# **Richard Pieris Exports PLC**

Interim Financial Statements
Nine months ended 31st December 2018

## Consolidated Statement of Financial Position

	As at 31st D	As at 31st December	
	2018	2017	2018
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	789,004	974,176	773,932
Investment in Associate	213,598	171,897	173,306
Other Investment	72,284	72,284	72,284
Investment Property Leasehold	285,147	-	-
Leasehold Land Prepayment	11,612	11,885	11,817
	1,371,645	1,230,242	1,031,339
Discontinued Operations			
Assets of Arpico Natural Latex Foams (Pvt ) Ltd	108	162	108
Current Assets			
Inventories	475,310	420,897	511,613
Trade & Other Receivables	1,165,719	994,425	967,516
Short Term Investments	322,349	235,607	241,112
Leasehold Land Prepayment	273	273	273
Amounts Due from Related Parties	91,904	31,631	308,140
Cash and Bank Balances	577,232	326,513	281,797
	2,632,787	2,009,346	2,310,451
Total Assets	4,004,540	3,239,750	3,341,898
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	1,345,482	953,775	873,386
Foreign Currency Translation	111,483	72,744	75,605
Equity Attributable to Equity Holders of the Parent	1,677,227	1,246,781	1,169,253
Non Controlling Interest	848,592	705,328	650,977
Total Equity	2,525,819	1,952,109	1,820,230
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	106,750	140,708	90,814
Deferred Tax Liabilities	72,149	46,996	61,799
Retirement Benefit Obligation	83,055	72,336	79,292
3	261,954	260,040	231,905
Discontinued Operations			
Liabilities of Arpico Natural Latex Foams (Pvt ) Ltd	226,884	226,883	226,839
Current Liabilities			
Trade and Other Payables	490,424	329,792	320,002
Income Tax Payable	70,700	25,716	9,838
Amounts Due to Related Parties	174,019	185,912	90,256
Interest Bearing Loans & Borrowings	254,740	259,298	642,828
	989,883	800,718	1,062,924
Total Liabilities	1,478,721	1,287,641	1,521,668

I certify that the above Financial Statements have been prepared in compliance with the requirments of the Companies Act No. 07 of 2007.

Palika Chandrajeewa

Sector Financial Controller

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and Signed for and on behalf of the Board on 13th February 2019, in Colombo.

W.R.Abeysirigunawardena

Director

W.J. Viville P. Perera

Director

## Company Statement of Financial Position

	As at 31st December		As at 31st March
	2018	2017	2018
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets	70,872	76,479	72 474
Property, Plant & Equipment Long Term Investments	535,307	535,307	73,474 535,307
Long Term investments	606,179	611,786	608,781
Current Assets		011,700	000,701
Inventories	140,450	98,010	124,246
Trade & Other Receivables	286,858	292,813	293,858
Short Term Investment	181,994	109,402	111,177
Amounts Due from Related Parties	24,508	107,801	33,967
Cash and Bank Balances	477,951	231,053	215,777
	1,111,761	839,079	779,025
Total Assets	1,717,940	1,450,865	1,387,806
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	1,277,854	997,026	959,204
Total Equity	1,498,116	1,217,288	1,179,466
Non-Current Liabilities			
Deferred Tax Liability	940	748	521
Retirement Benefit Obligation	56,099	52,762	55,939
	57,039	53,510	56,460
Current Liabilities			
Trade and Other Payables	106,723	143,734	123,885
Income Tax Payable	18,786	6,650	2,926
Amounts Due to Related Parties	25,435	26,012	24,951
Interest Bearing Loans & Borrowings	11,841	3,671	118
	162,785	180,067	151,880
Total Liabilities	219,824	233,577	208,340
Total Equity and Liabilities	1,717,940	1,450,865	1,387,806

### The above figures are subject to audit

I certify that the above Financial Statements have been prepared in compliance with the requirments of the Companies Act No. 07 of 2007.

Palika Chandrajeewa Sector Financial Controller

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and Signed for and on behalf of the Board on 13th February 2019, in Colombo.

