
ANNUAL REPORT

2021 - 22



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**EASTERN
TREADS®**



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 Navas	Director
Mrs. Rani Joseph	Director
Mr. Sachin Saxena	Chief Executive Officer
Mr. Suresh S.	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

Oonnukal, 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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*"Although the world is full of suffering,
it is also full of the overcoming of it."*

... Helen Keller



Dear Shareholders,

In recent years, the economy has experienced unexpected turmoil across the globe due to outbreak of coronavirus and its adverse economic impacts. During last year, the economy started recovering from its adversities, but sudden surge in Covid variants and various supply chain issues impacted the performance. In this climate of severe unpredictability, your Company (ETL) was also not immune to these challenges during FY22.

Despite these disruptions, ETL has delivered a better performance in terms of revenue with an improvement by 8.23%, but higher input cost kept the margins and earnings under tremendous pressure. Lifting lockdown restrictions and revival of the economic activities is anticipated to give better performance and your Company is expected to recover from these challenges during FY23.

Your Company relies on its specialised compound formulation to ensure quality in its products. With the start of mining activities, ETL, which has a large footprint in the mining sectors in several regions of the Country, will deliver better performance.

Tyre related industries are witnessing a new business model as fleet management solution provider, where the products are supplied as a service to the end customer. With an objective to become a one-stop shop to meet our customer requirements as well as to deliver economic returns to the businesses, our Company has also taken various initiatives to place our brand as a cost effective service provider, which is expected to bring in positive impact in our business.

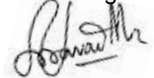
On an overall basis, this industry is looking forward to slower recovery but develop further. The recovery may be slow due to higher inflation, increased crude prices, supply chain disruption and political, economic and pandemic related global tensions.

Your Company is revamping its sales network to manage cash and liquidity issues. Proactive measures implemented focusing on liquidity and profitability has started giving initial results and is expected to give long-term benefits. We are confident that the adoption of new business models with high quality products and services will support the Company to enhance its stakeholder value.

I thank the supply chain and dealer network for showing tremendous resilience through this trying time and I thank our employees, who drive the Company in the most challenging business environment. We have identified areas of operations 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 29th Annual General Meeting of the members of Eastern Treads Limited will be held on Thursday, 29 September 2022 at 4.00 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 31 March 2022, 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 Mr. Navas M 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.
3. To appoint M/s. G Joseph & Associates, Chartered Accountants, Ernakulam (FRN 006310S), as Statutory Auditors of the Company, in place of M/s. Walker Chandiok & Co LLP, Chartered Accountants, Kochi, the retiring Auditors to hold office for a tenure of five years from the conclusion the 29th Annual General Meeting till conclusion of 34th Annual General Meeting, in compliance with the provisions of Section 139 of the Companies Act, 2013 and to authorise the Board of Directors to fix their remuneration.

Special Business

4. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, subject to the provisions of Sections 196, 197, 198 read with Schedule V, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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") and Article 18(a) of the Articles of Association of the Company, the appointment of Mr. M.E Mohamed, having DIN: 00129005, as the Managing Director of the Company for a period of three years with effect from 11th February, 2022, 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 here by approved and ratified.

RESOLVED FURTHER THAT so long as Mr. M.E. Mohamed functions as the Managing Director of the Company his office shall not be subject to retirement by rotation.

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
02 September 2022

CS Baiju T.
Company Secretary

Notes

1. In view of the situation arising due to COVID-19 global pandemic and social distancing norms to be followed and pursuant to General Circular No: 02/2022 dated 05 May 2022 and all other relevant circulars issued from time to time by the Ministry of Corporate Affairs (MCA) (collectively referred to as 'MCA Circulars'), Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and other relevant circulars issued by the Securities and Exchange Board of India (SEBI) from time to time ('collectively referred to as SEBI Circulars') the AGM of the Company is being held in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The registered office of the Company shall be deemed the venue for the AGM.
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 30 minutes before and shall not be closed till expiry of 30 minutes after 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 Companies Act, 2013, 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 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Notice and Audited Financial Statements for 2021-22 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. 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 Regulations 26(4) and 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 Thursday, 22 September 2022 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. 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.
11. The Company has also sent individual communication dated 10 May 2022 to the concerned shareholders whose dividend remains unpaid or unclaimed for period of Seven (7) consecutive years since 2015, 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.
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. After such transfer, 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. The Members who have not claimed their dividend including interim dividend if any, are requested to claim their dividends from the Company, within the stipulated timeline. The Complete details of unpaid or unclaimed dividends and shares due for transfer are available on the website of the Company, www.eastertreads.com.
13. The Company has sent individual communication dated 10 May 2022 to the concerned shareholders whose dividend amount for FY 2014-15 as well as subsequent dividend warrants issued up to FY 2016-17 remains unpaid or unclaimed indicating a timeline to claim the outstanding dividend amounts. The Company had also released an advertisement dated 22 May 2022 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 Companies Act, 2013. The Members are requested to respond the communications received from Integrated Registry Management Services Private Limited (RTA) in this regard as soon as possible or contact them for their assistance.
14. All 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.
15. 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.
16. SEBI vide its Circular No. SEBI/ HO/ MIRSD/ MIRSD_RTAMB/ P/ CIR/ 2021/ 655 dated November 03, 2021 and with subsequent clarifications had mandated investors holding securities in physical mode of listed companies to furnish following documents / details to the RTA
 - a) PAN and KYC details,

- b) Nomination (Either, Nomination through Form SH-13 as provided in the Rules 19 (1) of Companies (Shares capital and debenture) Rules, 2014 or 'Declaration to Opt-out', as per Form ISR-3, in case change in nominee through Form SH-14),
- c) Contact details Postal address with PIN, Mobile number, E-mail address
- d) Bank account details (bank name and branch, bank account number, IFS code)
- e) Specimen signature.

Shareholders may kindly note that the folios wherein any one of the cited document / details are not available on or after April 01, 2023, shall be frozen by the RTA. The securities in the frozen folios shall be

- a) eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid
- b) eligible for any payment including dividend, interest or redemption payment only through electronic mode and an intimation from the RTA to the holder that the aforesaid such payment is due and will be made electronically upon complying with the requirements mentioned above.
- c) referred by the RTA / listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

The RTA will be reverting the frozen folios to normal status only upon

- a) receipt of all the aforesaid documents / details mentioned above or
- b) dematerialization of all the securities in such folios.

The Company has sent an intimation in this regard to all physical shareholders on 31 January 2022. Request the Shareholders to furnish PAN, KYC details, Nomination, Contact details, Bank account details and specimen signature if the same is not updated in specified form.

17. 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, 2nd Floor, Kences Towers, No: 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600017. E-mail: yuvraj@integratedindia.in. Members whose shareholdings are in electronic mode are requested to approach their respective depository participants for the same.
18. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address either with the company or with the depository. Hence, 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.
19. Transfer of securities of listed companies in physical mode has been discontinued with effect from, April 01, 2019, except in case of request received for transmission of securities. 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 consider converting their holdings to dematerialized form.
20. 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. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Any member desirous to dematerialise 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. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 5 days in advance, so as to enable the Company to keep the information ready.
22. 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 Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and 05 May 2022 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 Thursday, 22 September 2022, to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice.

23. **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 26 September 2022 at 9.00 AM and ends on 28 September 2022 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 22 September 2022 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. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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 above said 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 CDSL Depository	<ol style="list-style-type: none"> 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 URL for users to login to Easi / Easiest are : https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 e-voting 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 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 e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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: https://eservices.nsdl.com 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 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 or joining virtual meeting & voting during the meeting.