

KELANI TYRES PLC

(Reg: No. PQ 123)

INTERIM FINANCIAL STATEMENTS

FOR TWELVE MONTHS ENDED MARCH 31, 2023



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.	
	2023 (Un audited)	2022 (Audited)	2023 (Un audited)	2022 (Audited)	2023	2022	2023	2022
Revenue	839	314,062	-	313,257	199	116,075	-	115,877
Direct costs	(292)	(292,480)	-	(291,605)	-	(107,512)	-	(107,293)
Gross margin	547	21,582	-	21,652	199	8,563	-	8,584
Other operating income	7,139	7,538	866,906	588,037	1,974	2,187	1,741	2,187
Net gain from fair value adjustment on Investment Property	82,721	71,400	82,721	71,400	82,721	71,400	82,721	71,400
Administrative costs	(86,255)	(69,659)	(85,947)	(69,274)	(17,241)	(11,658)	(17,035)	(11,377)
Management Expenses	(56,255)	(47,230)	(56,255)	(47,230)	(14,588)	(10,640)	(14,588)	(10,640)
Depreciation	(14,349)	(17,452)	(14,349)	(17,452)	(944)	(4,369)	(944)	(4,369)
Operating profit	(66,452)	(33,822)	793,075	547,133	52,121	55,483	51,894	55,784
Finance Income	134,726	24,936	134,726	24,936	55,325	7,700	55,325	7,700
Finance costs	(19,594)	(7,391)	(19,594)	(7,391)	(4,690)	(2,318)	(4,690)	(2,318)
Profit/(Loss) before tax	48,680	(16,277)	908,207	564,677	102,755	60,865	102,529	61,165
Tax	-	-	-	-	-	-	-	-
Profit/(Loss) after tax	48,680	(16,277)	908,207	564,677	102,755	60,865	102,529	61,165
Share of results of JV	494,418	846,419	-	-	377,840	240,191	-	-
Profit/(Loss) for the period	543,098	830,141	908,207	564,677	480,595	301,056	102,529	61,165
Other comprehensive income:	-	-	-	-	-	-	-	-
Items that will not be reclassified to profit or (loss)								
Actuarial gain/(loss) on retirement -benefit obligation	1,492	1,010	1,492	1,010	1,492	1,010	1,492	1,010
Share of other comprehensive - -Income/expenses from Joint Venture	(16,020)	(9,329)	-	-	(7,826)	(7,297)	-	-
Total comprehensive income - -for the period, net of tax	528,570	821,822	909,699	565,687	474,261	294,768	104,020	62,175
Earning per share (for the period)	6.75	10.33	11.30	7.02	5.98	3.74	1.28	0.76

KELANI TYRES PLC AND ITS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	31-03-2023 (un-audited)	31-03-2022 (audited)	31-03-2023 (un-audited)	31-03-2022 (audited)
ASSETS				
Non-current assets				
Property, plant and equipment	29,301	38,118	31,866	40,391
Investment Property	642,221	559,500	642,221	559,500
Investments in subsidiaries	-	-	10	10
Investment in JV	4,909,603	5,291,205	139,607	139,607
	5,581,125	5,888,822	813,704	739,508
Current assets				
Trade and other receivables	46,042	430,615	46,042	430,416
Income Tax Refund	4,315	4,315	3,712	3,712
Financial assets at fair value through profit or loss	242,407	242,875	242,407	242,875
Cash and cash equivalents	833,404	101,412	829,238	98,134
	1,126,168	779,217	1,121,399	775,137
Total assets	6,707,293	6,668,038	1,935,103	1,514,645
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	731,240	801,127	-	-
Retained earnings	5,378,364	5,181,907	1,337,458	829,759
Total equity	6,536,295	6,409,726	1,764,149	1,256,450
Non - current liabilities				
Borrowings	-	833	-	833
Retirement benefit obligations	5,895	7,265	5,895	7,265
	5,895	8,098	5,895	8,098
Current liabilities				
Trade and other payables	64,697	152,611	64,654	152,495
Borrowings	833	10,000	833	10,000
Bank Overdraft	99,572	87,603	99,572	87,603
	165,103	250,214	165,060	250,098
Total liabilities	170,998	258,312	170,955	258,196
Total equity and liabilities	6,707,293	6,668,038	1,935,103	1,514,645
Net Asset Value Per share	81.30	79.72	21.94	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

Rohan T. Fernando

Managing Director

15th May 2023

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 2021 (audited)	402,000	24,691	-	666,072	1,092,763
Profit for the Period	-	-	-	564,677	564,677
Other comprehensive income	-	-	-	1,010	1,010
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Mar. 2022 (audited)	402,000	24,691	-	829,759	1,256,450
Balance at 1 April 2022 (audited)	402,000	24,691	-	829,759	1,256,450
Profit for the Period	-	-	-	908,207	908,207
Other comprehensive income	-	-	-	1,492	1,492
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Mar. 2023 (Un-audited)	402,000	24,691	-	1,337,458	1,764,149

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 2021 (audited)	402,000	24,691	801,127	4,762,085	5,989,904
Profit for the Period	-	-	-	830,141	830,141
Other comprehensive income	-	-	-	(8,319)	(8,319)
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Mar. 2022 (audited)	402,000	24,691	801,127	5,181,907	6,409,726
Balance at 1 April 2022 (audited)	402,000	24,691	801,127	5,181,907	6,409,726
Profit for the Period	-	-	-	543,098	543,098
Other comprehensive income	-	-	(69,887)	55,359	(14,528)
Dividend paid	-	-	-	(402,000)	(402,000)
Balance at 31st Mar. 2023 (Un-audited)	402,000	24,691	731,240	5,378,364	6,536,295