W.R.Abeysirigunawardena

Director

W.J. Viville P. Perera

Director

## Consolidated Income Statements

	3 months end	led 31st Decemb	er	9 months er	nded 31st Dece	ember
	2018	2017	Change	2018	2017	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	9
Continuing Operations						
Revenue	1,341,932	1,140,362	18	3,899,734	3,276,452	19
Cost of Sales	(897,292)	(790,894)	13	(2,630,868)	(2,216,745)	19
Gross Profit	444,640	349,468	27	1,268,866	1,059,707	20
Other Operating Income	6,482	646	903	16,824	2,083	708
Distribution Costs	(128,378)	(96,844)	33	(359,622)	(279,702)	29
Administrative Expenses	(59,882)	(55,257)	8	(174,073)	(161,706)	8
Other Operating expenses	274	-	(100)	(2,177)	-	100
Profit from Operations	263,136	198,013	33	749,818	620,382	21
Finance Income	12,724	8,538	49	32,956	31,956	3
Finance Cost	(8,418)	(569)	1,379	(23,727)	(6,365)	273
Other Financial Items	73,619	1,106	6,556	131,061	12,859	919
Share of Profit/ (Loss) of Associate	4,730	(2,631)	(280)	5,087	(9,953)	(151
Profit Before Tax	345,791	204,457	69	895,195	648,879	38
Taxation	(49,644)	(30,984)	60	(139,612)	(96,463)	45
Profit for the Period from Continuing Operations	296,147	173,473	71	755,583	552,416	37
Discontinued Operations						
Loss after tax for the period from discontinued operations	(15)	(15)	-	(45)	(45)	-
Profit for the period	296,132	173,458	71	755,538	552,371	37
Attributable to:						
Equity Holders of the Parent	181,280	97,610	86	472,096	316,218	49
Non Controlling Interest	114,852	75,848	51	283,442	236,513	20
	296,132	173,458	71	755,538	552,371	37
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	16.24	8.74		42.29	28.32	
Earnings Per Share from Continuing Operations	16.24	8.74		42.29	28.33	
Figures in brackets indicate deductions.						
The above figures are subject to audit.						

## Company Income Statements

	3 months ended 31st December			9 months ended 31st December			
	2018 Rs. '000	2017 C Rs. '000	Change %	2018 Rs. '000	2017 ( Rs. '000	Change %	
Revenue	275,198	253,225	9	970,095	801,540	21	
Cost of Sales	(202,622)	(188,895)	7	(684,610)	(575,166)	19	
Gross Profit	72,576	64,330	13	285,485	226,374	26	
Other Operating Income	973	486	100	57,596	79,214	(27)	
Distribution Costs	(12,747)	(8,920)	43	(40,906)	(33,072)	24	
Administrative Expenses	(12,559)	(12,608)	-	(38,271)	(37,119)	3	
Other Operating Expenses	1,000	-	(100)	-	-		
Profit from Operations	49,243	43,288	14	263,904	235,397	12	
Finance Income	9,238	5,098	81	22,536	14,367	57	
Finance Cost	(2,302)	(693)	232	(4,160)	(3,843)	8	
Other Financial Items	48,883	882	5,442	79,059	11,509	587	
Profit before Tax	105,062	48,575	116	361,339	257,430	40	
Taxation	(14,572)	(7,101)	105	(42,689)	(24,892)	71	
Profit Attributable to Ordinary Shareholders	90,490	41,474	118	318,650	232,538	37	
-	Rs.	Rs.		Rs.	Rs.		
Earnings Per Share	8.11	3.71		28.54	20.83		

Figures in brackets indicate deductions.

The above figures are subject to audit.

	3 months ended 31st	December	9 months ended 31st [	ecember)
	2018	2017	2018	2017
Consolidated	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit for the period	296,132	173,458	755,538	552,371
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other Comprehensive Income / (Expenses) to be reclassified to profit or loss in subsequent periods  Share of Other Comprehensive Income of Associate				
Translation of Associate using foreign functional currency	16,019	469	35,878	1,979
Other comprehensive income for the period	16,019	469	35,878	1,979
Total comprehensive income for the period	312,151	173,927	791,416	554,350
Attributable to Equity Holder of the Parent Company Non Controlling Interest	197,299 114,852 <b>312,151</b>	98,079 75,848 <b>173,927</b>	507,974 283,442 <b>791,416</b>	318,197 236,153 <b>554,350</b>
	3 months ended 31st	December	9 months ended 31st [	December
Company	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Profit for the period	90,490	41,474	318,650	232,538
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods Other comprehensive income / (Expenses) to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	90,490	41,474	318,650	232,538
Figures in brackets indicate deductions.				

