

# Richard Pieris Exports PLC

Interim Financial Statements  
Nine Months Ended  
31st December 2012

## Consolidated Income Statements

## Provisional Financial Statements

	3 months ended 31st December			9 months ended 31st December		
	2012	2011	Change	2012	2011	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Continuing Operations						
Revenue	522,442	594,321	(12)	1,821,341	1,468,717	24
Cost of Sales	(419,730)	(484,099)	13	(1,421,379)	(1,261,789)	(13)
Gross Profit	102,712	110,222	(7)	399,962	206,928	93
Other Operating Income	412	582	(29)	6,514	5,283	23
Distribution Costs	(30,022)	(48,031)	37	(103,900)	(90,368)	(15)
Administrative Expenses	(15,616)	(15,161)	(3)	(48,240)	(44,408)	(9)
Other Operating Expenses	(425)	(7,142)	94	(5,209)	(7,142)	27
Profit from Operations	57,061	40,470	41	249,127	70,293	254
Finance Cost	(3,657)	(15,142)	76	(20,453)	(36,353)	44
Share of Profit / (Loss) of Associate	(144)	(5,208)	97	(6,603)	(10,283)	36
Profit Before Tax	53,260	20,120	165	222,071	23,657	839
Income Tax	(6,208)	(6,846)	9	(23,404)	(7,420)	(215)
Profit for the Period from Continuing Operations	47,052	13,274	254	198,667	16,237	1,124
Discontinued Operations						
Loss after tax for the period from discontinued operations	(27)	(43)	37	(81)	(154)	47
Profit for the period	47,025	13,231		198,586	16,083	
Attributable to:						
Equity Holders of the Parent	25,582	15,535	65	113,493	13,135	764
Minority Interest	21,443	(2,304)	1,031	85,093	2,948	2,786
	47,025	13,231	255	198,586	16,083	1,135
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	2.29	1.39		10.17	1.18	
Earnings Per Share from Continuing Operations	2.29	1.40		10.17	1.19	
Figures in brackets indicate deductions.						
The above figures are subject to audit.						

Company Income Statements							
	Provisional Financial Statements						
	3 months ended 31st December			9 months ended 31st December			
	2012	2011	Change	2012	2011	Change	
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%	
	Revenue	179,823	315,606	(43)	692,867	708,745	(2)
	Cost of Sales	(147,262)	(263,324)	44	(554,279)	(618,731)	10
	Gross Profit	32,561	52,282	(38)	138,588	90,014	54
	Other Operating Income	101	915	(89)	4,742	3,717	28
	Distribution Costs	(9,333)	(8,192)	(14)	(34,328)	(24,480)	(40)
	Administrative Expenses	(7,723)	(8,559)	10	(25,915)	(25,233)	(3)
Other Operating Expenses	(8,345)	-	-	(10,123)	-	-	
Profit from Operations	7,261	36,446	(80)	72,964	44,018	66	
Finance Cost	(2,955)	(9,695)	70	(15,709)	(19,511)	19	
Profit before Tax	4,306	26,751	(84)	57,255	24,507	134	
Income Tax	(2,813)	(4,700)		(9,708)	(4,700)		
Profit Attributable to Ordinary Shareholders	1,493	22,051	(93)	47,547	19,807	140	
	Rs.	Rs.		Rs.	Rs.		
Earnings Per Share	0.13	1.98		4.26	1.77		
Figures in brackets indicate deductions.							
The above figures are subject to audit.							

## Consolidated Balance Sheets

### Provisional Financial Statements


	As at 31st Dec		As at 31st March
	2012	2011	2012
	Rs. 000	Rs. 000	Rs. 000
<b>ASSETS</b>			
Non-current Assets			
Property, Plant & Equipment	224,404	225,878	240,356
Investment in Associate	24,290	36,194	30,907
Leasehold Land Prepayment	4,706	4,766	4,751
Deferred Tax Assets	207	297	207
	253,607	267,135	276,221
Assets of Arpico Natural Latex Foams (Pvt ) Ltd	3,610	3,917	3,610
Current Assets			
Inventories	233,779	237,748	252,131
Trade & Other Receivables	394,991	572,141	425,806
Leasehold Land Prepayment	59	59	59
Amounts Due from Related Parties	129,814	116,343	127,191
Cash and Bank Balances	58,245	31,337	14,805
	816,888	957,628	819,992
Total Assets	1,074,105	1,228,680	1,099,823
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	(200,179)	(340,901)	(313,672)
Foreign Currency Translation	35,905	27,879	35,919
Equity Attributable to Equity Holders of the Parent	55,988	(92,760)	(57,491)
Minority Interest	114,771	23,938	29,786
Total Equity	170,759	(68,822)	(27,705)
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	150,159	-	-
Retirement Benefit Obligation	34,440	32,378	31,602
Deferred Tax Liabilities	-	239	-
	184,599	32,617	31,602
Liabilities of Arpico Natural Latex Foams (Pvt ) Ltd	230,241	230,480	230,160
Current Liabilities			
Trade and Other Payables	259,167	261,070	146,595
Income Tax Payable	23,686	2,518	4,937
Amounts Due to Related Parties	79,452	134,870	140,073
Interest Bearing Loans & Borrowings	90,269	149,092	163,062
Bank Overdraft	35,932	486,855	411,099
	488,506	1,034,405	865,766
Total Liabilities	903,346	1,297,502	1,127,528
Total Equity and Liabilities	1,074,105	1,228,680	1,099,823


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 7th February 2013, Colombo.

