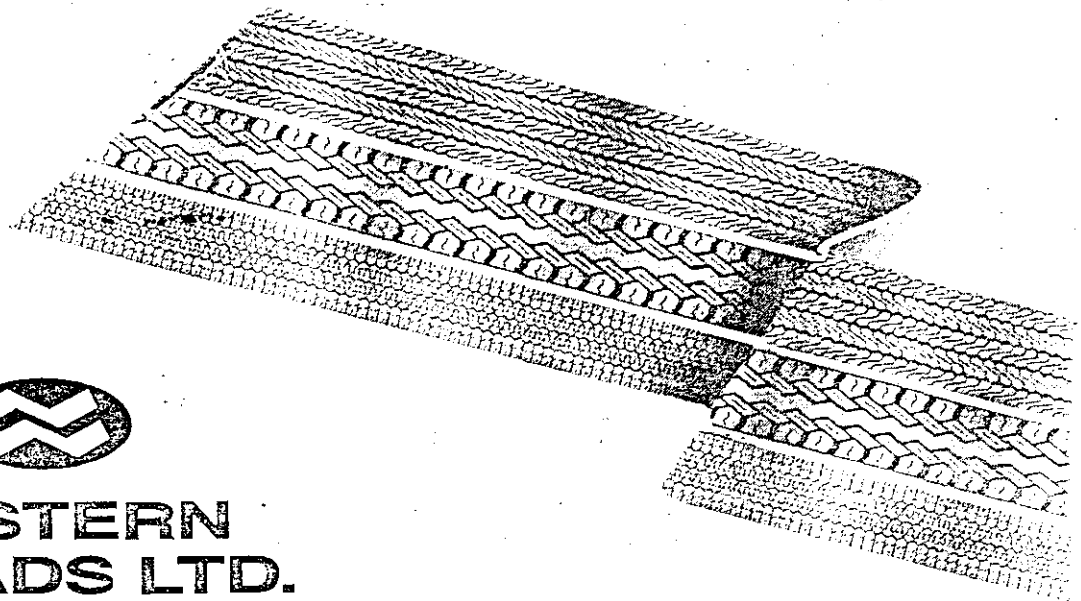


EASTERN TREADS.....THE TYRE PERFECT TREAD

6th Annual Report

1998-99

Report Junction.com



**EASTERN
TREADS LTD.**

EASTERN TREADS LIMITED

BRANCHES

BARODA

BUILDING NO. 618
NEAR MRF GODOWN
NH. 3, PADAMRA POST
BARODA-391 350

PATNA

CA-18, PEOPLES COLONY
KANKAR BAGH
PATNA, BIHAR-200018

LUCKNOW

AISHBAGH ROAD
NEAR D.A.V. COLLEGE
LUCKNOW-226 004

JAIPUR

181, SINDHI COLONY
BANI PARK,
JAIPUR-302 016

COIMBATORE

122, SAROJINI STREET
RAM NAGAR
COIMBATORE-641 009.

MUMBAI

SHOP NO. 4, CITY LIGHT
SECTOR 1, KOPAR KHIRANE
NAVI MUMBAI

INDORE

B-11, INDRAPURI
A B ROAD, INDORE
MADHYAPRADESH-452 001.

RAIPUR

PREMKUNJ,
NEW SIVA MANDIR KOTA,
BEHIND HOTEL PICADIL
GUDHIYARI ROAD,
RAIPUR, U.P.-492 010.

CHANDIGARH

FIRST FLOOR
SCO 98, SECTOR-47
CHANDIGARH-160 101
UNION TERRITORY

SILIGURI

NO. 45, NAZRUR SARANI
ASHRA PARA
WEST BENGAL-734 401.

EASTERN TREADS LIMITED**BOARD OF DIRECTORS**

Mr. M.E. Meeran	— Chairman
Mr. Navas M. Meeran	— Managing Director
Mr. M.E. Mohamed	— Executive Director
Mr. T.S. Anantharaman	— Director
Mr. K.V. Rajagopalan Nair	— Director (KSIDC Nominee)
Mr. Naiju Joseph	— Director

COMPANY SECRETARY

Mr. B. Anil Kumar

BANKERS

Canara Bank
Bank of Madurai Ltd.,
State Bank of Travancore

AUDITORS

M/s. G. Joseph & Associates
'Keerthi', Kalathiparambil Rd.,
Ernakulam

REGD. OFFICE & FACTORY

Oonnukal, P.O. 686 693
Kothamangalam (Via),
Ernakulam District, Kerala.

CORPORATE OFFICE

IVth Floor, Mather Square,
Opp. North Rly. Station,
Cochin-682 018.