## Statement of Changes in Equity

		Revenue Reser	ves			
Consolidated	Stated Capital Rs. '000	General Reserves Rs. '000	Accumulated Profit Rs. '000	Foreign Currency Translation Rs. '000	Non Controlling Interest Rs. '000	Total Rs. '000
Balance as at 31st March 2017	220,262	219,250	418,307	70,765	583,546	1,512,130
Profit for the period	-	-	316,218	-	236,153	552,371
Other Comprehensive Income	-	-	-	1,979	-	1,979
Total Comprehensive Income	-	-	316,218	1,979	236,153	554,350
Dividend paid by subsidiary companies to outside shareholders	-	-	-		(114,371)	(114,371)
Balance as at 31st December 2017	220,262	219,250	734,525	72,744	705,328	1,952,109
Balance as at 31st March 2018	220,262	219,250	654,136	75,605	650,977	1,820,230
Profit for the period	-	-	472,096	-	283,442	755,538
Other Comprehensive Income	-	-	-	35,878	-	35,878
Total Comprehensive Income	-	-	472,096	35,878	283,442	791,416
Dividend paid by Subsidiary companies to outside shareholders	-	-	-	-	(85,827)	(85,827)
Balance as at 31st December 2018	220,262	219,250	1,126,232	111,483	848,592	2,525,819

	F	Revenue Reserves		
	Stated	General	Accumulated	Total
Company	Capital Rs. '000	Reserves Rs. '000	Profit Rs. '000	Rs. '000
Balance as at 31st March 2017	220,262	219,250	545,238	984,750
Profit for the period	-	-	232,538	232,538
Other Comprehensive Income		-	-	!
Total Comprehensive Income	-	-	232,538	232,538
Balance as at 31st December 2017	220,262	219,250	777,776	1,217,288
Balance as at 31st March 2018	220,262	219,250	739,954	1,179,466
Profit for the period	-	-	318,650	318,650
Other Comprehensive Income		-		
Total Comprehensive Income	-	-	318,650	318,650
Balance as at 31st December 2018	220,262	219,250	1,058,604	1,498,116
			·	

Consolidated Segmental Information									
	Turnov	/er	Profit / (Loss) Ł	before Tax	Total A	ssets	Total Li	iabilities	
	For the 9 months period ended		For the 9 mon	ths period ended	As at 31st Dec	As at 31st	As at 31st Dec	As at 31st Dec	
		31st Dec			2018				
	31st Dec 2018	2017	31st Dec 2018	31st Dec 2017					
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Mineral Segment	34,055	37,151	(211)	868	51,817	59,010	18,811	25,637	
Latex Based Segment	2,911,851	2,451,956	584,679	478,284	2,511,747	2,129,594	1,267,632	1,137,024	
Hard Rubber Segment	970,095	801,540	361,339	257,430	1,717,940	1,450,865	219,824	233,577	
	3,916,001	3,290,647	945,807	736,582	4,281,504	3,639,469	1,506,267	1,396,238	
Adjustment for Inter Group Transactions	(16,267)	(14,195)	(50,612)	(87,703)	(276,964)	(399,719)	(27,546)	(108,597)	
	3,899,734	3,276,452	895,195	648,879	4,004,540	3,239,750	1,478,721	1,287,641	

Figures in brackets indicate deductions. The above figures are subject to audit.

