

# Richard Pieris Exports PLC

Interim Financial Statements

Three months ended 30th June 2015

## Consolidated Income Statements

	3 months ended 30th June			Year ended 31st March
	2015 Rs. '000	2014 Rs. '000	Change %	2015 Rs. '000
<b>Continuing Operations</b>				
Revenue	745,511	639,920	17	2,498,140
Cost of Sales	(501,001)	(444,845)	13	(1,723,506)
<b>Gross Profit</b>	<b>244,510</b>	<b>195,075</b>	<b>25</b>	<b>774,634</b>
Other Operating Income	480	1,410	(66)	8,003
Distribution Costs	(48,255)	(40,703)	19	(162,903)
Administrative Expenses	(41,855)	(40,020)	5	(158,562)
Other Operating Expenses	-	-		(5,709)
<b>Profit from Operations</b>	<b>154,880</b>	<b>115,762</b>	<b>34</b>	<b>455,463</b>
Finance Income	4,697	3,629	29	20,942
Finance Cost	(3,817)	(4,379)	(13)	(29,444)
Other Financial Items	(3,195)	(1,291)	147	(8,442)
Share of Profit of Associate	5,245	1,603	227	8,082
<b>Profit Before Tax</b>	<b>157,810</b>	<b>115,324</b>	<b>37</b>	<b>446,601</b>
Taxation	(16,306)	(12,230)	33	(58,350)
<b>Profit for the Period from Continuing Operations</b>	<b>141,504</b>	<b>103,094</b>	<b>37</b>	<b>388,251</b>
<b>Discontinued Operations</b>				
Profit after tax for the period from discontinued operations	(24)	(18)	33	92
<b>Profit for the period</b>	<b>141,480</b>	<b>103,076</b>	<b>37</b>	<b>388,343</b>
<b>Attributable to:</b>				
Equity Holders of the Parent	104,525	71,747	46	267,676
Non Controlling Interest	36,955	31,329	18	120,667
	<b>141,480</b>	<b>103,076</b>	<b>37</b>	<b>388,343</b>
	<b>Rs.</b>	<b>Rs.</b>		<b>Rs.</b>
Earnings Per Share	9.36	6.43		23.98
Earnings Per Share from Continuing Operations	9.36	6.43		23.97
Dividend Per Share		-		10.40

Figures in brackets indicate deductions.

The above figures are subject to audit.

## Company Income Statements

	3 months ended 30th June			Year ended 31st March
	2015 Rs. '000	2014 Rs. '000	Change %	2015 Rs. '000
Revenue	321,828	268,280	20	1,014,442
Cost of Sales	(216,646)	(189,038)	15	(713,825)
<b>Gross Profit</b>	<b>105,182</b>	<b>79,242</b>	<b>33</b>	<b>300,617</b>
Other Operating Income	421	998	(58)	6,400
Distribution Costs	(12,470)	(13,012)	(4)	(42,124)
Administrative Expenses	(10,703)	(10,375)	3	(50,695)
Other Operating Expenses	-	-		(5,659)
<b>Profit from Operations</b>	<b>82,430</b>	<b>56,853</b>	<b>45</b>	<b>208,539</b>
Finance Income	2,203	1,168	89	17,428
Finance Cost	(2,109)	(2,814)	(25)	(12,306)
Other Financial Items	(27)	(903)	(97)	(7,630)
<b>Profit before Tax</b>	<b>82,497</b>	<b>54,304</b>	<b>52</b>	<b>206,031</b>
Taxation	(10,764)	(7,520)	43	(26,648)
<b>Profit Attributable to Ordinary Shareholders</b>	<b>71,733</b>	<b>46,784</b>	<b>53</b>	<b>179,383</b>
	<b>Rs.</b>	<b>Rs.</b>		<b>Rs.</b>
Earnings Per Share	6.43	4.19		16.07
Dividend Per Share	-	-		10.40

Figures in brackets indicate deductions.