SHARE TRANSFER AGENTS

Welldone Corporate Services Ltd.,
43/1340-D, Abhilash Bulding
Opp. Vijaya Hospital,
St. Benedict Road, Cochin-682018

C O N T E N T S

NOTICE	02
DIRECTORS' REPORT	3 & 4
AUDITORS' REPORT	6 & 7
BALANCE SHEET	8
PROFIT & LOSS ACCOUNT	9
SCHEDULES	10-15
CASH FLOW STATEMENT	16
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE	17
ATTENDANCE SLIP & PROXY FORM	19



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixth Annual General Meeting of the Company will be held on Thursday, the 30th September, 1999 at 11.A.M at the Registered Office of the Company at Oonnukal, (Via) Kothamangalam, Ernakulam District, Kerala to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ending 31st March, 1999, the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. M.E. Mohamed who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company in the place of M/s. G. Joseph & Associates, Chartered Accountants 'Keerthi,' XXXIX\1245, Kalathiparambil Road, Cochin, who are eligible for re-appointment for holding office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

By Order of the Board
Sd/-

Place : Oonnukal
Date : 3-9-1999

B. Anil Kumar
Company Secretary

Notes :

- (a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
- (b) The instrument of proxy should however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
- (c) Members are requested to notify any change in their address to the Company.

EASTERN TREADS LIMITED

3



REPORT OF THE BOARD OF DIRECTORS

(For the year 1998-1999)

We, the Directors of your Company submit our Report and Profit and Loss Account for the financial year ended 31st March, 1999 and Balance Sheet as on that date along with Auditors' Report thereon. Since the results are not favourable no dividend has been recommended.

Financial Results

During the year the Company achieved a turnover of Rs. 1306.00 lacs.

Financial Performance

	Year ended 31.3.99 (Rs. in lacs)	Year ended 31.3.98 (Rs. in lacs)
Net Sales	1306.00	934.22
Other Income	37.88	21.78
Total Expenditure	1320.29	925.57
Interest	77.31	73.12
Gross Profit/(Loss) after interest but before depreciation	(53.72)	(42.69)
Depreciation	34.33	19.15
Profit/(Loss) before tax	(88.05)	(61.84)
Provision for taxation	Nil	Nil
Net Profit/(Loss) after tax	(88.05)	(61.84)
Paid up Equity Share Capital	486.05	485.80
Reserves excluding Revaluation Reserves	10.17	10.17

OPERATIONS

The year under review witnessed an increase of 40% in production (1555.83 MT) over the previous year (1111 MT). As regards turnover, the increase in the current year (1739.40 MT) is 54% over the previous year (1123.40 MT). In value terms, it is 45% above the previous year. The factory was operating generally on three shift basis which resulted in an increase in the production. There was a lay-off in the month of March due to flood in the North Eastern part of India. The market was badly affected in the fourth quarter as against our expectations which resulted in the non-achievement of the target set.

The Present Economic Scenario

Your company is enlarging the market share with strategic policies and pragmatic approaches to the problems faced in the market. The market size is getting increased which shows that the future is bright, while generally the country is yet to come out of the sluggishness created due to economic recession. The company is taking all

steps to re-identify the opportunities, re-define the goals as well as to re-engineer the activities to achieve the objectives in the next millennium.

Y2K Compliance

Your Company has taken all the necessary steps to achieve Y2K compliance in the area of both Hardware and Software and is prepared to prevent any disaster due to unforeseen causes.

Exports

In an endeavour to explore the world market, your Company started exporting Tread Rubber. During the year under review the Company has exported Tread Rubber to Bangladesh. Consistent efforts are on to improve the exports by direct visit and interactions with the party.

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

Conservation of Energy

The machines in the factory are of the latest technology and all possible efforts are taken to optimise consumption. Form A of the Annexure to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 has been annexed herewith.

Technology Absorption

Nil

Foreign Exchange Earnings and Outgo

Foreign Exchange to the tune of \$ 9434.50 has been earned on account of export of goods to Bangladesh during the year under review.

On account of import of Carbon Black and Cissamer from South Korea, Thailand and Egypt there has been an outgo of foreign exchange.

The CIF value of the imported raw material for the year is \$ 219607.50 and DM 18065.25

Deposits

The Company has not accepted any deposits during the year ended 31st March, 1999.

Projections and Actuals

The projections of profitability as reported in the prospectus and the actual profitability for the period are compared below:

Particulars	(Rs. in lacs)	
	Projected	Actuals
Production (in tons)	3828.00	1555.83
Sales	2864.00	1306.00
Profit before depreciation and tax	467.17	(53.72)
Profit after depreciation and tax	208.05	(88.05)
The non-achievement of projections is essentially due to the general recession in the economy.		