  
 .....  
 Kumar Abeyasinghe  
 Director

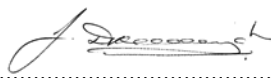
  
 .....  
 W.J. Viville P. Perera  
 Director

## Company Balance Sheets


	Provisional Financial Statements		
	As at 31st Dec		As at 31st March
	2012	2011	2012
	Rs. 000	Rs. 000	Rs. 000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	49,881	49,910	58,306
Investment in Subsidiaries	291,094	291,094	291,094
Investment in Associate	111,953	159,933	119,950
Deferred Tax Assets	385	297	385
	<b>453,313</b>	<b>501,234</b>	<b>469,735</b>
<b>Current Assets</b>			
Inventories	92,230	140,393	145,285
Trade & Other Receivables	204,851	362,777	281,195
Amounts Due from Related Parties	129,680	118,720	126,788
Cash and Bank Balances	20,024	20,313	6,019
	<b>446,785</b>	<b>642,203</b>	<b>559,287</b>
<b>Total Assets</b>	<b>900,098</b>	<b>1,143,437</b>	<b>1,029,022</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	344,971	315,940	297,424
<b>Total Equity</b>	<b>565,233</b>	<b>536,202</b>	<b>517,686</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	122,408	-	-
Retirement Benefit Obligation	28,741	27,954	26,927
	<b>151,149</b>	<b>27,954</b>	<b>26,927</b>
<b>Current Liabilities</b>			
Trade and Other Payables	78,591	99,862	67,163
Income Tax Payable	7,765	1,815	2,153
Amounts Due to Related Parties	19,305	81,266	84,720
Interest Bearing Loans & Borrowings	75,296	115,863	148,999
Bank Overdraft	2,759	280,475	181,374
	<b>183,716</b>	<b>579,281</b>	<b>484,409</b>
<b>Total Liabilities</b>	<b>334,865</b>	<b>607,235</b>	<b>511,336</b>
<b>Total Equity and Liabilities</b>	<b>900,098</b>	<b>1,143,437</b>	<b>1,029,022</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 07th February 2013, Colombo.

  
 .....  
**Kumar Abeysinghe**  
 Director

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

## Statement of Changes in Equity

### Provisional Financial Statements

Consolidated	Stated Capital Rs. '000	Revenue Reserves		Foreign Currency Translation Rs. '000	Minority Interest Rs. '000	Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000			
Balance as at 01st April 2011	220,262	219,250	(573,286)	25,660	21,070	(87,044)
Profit for the Period			13,135		2,948	16,083
Dividend paid to Minority Shareholders					(80)	(80)
Effect of Foreign currency Translation			-	2,219		2,219
Balance as at 31st Dec 2011	220,262	219,250	(560,151)	27,879	23,938	(68,822)
Balance as at 01st April 2012	220,262	219,250	(532,922)	35,919	29,786	(27,705)
Profit for the Period			113,493		85,093	198,586
Dividend paid to Minority Shareholders					(108)	(108)
Effect of Foreign currency Translation				(14)		(14)
Balance as at 31st Dec 2012	220,262	219,250	(419,429)	35,905	114,771	170,759

Company	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	
Balance as at 1st April 2011	220,262	219,250	76,883	516,395
Profit for the Period			19,807	19,807
Balance as at 31st Dec 2011	220,262	219,250	96,690	536,202
Balance as at 1st April 2012	220,262	219,250	78,174	517,686
Profit for the Period			47,547	47,547
Balance as at 31st Dec 2012	220,262	219,250	125,721	565,233

## Cash Flow Statements

### Provisional Financial Statements

	Consolidated		Company	
	for the 9 months period ending		for the 9 months period ending	
	31st Dec 2012	31st Dec 2011	31st Dec 2012	31st Dec 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from / (used in) Operating Activities				
Group Profit before Tax and Minority Interest				
From Continuing Operations	222,071	23,657	57,255	24,507
Loss before Tax from discontinued Operations	(81)	(154)	-	-
Adjustment to reconcile profit before tax to net cash flows	57,414	123,613	33,253	39,178
Operating profit before working capital changes	279,404	147,116	90,508	63,685
Changes in Working Capital adjustments	98,576	(140,513)	72,520	(4,009)
Cash generated from operations	377,980	6,603	163,028	59,676
Interest Paid	(20,453)	(36,353)	(15,709)	(19,511)
Income Tax Paid	(4,655)	(1,952)	(4,096)	-
Defined Benefit plan costs paid	(2,707)	(1,690)	(2,666)	(1,650)
Net cash flows from / (used in) Operating activities	350,165	(33,392)	140,557	38,515
Net cash flows from / (used) in investing activities	(13,168)	(17,917)	46	(11,483)
Net cash inflow/ (outflow) before financing	336,997	(51,309)	140,603	27,032
Net cash flows from / (used) in financing activities	81,610	(223,607)	52,017	(228,486)
Net Increase /(Decrease) in cash and cash equivalents	418,607	(274,916)	192,620	(201,454)
Cash and cash equivalents at the beginning of the period	(392,684)	(176,795)	(175,355)	(58,708)
Cash and cash equivalents at the end of the period	25,923	(451,711)	17,265	(260,162)
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing Operations	58,245	31,337	20,024	20,313
From Discontinuing operations	3,610	3,807	-	-
	61,855	35,144	20,024	20,313
Bank Overdraft	(35,932)	(486,855)	(2,759)	(280,475)
	25,923	(451,711)	17,265	(260,162)

