

# **Richard Pieris Exports PLC**

*Interim Financial Statements*  
*Three Months*  
*Ended 30th June, 2012*

## Consolidated Income Statements

	Provisional Financial Statements			
	3 months ended 30th June			Year ended 31st March
	2012	2011	Change	2012
	Rs. '000	Rs. '000	%	Rs. '000
<b>Continuing Operations</b>				
Revenue	605,644	358,537	69	1,963,900
Cost of Sales	(476,171)	(322,023)	(48)	(1,637,027)
<b>Gross Profit</b>	<b>129,473</b>	<b>36,514</b>	<b>255</b>	<b>326,873</b>
Other Operating Income	4,801	2,459	95	37,332
Distribution Costs	(35,432)	(18,792)	(89)	(133,493)
Administrative Expenses	(17,791)	(14,468)	(23)	(73,529)
Other Operating Expenses	-	-		(14,363)
<b>Profit / (Loss) from Operations</b>	<b>81,051</b>	<b>5,713</b>	<b>1,319</b>	<b>142,820</b>
Finance Cost	(10,495)	(10,351)	(1)	(58,738)
Share of Profit / (Loss) of Associate	(3,164)	(5,335)	-	(23,970)
<b>Profit / (Loss) Before Tax</b>	<b>67,392</b>	<b>(9,974)</b>	<b>776</b>	<b>60,112</b>
Taxation	(6,935)	-	-	(10,810)
<b>Profit / (Loss) for the Period from continuing operations</b>	<b>60,457</b>	<b>(9,974)</b>	<b>706</b>	<b>49,302</b>
<b>Discontinued Operations</b>				
Loss after tax for the period from discontinued operations	(27)	(69)		(142)
<b>Profit / (Loss) for the period</b>	<b>60,430</b>	<b>(10,043)</b>		<b>49,160</b>
<b>Attributable to:</b>				
Equity Holders of the Parent	36,285	(11,033)	429	40,364
Minority Interest	24,145	990	2,339	8,796
	60,430	(10,043)	702	49,160
<b>Earnings / (Loss) Per Share</b>	<b>3.25</b>	<b>(0.99)</b>		<b>3.62</b>
<b>Earnings / (Loss) Per Share from continuing operations</b>	<b>3.25</b>	<b>(0.98)</b>		<b>3.63</b>

## Company Income Statements

	Provisional Financial Statements			
	3 months ended 30th June			Year ended 31st March
	2012	2011	Change	2012
	Rs. '000	Rs. '000	%	Rs. '000
Revenue	251,174	149,248	68	900,538
Cost of Sales	(202,405)	(136,829)	(48)	(777,397)
<b>Gross Profit</b>	<b>48,769</b>	12,419	293	<b>123,141</b>
Other Operating Income	3,209	1,185	171	35,918
Distribution Costs	(12,807)	(7,848)	(63)	(32,244)
Administrative Expenses	(7,850)	(8,570)	8	(35,700)
Other Operating Expenses	-	-	-	(45,016)
<b>Profit / (Loss) from Operations</b>	<b>31,321</b>	(2,814)	1,213	<b>46,099</b>
Finance Cost	(7,799)	(4,176)	(87)	(37,267)
<b>Profit / (Loss) before Tax</b>	<b>23,522</b>	(6,990)	437	<b>8,832</b>
Taxation	(2,823)	-	-	(7,541)
<b>Profit / (Loss) Attributable to Ordinary Shareholders</b>	<b>20,699</b>	(6,990)	396	<b>1,291</b>
<b>Earnings Per Share</b>	<b>1.85</b>	(0.63)		<b>0.12</b>

