

# Richard Pieris Exports PLC

Interim Financial Statements  
Three Months  
Ended 30th June, 2014

## Consolidated Income Statements

	3 months ended 30th June			Year ended 31st March
	2014 Rs. '000	2013 Rs. '000	Change %	2014 Rs. '000
<b>Continuing Operations</b>				
Revenue	639,920	606,746	5	2,393,765
Cost of Sales	(444,845)	(460,266)	3	(1,762,799)
<b>Gross Profit</b>	<b>195,075</b>	<b>146,480</b>	<b>33</b>	<b>630,966</b>
Other Operating Income	1,410	1,482	(5)	4,921
Distribution Costs	(40,703)	(37,387)	(9)	(150,437)
Administrative Expenses	(40,020)	(26,687)	(50)	(166,464)
Other Operating Expenses	-	-	-	(5,400)
<b>Profit from Operations</b>	<b>115,762</b>	<b>83,888</b>	<b>38</b>	<b>313,586</b>
Finance Income	3,629	2,608	39	24,344
Finance Cost	(4,379)	(4,014)	(9)	(18,222)
Other Financial Items	(1,291)	(4,400)	71	(9,991)
Share of Profit / (Loss) of Associate	1,603	1,980	(19)	2,387
<b>Profit Before Tax</b>	<b>115,324</b>	<b>80,062</b>	<b>44</b>	<b>312,104</b>
Taxation	(12,230)	(8,660)	(41)	3,836
<b>Profit for the Period from Continuing Operations</b>	<b>103,094</b>	<b>71,402</b>	<b>44</b>	<b>315,940</b>
<b>Discontinued Operations</b>				
Loss after tax for the period from discontinued operations	(18)	(18)	-	(30)
<b>Profit for the period</b>	<b>103,076</b>	<b>71,384</b>	<b>44</b>	<b>315,910</b>
<b>Attributable to:</b>				
Equity Holders of the Parent	71,747	44,399	62	192,750
Non Controlling Interest	31,329	26,985	16	123,160
	<b>103,076</b>	<b>71,384</b>	<b>44</b>	<b>315,910</b>
	Rs.	Rs.		Rs.
Earnings Per Share	6.43	3.98		17.26
Earnings Per Share from Continuing Operations	6.43	3.98		17.27
Dividend Per Share	-	-		5.15

Figures in brackets indicate deductions.

The above figures are subject to audit.

## Company Income Statements

	3 months ended 30th June			Year ended 31st March
	2014	2013	Change	2014
	Rs. '000	Rs. '000	%	Rs. '000
Revenue	268,280	236,675	13	892,812
Cost of Sales	(189,038)	(185,748)	(2)	(675,430)
<b>Gross Profit</b>	<b>79,242</b>	<b>50,927</b>	<b>56</b>	<b>217,382</b>
Other Operating Income	998	1,482	(33)	3,205
Distribution Costs	(13,012)	(10,925)	(19)	(41,178)
Administrative Expenses	(10,375)	(10,957)	5	(50,525)
Other Operating Expenses	-	-	-	(5,400)
<b>Profit from Operations</b>	<b>56,853</b>	<b>30,527</b>	<b>86</b>	<b>123,484</b>
Finance Income	1,168	956	22	7,679
Finance Cost	(2,814)	(3,621)	22	(13,145)
Other Financial Items	(903)	(2,342)	61	(4,815)
<b>Profit before Tax</b>	<b>54,304</b>	<b>25,520</b>	<b>113</b>	<b>113,203</b>
Taxation	(7,520)	(3,811)	(97)	(16,169)
<b>Profit Attributable to Ordinary Shareholders</b>	<b>46,784</b>	<b>21,709</b>	<b>116</b>	<b>97,034</b>
	Rs.	Rs.		Rs.
Earnings Per Share	4.19	1.94		8.69
Dividend Per Share	-	-		5.15

Figures in brackets indicate deductions.

The above figures are subject to audit.