The above figures are subject to audit.

## Consolidated Statement of Financial Position

	As at 30th June		As at 31st
	2015	2014	March
	Rs. 000	Rs. 000	2015
			Rs. 000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	462,557	276,267	474,162
Investment in Associate	140,322	125,833	135,213
Leasehold Land Prepayment	5,985	4,618	6,007
Deferred Tax Assets	23,520	37,615	23,520
	<b>632,384</b>	<b>444,333</b>	<b>638,902</b>
Assets of Arpico Natural Latex Foams (Pvt ) Ltd	315	3,487	315
<b>Current Assets</b>			
Inventories	275,450	210,469	302,077
Trade & Other Receivables	618,167	633,044	505,445
Short Term Investments	196,958	3,592	192,668
Leasehold Land Prepayment	76	59	76
Amounts Due from Related Parties	62,696	62,803	62,825
Cash and Bank Balances	85,853	211,793	31,389
	<b>1,239,200</b>	<b>1,121,760</b>	<b>1,094,480</b>
<b>Total Assets</b>	<b>1,871,899</b>	<b>1,569,580</b>	<b>1,733,697</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	274,088	94,089	169,563
Foreign Currency Translation	46,258	41,952	45,697
Equity Attributable to Equity Holders of the Parent	540,608	356,303	435,522
Non Controlling Interest	419,253	307,836	382,298
<b>Total Equity</b>	<b>959,861</b>	<b>664,139</b>	<b>817,820</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	49,486	88,670	57,979
Deferred Tax Liabilities	1,913	3,013	1,913
Retirement Benefit Obligation	62,151	48,939	59,345
	<b>113,550</b>	<b>140,622</b>	<b>119,237</b>
Liabilities of Arpico Natural Latex Foams (Pvt ) Ltd	226,868	230,126	226,845
<b>Current Liabilities</b>			
Trade and Other Payables	263,406	244,987	263,488
Income Tax Payable	26,287	13,297	18,066
Amounts Due to Related Parties	-	17,127	40,914
Interest Bearing Loans & Borrowings	281,927	259,282	247,327
	<b>571,620</b>	<b>534,693</b>	<b>569,795</b>
<b>Total Liabilities</b>	<b>912,038</b>	<b>905,441</b>	<b>915,877</b>
<b>Total Equity and Liabilities</b>	<b>1,871,899</b>	<b>1,569,580</b>	<b>1,733,697</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.



**Palika Chandrajeewa**  
Sector Finance Manager

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 August 2015 in Colombo.



**J.H.P. Ratnayake**  
Director



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

# Company Statement of Financial Position

	As at 30th June		As at 31st March 2015
	2015 Rs. 000	2014 Rs. 000	Rs. 000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	67,519	69,407	69,666
Long Term Investments	463,023	463,023	463,023
	<b>530,542</b>	<b>532,430</b>	<b>532,689</b>
<b>Current Assets</b>			
Inventories	111,107	108,472	123,198
Trade & Other Receivables	299,408	304,805	241,409
Short Term Investment	85,632	-	83,836
Amounts Due from Related Parties	59,604	68,503	62,555
Cash and Bank Balances	35,794	60,118	14,898
	<b>591,545</b>	<b>541,898</b>	<b>525,896</b>
<b>Total Assets</b>	<b>1,122,087</b>	<b>1,074,328</b>	<b>1,058,585</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	538,930	454,061	467,197
<b>Total Equity</b>	<b>759,192</b>	<b>674,323</b>	<b>687,459</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans & Borrowings	40,585	73,482	49,110
Deferred Tax Liability	638	1,763	638
Retirement Benefit Obligation	50,492	42,028	48,117
	<b>91,715</b>	<b>117,273</b>	<b>97,865</b>
<b>Current Liabilities</b>			
Trade and Other Payables	98,773	116,702	89,740
Income Tax Payable	23,062	11,520	16,248
Amounts Due to Related Parties	10,405	12,663	42,870
Interest Bearing Loans & Borrowings	138,940	141,847	124,403
	<b>271,180</b>	<b>282,732</b>	<b>273,261</b>
<b>Total Liabilities</b>	<b>362,895</b>	<b>400,005</b>	<b>371,126</b>
<b>Total Equity and Liabilities</b>	<b>1,122,087</b>	<b>1,074,328</b>	<b>1,058,585</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.

