

**CHEVRON LUBRICANTS LANKA PLC
INTERIM FINANCIAL STATEMENTS
31ST MARCH 2022**

CHEVRON LUBRICANTS LANKA PLC

INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2022

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Chevron Lubricants Lanka PLC

Interim Comprehensive Income Statement - by function of expenses

(Amounts in Rs.000's)

	Note	Three months ended 31st March		
		2022	2021	Change %
Revenue		7,701,392	4,353,304	77
Cost of sales		(4,385,446)	(2,518,712)	74
Gross profit		3,315,946	1,834,592	81
Distribution costs		(291,914)	(200,362)	46
Administrative expenses		(279,740)	(211,252)	32
Other operating income		487	5,727	(92)
Operating profit		2,744,779	1,428,705	92
Finance income		63,080	15,980	295
Finance costs	5	(1,647,011)	(51,272)	3,112
Profit before income tax		1,160,848	1,393,413	(17)
Income tax expense		(218,049)	145,440	(250)
Profit for the period		942,799	1,538,853	(39)
Earnings per share attributable to the equity holders of the company during the year				
Basic earnings per share (expressed in LKR)		3.93	6.41	

Notes -The above figures are not audited.

Figures in brackets indicate deductions.

Chevron Lubricants Lanka PLC

Interim Comprehensive Income Statement - *Continued*

(Amounts in Rs.000's)

	Note	Three months ended 31st March		
		2022	2021	Change %
Profit for the period		942,799	1,538,853	(39)
Other comprehensive income:				
Actuarial (loss)/gain on retirement benefit obligations		-	-	-
Tax on other comprehensive income		-	-	-
Other Comprehensive income for the period, net of tax		-	-	-
Total comprehensive income for the period		942,799	1,538,853	(39)

Notes -The above figures are not audited.

Figures in brackets indicate deductions.

Chevron Lubricants Lanka PLC


Interim Statement of Financial Position

(Amounts in Rs.000's)

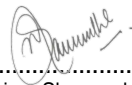
Note	31st March 2022	31st December 2021
ASSETS		
Non-current assets		
Property, Plant & Equipment	1,617,638	1,661,480
Right of Use Asset - Leases	296,145	302,189
Trade and other receivables	62,743	63,972
	1,976,526	2,027,641
Current assets		
Inventories	2,540,788	3,759,673
Trade and other receivables	2,164,117	1,180,763
Cash and cash equivalents	6,352,513	4,025,116
	11,057,418	8,965,552
Total assets	13,033,944	10,993,193
EQUITY AND LIABILITIES		
Stated capital	600,000	600,000
Retained earnings	4,863,495	4,398,615
Total equity	5,463,495	4,998,615
Liabilities		
Non-current liabilities		
Retirement benefit obligations	215,598	205,137
Deferred tax liabilities	154,717	156,813
Lease Liabilities	309,147	310,244
	679,462	672,193
Current liabilities		
Trade and other payables	6,332,146	4,739,476
Current income tax liabilities	525,948	552,364
Lease Liabilities	32,893	30,545
	6,890,987	5,322,385
Total liabilities	7,570,449	5,994,578
Total equity and liabilities	13,033,944	10,993,193
Net Assets per Share (Rs.)	22.76	20.83

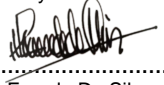
Note: The above figures are not audited.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.


.....
Yasora Kodagoda
Manager Finance & Planning

The Board of Directors is responsible for the preparation and presentation of these financial statements. The financial statements were authorised for issue by the Board of Directors on 11th May 2022


.....
Najam Shamsuddin
Managing Director / Chief Executive
Officer


.....
Erande De Silva
Director / Chief Financial Officer

11th May 2022

Chevron Lubricants Lanka PLC

Interim Statement of Cash Flows

(Amounts in Rs.000's)

	Note	Period ended 31st March	
		2022	2021
Cash flows from operating activities			
Cash generated from operations	(i)	3,007,858	1,353,211
Interest paid		(9,280)	(9,868)
Retirement benefits paid		-	-
Income tax paid		(246,559)	(165,579)
Net cash generated from operating activities		2,752,019	1,177,764
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(1,608)	(51,743)
Proceeds from disposal of Property, Plant & Equipment		-	8,363
Interest received		60,555	13,306
Net cash used in investing activities		58,947	(30,074)
Cash flows from financing activities			
Payment of Lease liabilities		(3,569)	(4,653)
Dividends paid		(480,000)	(480,000)
Net cash used in financing activities		(483,569)	(484,653)
Net increase / (decrease) in cash and cash equivalents		2,327,397	663,037
Movement in cash and cash equivalents			
Cash and cash equivalents at beginning of period		4,025,116	1,898,556
Increase in cash and cash equivalents		2,327,397	663,037
Cash and cash equivalents at end of period		6,352,513	2,561,593

Note (i)

