

# **KELANI TYRES PLC**

**(Reg: No. PQ 123)**

**INTERIM FINANCIAL STATEMENTS**

**FOR SIX MONTHS ENDED SEPTEMBER 30, 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. -Sep		Apr. - Sep.		July. -Sep.		July. - Sep.	
	2022 <i>(Un audited)</i>	2021 <i>(Audited)</i>	2022 <i>(Un audited)</i>	2021 <i>(Audited)</i>	2022	2021	2022	2021
Revenue	427	191,621	-	191,215	215	144,374	-	144,172
Direct costs	(292)	(179,143)	-	(178,706)	(73)	(134,959)	-	(134,741)
Gross margin	136	12,478	-	12,509	142	9,415	-	9,431
Other operating income	3,413	3,640	863,413	433,640	1,717	1,899	861,718	431,899
Administrative costs	(59,132)	(49,620)	(59,121)	(49,608)	(52,203)	(44,184)	(52,199)	(44,177)
Management Expenses	(23,356)	(20,513)	(23,356)	(20,513)	(12,819)	(10,294)	(12,819)	(10,293)
Depreciation	(8,853)	(8,720)	(8,853)	(8,720)	(4,478)	(4,360)	(4,478)	(4,360)
Operating profit	(87,792)	(62,736)	772,082	367,308	(67,641)	(47,524)	792,222	382,500
Finance Income	27,733	11,947	27,733	11,947	18,427	6,188	18,427	6,188
Finance costs	(9,853)	(3,263)	(9,853)	(3,263)	(5,265)	(1,717)	(5,265)	(1,717)
Profit/(Loss) before tax	(69,912)	(54,051)	789,963	375,992	(54,479)	(43,052)	805,384	386,971
Tax	-	-	-	-	-	-	-	-
Profit/(Loss) after tax	<b>(69,912)</b>	<b>(54,051)</b>	<b>789,963</b>	<b>375,992</b>	<b>(54,479)</b>	<b>(43,052)</b>	<b>805,384</b>	<b>386,971</b>
<b>Share of results of JV</b>	346,514	352,852	-	-	<b>33,084</b>	<b>158,155</b>	-	-
<b>Profit/(Loss) for the period</b>	<b>276,602</b>	<b>298,801</b>	<b>789,963</b>	<b>375,992</b>	<b>(21,395)</b>	<b>115,103</b>	<b>805,384</b>	<b>386,971</b>
<b>Other comprehensive income:</b>	-	-	-	-	-	-	-	-
Share of other comprehensive - -Income/expenses from Joint Venture	(6,197)	(1,332)	-	-	<b>(3,220)</b>	<b>(694)</b>	-	-
<b>Total comprehensive income - -for the period, net of tax</b>	<b>270,405</b>	<b>297,469</b>	<b>789,963</b>	<b>375,992</b>	<b>(24,615)</b>	<b>114,409</b>	<b>805,384</b>	<b>386,971</b>
<b>Earning per share (for the period)</b>	<b>3.44</b>	<b>3.72</b>	<b>9.83</b>	<b>4.68</b>	<b>(0.27)</b>	<b>1.43</b>	<b>10.02</b>	<b>4.81</b>

**KELANI TYRES PLC AND ITS GROUP**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	30-09-2022 (un-audited)	31-03-2022 (audited)	30-09-2022 (un-audited)	31-03-2022 (audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	34,796	38,118	37,361	40,391
Investment Property	559,500	559,500	559,500	559,500
Investments in subsidiaries	-	-	10	10
Investment in JV	4,771,522	5,291,205	139,607	139,607
	5,365,818	5,888,822	736,478	739,508
<b>Current assets</b>				
Trade and other receivables	238,822	430,615	238,607	430,416
Income Tax Refund	4,315	4,315	3,712	3,712
Financial assets at fair value through profit or loss	242,875	242,875	242,875	242,875
Cash and cash equivalents	567,423	101,412	563,745	98,134
	1,053,435	779,217	1,048,939	775,137
<b>Total assets</b>	<b>6,419,254</b>	<b>6,668,038</b>	<b>1,785,418</b>	<b>1,514,645</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders</b>				
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	5,050,312	5,181,907	1,217,722	829,759
<b>Total equity</b>	<b>6,278,131</b>	<b>6,409,726</b>	<b>1,644,413</b>	<b>1,256,450</b>
<b>Non - current liabilities</b>				
Borrowings	833	833	833	833
Retirement benefit obligations	7,122	7,265	7,122	7,265
	7,955	8,098	7,955	8,098
<b>Current liabilities</b>				
Trade and other payables	56,106	152,611	55,988	152,495
Borrowings	5,000	10,000	5,000	10,000
Bank Overdraft	72,062	87,603	72,062	87,603
	133,168	250,214	133,050	250,098
<b>Total liabilities</b>	<b>141,123</b>	<b>258,312</b>	<b>141,005</b>	<b>258,196</b>
<b>Total equity and liabilities</b>	<b>6,419,254</b>	<b>6,668,038</b>	<b>1,785,418</b>	<b>1,514,645</b>
Net Asset Value Per share	78.09	79.72	20.45	15.63