  
 Palika Chandrajeewa  
 Sector Finance Manager

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 August 2015 in Colombo.

  
 J.H.P. Ratnayake  
 Director

  
 W.J. Viville P. Perera  
 Director

## Statements of Comprehensive Income

	3 months ended 30th June	Year ended 31st March	
	2015	2014	2015
Consolidated	Rs.'000	Rs.'000	Rs.'000
Profit for the period	141,480	103,076	388,343
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods			
Actuarial gains/ ( losses) on defined benefit plans	-	-	(6,393)
Deferred Tax effect on actuarial gains /(losses) on defined benefit plans	-	-	770
Other Comprehensive Income / (Expenses) to be reclassified to profit or loss in subsequent periods			
Share of Other Comprehensive Income of Associate			
Actuarial gains/ ( losses) on defined benefit plans	-	-	(4)
Translation of Associate using foreign functional currency	561	(480)	3,265
Other comprehensive income for the period	561	(480)	(2,362)
Total comprehensive income for the period	142,041	102,596	385,981

<b>Attributable to</b>			
Equity Holder of the Parent Company	105,086	71,267	266,589
Non Controlling Interest	36,955	31,329	119,392
	<b>142,041</b>	<b>102,596</b>	<b>385,981</b>

	3 months ended 30th June	Year ended 31st March	
Company	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000
Profit for the period	71,733	46,784	179,383
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods			
Actuarial gains/ ( losses) on defined benefit plans	-	-	(3,818)
Deferred Tax effect on actuarial gains /(losses) on defined benefit plans	-	-	458
Other comprehensive income / (Expenses) to be reclassified to profit or loss in subsequent periods	-	-	-
Other comprehensive income for the period	-	-	(3,360)
Total comprehensive income for the period	71,733	46,784	176,023

Figures in brackets indicate deductions.

## Statement of Changes in Equity

	Stated Capital Rs. '000	Revenue Reserves		Foreign Currency Translation Rs. '000	Non Controlling Interest Rs. '000	Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000			
<b>Consolidated</b>						
<b>Balance as at 1st April 2014</b>	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
<b>Balance as at 30th June 2014</b>	<b>220,262</b>	<b>219,250</b>	<b>(125,161)</b>	<b>41,952</b>	<b>307,836</b>	<b>664,139</b>
<b>Balance as at 1st April 2015</b>	220,262	219,250	(49,687)	45,697	382,298	817,820
Profit for the period	-	-	104,525	-	36,955	141,480
Other Comprehensive Income	-	-	-	561	-	561
Total Comprehensive Income	-	-	104,525	561	36,955	142,041
<b>Balance as at 30th June 2015</b>	<b>220,262</b>	<b>219,250</b>	<b>54,838</b>	<b>46,258</b>	<b>419,253</b>	<b>959,861</b>

  

	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	
<b>Company</b>				
<b>Balance as at 1st April 2014</b>	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
<b>Balance as at 30th June 2014</b>	<b>220,262</b>	<b>219,250</b>	<b>234,811</b>	<b>674,323</b>
<b>Balance as at 1st April 2015</b>	220,262	219,250	247,947	687,459
Profit for the period	-	-	71,733	71,733
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	71,733	71,733
<b>Balance as at 30th June 2015</b>	<b>220,262</b>	<b>219,250</b>	<b>319,680</b>	<b>759,192</b>