## Cash Flow Statements

	Consolic		Comp	-
	For the 9 months	•	For the 9 months	
	31st Dec 2018	31st Dec 2017	31st Dec 2018	31st Dec 2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Group Profit before Tax and Non-Controlling Interest				
From Continuing Operations	895,195	648,879	361,339	257,430
Loss from discontinued Operations	(45)	(45)	-	-
Adjustment to reconcile profit before tax to net cash flows	97,717	34,955	(52,317)	(74,385)
Operating profit before working capital changes	992,867	683,789	309,022	183,045
Changes in Working Capital adjustments	309,416	(193,186)	(15,573)	(89,056)
Cash generated from operations	1,302,283	490,603	293,449	93,989
Interest Paid	(23,727)	(7,245)	(4,160)	(4,545)
Income Tax Paid	(67,728)	(78,047)	(26,410)	(32,112)
Defined Benefit plan costs paid	(6,429)	(3,318)	(6,135)	(3,116)
Net cash flows from Operating activities	1,204,399	401,993	256,744	54,216
Net cash flows from / (used in) investing activities	(407,836)	(284,864)	4,643	77,466
Net cash inflow / (Out flow) before financing	796,563	117,129	261,387	131,682
Net cash flows from / (used in) financing activities	(227,644)	(101,340)	(10,936)	(91,659)
Net Increase in cash and cash equivalents	568,919	15,789	250,451	40,023
Cash and cash equivalents at the beginning of the period	(217,187)	64,380	215,659	187,359
Cash and cash equivalents at the end of the period	351,732	80,169	466,110	227,382
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	577,232	326,513	477,951	231,053
From Discontinuing operations	108	162	-	-
	577,340	326,675	477,951	231,053
Bank Overdraft	(225,608)	(246,506)	(11,841)	(3,671)
	351,732	80,169	466,110	227,382
	331,132	00,109	400,110	221,382

Figures in brackets indicate deductions.

The above figures are subject to audit.

#### Notes to the Financial Statements

1 The figures given above for the nine months ended 31st December 2018 and 31st December 2017 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the nine months ended 31st December 2018 have been prepared in accordance with LKAS 34, Interim Financial Reporting. There were no changes to the Accounting Policies and methods of Computation since the publication of the Annual Report for the year ended 31st March 2018 except for the details disclosed in Note 11. The provisions of the new Companies Act No.7 of 2007 have been considered in preparing the interim financial statements of the Company and of the Group.

The Interim financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value.

2 Figures for the corresponding period have been re-arranged where ever necessary to confirm to the current presentation. The figures in brackets indicate deductions.

#### 3 Stated Capital

ر	Stated Capital		
		As at 31.12.2018	As at 31.03.2018
	Issued & fully paid Number of shares (Ordinary Shares)	11,163,745	11,163,745
		Rs.	Rs.
	Stated Capital ( Rs )	220,262,000	220,262,000
4	Market Capitalization	As at 31.12.2018	As at 31.03.2018
	Market Capitalization ( Rs '000")	2,399,089	1,876,626
	Float adjusted Market Capialization ( Rs '000')	386,253	302,137
	Pirce Earnings Ratio (times)	13.23	5.02
	The company complies with option 02 of the listing rules 7.13.1(b) - Less than Rs 1 Bn float a	adjusted market capitalization.	

- 5 There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the annual report for the year ended 31st March 2018.
- 6 There have been no events subsequent to the interim period, which require disclosure in the Interim Financial Statements.

#### 7 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 31.12.2018, approved by the board are as follows.

	Group		Company	
	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Contracted but not provided for	57,479	339,920	-	-
Approved but not contracted for	214,871	188,567	-	-
_	272,350	528,487		-
Lease Commitments				
		Gro	up	
	2018	2018	2017	2017
	Rs.'000	USD	Rs.'000	USD
Within one year	5,469	29,910	4,591	29,910
After one year but not more than five years	21,876	119,640	18,345	119,640
More than five years	330,949	1,809,403	282,335	1,839,313
	358,294	1,958,953	305,271	1,988,863

8 Discontinued operations Comprise the results of Subsidiaries of the Group whose Commercial operations have been discontinued.

9	Net asset value per Share	31st Dec 2018	31st Dec 2017	31st March 2018
		Rs.	Rs.	Rs.
	Consolidated ( in Rs. )	150.24	111.68	104.74
	Company ( in Rs. )	134.19	109.04	105.65
10	Market Price Per Share	31st Dec 2018	31st Dec 2017	31st March 2018
		Rs	Rs	Rs.
	Highest for the Quarter / Year (in Rs.)	228.00	215.00	195.00
	Lowest for the Quarter / Year(in Rs.)	163.50	170.00	168.00
	Last Traded Price for the Quarter / Year (in Rs.)	214.90	177.00	168.10

#### 11 Accounting Policy for Investment Property Leasehold

The Investment Property interest held under a lease and classified as an investment property is initially recognised at the lower of the fair value of the property and the present value of the minimum lease payments.

