

KELANI TYRES PLC

(Reg: No. PQ 123)

INTERIM FINANCIAL STATEMENTS

FOR TWELVE MONTHS ENDED MARCH 31, 2022



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. -Mar		Apr. - Mar.		Jan. -Mar.		Jan. - Mar.	
	2022 <i>(Un audited)</i>	2021 <i>(Audited)</i>	2022 <i>(Un audited)</i>	2021 <i>(Audited)</i>	2022	2021	2022	2021
Revenue	314,062	60,333	313,257	59,438	116,076	208	115,877	-
Direct costs	(292,480)	(54,423)	(291,605)	(53,548)	(107,512)	(219)	(107,293)	-
Gross margin	21,582	5,910	21,652	5,890	8,563	(12)	8,583	-
Other operating income	7,065	8,872	587,565	159,372	1,715	3,277	1,715	3,276
Net gain from fair value adjustment on Investment Property	71,400	48,276	71,400	48,276	71,400	48,276	71,400	48,276
Administrative costs	(68,830)	(50,503)	(68,444)	(50,093)	(10,828)	(11,880)	(10,547)	(11,543)
Management Expenses	(47,230)	(41,586)	(47,230)	(41,586)	(10,640)	(9,538)	(10,640)	(9,538)
Depreciation	(17,452)	(8,278)	(17,452)	(8,278)	(4,370)	(2,076)	(4,370)	(2,076)
Operating profit	(33,464)	(37,309)	547,491	113,581	55,840	28,047	56,141	28,395
Finance Income	24,936	34,545	24,936	34,545	7,700	5,832	7,700	5,832
Finance costs	(7,391)	(7,957)	(7,391)	(7,957)	(2,318)	(1,569)	(2,318)	(1,569)
Profit/(Loss) before tax	(15,920)	(10,722)	565,035	140,169	61,222	32,310	61,523	32,658
Tax	-	1,348	-	1,348	-	1,348	-	1,348
Profit/(Loss) after tax	(15,920)	(9,374)	565,035	141,517	61,222	33,658	61,523	34,006
Share of results of JV	846,419	974,098	-	-	240,191	234,005	-	-
Profit/(Loss) for the period	830,499	964,724	565,035	141,517	301,413	267,662	61,523	34,006
Other comprehensive income:	-	-	-	-	-	-	-	-
Items that will not be reclassified to profit or (loss)								
Actuarial gain/(loss) on retirement -benefit obligation	180	697	180	697	180	697	180	697
Gain on revaluation of Property Plant - & Equipment	-	23,720	-	23,720	-	23,720	-	23,720
Items that may be subsequently reclassified to profit or (loss)								
Share of other comprehensive - -Income/expenses from Joint Venture	(9,328)	312,481	-	-	(7,297)	314,052	-	-
Total comprehensive income - -for the period, net of tax	821,350	1,301,622	565,215	165,934	294,296	606,131	61,703	58,423
Earning per share (for the period)	10.33	12.00	7.03	1.76	3.75	3.33	0.77	0.42

KELANI TYRES PLC AND ITS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	31-03-2022 (un-audited)	31-03-2021 (Audited)	31-03-2022 (un-audited)	31-03-2021 Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	38,118	55,987	40,391	57,386
Investment Property	559,500	488,100	559,500	488,100
Investments in subsidiaries	-	-	10	10
Investment in JV	5,291,205	5,034,615	139,607	139,607
	5,888,823	5,578,702	739,508	685,103
Current assets				
Trade and other receivables	432,962	139,833	432,763	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	99,065	156,973	95,787	153,995
	778,744	543,523	774,665	539,874
Total assets	6,667,567	6,122,225	1,514,173	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	5,181,436	4,762,085	829,286	666,072
Total equity	6,409,255	5,989,904	1,255,977	1,092,763
Non - current liabilities				
Borrowings	833	10,833	833	10,833
Retirement benefit obligations	7,265	7,208	7,265	7,208
	8,098	18,041	8,098	18,041
Current liabilities				
Trade and other payables	152,611	44,122	152,495	44,014
Borrowings	10,000	10,000	10,000	10,000
Bank Overdraft	87,603	60,158	87,603	60,158
	250,214	114,280	250,098	114,172
Total liabilities	258,312	132,321	258,196	132,213
Total equity and liabilities	6,667,567	6,122,225	1,514,173	1,224,976
Net Asset Value Per share	79.72	74.50	15.62	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

24th May 2022

Sgd

D. S. K. Amarasekera

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	-	-	-	141,517	141,517
Other comprehensive income	-	23,720	-	697	24,417
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Mar. 2021 (audited)	402,000	24,691	-	666,072	1,092,763
Balance at 1 April 2021 (audited)	402,000	24,691	-	666,072	1,092,763
Profit for the Period	-	-	-	565,035	565,035
Other comprehensive income	-	-	-	180	180
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Mar. 2022 (Un-audited)	402,000	24,691	-	829,286	1,255,977

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	-	-	-	964,725	964,725
Other comprehensive income	-	-	338,212	(1,315)	336,897
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Mar. 2021 (audited)	402,000	971	824,848	4,762,085	5,989,904
Balance at 1 April 2021 (audited)	402,000	24,691	801,127	4,762,085	5,989,904
Profit for the Period	-	-	-	830,499	830,499
Other comprehensive income	-	-	-	(9,147)	(9,147)
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Mar. 2022 (Un-audited)	402,000	24,691	801,127	5,181,436	6,409,255

KELANI TYRES PLC AND ITS GROUP

Cash flow statement

(all amounts in Sri Lankan Rupees thousands)