KELANI TYRES PLC AND ITS GROUP

Cash flow statement

(all amounts in Sri Lankan Rupees thousands)

	Twelve months ended 31st Mar. 2023		Twelve months ended 31st Mar. 2022	
	Group	Company	Group	Company
Cash flows from operating activities				
Cash generated from (used in) operations	164,070	163,415	(268,166)	(268,466)
Interest received	134,726	134,726	24,936	24,936
Interest paid	(19,594)	(19,594)	(7,391)	(7,391)
Gratuity paid	(1,589)	(1,589)	(404)	(404)
Net cash generated from (used in) operating activities	277,613	276,957	(251,024)	(251,324)
Cash flows from investing activities				
Purchases of property, plant and equipment	(5,823)	(5,823)	(483)	(483)
Dividend received	860,000	860,000	580,500	580,500
Proceeds from sale of property, plant and equipment	233	-	-	-
Net cash (used in)/generated from investing activities	854,410	854,177	580,017	580,018
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	720,023	719,134	(83,007)	(83,306)
Movement in cash and cash equivalents				
At the start of period	13,809	10,532	96,815	93,837
(Decrease)/increase	720,023	719,134	(83,007)	(83,306)
At the end of period	733,832	729,666	13,809	10,532

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:

	3/31/23	12/31/22	3/31/22
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	1,520,397
Less: Provision for Tax	(531,562)
Profit after Tax	988,836

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	
	3/31/23	3/31/22	3/31/23	3/31/22
Dividend received from the JV	860,000	580,500	860,000	580,500
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 Twelve months ended 31st Mar.

	2023	2022
	Rs.	Rs.
Highest Price (24/01/23 & 07/01/22)	62.90	110.25
Lowest Price (31/01/23 & 31/03/22)	55.30	50.10
Last Traded Price	59.40	57.90

KELANI TYRES PLC
TOP 20 SHARE HOLDERS LIST
AS AT 31-03-2023

No.	Name	No of Shares	%
1	SILVERSTOCK LIMITED	38,100,178	47.388
2	BANCK OF CEYLON A/C CEYBANK UNIT TRUST	6,123,886	7.617
3	MR. H. M. UDESHI	5,000,000	6.219
4	EMPLOYEES TRUST FUND BOARD	2,835,639	3.527
5	MR. R. C. D. DE SILVA	2,000,000	2.488
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	MRS. T. T. A. DE SILVA WEERASOORIYA	622,612	0.774
9	MOULDEX (PVT) LTD	600,000	0.746
10	MR D.K. A.K WEERATHUNGA	579,050	0.720
11	MR N. PUSPARAJ & MRS K. PUSPARAJ	550,000	0.684
12	ACUITY PARTERS (PVT) LTD/MR SUBRAMANIAM VASUDEVAN	483,392	0.601
13	SAMPATH BANK PLC/ ARUNA ENTERPRISES (PVT) LTD	437,600	0.544
14	J. B. COCOSHELL (PVT) LTD	435,888	0.542
15	MR. H. S. GUNASEKERA	386,387	0.481
16	DR T. SENTHILVERL	379,212	0.472
17	SANASA LIFE INSURANCE COMPANY LTD(LIFE)	378,543	0.471
18	MR. B POBRAN	350,240	0.436
19	RANSIRI ENTERPRISES PRIVATE LIMITED	310,000	0.386
20	MRS. N MULJIE	290,694	0.362

PUBLIC HOLDING

The percentage of shares held by the public as at 31st March 2023 is 50.086% comprising of 9,613 shareholders
(31st March 2022 - 51.74% comprising of 9,515 shareholders)

FLOAT ADJUSTED MARKET CAPITALIZATION AS AT 31ST MARCH 2023 - RS. 2,392,007,646.60

The Company is in compliance with Option 5 of Rule 7.14 1 (I) a of the Listing Rule of the Colombo Stock Exchange pertaining to minimum public holding.

SHARE HOLDINGS BY THE DIRECTORS AS AT 31ST MARCH 2023

Names of Directors	No of Shares as at 31st Mar. 2023	%
Mr. Chanaka De Silva	2,000,000	2.488%
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. Eraj 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

	31-03-2023	31-03-2022
Non-Current Assets	7,665,471	7,286,938
Current Assets	9,795,281	14,248,837
Total Assets	17,460,752	21,535,776
Capital and Reserves	9,819,206	10,582,410
Non-Current Liabilities	729,100	1,011,001
Current Liabilities	6,912,446	9,942,365
Total Equity & Liabilities	17,460,752	21,535,776

Summarised Income Statement

	2023 Apr. to Mar.	2022 Apr. to Mar.
Production (MT)	10,776	19,454
Total Sales (MT)	10,294	19,414
Domestic Sales	14,082,216	15,938,632
Export Sales	1,349,823	747,685
Total Sales	15,432,039	16,686,317
Cost of Sales	(12,200,420)	(12,744,603)
Gross Profit	3,231,618	3,941,714
Distribution/Administrative Cost	(1,829,241)	(2,070,002)
Finance Cost less income	54,798	122,117
Other Operating Income	63,223	37,586
Pofit BeforeTax	1,520,397	2,031,416
Taxation	(531,562)	(338,578)
Profit for the period	988,836	1,692,837
Other Comprehensive income/(Expenses)	(32,040)	(18,657)
Total Comprehensive income	956,796	1,674,180