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**

**Managing Director**

28th October 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
<b>Balance at 1 April 2021 (audited)</b>	<b>402,000</b>	<b>24,691</b>	-	<b>666,072</b>	<b>1,092,763</b>
Profit for the Period	-	-	-	375,992	375,992
Other comprehensive income	-	-	-	-	-
Dividend paid	-	-	-	(402,000)	<b>(402,000)</b>
<b>Balance at 30th Sep. 2021 (audited)</b>	<b>402,000</b>	<b>24,691</b>	-	<b>640,064</b>	<b>1,066,755</b>
<b>Balance at 1 April 2022 (audited)</b>	<b>402,000</b>	<b>24,691</b>	-	<b>829,759</b>	<b>1,256,450</b>
Profit for the Period	-	-	-	789,963	789,963
Other comprehensive income	-	-	-	-	-
Dividend paid	-	-	-	(402,000)	(402,000)
<b>Balance at 30th Sep. 2022 (Un-audited)</b>	<b>402,000</b>	<b>24,691</b>	-	<b>1,217,722</b>	<b>1,644,413</b>

**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
<b>Balance at 1 April 2021 (audited)</b>	<b>402,000</b>	<b>24,691</b>	<b>801,127</b>	<b>4,762,085</b>	<b>5,989,904</b>
Profit for the Period	-	-	-	298,801	298,801
Other comprehensive income	-	-	-	(1,332)	(1,332)
Dividend paid	-	-	-	(402,000)	(402,000)
<b>Balance at 30th Sep. 2021 (audited)</b>	<b>402,000</b>	<b>24,691</b>	<b>801,127</b>	<b>4,657,554</b>	<b>5,885,373</b>
<b>Balance at 1 April 2022 (audited)</b>	<b>402,000</b>	<b>24,691</b>	<b>801,127</b>	<b>5,181,907</b>	<b>6,409,726</b>
Profit for the Period	-	-	-	276,602	276,602
Other comprehensive income	-	-	-	(6,197)	(6,197)
Dividend paid	-	-	-	(402,000)	(402,000)
<b>Balance at 30th Sep. 2022 (Un-audited)</b>	<b>402,000</b>	<b>24,691</b>	<b>801,127</b>	<b>5,050,312</b>	<b>6,278,131</b>

## KELANI TYRES PLC AND ITS GROUP

### Cash flow statement

(all amounts in Sri Lankan Rupees thousands)

	Six months ended 30th Sep. 2022		Six months ended 30th Sep. 2021	
	Group	Company	Group	Company
<b>Cash flows from operating activities</b>				
Cash generated from (used in) operations	16,638	16,238	(120,882)	(121,211)
Interest received	27,733	27,733	11,947	11,947
Interest paid	(9,853)	(9,853)	(3,263)	(3,263)
Gratuity paid	(143)	(143)	(404)	(404)
<b>Net cash generated from (used in) operating activities</b>	<b>34,375</b>	<b>33,975</b>	<b>(112,602)</b>	<b>(112,931)</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(5,823)	(5,823)	-	-
Dividend received	860,000	860,000	430,000	430,000
<b>Net cash (used in)/generated from investing activities</b>	<b>854,177</b>	<b>854,177</b>	<b>430,000</b>	<b>430,000</b>
<b>Cash flows from financing activities</b>				
Dividend payment	(402,000)	(402,000)	(402,000)	(402,000)
Change in Bank borrowings	(5,000)	(5,000)	(5,000)	(5,000)
<b>Net cash (used in)/generated from financing activities</b>	<b>(407,000)</b>	<b>(407,000)</b>	<b>(407,000)</b>	<b>(407,000)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>481,552</b>	<b>481,151</b>	<b>(89,602)</b>	<b>(89,931)</b>
<b>Movement in cash and cash equivalents</b>				
At the start of period	13,809	10,532	339,217	336,239
(Decrease)/increase	481,552	481,151	(89,602)	(89,931)
<b>At the end of period</b>	<b>495,361</b>	<b>491,683</b>	<b>249,614</b>	<b>246,307</b>

**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. 2022.

**3 Significant Accounting Policies**

The Company has adopted consistent accounting policies and method applied for the year ended 31st March 2022 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:

	9/30/22	9/30/21	3/31/22
<b>Ordinary shares as at</b>	<b>80,400</b>	<b>80,400</b>	<b>80,400</b>

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	1,385,137
Less: Provision for Tax	(692,109)
<b>Profit after Tax</b>	<b>693,028</b>

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	
	9/30/22	9/30/21	9/30/22	9/30/21
Dividend received from the JV	860,000	430,000	860,000	430,000
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 Six months ended 30th Sep.