Figures in brackets indicate deductions.

The above figures are subject to audit.

## Consolidated Segmental Information

### Provisional Financial Statements

Nine months ended 31st December	Turnover		Profit / (Loss) from operations		Net Assets	
	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	30,318	37,309	1,763	3,821	21,149	20,654
Latex Based Segment	1,101,930	726,346	166,616	22,612	(36,871)	(195,889)
Hard Rubber Segment	692,867	708,745	72,964	44,018	565,233	536,202
Adjustment for Inter Group Transactions	1,825,115 (3,774)	1,472,400 (3,683)	241,343 7,784	70,451 (158)	549,511 (493,523)	360,967 (453,727)
	<u>1,821,341</u>	<u>1,468,717</u>	<u>249,127</u>	<u>70,293</u>	<u>55,988</u>	<u>(92,760)</u>

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



## Notes to the Financial Statements

<sup>1</sup> The figures given above for the Nine months ended 31st December 2012 and 31st December 2011 are 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.

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

<sup>3</sup> Application of new/revised Sri Lanka Financial reporting Standards (SLFRS/LKAS)

The Institute of Chartered Accountants of Sri Lanka 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 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).

<sup>4</sup> Stated Capital

	<b>As at 31.12.2012</b>	<b>As at 31.12.2011</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
	Rs.	Rs.	Rs.
Stated Capital ( Rs )	220,262,000	220,262,000	220,262,000

<sup>5</sup> 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.

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

<sup>7</sup> Discontinued operations Comprise the results of Subsidiaries of the Group whose Commercial operations have been discontinued

<b>8 Net asset value per Share</b>	<b><u>31st Dec 12</u></b>	<b><u>31st Dec 11</u></b>	<b><u>31st March 12</u></b>
	Rs.	Rs.	Rs.
Consolidated ( in Rs. )	5.02	(8.31)	(5.15)
Company ( in Rs. )	50.63	48.03	46.37

<b>9 Market Price Per Share</b>	<b><u>31st Dec 12</u></b>	<b><u>31st Dec 11</u></b>	<b><u>31st March 12</u></b>
	Rs.	Rs.	Rs.
Highest for the Year / Quarter (in Rs.)	36.90	36.40	57.80
Lowest for the Year / Quarter (in Rs.)	29.10	24.10	16.00
Last Traded Price for the Year / Quarter (in Rs.)	33.50	27.50	22.00

## Shareholder Information

### 1. Major Shareholders as at 31st December 2012

	As at 31st December 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. D.F.G.Dalpethado	362,973	3.25%	161,521	1.45%	201,452
3 Mr. T.L.M.Imitiaz	277,284	2.48%	278,400	2.49%	(1,116)
4 Employees Trust Fund Board	123,309	1.10%	123,309	1.10%	-
5 T R L Holdings(Pvt) Ltd	120,650	1.08%	56,400	0.51%	64,250
6 Mr.H.A. Pieris	117,533	1.05%	65,033	0.58%	52,500
7 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
8 Mr. M.M.Fuad	51,227	0.46%			51,227
9 Corporate Holdings (Pvt) Ltd	45,095	0.40%	45,095	0.40%	-
10 Ransiri Enterprises ( Pvt ) Ltd	41,572	0.37%	41,572	0.37%	-
11 Mr. K.Satgunarajah	37,000	0.33%	37,000	0.33%	-
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	0.26%	-
14 Union Investments Ltd	27,800	0.25%	27,800	0.25%	-
15 Mr. R.M.P.Rajapakshe Mohottige	20,772	0.19%	37,700	0.34%	(16,928)
16 Mr.V.E.Santiapillai	17,475	0.16%	17,475	0.16%	-
17 Emerging Markets Investment Management (Pvt) Ltd	14,300	0.13%	14,300	0.13%	-
18 Mr.T.R.L.Perera	13,434	0.12%			-
19 Merchant Bank of Sri Lanka Limited/ Union	12,800	0.11%	12,800	0.11%	-
20 Mr. V.Baskerasundaram	12,288	0.11%			-
Total	10,369,308	92.88%	10,044,201	89.97%	325,107

### 2. Public & Parent Shareholding

As at 31st December 2012, the public held 19.74% (2011 : 19.74%) of the stated 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 31st December 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

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