

KELANI TYRES PLC

(Reg: No. PQ 123)

INTERIM FINANCIAL STATEMENTS

FOR SIX MONTHS ENDED SEPTEMBER 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		Group		Company	
	Apr. -Sep.		Apr. - Sep.		Jul. -Sep.		Jul. - Sep.	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Un audited)	(Audited)	(Un audited)	(Audited)				
Revenue	-	427	-	-	-	215	-	-
Direct costs	-	(292)	-	-	-	(73)	-	-
Gross margin	-	136	-	-	-	142	-	-
Other operating income	36,567	26,559	536,567	886,559	18,339	15,986	18,339	875,986
Administrative costs	(43,512)	(59,132)	(43,437)	(59,121)	(35,633)	(52,203)	(35,565)	(52,199)
Management Expenses	(28,960)	(23,356)	(28,960)	(23,356)	(14,540)	(12,820)	(14,540)	(12,820)
Depreciation	(548)	(8,853)	(548)	(8,853)	(276)	(4,478)	(276)	(4,478)
Operating profit	(36,452)	(64,646)	463,622	795,229	(32,111)	(53,372)	(32,042)	806,490
Finance Income	104,383	4,587	104,383	4,587,038	58,201	4,158	58,201	4,158
Finance costs	(1,970)	(9,853)	(1,970)	(9,853)	(300)	(5,265)	(300)	(5,265)
Profit/(Loss) before tax	65,961	(69,912)	566,036	789,963	25,791	(54,479)	25,860	805,384
Tax	-	-	-	-	-	-	-	-
Profit/(Loss) after tax	65,961	(69,912)	566,036	789,963	25,791	(54,479)	25,860	805,384
Share of results of JV	204,873	346,514	-	-	241,179	33,084	-	-
Profit/(Loss) for the period	270,834	276,602	-	566,036	266,970	(21,395)	-	805,384
Other comprehensive income:								
Items that will not be reclassified to profit or (loss)								
Share of other comprehensive - -Income/expenses from Joint Venture	(42,085)	(6,197)	-	-	(21,620)	(3,220)	-	-
Total comprehensive income - -for the period, net of tax	228,749	270,405	566,036	789,963	245,350	(24,615)	25,860	805,384
Earning per share (for the period)	3.37	3.44	7.04	9.83	3.32	(0.27)	0.32	10.02

KELANI TYRES PLC AND ITS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	30-09-2023 (un-audited)	31-03-2023 (audited)	30-09-2023 (un-audited)	31-03-2023 (audited)
ASSETS				
Non-current assets				
Property, plant and equipment	33,043	31,816	33,043	31,816
Investment Property	642,221	642,221	642,221	642,221
Investments in subsidiaries	-	-	10	10
Investment in JV	4,572,391	4,909,603	139,607	139,607
	5,247,656	5,583,640	814,881	813,654
Current assets				
Trade and other receivables	8,903.38	3,893	8,903	3,893
Amounts due from related parties	35,107	36,412	35,107	36,412
Income Tax Refund	4,315	4,315	3,712	3,712
Other Investments	1,125,104	848,695	1,125,104	848,695
Cash and cash equivalents	40,078	233,405	36,089	229,239
	1,213,508	1,126,720	1,208,916	1,121,951
Total assets	6,461,164	6,710,360	2,023,797	1,935,605
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Stated capital	402,000	402,000	402,000	402,000
Revaluation reserves	753,290	753,290	22,049	22,049
Retained earnings	5,167,957	5,341,208	1,461,831	1,297,794
Total equity	6,323,247	6,496,498	1,885,880	1,721,843
Non - current liabilities				
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	62,526	65,057	62,526	64,957
Borrowings	-	833	-	833
Bank Overdraft	26,991	99,572	26,991	99,572
	89,517	165,462	89,517	165,362
Total liabilities	137,917	213,862	137,917	213,762
Total equity and liabilities	6,461,164	6,710,360	2,023,797	1,935,605
Net Asset Value Per share	78.65	80.80	23.46	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

27th Oct 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	Retained Earnings	Total
Balance at 1 April 2022 (audited)	402,000	24,691	829,758	1,256,449
Profit for the Period	-	-	789,963	789,963
Other comprehensive income	-	-	-	-
Dividend paid	-	-	(402,000)	(402,000)
Balance at 30th Sep. 2022 (audited)	402,000	24,691	1,217,721	1,644,412
Balance at 1 April 2023 (audited)	402,000	22,049	1,297,794	1,721,843
Profit for the Period	-	-	566,036	566,036
Other comprehensive income	-	-	-	-
Dividend paid	-	-	(402,000)	(402,000)
Balance at 30th Sep. 2023 (Un-audited)	402,000	22,049	1,461,831	1,885,880

KELANI TYRES PL AND ITS GROUP**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(all amounts in Sri Lanka Rupees Thousands)

Group

	Stated capital	Revaluation Reserve	Retained Earnings	Total
Balance at 1 April 2022 (audited)	402,000	825,819	5,181,906	6,409,725
Profit for the Period	-	-	276,602	276,602
Other comprehensive income	-	-	(6,197)	(6,197)
Dividend paid	-	-	(402,000)	(402,000)
Balance at 30th Sep. 2022 (audited)	402,000	825,819	5,050,311	6,278,130
Balance at 1 April 2023 (audited)	402,000	753,290	5,341,208	6,496,498
Profit for the Period	-	-	270,834	270,834
Other comprehensive income	-	-	(42,085)	(42,085)
Dividend paid	-	-	(402,000)	(402,000)
Balance at 30th Sep. 2023 (Un-audited)	402,000	753,290	5,167,957	6,323,247

