

KELANI TYRES PLC

(Reg: No. PQ 123)

**INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED SEPTEMBER 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		Group		Company	
	Apr. -Sep		Apr. - Sep.		July. -Sep.		July. - Sep.	
	2021 <i>(Un audited)</i>	2020 <i>(Audited)</i>	2021 <i>(Un audited)</i>	2020 <i>(Audited)</i>	2021	2020	2021	2020
Revenue	191,621	59,909	191,215	59,438	144,374	15,216	144,172	14,986
Direct costs	(179,143)	(53,986)	(178,706)	(53,548)	(134,959)	(13,721)	(134,741)	(13,502)
Gross margin	12,478	5,923	12,509	5,890	9,414	1,495	9,432	1,485
Other operating income	3,640	3,723	433,640	154,223	1,899	1,941	431,900	152,441
Administrative costs	(49,620)	(30,919)	(49,608)	(30,896)	(44,184)	(25,392)	(44,178)	(25,375)
Management Expenses	(20,513)	(17,703)	(20,513)	(17,703)	(10,293)	(9,063)	(10,293)	(9,063)
Depreciation	(8,720)	(4,135)	(8,720)	(4,135)	(4,360)	(1,951)	(4,360)	(1,952)
Operating profit	(62,736)	(43,110)	367,308	107,379	(47,524)	(32,970)	382,500	117,536
Finance Income	11,947	7,625	11,947	7,625	6,188	4,701	6,188	4,702
Finance costs	(3,263)	(5,128)	(3,263)	(5,128)	(1,717)	(2,461)	(1,717)	(2,461)
Profit/(Loss) before tax	(54,051)	(40,614)	375,992	109,876	(43,053)	(30,730)	386,971	119,776
Tax	-	-	-	-	-	-	-	-
Profit/(Loss) after tax	(54,051)	(40,614)	375,992	109,876	(43,053)	(30,730)	386,971	119,776
Share of results of JV	352,852	437,825	-	-	158,156	346,468	-	-
Profit/(Loss) for the period	298,801	397,212	375,992	109,876	115,103	315,738	386,971	119,776
Other comprehensive income:	-	-	-	-	-	-	-	-
Share of other comprehensive - -Income/expenses from Joint Venture	(1,332)	(1,035)	-	-	(694)	(518)	-	-
Total comprehensive income - -for the period, net of tax	297,469	396,177	375,992	109,876	114,409	315,220	386,971	119,776
Earning per share (for the period)	3.72	4.94	4.68	1.37	1.43	3.93	4.81	1.49

KELANI TYRES PLC AND ITS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	30-09-2021 (un-audited)	31-03-2021 (Audited)	30-09-2021 (un-audited)	31-03-2021 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	46,830	55,987	48,665	57,386
Investment Property	488,100	488,100	488,100	488,100
Investments in subsidiaries	-	-	10	10
Investment in JV	4,956,136	5,034,615	139,607	139,607
	5,491,065	5,578,702	676,382	685,103
Current assets				
Trade and other receivables	282,676	139,833	282,542	139,764
Income Tax Refund	4,315	4,315	3,712	3,712
Financial assets at fair value through profit or loss	242,402	242,402	242,402	242,402
Cash and cash equivalents	93,658	156,973	90,351	153,995
	623,052	543,523	619,008	539,874
Total assets	6,114,117	6,122,225	1,295,390	1,224,976
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	4,657,554	4,762,085	640,064	666,072
Total equity	5,885,373	5,989,904	1,066,755	1,092,763
Non - current liabilities				
Borrowings	5,833	10,833	5,833	10,833
Retirement benefit obligations	6,804	7,208	6,804	7,208
	12,637	18,041	12,637	18,041
Current liabilities				
Trade and other payables	119,661	44,122	119,552	44,014
Borrowings	10,000	10,000	10,000	10,000
Bank Overdraft	86,446	60,158	86,446	60,158
	216,107	114,280	215,998	114,172
Total liabilities	228,744	132,321	228,635	132,213
Total equity and liabilities	6,114,117	6,122,225	1,295,390	1,224,976
Net Asset Value Per share	73.20	74.50	13.27	13.59

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
01st November 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	-	925,858	1,328,829
Profit for the Period	-	-	-	109,876	109,876
Balance at 30th Sep. 2020 (audited)	402,000	971	-	1,035,734	1,438,705
Balance at 1 April 2021 (audited)	402,000	24,691	-	666,072	1,092,763
Profit for the Period	-	-	-	375,992	375,992
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 30th Sep. 2021 (Un-audited)	402,000	24,691	-	640,064	1,066,755

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	-	-	-	397,212	397,212
Other comprehensive income	-	-	-	(1,035)	(1,035)
Balance at 30th Sep. 2020 (audited)	402,000	971	486,636	4,596,852	5,486,459
Balance at 1 April 2021 (audited)	402,000	24,691	801,127	4,762,085	5,989,904
Profit for the Period	-	-	-	298,801	298,801
Other comprehensive income	-	-	-	(1,332)	(1,332)
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 30th Sep. 2021 (Un-audited)	402,000	24,691	801,127	4,657,554	5,885,373

