

KELANI TYRES PLC

(Reg: No. PQ 123)

INTERIM FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED JUNE 30, 2021



Corporate Office
203, Union Place
Colombo 02.

KELANI TYRES PLC AND ITS GROUP

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	Apr. -Jun.		Apr. - Jun.	
	2021 <i>(Un audited)</i>	2020 <i>(Audited)</i>	2021 <i>(Un audited)</i>	2020 <i>(Audited)</i>
Revenue	47,247	44,693	47,043	44,452
Direct costs	(44,184)	(40,265)	(43,965)	(40,046)
Gross margin	3,063	4,428	3,078	4,405
Other operating income	1,741	1,782	1,741	1,782
Administrative costs	(5,437)	(5,527)	(5,431)	(5,521)
Management Expenses	(10,220)	(8,640)	(10,220)	(8,640)
Depreciation	(4,360)	(2,183)	(4,360)	(2,183)
Operating profit	(15,212)	(10,140)	(15,192)	(10,157)
Finance Income	5,759	2,923	5,759	2,923
Finance costs	(1,546)	(2,667)	(1,546)	(2,667)
Profit/(Loss) before tax	(10,999)	(9,884)	(10,979)	(9,900)
Tax	-	-	-	-
Profit/(Loss) after tax	(10,999)	(9,884)	(10,979)	(9,900)
Share of results of JV	194,697	91,357	-	-
Profit/(Loss) for the period	183,698	81,473	(10,979)	(9,900)
Other comprehensive income:	-	-	-	-
Items that will not be reclassified to profit or (loss)				
Share of other comprehensive - -Income/expenses from Joint Venture	(638)	(517)	-	-
Total comprehensive income - -for the period, net of tax	183,060	80,957	(10,979)	(9,900)
Earning per share (for the period)	2.28	1.01	(0.14)	(0.12)

KELANI TYRES PLC AND ITS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	30-06-2021 (un-audited)	31-03-2020 (Un-audited)	30-06-2021 (un-audited)	31-03-2020 (Un-audited)
ASSETS				
Non-current assets				
Property, plant and equipment	51,408	55,987	53,026	57,386
Investment Property	488,100	488,100	488,100	488,100
Investments in subsidiaries	-	-	10	10
Investment in JV	5,228,674	5,034,615	139,607	139,607
	5,768,183	5,578,703	680,743	685,103
Current assets				
Trade and other receivables	169,126	142,262	168,921	142,193
Income Tax Refund	603	603	-	-
Cash and cash equivalents	409,108	397,973	406,067	394,995
	578,837	540,838	574,989	537,188
Total assets	6,347,020	6,119,541	1,255,731	1,222,291
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Stated capital	402,000	402,000	402,000	402,000
Revaluation reserves	24,691	24,691	24,691	24,691
Other reserves	801,127	801,127	-	-
Retained earnings	4,942,462	4,759,402	652,408	663,387
Total equity	6,170,280	5,987,220	1,079,099	1,090,078
Non - current liabilities				
Borrowings	8,333	10,833	8,333	10,833
Retirement benefit obligations	6,804	7,208	6,804	7,208
	15,137	18,041	15,137	18,041
Current liabilities				
Trade and other payables	73,947	44,121	73,840	44,014
Borrowings	10,000	10,000	10,000	10,000
Bank Overdraft	77,656	60,158	77,656	60,158
	161,603	114,279	161,495	114,172
Total liabilities	176,740	132,320	176,632	132,213
Total equity and liabilities	6,347,020	6,119,541	1,255,731	1,222,291
Net Asset Value Per share	76.74	74.47	13.42	13.56

I certify that these financial statements have been prepared in compliance with requirements of the Companies Act, No. 07 of 2007.

Sgd

P. R. Mann

Finance Officer

The Board of Directors is responsible for the preparation and presentation of these Financial statements.

