

KELANI TYRES PLC

(Reg: No. PQ 123)

**INTERIM FINANCIAL STATEMENTS
FOR THREE MONTHS ENDED JUNE 30, 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	
	Apr. -Jun.		Apr. - Jun.	
	2023 <i>(Un audited)</i>	2022 <i>(Audited)</i>	2023 <i>(Un audited)</i>	2022 <i>(Audited)</i>
Revenue	-	212	-	-
Direct costs	-	(219)	-	-
Gross margin	-	(6)	-	-
Other operating income	18,228	1,695	518,228	1,695
Administrative costs	(7,879)	(6,929)	(7,872)	(6,923)
Management Expenses	(14,419)	(10,536)	(14,419)	(10,536)
Depreciation	(272)	(4,375)	(272)	(4,375)
Operating profit	(4,342)	(20,152)	495,665	(20,139)
Finance Income	46,182	9,306	46,182	9,306
Finance costs	(1,670)	(4,588)	(1,670)	(4,588)
Profit/(Loss) before tax	40,170	(15,433)	540,176	(15,421)
Tax	-	-	-	-
Profit/(Loss) after tax	40,170	(15,433)	540,176	(15,421)
Share of results of JV	(36,305)	313,430	-	-
Profit/(Loss) for the period	3,864	297,996	540,176	(15,421)
Other comprehensive income:	-	-	-	-
Items that will not be reclassified to profit or (loss)				
Share of other comprehensive - -Income/expenses from Joint Venture	(20,465)	(2,977)	-	-
Total comprehensive income - -for the period, net of tax	(16,600)	295,020	540,176	(15,421)
Earning per share (for the period)	0.05	3.71	6.72	(0.19)

KELANI TYRES PLC AND ITS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	30-06-2023 (un-audited)	31-03-2023 (audited)	30-06-2023 (un-audited)	31-03-2023 (audited)
ASSETS				
Non-current assets				
Property, plant and equipment	31,545	31,816	31,545	31,816
Investment Property	642,221	642,221	642,221	642,221
Investments in subsidiaries	-	-	10	10
Investment in JV	4,352,833	4,909,603	139,607	139,607
	5,026,599	5,583,640	813,383	813,654
Current assets				
Inventories	-	-	-	-
Trade and other receivables	4,804	3,893	4,804	3,893
Amounts due from related parties	33,037	36,412	33,037	36,412
Income Tax Refund	4,315	4,315	3,712	3,712
Other Investments	1,520,825	848,695	1,520,825	848,695
Cash and cash equivalents	11,891	233,405	7,831	229,239
	1,574,872	1,126,720	1,570,209	1,121,951
Total assets	6,601,471	6,710,360	2,383,592	1,935,605
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Stated capital	402,000	402,000	402,000	402,000
Revaluation reserves	753,289	753,290	22,048	22,049
Other reserves	-	-	-	-
Retained earnings	5,324,610	5,341,208	1,837,972	1,297,794
Total equity	6,479,899	6,496,498	2,262,020	1,721,843
Non - current liabilities				
Borrowings	-	-	-	-
Retirement benefit obligations	7,920	7,920	7,920	7,920
Deferred tax liability	40,480	40,480	40,480	40,480
	48,400	48,400	48,400	48,400
Current liabilities				
Trade and other payables	65,286	65,057	65,286	64,957
Borrowings	-	833	-	833
Bank Overdraft	7,886	99,572	7,886	99,572
	73,172	165,462	73,172	165,362
Total liabilities	121,572	213,862	121,572	213,762
Total equity and liabilities	6,601,471	6,710,360	2,383,592	1,935,605
Net Asset Value Per share	80.60	80.80	28.13	21.42

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

28th July 2023

Sgd

R. C. D. De Silva

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 2022 (audited)	402,000	24,691	-	829,758	1,256,449
Profit for the Period	-	-	-	(15,421)	(15,421)
Balance at 30th Jun. 2022 (audited)	402,000	24,691	-	814,337	1,241,029
Balance at 1 April 2023 (audited)	402,000	22,048	-	1,297,796	1,721,844
Profit for the Period	-	-	-	540,176	540,176
Balance at 30th Jun. 2023 (Un-audited)	402,000	22,048	-	1,837,972	2,262,020

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 2022 (audited)	402,000	825,819		5,181,906	6,409,725
Profit for the Period	-	-	-	297,996	297,996
Other comprehensive income	-	-	-	(2,977)	(2,977)
Balance at 30th Jun. 2022 (audited)	402,000	825,819	-	5,476,926	6,704,744
Balance at 1 April 2023 (audited)	402,000	753,289		5,341,211	6,496,499
Profit for the Period	-	-	-	3,864	3,864
Other comprehensive income	-	-	-	(20,465)	(20,465)
Balance at 30th Jun. 2023 (Un-audited)	402,000	753,289	-	5,324,610	6,479,899

KELANI TYRES PLC AND ITS GROUP

Cash flow statement

(all amounts in Sri Lankan Rupees thousands)