KELANI TYRES PLC AND ITS GROUP

Cash flow statement

(all amounts in Sri Lankan Rupees thousands)

	Six months ended 30th Sep. 2021		Six months ended 30th Sep. 2020	
	Group	Company	Group	Company
Cash flows from operating activities				
Cash generated from (used in) operations	(120,882)	(121,211)	226,658	225,969
Interest received	11,947	11,947	7,625	7,625
Interest paid	(3,263)	(3,263)	(5,128)	(5,128)
Gratuity paid	(404)	(404)	-	-
Net cash generated from (used in) operating activities	(112,602)	(112,931)	229,154	228,466
Cash flows from investing activities				
Dividend received	430,000	430,000	150,500	150,500
Net cash (used in)/generated from investing activities	430,000	430,000	150,500	150,500
Cash flows from financing activities				
Dividend payment	(402,000)	(402,000)	-	-
Change in Bank borrowings	(5,000)	(5,000)	(5,000)	(5,000)
Net cash (used in)/generated from financing activities	(407,000)	(407,000)	(5,000)	(5,000)
Net (decrease)/increase in cash and cash equivalents	(89,602)	(89,931)	374,654	373,966
Movement in cash and cash equivalents				
At the start of period	339,217	336,239	121,567	119,610
(Decrease)/increase	(89,602)	(89,931)	374,654	373,966
At the end of period	249,614	246,307	496,221	493,576

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:

	9/30/21	9/30/20	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	1,040,636
Less: Provision for Tax	(334,931)
Profit after Tax	705,705

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	
	9/30/21	9/30/20	9/30/21	9/30/20
Dividend received/receivable from the JV	430,000	Nil	430,000	Nil
Dividend declared & paid to shareholders	402,000	Nil	402,000	Nil
Number of shares in issue (thousands)	80,400	80,400	80,400	80,400
Dividend per share - (Rs.)	5.00	Nil	5.00	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 six months ended 30th Sep.

	2021	2020
	Rs.	Rs.
Highest Price (30/07/21 & 28/09/20)	97.00	84.00
Lowest Price (08/09/21 & 13/07/20)	81.40	39.00
Last Traded Price	85.00	79.60

KELANI TYRES PLC
TOP 20 SHARE HOLDERS LIST
AS AT 30-09-2021

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	4,500,000	5.597
4	EMPLOYEES TRUST FUND BOARD	2,545,048	3.165
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	MOULDEX LIMITED	600,000	0.746
11	MR. N. PUSPARAJ & MRS. K. PUSPARAJ	550,000	0.684
12	ARUNA ENTERPRISES (PVT) LTD	437,600	0.544
13	MR. B. POBRAN	350,240	0.436
14	MR. A. TIRATHDAS	347,000	0.432
15	RANSIRI ENTERPRISES (PRIVATE) LIMITED	310,000	0.386
16	SEYLAN BANK PLC / SENTHILVERL HOLDINGS (PVT) LTD	293,847	0.365
17	MRS N. MULJIE	290,694	0.362
18	MR D. K. A. K. WEERATHUNGA	254,752	0.317
19	MR. T. T. AL/NAKIB (DECEASED)	250,000	0.311
20	SEYLAN BANK PLC / JANASHAKTHI CAPITAL LIMITED	250,000	0.311

PUBLIC HOLDING

The percentage of shares held by the public as at 30th Sep 2021 is 51.760% comprising of 9,475 shareholders
(30th Sep 2020 - 51.760% comprising of 8,685 shareholders)

FLOAT ADJUSTED MARKET CAPITALIZATION AS AT 30TH SEPTEMBER 2021 - RS. 3,537,311,805/-

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 SEPTEMBER 2021

Names of Directors	No of Shares as at 30th Sep. 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

	30-09-2021	30-09-2020
Non-Current Assets	7,045,048	6,230,417
Current Assets	9,152,859	6,254,099
Total Assets	16,197,908	12,484,516
Capital and Reserves	9,912,271	8,369,657
Non-Current Liabilities	1,308,371	1,451,818
Current Liabilities	4,977,266	2,663,042
Total Equity & Liabilities	16,197,908	12,484,516

Summarised Income Statement

	2021 Apr. to Sep.	2020 Apr. to Sep.
Production (MT)	9,661	7,507
Total Sales (MT)	9,789	7,492
Domestic Sales	7,138,620	4,632,247
Export Sales	432,319	464,663
Total Sales	7,570,939	5,096,910
Cost of Sales	(5,899,614)	(3,516,268)
Gross Profit	1,671,325	1,580,641
Distribution/Administrative Cost	(698,028)	(687,539)
Finance Cost less income	64,356	34,908
Other Operating Income	2,982	41
Pofit BeforeTax	1,040,636	928,052
Taxation	(334,931)	(52,401)
Profit for the period	705,705	875,651
Other Comprehensive income/(Expenses)	(2,664)	(2,070)
Total Comprehensive income	703,041	873,581