KELANI TYRES PLC AND ITS GROUP

Cash flow statement

(all amounts in Sri Lankan Rupees thousands)

	Six months ended 30th Sep. 2023		Six months ended 30th Sep. 2022	
	Group	Company	Group	Company
Cash flows from operating activities				
Cash generated from (used in) operations	(42,141)	(41,964)	39,785	39,384
Interest received	104,383	104,383	4,587	4,587
Interest paid	(1,970)	(1,970)	(9,853)	(9,853)
Gratuity paid	-	-	(143)	(143)
Net cash generated from (used in) operating activities	60,272	60,449	34,375	33,975
Cash flows from investing activities				
Purchases of property, plant and equipment	(1,775)	(1,775)	(5,823)	(5,823)
Dividend received	500,000	500,000	860,000	860,000
Investment in government securities/other investments	(276,411)	(276,411)	(466,084)	(466,084)
Net cash (used in)/generated from investing activities	221,815	221,815	388,093	388,093
Cash flows from financing activities				
Dividend payment	(402,000)	(402,000)	(402,000)	(402,000)
Change in Bank borrowings	(833)	(833)	(5,000)	(5,000)
Net cash (used in)/generated from financing activities	(402,833)	(402,833)	(407,000)	(407,000)
Net (decrease)/increase in cash and cash equivalents	(120,746)	(120,569)	15,468	15,068
Movement in cash and cash equivalents				
At the start of period	133,833	129,667	13,809	10,532
(Decrease)/increase	(120,746)	(120,569)	15,468	15,068
At the end of period	13,087	9,098	29,278	25,600

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:

	9/30/23	9/30/22	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	718,326
Less: Provision for Tax	(308,580)
Profit after Tax	409,746

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 Due to the economic crisis that resulted in import restrictions, local currency devaluation, inflation etc., the Company could not engage in the tyre trading business temporarily. Hence there is no revenue generated by the Company for the period 1st April 2023 to 30th September 2023. The Company is in the process of evaluating the market conditions to recommence the tyre trading business.

10 Dividend per share

	Group		Company	
	9/30/23	9/30/22	9/30/23	9/30/22
Dividend received from the JV	500,000	860,000	500,000	860,000
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

11 The figures have been presented in these financial statements are provisional and subject to audit, and also comparative figures have been reclassified where necessary.

12 Market price per share:

for the Six months ended 30th Sep.

	2023	2022
	Rs.	Rs.
Highest Price (21/08/23 & 02/09/22)	76.40	77.00
Lowest Price (05/07/23 & 08/07/22)	60.00	40.00
Last Traded Price	67.00	67.90

KELANI TYRES PLC
TOP 20 SHARE HOLDERS LIST
AS AT 30-09-2023

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	424,966	0.529
16	MR. A.M. WEERASINGHE	400,000	0.498
17	MR. H.S. GUNASEKARA	386,387	0.481
18	DR. T SENTHILVERL	379,212	0.472
19	MR. B POBRAN	350,240	0.436
20	RANSIRI ENTERPRISES PRIVATE LIMITED	310,000	0.386

PUBLIC HOLDING

The percentage of shares held by the public as at 30th September 2023 is 50.086% comprising of 9,533 shareholders
(30th September 2022 - 51.65% comprising of 9757 shareholders)

FLOAT ADJUSTED MARKET CAPITALIZATION AS AT 30TH SEPTEMBER 2023 - RS.2,698,055,763/-

The Company is in compliance with Option 5 of Section 7.131 (1)a of the Listing Rule of the Colombo Stock Exchange pertaining to minimum public holding.

SHARE HOLDINGS BY THE DIRECTORS AS AT 30TH SEPTEMBER 2023

Names of Directors	No of Shares as at 30th Sep. 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. Eradj T. Fernando	24,553	0.031%
Mr. R. P. Weerasooria	Nil	Nil

Joint Venture Performance

The assets and liabilities and the income and the expenses of the Joint venture as follows:

Summarised Financial Position

	30-09-2023	30-09-2022
Non-Current Assets	7,647,736	7,494,465
Current Assets	6,698,111	13,315,196
Total Assets	14,345,847	20,809,661
Capital and Reserves	9,144,782	9,543,044
Non-Current Liabilities	816,897	1,452,535
Current Liabilities	4,384,168	9,814,082
Total Equity & Liabilities	14,345,847	20,809,661

Summarised Income Statement

	2023 Apr. to Sep.	2022 Apr. to Sep.
Production (MT)	4,772	6,075
Total Sales (MT)	5,478	5,636
Domestic Sales	6,874,751	7,696,199
Export Sales	543,694	631,840
Total Sales	7,418,445	8,328,040
Cost of Sales	(5,870,517)	(5,546,583)
Gross Profit	1,547,928	2,781,457
Distribution/Administrative Cost	(806,620)	(1,601,379)
Finance Cost less income	(48,300)	181,068
Other Operating Income	25,319	23,991
Pofit BeforeTax	718,326	1,385,136
Taxation	(308,580)	(692,109)
Profit for the period	409,746	693,027
Other Comprehensive income/(Expenses)	(84,169)	(12,393)
Total Comprehensive income	325,577	680,634