After initial recognition, the investment property is measured at fair value. Gain or loss arising from a charge in the fair value of Investment Property is recognised in profit or loss.

12 All values included in this financial statements, are in Rupees 000's unless otherwise stated.

## Shareholder Information

1. Major Shareholders as at 31st Dec 2018					
	<u>As at 31st [</u>	As at 31st Dec 2018		As at 31st March 2018	
	No of Shares	Holding %	No of Shares	Holding %	
1 Richard Pieris & Company Plc.	9,366,027	83.90%	9,366,027	83.90%	-
2 Mr.D.F.G.Dalpethado	152,892	1.37%	149,991	1.34%	2,901
3 Mr. T.T.T.Al-Nakib	80,000	0.72%	110,150	0.99%	(30,150)
4 Mr. P.Vijendran	60,000	0.54%	60,000	0.54%	-
5 Commercail Credit and Finance PLC	57,500	0.52%			57,500
6 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
7 Mr.K.A.S.R.Nissanka	52,897	0.47%	53,397	0.48%	(500)
8 Mr. A.A.A.Noorudin	50,000	0.45%	50,000	0.45%	-
9 Mrs H.M.Hettiarachchi	47,651	0.43%			
10 Ransiri Enterprises ( Pvt ) Ltd	42,100	0.38%	42,100	0.38%	-
11 Union Investments (Pvt) ltd	40,600	0.36%	40,600	0.36%	-
12 Mr. Sithampalam	40,000	0.36%	35,000	0.31%	5,000
13 Mr. M.S.P.Fernando	32,008	0.29%	28,008	0.25%	4,000
14 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,000	0.27%	-
15 Mr G.H.A.Wimalasena	28,600	0.26%	18,500	0.17%	10,100
16 Mr.M.Naizer	27,148	0.24%			
17 Mr. N.A.Withana	25,000	0.22%	25,000	0.22%	-
18 Mr.F.J.P.Raj	24,000	0.21%	14,000	0.13%	10,000
19 Mrs M. Y. Amerasinghe	21,998	0.20%	21,998	0.20%	-
20 Mr.R.C.Wijesena	21,552	0.19%			21,552
Total	10,253,372	91.85%	10,098,170	90.46%	80,403

#### 2. Public & Parent Shareholding

As at 31st Dec 2018, the public held 16.10% (2017: 16.10%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 83.90%. (2017-83.90%).

As at 31st Dec 2018 no of public holders are 1,565 (2017: 1511)

The Ordinary Voting Shares of Richard Pieris Exports PLC have been transferred from Main Board to the Diri Savi Board of the CSE, with effect from 07th July 2017.

### 3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 31st Dec 2018	No of Shares as at 31st March 2018
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. Sunil S.G. Liyanage	203	203
Mr. W.J. Viville P Perera	100	100
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
Dr.L.M.K.Tillekeratne	-	-
Mr. Angelo Maharajah Patrick	-	-

## **CORPORATE INFORMATION**

## **LEGAL FORM**

A Quoted Public Company with limited liability Incorporated in Sri Lanka on 30th June, 1983

## PRINCIPAL BUSINESS ACTIVITIES

Manufacture and Export of rubber based products and manufacture of fillers for the rubber industry

### BOARD OF DIRECTORS

Dr. Sena Yaddehige (Chairman) Shaminda Yaddehige Sunil S G Liyanage W.J. Viville P Perera W R Abeysirigunawardena Dr.L.M.K.Tillekeratne **Angelo Maharajah Patrick** 

## REGISTERED OFFICE

No. 310, High Level Road, Nawinna, Maharagama.

T.P. 0114 310500

E-mail: rpe@arpico.com Web: www.arpicorubber.com

## **COMPANY SECRETARIES**

Richard Pieris Group Services (Private) Limited. No. 310, High Level Road, Nawinna, Maharagama. T.P. 0114 310500

### **AUDITORS**

M/s Kreston MNS & Company **Chartered Accountants**