

**ANNUAL
REPORT**

2020 - 21



Tyres Never Retire



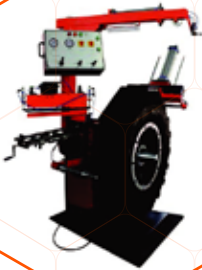
**EASTERN
TREADS®**

SHIPNEXT



INFINITY ZONE

QUALITY RETREADING FOR INFINITE RELEASE



EASTERN TREADS LIMITED

CIN: L25119KL1993PLC007213

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Navas M Meeran	Chairman
Mr. M.E. Mohamed	Managing Director
Mr. M.S. Ranganathan	Director
Mr. Naiju Joseph	Director
Mr. K.S. Neelakanta Iyer	Director
Mr. Rajesh Jacob	Director (Nominee of KSIDC)
Mrs. Shereen Navaz	Director
Mrs. Rani Joseph	Director
Mr. Sachin Saxena	Chief Executive Officer
Mr. Mohammed Sherif Shah	Chief Financial Officer
CS Baiju T.	Company Secretary

REGISTERED & CORPORATE OFFICE

3A, 3rd Floor, Eastern Corporate Office,
34/137 E NH Bypass, Edappally, Kochi,
Ernakulam - 682024, Kerala

WEBSITE & E mail

www.easterntreads.com, treads@easterntreads.com

WORKS

Onnukal, Kothamangalam, Ernakulam, Kerala
Vannapuram, Thodupuzha, Idukki, Kerala

STATUTORY AUDITOR

Walker Chandiok & Co LLP, Chartered Accountants,
6th Floor, Modayil Centre Point,
Warriam Road Jn., M G Road,
Kochi 682 016, India

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited,
2nd Floor, 'Kences Towers' No.1,
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai – 600017

INVESTOR CORRESPONDENCE

The Company Secretary, Eastern Treads Limited
3A, 3rd Floor, Eastern Corporate Office, NH Bypass,
Edappally, Kochi, Ernakulam - 682024, Kerala

BANKERS

The Federal Bank Limited,
ICICI Bank Limited,
HDFC Bank Limited,
State Bank of India

INTERNAL AUDITOR

JVR & Associates, Chartered Accountants
39/2790A, Wilmont Park Business Centre
Near St. George's Church,
Pallimuku, Kochi, Ernakulam – 682016

SECRETARIAL AUDITOR

BVR & Associates Company Secretaries LLP,
Swastika, First Floor, Chitteth House,
PC Road, Vyttila P.O.,
Cochin - 682 019

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*"However difficult life may seem,
there is always something you can do and succeed at."
... Stephen Hawking*



Dear Shareholders,

It is a great privilege and pleasure to share an update on the performance of Eastern Treads Limited (ETL) for the year ended March 31, 2021. The last year was an exceptionally challenging one as Covid 19 disrupted normal life and business activities not only in India but across the globe. Severe impediments to movement of people and goods curtailed economic activity. Your Company's operations were also seriously impacted during the initial months of the first lockdown.

Though the lock down and movement restrictions were progressively relaxed, disruptions in operations in road transport and automobile sector continued, which adversely affected Company's sales during the year. The revenue declined by 13.74% YoY but volume dipped by around 8.13% due to the market not picking up high end products. We managed the downfall by appointing new franchisees as some of the franchisees could not commence their operations due to impact of the pandemic.

The Company has used the adverse environment of the Covid period to focus on profit improvement through effective cost management. Despite the deceleration in revenue, I am happy to inform you that your Company has reported small cash profits during this accounting period through a series of cost reduction initiatives. PBIT grew from ₹2.14 Cr in the previous year to ₹2.42 Cr during the current year, an improvement of 13.8%.

Following the shut down in the first quarter of the period under report, your Company made quick recovery in the second and third quarters. The growth could not be continued in the fourth quarter due to Covid related disruptions. This experience of working through the regulatory restrictions on movement of passenger and goods traffic on the roads has been managed effectively by your Company. We anticipate, based on the various Government initiatives with regard to management of intra and inter-state movement that there will be a more graded regulation of freight movement as is in evidence during the management of the second lockdown.

The tire replacement segment continues to dominate the tire market. With rising cost of fuel and the inability to pass on costs to customers in both the freight and passenger segments, there will be even stronger emphasis on management of tire costs. This we believe will strengthen the tire retreading business.

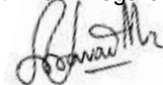
I am confident that cost efficiency that has been the focus of your Company, combined with increasing emphasis on environmental concerns around disposal of tires will strengthen tire retreading growth. The norms proposed recently to align Indian standards for new tire safety with international standards towards safer tires will have an impact on the tread industry also to move with International standards thereby impacting large unorganized sector engaged in tire retreading. This should bode well for improved consumer awareness for higher quality retreads and improved realization for your Company. This will also create new opportunities for tire recycling which your Company is uniquely poised to capture.