## Consolidated Balance Sheets

	Provisional Financial Statements		
	As at 30th June		As at 31st March
	2012	2011	2012
	Rs. 000	Rs. 000	Rs. 000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	231,939	237,825	240,356
Investment in Associate	30,190	38,335	30,907
Leasehold Land Prepayment	4,736	4,795	4,751
Deferred Tax Asset	207	58	207
	<b>267,072</b>	<b>281,013</b>	<b>276,221</b>
Assets of Arpico Natural Latex Foams (Pvt ) Ltd	3,610	3,917	3,610
<b>Current Assets</b>			
Inventories	237,542	267,589	252,131
Trade & Other Receivables	421,674	359,660	425,806
Leasehold Land Prepayment	59	59	59
Income Tax Receivable	-	3,022	-
Amounts Due from Related Parties	130,393	109,659	127,191
Cash and Bank Balances	49,431	24,349	14,805
	<b>842,709</b>	<b>764,338</b>	<b>819,992</b>
<b>Total Assets</b>	<b>1,109,781</b>	<b>1,049,268</b>	<b>1,099,823</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	(277,387)	(365,069)	(313,672)
Foreign Currency Translation	38,366	25,061	35,919
<b>Equity Attributable to Equity Holders of the Parent</b>	<b>(18,759)</b>	<b>(119,746)</b>	<b>(57,491)</b>
Minority Interest	53,931	22,060	29,786
<b>Total Equity</b>	<b>35,172</b>	<b>(97,686)</b>	<b>(27,705)</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	-	7,421	-
Retirement Benefit Obligation	33,339	30,264	31,602
	<b>33,339</b>	<b>37,685</b>	<b>31,602</b>
Liabilities of Arpico Natural Latex Foams (Pvt ) Ltd	230,187	230,395	230,160
<b>Current Liabilities</b>			
Trade and Other Payables	170,970	194,897	146,595
Income Tax Payable	11,699	-	4,937
Amounts Due to Related Parties	141,935	70,094	140,073
Interest Bearing Loans & Borrowings	98,897	283,236	163,062
Bank Overdraft	387,582	330,647	411,099
	<b>811,083</b>	<b>878,874</b>	<b>865,766</b>
<b>Total Liabilities</b>	<b>1,074,609</b>	<b>1,146,954</b>	<b>1,127,528</b>
<b>Total Equity and Liabilities</b>	<b>1,109,781</b>	<b>1,049,268</b>	<b>1,099,823</b>

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 30th July 2012, Colombo



**Kumar Abeysinghe**  
Director



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

## Company Balance Sheets

Provisional Financial Statements			
	As at 30th June		As at 31st March
	2012	2011	2012
	Rs. 000	Rs. 000	Rs. 000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	55,519	44,430	58,306
Investment in Subsidiaries	291,094	291,094	291,094
Investment in Associate	119,950	159,933	119,950
Deferred Tax Asset	385	297	385
	<b>466,948</b>	<b>495,754</b>	<b>469,735</b>
<b>Current Assets</b>			
Inventories	124,606	154,215	145,285
Trade & Other Receivables	261,586	190,413	281,195
Income Tax Receivable	-	2,885	-
Amounts Due from Related Parties	173,402	113,808	126,788
Cash and Bank Balances	17,921	21,915	6,019
	<b>577,515</b>	<b>483,236</b>	<b>559,287</b>
<b>Total Assets</b>	<b>1,044,463</b>	<b>978,990</b>	<b>1,029,022</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	318,123	289,143	297,424
<b>Total Equity</b>	<b>538,385</b>	<b>509,405</b>	<b>517,686</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	-	7,421	-
Retirement Benefit Obligation	28,309	26,509	26,927
	<b>28,309</b>	<b>33,930</b>	<b>26,927</b>
<b>Current Liabilities</b>			
Trade and Other Payables	66,670	56,655	67,163
Income Tax Payable	4,976	-	2,153
Amounts Due to Related Parties	127,089	10,407	84,720
Interest Bearing Loans & Borrowings	85,116	253,586	148,999
Bank Overdraft	193,918	115,007	181,374
	<b>477,769</b>	<b>435,655</b>	<b>484,409</b>
<b>Total Liabilities</b>	<b>506,078</b>	<b>469,585</b>	<b>511,336</b>
<b>Total Equity and Liabilities</b>	<b>1,044,463</b>	<b>978,990</b>	<b>1,029,022</b>

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 30th July 2012, Colombo



**Kumar Abeysinghe**

Director



**W.J. Viville P Perera**

Director

## Statement of Changes in Equity

	Provisional Financial Statements					
	Revenue Reserves			Foreign Currency Translation Rs. '000	Minority 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 01st April 2011	220,262	219,250	(573,286)	25,660	21,070	(87,044)
Profit / (Loss) for the Period			(11,033)		990	(10,043)
Effect of Foreign Currency Translation				(599)		(599)
<b>Balance as at 30th June 2011</b>	<b>220,262</b>	<b>219,250</b>	<b>(584,319)</b>	<b>25,061</b>	<b>22,060</b>	<b>(97,686)</b>
<b>Balance as at 01st April 2012</b>	<b>220,262</b>	<b>219,250</b>	<b>(532,922)</b>	<b>35,919</b>	<b>29,786</b>	<b>(27,705)</b>
Profit / (Loss) for the Period	-	-	36,285		24,145	60,430
Effect of Foreign Currency Translation			-	2,447		2,447
<b>Balance as at 30th June 2012</b>	<b>220,262</b>	<b>219,250</b>	<b>(496,637)</b>	<b>38,366</b>	<b>53,931</b>	<b>35,172</b>
	Revenue Reserves			Total		
	Stated Capital Rs. '000	General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	Rs. '000		
<b>Company</b>						
Balance as at 1st April 2011	220,262	219,250	76,883	516,395		
Profit / (Loss) for the Period	-	-	(6,990)	(6,990)		
<b>Balance as at 30th June 2011</b>	<b>220,262</b>	<b>219,250</b>	<b>69,893</b>	<b>509,405</b>		
<b>Balance as at 1st April 2012</b>	<b>220,262</b>	<b>219,250</b>	<b>78,174</b>	<b>517,686</b>		
Profit / (Loss) for the Period	-	-	20,699	20,699		
<b>Balance as at 30th June 2012</b>	<b>220,262</b>	<b>219,250</b>	<b>98,873</b>	<b>538,385</b>		