	2022	2021
	Rs.	Rs.
Highest Price (02/09/22 & 30/07/21)	77.00	97.00
Lowest Price (08/07/22 & 08/09/21)	40.00	81.40
Last Traded Price	67.90	85.00

**KELANI TYRES PLC**  
**TOP 20 SHARE HOLDERS LIST**  
**AS AT 30-09-2022**

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	4,529,855	5.634
4	EMPLOYEES TRUST FUND BOARD	2,835,639	3.527
5	MR. R. C. D. DE SILVA	1,865,013	2.320
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 LTD	728,285	0.906
9	MRS. T. T. A. DE SILVA WEERASOORIYA	622,612	0.774
10	MOULDEX (PVT) LTD	600,000	0.746
11	MR D.K. A.K WEERATHUNGA	579,050	0.720
12	MR N. PUSPARAJ & MRS K. PUSPARAJ	550,000	0.684
13	ACUITY PARTERS (PVT) LTD/MR SUBRAMANIAM VASUDEVAN	483,392	0.601
14	ARUNA ENTERPRISES(PVT) LTD	437,600	0.544
15	MR. S. VASUDEVAN	417,285	0.519
16	MR. H. S. GUNASEKERA	386,387	0.481
17	DR T. SENTHILVERL	379,212	0.472
18	SANASA LIFE INSURANCE COMPANY LTD(LIFE)	375,748	0.467
19	MR. B POBRAN	350,240	0.436
20	J. B. COCOSHELL (PVT) LTD	330,569	0.411

**PUBLIC HOLDING**

The percentage of shares held by the public as at 30th September 2022 is 51.65% comprising of 9,757 shareholders  
*(30th September 2021 - 51.76% comprising of 9,475 shareholders)*

**FLOAT ADJUSTED MARKET CAPITALIZATION AS AT 30TH SEPTEMBER 2022 - RS. 2,819,827,994/90**

The Company is in compliance with Option 4 of Rule 7.14 1 (I) of the Listing Rule of the Colombo Stock Exchange pertaining to minimum public holding.

**SHARE HOLDINGS BY THE DIRECTORS AS AT 30TH SEPTEMBER 2022**

Names of Directors	No of Shares as at 30th Sep. 2022	%
Mr. Chanaka De Silva	1,865,013	2.240%
Mr. Rohan T. Fernando	Nil	Nil
Mr. T. Bevan Perera	1,920	0.002%
Mr. D. S. Kamantha Amarasekera	Nil	Nil
Mrs. S. S. Jayatilaka	240	0.000%
Mr. Eradj T. Fernando	24,553	0.031%
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**

	30-09-2022	30-09-2021
<b>Non-Current Assets</b>	<b>7,494,465</b>	<b>7,045,048</b>
<b>Current Assets</b>	<b>13,315,196</b>	<b>9,152,859</b>
<b>Total Assets</b>	<b>20,809,661</b>	<b>16,197,908</b>
<b>Capital and Reserves</b>	<b>9,543,044</b>	<b>9,912,271</b>
<b>Non-Current Liabilities</b>	<b>1,452,535</b>	<b>1,308,371</b>
<b>Current Liabilities</b>	<b>9,814,082</b>	<b>4,977,266</b>
<b>Total Equity &amp; Liabilities</b>	<b>20,809,661</b>	<b>16,197,908</b>

**Summarised Income Statement**

	2022 Apr. to Sep.	2021 Apr. to Sep.
<b>Production (MT)</b>	<b>6,075</b>	<b>9,661</b>
<b>Total Sales (MT)</b>	<b>5,636</b>	<b>9,789</b>
<b>Domestic Sales</b>	<b>7,696,199</b>	<b>7,138,620</b>
<b>Export Sales</b>	<b>631,840</b>	<b>432,319</b>
<b>Total Sales</b>	<b>8,328,040</b>	<b>7,570,939</b>
<b>Cost of Sales</b>	<b>(5,546,583)</b>	<b>(5,899,614)</b>
<b>Gross Profit</b>	<b>2,781,457</b>	<b>1,671,325</b>
<b>Distribution/Administrative Cost</b>	<b>(1,601,379)</b>	<b>(698,028)</b>
<b>Finance Cost less income</b>	<b>181,068</b>	<b>64,356</b>
<b>Other Operating Income</b>	<b>23,991</b>	<b>2,982</b>
<b>Pofit BeforeTax</b>	<b>1,385,137</b>	<b>1,040,636</b>
<b>Taxation</b>	<b>(692,109)</b>	<b>(334,931)</b>
<b>Profit for the period</b>	<b>693,028</b>	<b>705,705</b>
<b>Other Comprehensive income/(Expenses)</b>	<b>(12,393)</b>	<b>(2,664)</b>
<b>Total Comprehensive income</b>	<b>680,634</b>	<b>703,041</b>