	Three months ended 30th Jun. 2023		Three months ended 30th Jun. 2022	
	Group	Company	Group	Company
Cash flows from operating activities				
Cash generated from (used in) operations	(1,374)	(1,268)	(37,565)	(37,757)
Interest received	46,180	46,180	9,306	9,306
Interest paid	(1,670)	(1,670)	(4,588)	(4,588)
Gratuity paid	-	-	-	-
Net cash generated from (used in) operating activities	43,136	43,242	(32,846)	(33,039)
Cash flows from investing activities				
Purchases of property, plant and equipment	-	-	(2,185)	(2,185)
Purchases of intangible asset	-	-	-	-
Capital Working Progress	-	-	-	-
Dividend received	500,000	500,000	-	-
Investment in government securities	(624,000)	(624,000)	-	-
Purchases of Units	(48,130)	(48,130)	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
Net cash (used in)/generated from investing activities	(172,130)	(172,130)	(2,185)	(2,185)
Cash flows from financing activities				
Proceeds from redeemable preference shares				
Change in Bank borrowings	(833)	(833)	(2,500)	(2,500)
Net cash (used in)generated from financing activities	(833)	(833)	(2,500)	(2,500)
Net (decrease)/increase in cash and cash equivalents	(129,828)	(129,721)	(37,531)	(37,724)
Movement in cash and cash equivalents				
At the start of period	133,833	129,667	11,462	8,185
(Decrease)/increase	(129,828)	(129,721)	(37,531)	(37,724)
At the end of period	4,005	(54)	(26,069)	(29,539)

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. 2023,

3 Significant Accounting Policies

The Company has adopted consistent accounting policies and method applied for the year ended 31st March 2023 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:

	6/30/23	6/30/22	3/31/23
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	141,983
Less: Provision for Tax	(214,594)
Profit after Tax	(72,611)

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	
	6/30/23	6/30/22	6/30/23	6/30/22
Dividend received from the JV	500,000	Nil	500,000	Nil
Dividend declared & paid to shareholders	Nil	Nil	Nil	Nil
Number of shares in issue (thousands)	80,400	80,400	80,400	80,400
Dividend per share - (Rs.)	Nil	Nil	Nil	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 Three months ended 30th Jun.

	2023	2022
	Rs.	Rs.
Highest Price (28/06/23 & 06/04/22)	62.00	60.00
Lowest Price (29/05/23 & 27/04/22)	53.60	36.00
Last Traded Price	61.70	45.40

KELANI TYRES PLC
TOP 20 SHARE HOLDERS LIST
AS AT 30-06-2023

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	5,050,000	6.281
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	J. B. COCOSHELL (PVT) LTD	472,482	0.588
14	SAMPATH BANK PLC / ARUNA ENTERPRISES(PVT) LTD	437,600	0.544
15	SANASA LIFE INSURANCE COMPANY PLC	419,175	0.521
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	MRS N. MULJIE	290,694	0.362

PUBLIC HOLDING

The percentage of shares held by the public as at 30th June 2023 is 50.086% comprising of 9,534 shareholders
(30th June 2022 - 51.730% comprising of 9,676 shareholders)

FLOAT ADJUSTED MARKET CAPITALIZATION AS AT 30TH JUNE 2023 - RS. 2,484,627,471/30

The Company is in compliance with Option 5 of Section 7.141 (a) of the Listing Rule of the Colombo Stock Exchange pertaining to minimum public holding.

SHARE HOLDINGS BY THE DIRECTORS AS AT 30TH JUNE 2023

Names of Directors	No of Shares as at 30th Jun. 2023	%
Mr. Chanaka De Silva	2,000,000	2.488%
Mr. Rohan T. Fernando	Nil	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	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

	30-06-2023	30-06-2022
Non-Current Assets	7,600,899	7,452,383
Current Assets	7,717,489	12,536,225
Total Assets	15,318,388	19,988,608
Capital and Reserves	8,705,665	11,203,317
Non-Current Liabilities	909,230	1,526,668
Current Liabilities	5,703,493	7,258,623
Total Equity & Liabilities	15,318,388	19,988,608

Summarised Income Statement

	2023 Apr. to Jun.	2022 Apr. to Jun.
Production (MT)	2,177	3,753
Total Sales (MT)	2,380	3,505
Domestic Sales	2,991,227	4,723,717
Export Sales	267,061	169,468
Total Sales	3,258,289	4,893,185
Cost of Sales	(2,736,558)	(3,100,660)
Gross Profit	521,731	1,792,525
Distribution/Administrative Cost	(311,504)	(1,084,085)
Finance Cost less income	(74,061)	92,685
Other Operating Income	5,818	13,736
Pofit BeforeTax	141,983	814,861
Taxation	(214,594)	(188,002)
Profit for the period	(72,611)	626,860
Other Comprehensive income/(Expenses)	(40,929)	(5,953)
Total Comprehensive income	(113,540)	620,906