	Period ended 31st March	
	2,022	2,021
Cash generated from operations		
Profit before taxation	1,160,848	1,393,241
Adjustments for :		
Depreciation on property, plant and equipment	45,450	45,868
Depreciation on right-of-use assets	10,865	12,763
Property, plant and equipment Writtenoff	-	-
Amortisation of marketing support fee paid	6,447	5,222
(Profit)/Loss on disposal of property, plant and equipment	0	(5,497)
Interest income	(63,080)	(15,980)
Interest expense	9,280	9,868
(Reversal of provision)/Provision for impairment on trade receivables	-	-
Defined benefit obligations	10,461	7,981
Changes in working capital		
- trade and other receivables	(986,048)	(527,126)
- inventories	1,218,885	(37,242)
- payables	1,594,750	464,113
Cash generated from operations	3,007,858	1,353,211

Chevron Lubricants Lanka PLC

Interim Statement of Changes in Equity

(Amounts in Rs.000's)

	<u>Stated Capital</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance at 1st January 2021	600,000	3,580,188	4,180,188
Profit for the period	Nil	1,538,853	1,538,853
Other comprehensive income for the period	Nil	-	-
Transactions with owners - Dividends	Nil	(480,000)	(480,000)
Unclaimed Dividends transferred to Retained Earnings		2,599	2,599
Unaudited balance as at 31st March 2021	600,000	4,641,640	5,241,641
Balance at 1st January 2022	600,000	4,398,615	4,998,615
Profit for the period	Nil	942,799	942,799
Other comprehensive loss for the period	Nil	-	-
Transactions with owners - Dividends		(480,000)	(480,000)
Unclaimed Dividends transferred to Retained Earnings		2,081	2,081
Unaudited balance as at 31st March 2022	600,000	4,863,495	5,463,495

Chevron Lubricants Lanka PLC

Notes to the Financial Statement for the period ended 31/03/2022

1 General information

Chevron Lubricants Lanka PLC carries on the business of importing, blending, distributing and marketing of lubricant oils and greases. The Company is a public limited liability company incorporated and domiciled in Sri Lanka. The address of its registered office is Level 16, MAGA ONE, 200 Nawala Road, Narahenpita, Colombo 5.

The Company has its primary listing on the Colombo Stock Exchange.

These financial statements have been approved for issue by the Board of Directors on 11th May 2022.

2 Basis of preparation

These condensed interim financial statements of Chevron Lubricants Lanka PLC for the period ended 31st March 2022, do not include all the information required for full annual financial statements. They have been prepared in accordance with LKAS 34 and with those SLFRS and IFRIC interpretations issued and effective at the time of their preparation and applicable for interim financial statements.

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

4 Net assets per share has been computed based on number of shares in issue as at 31/03/2022.

5 Finance Cost

	Three months ended 31st March	
	2022	2021
Interest charge on lease liabilities	9,279,864	9,868,323
Interest expense on bank overdraft	-	-
Foreign exchange transaction and translation losses (refer (a) below)	1,637,730,839	41,404,101
	<u>1,647,010,703</u>	<u>51,272,424</u>

(a) Due to the acute foreign currency liquidity shortage in the Country's banking system, the Company carried a considerable proportion of USD denominated Trade and other payables, which were being settled based on availability of USD through its Banks. These were initially valued at an exchange rate of 203 (LKR/USD). However, subsequent to the Central Bank of Sri Lanka allowing greater flexibility in exchange rates, the LKR was devalued on 7th March 2022 and since then the LKR further depreciated against USD. The foreign exchange rate reported by the Central Bank of Sri Lanka on 31st March 2022 was 299 (LKR/USD). As a result the company recorded a net foreign exchange transaction (realized) and translation (unrealized) loss amounting to Rs. 1,637,730,839 for the interim period, three months ended 31.03.2022.

6 Other than those disclosed below, no events have occurred since the statement of financial position date which would require adjustments to, or disclosure in, the financial statements. The following disclosures are considered as non adjusting events after the reporting period.

(a) Consequent to the Government of Sri Lanka proposing a one time Surcharge Tax in its budget proposals for 2022, the Surcharge Tax Act, No.14 of 2022 was certified on 08 April 2022. The Surcharge Tax Act imposes a tax on any Individual, Partnership or Company, whose taxable income calculated in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017, exceeds rupees two thousand million, for the year of assessment commenced on 1 April 2020 at the rate of twenty five per centum on the taxable income of such Individual, Partnership or Company, for such year of assessment.

According to the Act the Surcharge Tax liability should be paid in two equal instalments on or before the twentieth day of April 2022 and twentieth day of July 2022. The Surcharge Tax shall be deemed to be an expenditure in the financial statements relating to the Year of Assessment 2020/21. It is also mentioned that no deduction shall be granted in calculating the taxable income under the inland revenue act No.24 of 2017, for any year of assessment for the payment of the Surcharge Tax.

The Surcharge Tax liability of the Company in total is Rs. 788,736,629.50. Accordingly, the first instalment of Rs. 394,368,314.75 was paid on 20th April 2022.