## Consolidated Statement of Financial Position

	As at 30th June		As at 31st
	2014	2013	March
	Rs. 000	Rs. 000	2014
			Rs. 000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	276,267	280,775	282,054
Investment in Associate	125,833	125,276	125,065
Leasehold Land Prepayment	4,618	4,676	4,633
Deferred Tax Assets	37,615	-	37,615
	<b>444,333</b>	<b>410,727</b>	<b>449,367</b>
Assets of Arpico Natural Latex Foams (Pvt ) Ltd	3,487	3,527	3,487
<b>Current Assets</b>			
Inventories	210,469	216,691	264,297
Trade & Other Receivables	633,044	483,007	501,890
Leasehold Land Prepayment	59	59	59
Short Term Investment	3,592	3,233	3,592
Amounts Due from Related Parties	62,803	62,038	62,794
Cash and Bank Balances	211,793	175,161	210,969
	<b>1,121,760</b>	<b>940,189</b>	<b>1,043,601</b>
<b>Total Assets</b>	<b>1,569,580</b>	<b>1,354,443</b>	<b>1,496,455</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	94,089	(67,481)	22,342
Foreign Currency Translation	41,952	42,979	42,432
Equity Attributable to Equity Holders of the Parent	356,303	195,760	285,036
Non Controlling Interest	307,836	180,273	276,507
<b>Total Equity</b>	<b>664,139</b>	<b>376,033</b>	<b>561,543</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	88,670	129,360	97,379
Deferred Tax Liabilities	3,013	3,227	3,013
Retirement Benefit Obligation	48,939	42,142	48,181
	<b>140,622</b>	<b>174,729</b>	<b>148,573</b>
Liabilities of Arpico Natural Latex Foams (Pvt ) Ltd	230,126	230,136	230,108
<b>Current Liabilities</b>			
Trade and Other Payables	244,987	272,458	279,419
Income Tax Payable	13,297	19,726	8,163
Amounts Due to Related Parties	17,127	82,378	65,096
Interest Bearing Loans & Borrowings	259,282	198,983	203,553
	<b>534,693</b>	<b>573,545</b>	<b>556,231</b>
<b>Total Liabilities</b>	<b>905,441</b>	<b>978,410</b>	<b>934,912</b>
<b>Total Equity and Liabilities</b>	<b>1,569,580</b>	<b>1,354,443</b>	<b>1,496,455</b>

The above figures are subject to audit

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



**Jagath Dissanayake**  
Group Chief Financial Officer

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 12th August 2014 in Colombo.



**Kumar Abeysinghe**  
Director



**W.J. Viville P. Perera**  
Director

# Company Statement of Financial Position

	As at 30th June		As at 31st
	2014	2013	March
	Rs. 000	Rs. 000	2014
			Rs. 000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	69,407	75,230	71,502
Long Term Investments	463,023	463,022	463,023
	<b>532,430</b>	<b>538,252</b>	<b>534,525</b>
<b>Current Assets</b>			
Inventories	108,472	102,594	109,930
Trade & Other Receivables	304,805	250,475	220,225
Amounts Due from Related Parties	68,503	62,866	67,688
Cash and Bank Balances	60,118	30,312	47,316
	<b>541,898</b>	<b>446,247</b>	<b>445,159</b>
<b>Total Assets</b>	<b>1,074,328</b>	<b>984,499</b>	<b>979,684</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	454,061	390,230	407,277
<b>Total Equity</b>	<b>674,323</b>	<b>610,492</b>	<b>627,539</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	73,482	107,606	82,141
Deferred Tax Liability	1,763	2,303	1,763
Retirement Benefit Obligation	42,028	36,685	41,627
	<b>117,273</b>	<b>146,594</b>	<b>125,531</b>
<b>Current Liabilities</b>			
Trade and Other Payables	116,702	86,422	87,968
Income Tax Payable	11,520	8,089	7,125
Amounts Due to Related Parties	12,663	15,315	13,003
Interest Bearing Loans & Borrowings	141,847	117,587	118,518
	<b>282,732</b>	<b>227,413</b>	<b>226,614</b>
<b>Total Liabilities</b>	<b>400,005</b>	<b>374,007</b>	<b>352,145</b>
<b>Total Equity and Liabilities</b>	<b>1,074,328</b>	<b>984,499</b>	<b>979,684</b>

The above figures are subject to audit

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



**Jagath Dissanayake**  
Group Chief Financial Officer

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 12th August 2014 in Colombo.



**Kumar Abeysinghe**  
Director



**W.J. Viville P. Perera**  
Director

## Statement of Comprehensive Income

FOR THE THREE MONTHS ENDED 30TH JUNE	Group		Company	
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000
Profit for the period	103,076	71,384	46,784	21,709
Other comprehensive income				
Translation of Associate using foreign functional currency	(480)	5,131	-	-
Other comprehensive income for the period	(480)	5,131	-	-
Total comprehensive income for the period	102,596	76,515	46,784	21,709
Attributable to				
Equity Holder of the Parent Company	71,267	49,530	46,784	21,709
Non Controlling Interest	31,329	26,985	-	-
	102,596	76,515	46,784	21,709

Figures in brackets indicate deductions.