In addition to our pan-India presence with an extensive network across 20 states, we have started to strengthen our presence in overseas markets as well. We are also leveraging fleet owner relationships through our subsidiary, Shipnext Solutions (P) Ltd, a logistics technology company. Your Company continues to explore newer avenues to continue to enhance shareholder value such as higher performance tire retreading materials, contracts to retread for fleet tire management services and also the introduction of new products under the Eastern brand.

Our people have managed the most challenging business environment of the year gone by and I thank our employees and the supply chain and dealer network for showing tremendous resilience through this trying time. I am confident that we will continue to innovate, experiment and improve with the dedication and determination of our people. During the year we have identified areas of operations in your Company that could benefit from the infusion of talented and experienced management professionals and will induct fresh talent to propel your business towards financially sustainable growth in the coming years.

I take this opportunity to thank the Board for their support and continued guidance. Most importantly, I would like to thank you, our shareholders, for your overwhelming trust and confidence and for being an integral part of our journey.

With warm regards



Navas M Meeran
Chairman

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the members of Eastern Treads Limited will be held on Tuesday, 10 August 2021 at 3.00 PM through Video Conferencing (VC) /Other Audio Visual Means (OAVM) to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2021, the Consolidated Financial Statements for the said financial year together with the Reports of the Board of Directors and the Auditors.
2. To appoint a Director in place of Mrs. Shereen Navaz, having DIN: 00328770 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. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification from time to time or any re-enactment thereof for the time being in force (the “Act”) read with Schedule V to the said Act, the Articles of Association of the Company and subject to such other approvals as may be necessary, the approval of the Members be and hereby accorded for the payment of remuneration to Mr. M.E Mohamed, having DIN: 00129005, Managing Director with effect from 1st April, 2021, for remaining duration of his appointment, up to 8th February, 2022.

RESOLVED FURTHER THAT the terms of remuneration as set out in the Explanatory Statement of this resolution shall be deemed to form part hereof and the remuneration payable, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time and in the event of absence or inadequacy of profits in any financial year, the aforementioned remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Managing Director, subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013”.

RESOLVED FURTHER THAT the Board of Directors (including any Committee of Directors) be and is hereby authorised to vary and or revise the terms and conditions of appointment including the remuneration from time to time to the extent the Board of Directors may deem appropriate, within the overall limits under the Act and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution.”

By Order of the Board
For Eastern Treads Limited

Kochi
23 June 2021

CS Baiju T.
Company Secretary

Notes

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the Annual General Meeting (“AGM”) venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM.

In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 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 for 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. 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.
4. 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 Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
5. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Audited Financial Statements for 2020-21 along with Directors' Report and Auditors' Report will also be available on the Company's website, <https://www.easterntreads.com/reports/Annual+Reports> websites of the Stock Exchange i.e. BSE Limited www.bseindia.com and on the website of NSDL <https://www.evoting.nsdl.com>.
6. The Company has fixed Wednesday, 04 August 2021 as the 'Cut-off Date' to record the entitlement of the shareholders to cast their voting through remote e-voting/ e-voting during the AGM. Any person who is not a member on the cut-off date should treat this notice for information purposes only. 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.
7. Instructions for Members for Remote E-voting and joining the AGM are as under:
 - a) The remote e-voting period begins on 07 August 2021 at 9:00 am and ends on 09 August 2021 at 5:00 pm. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 04 August 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 04 August 2021.

b) How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

<u>Type of shareholders</u>	<u>Login Method</u>
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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. NSDL and CDSL.

<u>Login type</u>	<u>Helpdesk details</u>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> 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, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

d) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

e) Password details for shareholders other than Individual shareholders are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your eight digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
- d. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - i. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - ii. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- e. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- f. Now, you will have to click on "Login" button.
- g. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.**How to cast your vote electronically on NSDL e-Voting system?**

- a) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
- b) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
- c) Now you are ready for e-Voting as the Voting page opens.
- d) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- e) Upon confirmation, the message “Vote cast successfully” will be displayed.
- f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

8. General Guidelines for shareholders

- a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend the AGM through VC / OAVM on their behalf and to vote, to the Scrutinizer by e-mail to sathveeka001@gmail.com with a copy marked to evoting@nsdl.co.in.
- b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Asst. Vice President – NSDL at evoting@nsdl.co.in

9. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- a) In case shares are held in physical mode please provide 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 treads@easterntreads.com.
- b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to treads@easterntreads.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- c) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- d) In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.