

KELANI TYRES PLC

(Reg: No. PQ 123)

INTERIM FINANCIAL STATEMENTS

FOR NINE MONTHS ENDED DECEMBER 31, 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. -Dec		Apr. - Dec.		Oct. -Dec.		Oct. - Dec.	
	2021 <i>(Un audited)</i>	2020 <i>(Audited)</i>	2021 <i>(Un audited)</i>	2020 <i>(Audited)</i>	2021	2020	2021	2020
Revenue	197,987	60,126	197,380	59,438	6,366	217	6,165	-
Direct costs	(184,968)	(54,204)	(184,312)	(53,548)	(5,825)	(218)	(5,606)	-
Gross margin	13,019	5,922	13,068	5,890	541	(2)	559	-
Other operating income	5,350	5,596	585,850	156,096	1,710	1,873	152,210	1,873
Administrative costs	(58,002)	(38,623)	(57,897)	(38,550)	(8,381)	(7,704)	(8,289)	(7,654)
Management Expenses	(36,589)	(32,048)	(36,589)	(32,048)	(16,076)	(14,346)	(16,076)	(14,345)
Depreciation	(13,083)	(6,202)	(13,083)	(6,202)	(4,362)	(2,068)	(4,362)	(2,067)
Operating profit	(89,305)	(65,356)	491,349	85,186	(26,569)	(22,246)	124,042	(22,193)
Finance Income	17,236	28,713	17,236	28,713	5,289	21,089	5,289	21,088
Finance costs	(5,073)	(6,388)	(5,073)	(6,388)	(1,810)	(1,260)	(1,810)	(1,260)
Profit/(Loss) before tax	(77,142)	(43,031)	503,512	107,511	(23,091)	(2,418)	127,520	(2,365)
Tax	-	-	-	-	-	-	-	-
Profit/(Loss) after tax	(77,142)	(43,031)	503,512	107,511	(23,091)	(2,418)	127,520	(2,365)
Share of results of JV	606,227	740,093	-	-	253,375	302,268	-	-
Profit/(Loss) for the period	529,085	697,062	503,512	107,511	230,284	299,851	127,520	(2,365)
Other comprehensive income:	-	-	-	-	-	-	-	-
Share of other comprehensive - -Income/expenses from Joint Venture	(2,032)	(1,571)	-	-	(700)	(536)	-	-
Total comprehensive income - -for the period, net of tax	527,054	695,491	503,512	107,511	229,585	299,315	127,520	(2,365)
Earning per share (for the period)	6.58	8.67	6.26	1.34	2.86	3.73	1.59	(0.03)

KELANI TYRES PLC AND ITS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	31-12-2021 (un-audited)	31-03-2021 (Audited)	31-12-2021 (un-audited)	31-03-2021 Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	42,567	55,987	44,622	57,386
Investment Property	488,100	488,100	488,100	488,100
Investments in subsidiaries	-	-	10	10
Investment in JV	5,058,311	5,034,615	139,607	139,607
	5,588,978	5,578,702	672,339	685,103
Current assets				
Trade and other receivables	288,522	139,833	288,321	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	141,861	156,973	138,513	153,995
	677,100	543,523	672,947	539,874
Total assets	6,266,077	6,122,225	1,345,286	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	4,887,139	4,762,085	767,584	666,072
Total equity	6,114,957	5,989,904	1,194,275	1,092,763
Non - current liabilities				
Borrowings	3,333	10,833	3,333	10,833
Retirement benefit obligations	6,804	7,208	6,804	7,208
	10,137	18,041	10,137	18,041
Current liabilities				
Trade and other payables	54,941	44,122	54,832	44,014
Borrowings	10,000	10,000	10,000	10,000
Bank Overdraft	76,042	60,158	76,042	60,158
	140,983	114,280	140,874	114,172
Total liabilities	151,120	132,321	151,011	132,213
Total equity and liabilities	6,266,077	6,122,225	1,345,286	1,224,976
Net Asset Value Per share	76.06	74.50	14.85	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

27th January 2022

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	-	-	-	107,511	107,511
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Dec. 2020 (audited)	402,000	971	-	631,368	1,034,339
Balance at 1 April 2021 (audited)	402,000	24,691	-	666,072	1,092,763
Profit for the Period	-	-	-	503,512	503,512
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Dec. 2021 (Un-audited)	402,000	24,691	-	767,584	1,194,275

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	-	-	-	697,062	697,062
Other comprehensive income	-	-	-	(1,571)	(1,571)
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Dec. 2020 (audited)	402,000	971	486,636	4,494,166	5,383,773
Balance at 1 April 2021 (audited)	402,000	24,691	801,127	4,762,085	5,989,904
Profit for the Period	-	-	-	529,085	529,085
Other comprehensive income	-	-	-	(2,032)	(2,032)
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Dec. 2021 (Un-audited)	402,000	24,691	801,127	4,887,139	6,114,957

KELANI TYRES PLC AND ITS GROUP

Cash flow statement

(all amounts in Sri Lankan Rupees thousands)