Sgd

Rohan T. Fernando

Managing Director

29th July 2021

sgd

(Mrs). S. S Jayatilaka

Director

KELANI TYRES PL AND ITS GROUP**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(all amounts in Sri Lanka Rupees Thousands)

Company

	Stated capital	Revaluation Reserve	Other Reserve	Retained Earnings	Total
Balance at 1 April 2020 (audited)	402,000	971	-	925,857	1,328,828
Profit for the Period	-	-	-	(9,900)	(9,900)
Balance at 30th Jun. 2020 (audited)	402,000	971	-	915,957	1,318,928
Balance at 1 April 2021 (Un-audited)	402,000	24,691	-	663,387	1,090,078
Profit for the Period	-	-	-	(10,979)	(10,979)
Balance at 30th Jun. 2021 (Un-audited)	402,000	24,691	-	652,408	1,079,099

KELANI TYRES PL AND ITS GROUP**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(all amounts in Sri Lanka Rupees Thousands)

Group

	Stated capital	Revaluation Reserve	Other Reserve	Retained Earnings	Total
Balance at 1 April 2020 (audited)	402,000	971	486,636	4,200,675	5,090,282
Profit for the Period	-	-	-	81,473	81,473
Other comprehensive income	-	-	-	(517)	(517)
Balance at 30th Jun. 2020 (audited)	402,000	971	486,636	4,281,632	5,171,239
Balance at 1 April 2021 (Un-audited)	402,000	24,691	801,127	4,759,402	5,987,220
Profit for the Period	-	-	-	183,698	183,698
Other comprehensive income	-	-	-	(638)	(638)
Balance at 30th Jun. 2021 (Un-audited)	402,000	24,691	801,127	4,942,462	6,170,280

KELANI TYRES PLC AND ITS GROUP

Cash flow statement

(all amounts in Sri Lankan Rupees thousands)

	Three months ended 30th Jun. 2021		Three months ended 30th Jun. 2020	
	Group	Company	Group	Company
Cash flows from operating activities				
Cash generated from (used in) operations	(7,671)	(7,734)	(13,035)	(13,756)
Interest received	5,759	5,759	2,923	2,923
Interest paid	(1,546)	(1,546)	(2,667)	(2,667)
Gratuity paid	(404)	(404)	-	-
Net cash generated from (used in) operating activities	(3,862)	(3,925)	(12,779)	(13,500)
Cash flows from financing activities				
Change in Bank borrowings	(2,500)	(2,500)	(2,500)	(2,500)
Net cash (used in) generated from financing activities	(2,500)	(2,500)	(2,500)	(2,500)
Net (decrease)/increase in cash and cash equivalents	(6,362)	(6,425)	(15,279)	(16,000)
Movement in cash and cash equivalents				
At the start of period	337,814	334,836	121,567	119,610
(Decrease)/increase	(6,362)	(6,425)	(15,279)	(16,000)
At the end of period	331,452	328,411	106,288	103,611

KELANI TYRES PLC AND ITS GROUP

NOTES TO THE INTERIM FINANCIAL STATEMENTS:

(all amounts are in Sri Lanka Rupees thousands)

1 General Information

Company

The company is a limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The address of its registered office is P.O.Box 8, Nungamugoda, Kelaniya.

Group

Joint Venture (JV):

The JV's principal activity is the manufacture of tyres and tubs locally and its sale thereof locally and internationally.

Subsidiary company:

The principal business activity is to hire out motor vehicles.

2 Basis of preparation

The Interim Financial Statements have been prepared in compliance with Sri Lanka Accounting Standard (LKAS-34) Interim Financial reporting. These interim financial statements should be read in conjunction with the annual financial statement for the year ended 31 Mar. 2021,

3 Significant Accounting Policies

The Company has adopted consistent accounting policies and method applied for the year ended 31st March 2021 and the presentation and classification of the financial statements of the previous year have been amended where relevant for better presentation and to be comparable with those of the current year.

4 Stated Capital

Stated Capital represented by issued shares is given below:

	6/30/21	6/30/20	3/31/21
Ordinary shares as at	80,400	80,400	80,400

5 There have been no other events subsequent to the Balance Sheet date, which require disclosure in the Interim Financial Statements.

6 Provision was made for taxation by joint venture CEAT SRI LANKA as follows:

	Rs.
Profit before Tax JV	479,322,783
Less: Provision for Tax	(89,929,058)
Profit after Tax	389,393,726

7 There were no Contingent Liabilities or Contingent Assets since the Balance Sheet date.

8 There were no Liability towards Management fee or any similar expenditure not provided for in the Interim Financial Statements.

9 Dividend per share

	Group		Company	
	6/30/21	6/30/20	6/30/21	6/30/20
Dividend received from the JV	Nil	Nil	Nil	Nil
Dividend declared & paid to shareholders	Nil	Nil	Nil	Nil
Number of shares in issue (thousands)	80,400	80,400	80,400	80,400
Dividend per share - (Rs.)	Nil	Nil	Nil	Nil

10 The figures have been presented in these financial statements are provisional and subject to audit, and also comparative figures have been reclassified where necessary.