## Cash Flow Statements

	Provisional Financial Statements			
	Consolidated		Company	
	for the 3 months ended		for the 3 months ended	
	30th June 2012	30th June 2011	30th June 2012	30th June 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from / (used in) Operating Activities</b>				
Group Profit / (Loss) before Tax and Minority Interest				
from Continuing Operations	67,392	(9,974)	23,522	(6,990)
Loss before Tax from discontinued Operations	(27)	(69)		-
Adjustments to reconcile profit/ (loss) before tax to net cash flows	32,605	26,534	19,099	6,577
<b>Operating profit / (Loss) before working capital changes</b>	<b>99,970</b>	<b>16,491</b>	<b>42,621</b>	<b>(413)</b>
Working capital adjustments	41,783	(59,003)	35,550	45,379
<b>Cash generated from operations</b>	<b>141,753</b>	<b>(42,512)</b>	<b>78,171</b>	<b>44,966</b>
Interest paid	(10,495)	(10,351)	(7,799)	(4,176)
Income tax paid	(173)	(83)	-	-
<b>Net cash flows from / (used in) Operating activities</b>	<b>131,085</b>	<b>(52,946)</b>	<b>70,372</b>	<b>40,790</b>
Net cash flows from / (used) in investing activities	(1,251)	(9)	(155)	(9)
<b>Net cash inflow / (outflow) before financing</b>	<b>129,834</b>	<b>(52,955)</b>	<b>70,217</b>	<b>40,781</b>
<b>Net cash flows from / (used) in financing activities</b>	<b>(71,691)</b>	<b>(72,741)</b>	<b>(70,859)</b>	<b>(75,165)</b>
Net Increase /(Decrease) in cash and cash equivalents	58,143	(125,696)	(642)	(34,384)
Cash and cash equivalents at the beginning of the period	(392,684)	(176,795)	(175,355)	(58,708)
<b>Cash and cash equivalents at the end of the period</b>	<b>(334,541)</b>	<b>(302,491)</b>	<b>(175,997)</b>	<b>(93,092)</b>
<b>Analysis of Cash and Cash Equivalents</b>				
Cash at Bank & in Hand				
- Continuing Operations	49,431	24,349	17,921	21,915
- Discontinued Operations	3,610	3,807	-	-
	53,041	28,156	17,921	21,915
Bank Overdraft	(387,582)	(330,647)	(193,918)	(115,007)
	(334,541)	(302,491)	(175,997)	(93,092)

## Consolidated Segmental Information

Three Months ended 30th June	Turnover		Profit / (Loss) from operations		Provisional Financial Statements Net Assets	
	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	10,688	12,789	1,464	1,364	21,240	18,454
Latex Based Segment	345,187	197,292	48,266	7,163	(143,603)	(197,894)
Hard Rubber Segment	251,174	149,248	31,321	(2,814)	538,385	509,405
	607,049	359,329	81,051	5,713	416,022	329,965
Adjustment for Inter Group Transactions	(1,405)	(792)	-	-	(434,781)	(449,711)
	605,644	358,537	81,051	5,713	(18,759)	(119,746)



## Notes to the Financial Statements

**1** The figures given above for the three months ended 30th June 2012 and 30th June 2011 is provisional and subject to audit. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard 35 – Interim Financial Reporting. The accounting policies and methods of computation disclosed in the Annual Report for the year ended 31st March 2012 were consistently followed during the period. Further, 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.