(b) The Company's current liabilities included USD denominated Trade and Other Payables and which were valued in LKR using the 31st March 2022 foreign exchange rate of 299 (LKR/USD) reported by the Central Bank of Sri Lanka. As at 10th May 2022, the current liabilities of the Company comprised of USD denominated Trade and Other Payables brought forward from the interim statement of financial position date (31.03.2022) amounting to USD 15,199,231.62, and remained unpaid due to the acute foreign currency liquidity shortage in the Country's banking system. Based on the foreign exchange rate reported by the Central Bank of Sri Lanka on 10th May 2022 of 375 (LKR/USD), the brought forward trade and other payables which remained unpaid of USD 15,199,231.62 is estimated to entail a further unrealized foreign exchange loss of LKR 1,155,157,205.

	USD Amount	Date Valued	Exchange Rate	LKR Equivalent
Unpaid USD denominated Trade & Other Payables brought forward from the Interim Statement of Financial Position date	15,199,231.62	10/05/2022	374.9967	5,699,661,700
Estimated Unrealized Foreign Exchange Loss	15,199,231.62	31/03/2022	298.9957	<u>4,544,504,495</u>
				<u>1,155,157,205</u>

7 There has not been a significant change in the nature of the contingent Liabilities which were disclosed in the Financial Statements for the year ended 31st December 2021.

8 Share price movement

The market prices during the quarter	2022	2021	Year ended 31.12.2021
Highest price Rs.	137.00	114.00	121.00
Lowest price Rs.	82.00	86.60	86.60
Last traded price Rs.	87.10	90.00	113.00

9 Stated Capital is represented by 240,000,000 ordinary Shares.

Notes to the Financial Statement for the year ended 31/03/2022 Continued

10 Names and the Number of Shares held by the largest 20 shareholders as at 31st March 2022 :

	Name of Shareholders	Number of Shares	%
1	CHEVRON CEYLON LIMITED	122,400,000	51.00
2	BNYM RE-BARCA GLOBAL MASTER FUND LP	10,047,799	4.19
3	RENUKA HOTELS PLC	5,201,918	2.17
4	SSBT-CHANGE GLOBAL FRONTIER MARKETS,LP	4,768,777	1.99
5	CARGO BOAT DEVELOPMENT COMPANY PLC	3,417,818	1.42
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	3,400,000	1.42
7	ACUITY PARTNERS (PVT) LIMITED/MR.ELAYATHAMBY THAVAGNANASOORIYAM/MR.ELAYATHAMBY THAVAGNANASUNDARAM	2,636,691	1.10
8	NUWARA ELIYA PROPERTY DEVELOPERS (PVT) LTD	2,340,816	0.98
9	HATTON NATIONAL BANK PLC/ELAYATHAMBY THAVAGNANASUNDARAM	2,070,302	0.86
10	COMMERCIAL BANK OF CEYLON PLC/METROCORP (PVT) LTD	2,000,009	0.83
11	CRESCENT LAUNDERERS AND DRY CLEANERS PVT LIMITED	2,000,000	0.83
12	BNYM RE- PIONEER MULTI-ASSET INCOME FUND	1,752,813	0.73
13	MRS. A. SELLIAH	1,600,000	0.67
14	BANK OF CEYLON NO. 1 ACCOUNT	1,272,121	0.53
15	BANK OF CEYLON-NO2 A/C (BOC PTF)	1,216,941	0.51
16	MR. N.P.D.A. SAMARANAYAKE	1,200,000	0.50
17	MR. A.P. SOMASIRI	1,110,000	0.46
18	MRS. A. KAILASAPILLAI	1,100,000	0.46
19	MR. M.M.C. COORAY	1,047,400	0.44
20	EMPLOYEE'S PROVIDENT FUND	1,015,916	0.42
		171,599,321	71.51

11 Public Holding : 49%. The Number of shareholders representing the public holding was 9481

Compliant with CSE Rule 7.13.1 under option 1 - Float Adjusted Market Capitalization (Rs.) **10,242,960,000**

12 None of the Directors hold shares in the company

13 Mr. Najam Shamsuddin is the Managing Director and the Chief Executive Officer of the Company.

Chevron Lubricants Lanka PLC

Corporate Information

Name of Company

Chevron Lubricants Lanka PLC

Legal Form

Public Limited Liability Company
(Incorporated in 1992 and listed on the
Colombo Stock Exchange)

Company Registration Number

PQ 54

Registered Office

Chevron Lubricants Lanka PLC
Level 16, MAGA ONE,
200, Nawala Road,
Narahenpita ,Colombo 5

Directors

Rochna Kaul - Chairperson
Najam Shamsuddin - Managing Director / CEO
Harsha Amarasekera
Asite Talwatte
Haider Manasawala
Erande De Silva

Secretary

Erande De Silva
Chevron Lubricants Lanka PLC
Level 16, MAGA ONE,
200, Nawala Road,
Narahenpita ,Colombo 5

Registrars to the Company

S S P Corporate Services (Private)Limited
546, Galle Road,
Colombo 3

Auditors to the Company

PricewaterhouseCoopers
Chartered Accountants
P.O.Box 918,100, Braybrooke Place ,Colombo 2.

Lawyers to the Company

Julius & Creasy
Attorneys-at-Law and Notaries Public
No.371, R.A. De Mel Mawatha, Colombo 03

Principal Bankers

Citibank NA
Deutsche Bank AG
Commercial Bank of Ceylon PLC

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