	Twelve months ended 31st Mar. 2022		Twelve months ended 31st Mar. 2021	
	Group	Company	Group	Company
Cash flows from operating activities				
Cash generated from (used in) operations	(270,563)	(270,809)	210,371	209,349
Interest received	24,989	24,936	34,545	34,545
Interest paid	(7,391)	(7,391)	(7,956)	(7,956)
Gratuity paid	(404)	(404)	-	-
Net cash generated from (used in) operating activities	(253,370)	(253,670)	236,960	235,938
Cash flows from investing activities				
Purchases of property, plant and equipment	(483)	(483)	(210)	(210)
Dividend received	580,500	580,500	150,500	150,500
Net cash (used in)/generated from investing activities	580,018	580,017	150,290	150,290
Cash flows from financing activities				
Dividend payment	(402,000)	(402,000)	(402,000)	(402,000)
Change in Bank borrowings	(10,000)	(10,000)	(10,000)	(10,000)
Net cash (used in)/generated from financing activities	(412,000)	(412,000)	(412,000)	(412,000)
Net (decrease)/increase in cash and cash equivalents	(85,352)	(85,653)	(24,750)	(25,772)
Movement in cash and cash equivalents				
At the start of period	96,815	93,837	121,565	119,609
(Decrease)/increase	(85,352)	(85,653)	(24,750)	(25,772)
At the end of period	11,462	8,184	96,815	93,837

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:

	3/31/22	3/31/21
Ordinary shares as at	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 Following provisions have been made by joint venture CEAT SRI LANKA as follows:

Rs.

6.1 For Taxation

Profit before Tax JV (PBT)	2,031,416
Less: Provision for Tax	<u>(338,578)</u>
Profit after Tax (PAT)	<u>1,692,837</u>

6.2 For Exchange Loss- Rs. 649.68 Mn

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	
	3/31/22	3/31/21	3/31/22	3/31/21
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 Mar.

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Highest Price (07/01/22 & 22/01/21)	110.25	112.00
Lowest Price (31/03/22 & 19/03/21)	50.10	70.00
Last Traded Price	57.90	78.00

KELANI TYRES PLC
TOP 20 SHARE HOLDERS LIST
AS AT 31-03-2022

No.	Name	No of Shares	%
1	SILVERSTOCK LIMITED	36,975,523	45.989
2	BANCK OF CEYLON A/C CEYBANK UNIT TRUST	6,123,886	7.617
3	MR. H. M. UDESHI	4,500,000	5.597
4	EMPLOYEES TRUST FUND BOARD	2,833,639	3.524
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	1,011,585	1.258
8	SEYLAN BANK PLC / JANASHAKTHI CAPITAL LIMITED	728,285	0.906
9	MRS T. T. A. DE SILVA WEERASOORIAY	622,612	0.774
10	MR. S. VASUDEVAN	611,368	0.760
11	MOULDEX LIMITED	600,000	0.746
12	MR. N. PUSPARAJ & MRS. K. PUSPARAJ	550,000	0.684
13	ARUNA ENTERPRISES (PVT) LTD	437,600	0.544
14	DFCC BANK PLC/ FAZLUR RAHMAN MUZAMMIL	423,617	0.527
15	DFCC BANK PLC/ G. L. I. B. N. PERERA	416,270	0.518
16	MR. H. S. GUNASEKERA	386,387	0.481
17	DR T. SENTHILVERL	379,212	0.472
18	MR. B. POBRAN	350,240	0.436
19	RANSIRI ENTERPRISES (PRIVATE) LIMITED	310,000	0.386
20	MR D. K. A. K. WEERATHUNGA	299,050	0.372

PUBLIC HOLDING

The percentage of shares held by the public as at 31st Mar 2022 is 51.740% comprising of 9,515 shareholders
(31st Mar 2021 - 51.760% comprising of 9,346 shareholders)

FLOAT ADJUSTED MARKET CAPITALIZATION AS AT 31ST MARCH 2022 - RS. 2,408,665,070/70

The Company is in compliance with Option 5 of Section 7.14.1 (a) of the Listing Rule of the Colombo Stock Exchange pertaining to minimum public holding.

SHARE HOLDINGS BY THE DIRECTORS AS AT 31ST MARCH 2022

Names of Directors	No of Shares as at 31st Mar. 2022	%
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	Nil
Mrs. S. S. Jayatilaka	240	0.000%
Mr. Eraj T. Fernando	15,000	0.019%
Mr. R. P. Weerasooria	Nil	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

	31-03-2022	31-03-2021
Non-Current Assets	7,286,938	6,991,985
Current Assets	11,617,038	8,459,404
Total Assets	18,903,976	15,451,389
Capital and Reserves	10,582,410	10,069,230
Non-Current Liabilities	1,011,001	1,162,559
Current Liabilities	7,310,565	4,219,600
Total Equity & Liabilities	18,903,976	15,451,389

Summarised Income Statement

	2022 Apr. to Mar.	2021 Apr. to Mar.
Production (MT)	19,454	17,612
Total Sales (MT)	19,414	17,339
Domestic Sales	15,938,632	10,819,128
Export Sales	747,685	996,144
Total Sales	16,686,317	11,815,272
Cost of Sales	(12,744,603)	(8,280,762)
Gross Profit	3,941,714	3,534,510
Distribution/Administrative Cost	(2,070,002)	(1,444,010)
Finance Cost less income	116,995	93,766
Other Operating Income	42,708	26,700
Profit Before Tax	2,031,416	2,210,966
Taxation	(338,578)	(262,770)
Profit for the period	1,692,837	1,948,196
Other Comprehensive income/(Expenses)	(18,657)	624,959
Total Comprehensive income	1,674,180	2,573,155