## Statement of Changes in Equity

	Revenue Reserves			Foreign Currency Translation Rs. '000	Non Controlling Interest Rs. '000	Total Rs. '000
	Stated Capital Rs. '000	General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000			
<b>Consolidated</b>						
Balance as at 1st April 2013	220,262	219,250	(331,130)	37,848	153,288	299,518
Profit for the period	-	-	44,399	-	26,985	71,384
Other Comprehensive Income	-	-	-	5,131	-	5,131
Total Comprehensive Income	-	-	44,399	5,131	26,985	76,515
Balance as at 30th June 2013	220,262	219,250	(286,731)	42,979	180,273	376,033
Balance as at 1st April 2014	220,262	219,250	(196,908)	42,432	276,507	561,543
Profit for the period	-	-	71,747	-	31,329	103,076
Other Comprehensive Income	-	-	-	(480)	-	(480)
Total Comprehensive Income	-	-	71,747	(480)	31,329	102,596
Balance as at 30th June 2014	220,262	219,250	(125,161)	41,952	307,836	664,139
<b>Company</b>						
	Stated Capital Rs. '000	General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	Total Rs. '000		
Balance as at 1st April 2013	220,262	219,250	149,271	588,783		
Profit for the period	-	-	21,709	21,709		
Other Comprehensive Income	-	-	-	-		
Total Comprehensive Income	-	-	21,709	21,709		
Balance as at 30th June 2013	220,262	219,250	170,980	610,492		
Balance as at 1st April 2014	220,262	219,250	188,027	627,539		
Profit for the period	-	-	46,784	46,784		
Other Comprehensive Income	-	-	-	-		
Total Comprehensive Income	-	-	46,784	46,784		
Balance as at 30th June 2014	220,262	219,250	234,811	674,323		

## Cash Flow Statements

	Consolidated		Company	
	30th June 2014	30th June 2013	30th June 2014	30th June 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from / (used in) Operating Activities</b>				
Group Profit before Tax and Minority Interest				
From Continuing Operations	115,324	80,062	54,304	25,520
Loss from discontinued Operations	(18)	(18)	-	-
Adjustment to reconcile profit before tax to net cash flows	13,707	19,030	8,735	13,397
<b>Operating profit before working capital changes</b>	<b>129,013</b>	<b>99,074</b>	<b>63,039</b>	<b>38,917</b>
Changes in Working Capital adjustments	(159,718)	(34,210)	(55,543)	(45,709)
<b>Cash generated from / (used in) operations</b>	<b>(30,705)</b>	<b>64,864</b>	<b>7,496</b>	<b>(6,792)</b>
Interest Paid	(5,102)	(3,769)	(3,367)	(3,376)
Income Tax Paid	(6,741)	(2,082)	(3,125)	(1,925)
Defined Benefit plan costs paid	(1,811)	-	(1,745)	-
<b>Net cash flows from / (used in) Operating activities</b>	<b>(44,359)</b>	<b>59,013</b>	<b>(741)</b>	<b>(12,093)</b>
<b>Net cash flows from investing activities</b>	<b>59</b>	<b>344</b>	<b>1,168</b>	<b>956</b>
<b>Net cash inflow / (out flow) before financing</b>	<b>(44,300)</b>	<b>59,357</b>	<b>427</b>	<b>(11,137)</b>
Net cash flows from / (used) in financing activities	30,960	22,187	12,375	23,558
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(13,340)</b>	<b>81,544</b>	<b>12,802</b>	<b>12,421</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>178,065</b>	<b>57,040</b>	<b>47,316</b>	<b>17,891</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>164,725</b>	<b>138,584</b>	<b>60,118</b>	<b>30,312</b>
<b>Analysis of Cash and Cash Equivalents</b>				
Cash at Bank & in Hand				
From Continuing operations	211,793	175,161	60,118	30,312
From Discontinuing operations	3,487	3,527	-	-
	215,280	178,688	60,118	30,312
Bank Overdraft	(50,555)	(40,104)	-	-
	164,725	138,584	60,118	30,312

Figures in brackets indicate deductions.

The above figures are subject to audit.

## Consolidated Segmental Information

03 months ended 30th June	Turnover		Profit from operations		Net Assets	
	2014	2013	2014	2013	2014	2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	14,949	14,048	246	2,133	29,771	29,917
Latex Based Segment	361,582	359,109	58,663	51,228	297,231	73,368
Hard Rubber Segment	268,280	236,675	56,853	30,527	674,323	610,492
	644,811	609,832	115,762	83,888	1,001,325	713,777
Adjustment for Inter Group Transactions	(4,891)	(3,086)	-	-	(645,022)	(518,017)
	<b>639,920</b>	<b>606,746</b>	<b>115,762</b>	<b>83,888</b>	<b>356,303</b>	<b>195,760</b>

Figures in brackets indicate deductions.

The above figures are subject to audit.