11 Market price per share:

for the Three months ended 30th Jun.

	2021	2020
	Rs.	Rs.
Highest Price (16/04/21 & 25/06/20)	91.00	42.80
Lowest Price (01/04/21 & 11/05/20)	77.50	32.00
Last Traded Price	84.30	42.20

KELANI TYRES PLC
TOP 20 SHARE HOLDERS LIST
AS AT 30-06-2021

No.	Name	No of Shares	%
1	SILVERSTOCK LIMITED	36,975,523	45.989
2	BANCK OF CEYLON A/C CEYBANK UNIT TRUST	6,473,917	8.052
3	MR. H. M. UDESHI	4,232,857	5.265
4	EMPLOYEES TRUST FUND BOARD	1,830,372	2.277
5	MR. R. C. D. DE SILVA	1,801,104	2.240
6	EMPLOYEE'S PROVIDENT FUND	1,553,800	1.933
7	BANK OF CEYLON ACCOUNT CEYBANK - CENTURY GROWTH FUND	1,307,516	1.626
8	HATTON NATIONAL BANK PLC / MR. G. S. N. PERIS	1,005,681	1.251
9	MR. S. VASUDEVAN	700,000	0.871
10	MRS. V. SARASWATHI	700,000	0.871
11	MR. N. PUSPARAJ & MRS. K. PUSPARAJ	550,000	0.684
12	HATTON NATIONAL BANK PLC / S. VASUDEVAN	525,646	0.654
13	ARUNA ENTERPRISES (PVT) LTD	437,600	0.544
14	MR. S. R. S. DE SARAM	391,081	0.486
15	MR. B. POBRAN	350,240	0.436
16	MR. A. TIRATHDAS	347,000	0.432
17	RANSIRI ENTERPRISES (PRIVATE) LIMITED	310,000	0.386
18	MR. K. D. Y. PATHIRAJA	300,000	0.373
19	MRS N. MULJIE	290,694	0.362
20	MR D. K. A. K. WEERATHUNGA	254,752	0.317

PUBLIC HOLDING

The percentage of shares held by the public as at 30th June 2021 is 51.760% comprising of 9,376 shareholders
(30th June 2020 - 51.844% comprising of 8,167 shareholders)

FLOAT ADJUSTED MARKET CAPITALIZATION AS AT 30TH JUNE 2021 - RS. 3,508,181,001/90

The Company is in compliance with Option 4 of Section 7.13.1 (a) of the Listing Rule of the Colombo Stock Exchange pertaining to minimum public holding.

SHARE HOLDINGS BY THE DIRECTORS AS AT 30TH JUNE 2021

Names of Directors	No of Shares as at 30th Jun. 2021	%
Mr. Chanaka De Silva	1,801,104	2.240%
Mr. Rohan T. Fernando	Nil	
Mr. T. Bevan Perera	1920	0.002%
Mr. D. S. Kamantha Amarasekera	Nil	
Mrs. S. S. Jayatilaka	240	0.000%
Mr. Eradj T. Fernando	Nil	
Mr. R. P. Weerasooria	Nil	

KELANI TYRES PLC AND ITS GROUP

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont.):

Joint Venture Performance

The assets and liabilities and the income and the expenses of the Joint venture as follows:

Summarised Financial Position

	30-06-2021	30-06-2020
Non-Current Assets	7,000,191	6,148,072
Current Assets	8,673,962	5,178,977
Total Assets	15,674,153	11,327,049
Capital and Reserves	10,457,348	7,978,756
Non-Current Liabilities	1,350,145	1,246,238
Current Liabilities	3,866,659	2,102,056
Total Equity & Liabilities	15,674,153	11,327,049

Summarised Income Statement

	2021 Apr. to Jun.	2020 Apr. to Jun.
Production (MT)	4,470	2,425
Total Sales (MT)	4,589	2,262
Domestic Sales	3,307,958	1,405,846
Export Sales	136,546	142,362
Total Sales	3,444,504	1,548,207
Cost of Sales	(2,712,570)	(1,229,336)
Gross Profit	731,934	318,871
Distribution/Administrative Cost	(287,836)	(294,067)
Finance Cost less income	32,292	3,700
Other Operating Income	2,933	1,308
Profit Before Tax	479,323	29,811
Taxation	(89,929)	152,903
Profit for the period	389,394	182,714
Other Comprehensive income/(Expenses)	(1,276)	(1,034)
Total Comprehensive income	388,118	181,680