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

**3** Application of new/revised Sri Lanka Financial Reporting Standards (SLFRS/LKAS)

The Institute of Chartered Accountants of Sri Lanka (ICASL) has issued a new volume of Sri Lanka Accounting Standards (SLFRS/LKAS) which has become applicable for financial periods commenced after 1st January 2012. However, we have not applied the said new/revised Accounting Standards in preparation of these Interim Financial Statements. Instead, we have opted to apply the Option 2 given by the Institute of Chartered Accountants of Sri Lanka (ICASL) in their "Ruling on the Comparative Figures in the Interim Financial Statements" issued on 2nd March 2012.

Accordingly, these Interim Financial Statements have been prepared in line with the accounting policies applied during the financial year ended 31st March 2012 which are in line with Sri Lanka Accounting Standards (SLAS)

#### **4 Stated Capital**

	<b>As at 30.06.2012</b>	<b>As at 30.06.2011</b>	<b>As at 31.03.2012</b>
Issued & fully paid Number of shares (Ordinary Shares)	11,163,745	11,163,745	11,163,745
Stated Capital ( Rs )	220,262,000	220,262,000	220,262,000

**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 2012.

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

**7** Discontinued operations comprise the results of subsidiaries of the Group whose commercial operations have been discontinued

	<b><u>30th June 12</u></b>	<b><u>30th June 11</u></b>	<b><u>31st March 12</u></b>
<b>8</b> Net asset value per Share			
Consolidated ( in Rs. )	(1.68)	(10.73)	(5.15)
Company ( in Rs. )	48.23	45.63	46.37

	<b><u>30th June 12</u></b>	<b><u>30th June 11</u></b>	<b><u>31st March 12</u></b>
<b>9</b> Market Price Per Share			
Highest for the Quarter (in Rs.)	28.00	57.80	57.80
Lowest for the Quarter (in Rs.)	12.50	27.80	16.00
Last Traded Price for the Year / Quarter (in Rs.)	20.50	46.50	22.00

**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 2012

		As at 30th June 2012		As at 31st March 2012		Change
		No of Shares	Holding %	No of Shares	Holding %	
1	Richard Pieris & Company Plc.	8,959,997	80.26%	8,959,997	80.26%	-
2	Mr. T.L.M.Imtizaz	278,400	2.49%	278,400		-
3	Mr. D.F.G.Dalpethado	230,371	2.06%	161,521		68,850
4	Employees Trust Fund Board	123,309	1.10%	123,309	1.10%	-
5	Mr.H.A. Pieris	117,533	1.05%	65,033	0.58%	52,500
6	T R L Holdings(Pvt) Ltd	57,000	0.51%	56,400		600
7	Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
8	Corporate Holdings (Pvt) Ltd	45,095	0.40%	45,095	0.40%	-
9	Ransiri Enterprises ( Pvt ) Ltd	41,572	0.37%	41,572	0.37%	-
10	Mr. K.Satgunarajah	37,000	0.33%	37,000		-
11	Mr. R.M.P.Rajapakshe Mohottige	36,300	0.33%	37,700		(1,400)
12	Mr.M.De Saram	31,200	0.28%	31,200	0.28%	-
13	Mr.S.M.A.G.Perera	29,200	0.26%	29,200		-
14	Union Investments Ltd	27,800	0.25%	27,800	0.25%	-
15	Mr.V.E.Santiapillai	17,475	0.16%	17,475		-
16	Mr.D.R.Alvitigala	16,300	0.15%	16,300		-
17	Mr A T Samanthilake	16,100	0.14%	16,100	0.14%	-
18	Entrust Limited	16,000	0.14%	19,600		(3,600)
19	Emerging Markets Investment Management (Pvt) Ltd	14,300	0.13%	14,300		-
20	Merchant Bank of Sri Lanka Limited/ Union	12,800	0.11%	12,800		-
Total		10,161,151	91.02%	10,044,201	89.97%	116,950

### 2. Public & Parent Shareholding

As at 30th June 2012, the public held 19.74% (2011 : 19.74%) of the share capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 80.26%. (2012-80.26%)

### 3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 30th June 2012	No of Shares as at 31st March 2012
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. J.H.P .Ratnayake	-	-
Mr. Sunil S.G. Liyanage	203	203
Mr. W.J. Viville P Perera	100	100
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
Mr Kumar Abeysinghe	-	-

# **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 Ratnayeke

Sunil S G Liyanage

W.J.Viville P Perera

W R Abeysirigunawardena

Mr Kumar Abeysinghe

## **REGISTERED OFFICE**

No. 310, High Level Road, Nawinna,

Maharagama.

T.P. 0114 310500

E-mail : [rpe@arpico.com](mailto:rpe@arpico.com)

Web : [www.arpicorubber.com](http://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 Ratnayeke Associates**

International Legal Consultants, Solicitors & Attorneys-at-Law