	Nine months ended 31st Dec. 2021		Nine months ended 31st Dec. 2020	
	Group	Company	Group	Company
Cash flows from operating activities				
Cash generated from (used in) operations	(213,411)	(213,781)	468,938	468,153
Interest received	17,236	17,236	28,713	28,713
Interest paid	(5,073)	(5,073)	(6,388)	(6,388)
Gratuity paid	(404)	(404)	-	-
Net cash generated from (used in) operating activities	(201,652)	(202,023)	491,263	490,479
Cash flows from investing activities				
Purchases of property, plant and equipment	(343)	(343)	(210)	(210)
Purchases of intangible asset	-	-	-	-
Capital Working Progress	-	-	-	-
Dividend received	580,500	580,500	150,500	150,500
Change in current receivables from subsidiary	-	-	-	-
Purchases of intangible assets	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
Net cash (used in)/generated from investing activities	580,157	580,157	150,290	150,290
Cash flows from financing activities				
Dividend payment	(402,000)	(402,000)	(402,000)	(402,000)
Change in Bank borrowings	(7,500)	(7,500)	(7,500)	(7,500)
Net cash (used in)/generated from financing activities	(409,500)	(409,500)	(409,500)	(409,500)
Net (decrease)/increase in cash and cash equivalents	(30,995)	(31,366)	232,053	231,269
Movement in cash and cash equivalents				
At the start of period	339,217	336,239	121,567	119,610
(Decrease)/increase	(30,995)	(31,366)	232,053	231,269
At the end of period	308,221	304,873	353,620	350,879

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:

	12/31/21	12/31/20	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	1,731,369
Less: Provision for Tax	(518,915)
Profit after Tax	1,212,454

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	
	12/31/21	12/31/20	12/31/21	12/31/20
Dividend received/receivable from the JV	580,500	150,500	580,500	150,500
Dividend declared & paid to shareholders	402,000	402,000	402,000	402,000
Number of shares in issue (thousands)	80,400	80,400	80,400	80,400
Dividend per share - (Rs.)	5.00	5.00	5.00	5.00

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 Nine months ended 31st Dec

	2021	2020
	Rs.	Rs.
Highest Price (23/12/21 & 16/10/20)	105.00	94.90
Lowest Price (23/11/21 & 06/10/20)	79.00	70.00
Last Traded Price	98.60	86.50

KELANI TYRES PLC
TOP 20 SHARE HOLDERS LIST
AS AT 31-12-2021

No.	Name	No of Shares	%
1	SILVERSTOCK LIMITED	36,975,523	45.989
2	BANCK OF CEYLON A/C CEYBANK UNIT TRUST	6,084,574	7.568
3	MR. H. M. UDESHI	4,500,000	5.597
4	EMPLOYEES TRUST FUND BOARD	2,737,797	3.405
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	995,035	1.238
8	SEYLAN BANK PLC / JANASHAKTHI CAPITAL LIMITED	750,000	0.933
9	MOULDEX LIMITED	600,000	0.746
10	MR. S. VASUDEVAN	600,000	0.746
11	MIS G. L. I. B. N. PERERA	588,546	0.732
12	MR. N. PUSPARAJ & MRS. K. PUSPARAJ	550,000	0.684
13	ARUNA ENTERPRISES (PVT) LTD	437,600	0.544
14	MR. H. S. GUNASEKERA	434,829	0.541
15	J. B. COCOSHELL (PVT) LTD	351,086	0.437
16	MR. B. POBRAN	350,240	0.436
17	RANSIRI ENTERPRISES (PRIVATE) LIMITED	310,000	0.386
18	MR D. K. A. K. WEERATHUNGA	299,050	0.372
19	MRS N. MULJIE	290,694	0.362
20	MR. T. T. T. AL/NAKIB (DECEASED)	250,000	0.311

PUBLIC HOLDING

The percentage of shares held by the public as at 31st Dec 2021 is 51.760% comprising of 9,627 shareholders
(31st Dec 2020 - 51.760% comprising of 9,883 shareholders)

FLOAT ADJUSTED MARKET CAPITALIZATION AS AT 30TH SEPTEMBER 2021 - RS. 4,103,281,693/80

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 31ST DECEMBER 2021

Names of Directors	No of Shares as at 31st Dec. 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. Eraj 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

	31-12-2021	31-12-2020
Non-Current Assets	7,278,809	6,252,947
Current Assets	9,095,031	6,868,281
Total Assets	16,373,840	13,121,228
Capital and Reserves	10,116,621	8,973,119
Non-Current Liabilities	1,249,838	1,400,781
Current Liabilities	5,007,381	2,747,329
Total Equity & Liabilities	16,373,840	13,121,228

Summarised Income Statement

	2021 Apr. to Dec.	2020 Apr. to Dec.
Production (MT)	14,602	12,427
Total Sales (MT)	14,683	12,347
Domestic Sales	11,198,270	7,572,976
Export Sales	647,892	742,863
Total Sales	11,846,161	8,315,839
Cost of Sales	(9,119,664)	(5,694,389)
Gross Profit	2,726,498	2,621,450
Distribution/Administrative Cost	(1,088,546)	(1,018,986)
Finance Cost less income	95,363	66,363
Other Operating Income	(1,946)	6,314
Profit Before Tax	1,731,369	1,675,141
Taxation	(518,915)	(194,955)
Profit for the period	1,212,454	1,480,186
Other Comprehensive income/(Expenses)	(4,063)	(3,143)
Total Comprehensive income	1,208,391	1,477,043