## Notes to the Financial Statements

- 1 The figures given above for the three months ended 30th June 2014 and 30th June 2013 are subject to audit.  
The Interim Financial Statements of Richard Pieris Exports PLC for the three months ended 30th June 2014 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 2014. 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

	As at 30.06.2014	As at 31.03.2014
Issued & fully paid Number of shares (Ordinary Shares)	11,163,745	11,163,745
	<b>Rs.</b>	<b>Rs.</b>
Stated Capital ( Rs )	220,262,000	220,262,000

- 4 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 2014.

- 5 There have been no events subsequent to the interim period, which require disclosure in the Interim Financial Statements.

### 6 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 30.06.2014, approved by the board are as follows.

	Group		Company	
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000
Contracted but not provided for	76,896	-	-	-
Approved but not contracted for	92,722	-	-	-
	<u>169,618</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### 6.1 Lease Commitments

	Group			
	2014 Rs.'000	2014 USD	2013 Rs.'000	2013 USD
Within one year	2,350	18,034	2,354	18,034
After one year but not more than five years	9,399	72,136	9,416	72,136
More than five years	<u>171,538</u>	<u>1,316,482</u>	<u>174,194</u>	<u>1,334,516</u>
	<u>183,287</u>	<u>1,406,652</u>	<u>185,964</u>	<u>1,424,686</u>

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

### 8 Net asset value per Share

	30th June 2014 Rs.	30th June 2013 Rs.	31st March 2014 Rs.
Consolidated ( in Rs. )	31.92	17.53	25.53
Company ( in Rs. )	60.40	54.68	56.21

### 9 Market Price Per Share

	30th June 2014 Rs.	30th June 2013 Rs.	31st March 2014 Rs.
Highest for the Quarter (in Rs.)	74.50	47.00	60.80
Lowest for the Quarter (in Rs.)	71.00	30.00	44.60
Last Traded Price for the Year / Quarter (in Rs.)	73.00	37.00	55.10

- 10 All Values included in this financial statements, are in Rupees 000's unless otherwise stated.

## Shareholder Information

### 1. Major Shareholders as at 30th June 2014

	<u>As at 30th June 2014</u>		<u>As at 31st March 2014</u>		<u>Change</u>
	No of Shares	Holding %	No of Shares	Holding %	
1 Richard Pieris & Company Plc.	8,959,997	80.26%	8,959,997	80.26%	-
2 Trading Partners ( Pvt) Ltd	317,119	2.84%	317,119	2.84%	-
3 T R L Holdings(Pvt) Ltd	230,709	2.07%	220,000	1.97%	10,709
4 Mr.T.R.L.Perera	190,000	1.70%	190,000	1.70%	-
5 Mr. D.F.G.Dalpethado	186,924	1.67%	186,924	1.67%	-
6 Employees Trust Fund Boad	123,309	1.10%	123,309	1.10%	-
8 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
7 Mr. M.M.Fuad	48,671	0.44%	58,689	0.53%	(10,018)
9 Mr.H.A. Pieris	45,033	0.40%	50,033	0.45%	(5,000)
10 Askold ( Private) Ltd	42,908	0.38%	17,908	0.16%	25,000
11 Ransiri Enterprises ( Pvt ) Ltd	41,572	0.37%	41,572	0.37%	-
12 Mr. M.Duraisingam	41,556	0.37%	23,000	0.21%	18,556
13 Corporate Holdings (Pvt) Ltd	30,095	0.27%	30,095	0.27%	-
14 Union Investments Ltd	27,800	0.25%	27,800	0.25%	-
15 Mrs J.K.P.Singh	25,000	0.22%	25,000	0.22%	-
16 Mr.N.A.Withana	25,000	0.22%		0.00%	25,000
17 Ms P.G.Nirosha Dilrukshi	20,000	0.18%	25,000	0.22%	(5,000)
18 Mr.N.A.Kalupathirana	19,300	0.17%			19,300
19 Mr. K.Satgunarajah	19,000	0.17%	26,154	0.23%	(7,154)
20 Mrs D.C.J.Kalupathirana	18,643	0.17%			18,643
Total	10,466,035	93.8%	10,375,999	92.9%	90,036

### 2. Public & Parent Shareholding

As at 30th June 2014, the public held 19.74% (2013 : 19.74%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 80.26%. (2013-80.26%)

### 3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 30th June 2014	No of Shares as at 31st March 2014
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. J.H.P .Ratnayeke	-	-
Mr. Sunil S.G. Liyanage	203	203
Mr. W.J. Viville P Perera	100	100
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
Mr Kumar Abeysinghe	-	-
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

J. H. Paul Ratnayake

Sunil S G Liyanage

W.J.Viville P Perera

W R Abeyesirigunawardena

Kumar Abeysinghe

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

### **LEGAL ADVISORS**

M/s Paul Ratnayake Associates  
International Legal Consultants, Solicitors & Attorneys-at-Law