## Cash Flow Statements

	Consolidated		Company	
	For the 3 months period ended		For the 3 months period ended	
	30th June 2015	30th June 2014	30th June 2015	30th June 2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from / (used in) Operating Activities</b>				
Group Profit before Tax and Non-Controlling Interest				
From Continuing Operations	157,810	115,324	82,497	54,304
Profit from discontinued Operations	(24)	(18)	-	
Adjustment to reconcile profit before tax to net cash flows	12,003	13,707	5,415	8,735
<b>Operating profit before working capital changes</b>	169,789	129,013	87,912	63,039
Changes in Working Capital adjustments	(126,939)	(159,718)	(66,389)	(55,543)
<b>Cash generated from operations</b>	42,850	(30,705)	21,523	7,496
Interest Paid	(4,092)	(5,102)	(2,416)	(3,367)
Income Tax Paid	(7,388)	(6,741)	(3,950)	(3,125)
Defined Benefit plan costs paid	(83)	(1,811)	(83)	(1,745)
<b>Net cash flows from /( used in) Operating activities</b>	31,287	(44,359)	15,074	(741)
<b>Net cash flows from / (used in) investing activities</b>	(2,196)	59	407	1,168
<b>Net cash inflow/(outflow) before financing</b>	29,091	(44,300)	15,481	427
Net cash used in financing activities	599	30,960	(10,900)	12,375
Net Increase / (Decrease) in cash and cash equivalents	29,690	(13,340)	4,581	12,802
<b>Cash and cash equivalents at the beginning of the period</b>	(71,623)	178,065	(939)	47,316
<b>Cash and cash equivalents at the end of the period</b>	(41,933)	164,725	3,642	60,118
<b>Analysis of Cash and Cash Equivalents</b>				
Cash at Bank & in Hand				
From Continuing operations	85,853	211,793	35,794	60,118
From Discontinuing operations	315	3,487	-	-
	86,168	215,280	35,794	60,118
Bank Overdraft	(128,101)	(50,555)	(32,152)	-
	(41,933)	164,725	3,642	60,118

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	
	2015	2014	2015	2014	2015	2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	15,915	14,949	803	246	31,667	29,771
Latex Based Segment	413,398	361,582	71,647	58,663	491,701	297,231
Hard Rubber Segment	321,828	268,280	82,430	56,853	759,192	674,323
	751,141	644,811	154,880	115,762	1,282,560	1,001,325
Adjustment for Inter Group Transactions	(5,630)	(4,891)	-	-	(741,952)	(645,022)
	<b>745,511</b>	<b>639,920</b>	<b>154,880</b>	<b>115,762</b>	<b>540,608</b>	<b>356,303</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 2015 and 30th June 2014 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the three months ended 30th June 2015 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 2015. 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 30.06.2015	As at 31.03.2015
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 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 2015.

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 30.06.2015, approved by the board are as follows.

	Group		Company	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Contracted but not provided for	-	76,896	-	-
Approved but not contracted for	-	92,722	-	-
	<u>-</u>	<u>169,618</u>	<u>-</u>	<u>-</u>

### Lease Commitments

	Group		Company	
	2015 Rs.'000	2015 USD	2014 Rs.'000	2014 USD
Within one year	2,782	20,790	2,350	18,034
After one year but not more than five years	11,127	83,158	9,399	72,136
More than five years	196,712	1,470,194	171,538	1,316,482
	<u>210,621</u>	<u>1,574,142</u>	<u>183,287</u>	<u>1,406,652</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 2015 Rs.	30th June 2014 Rs.	31st March 2015 Rs.
Consolidated ( in Rs. )	48.43	31.92	39.01
Company ( in Rs. )	68.01	60.40	61.58

### 9 Market Price Per Share

	30th June 2015 Rs	30th June 2014 Rs.	31st March 2015 Rs.
Highest for the Quarter (in Rs.)	170.00	74.50	173.90
Lowest for the Quarter (in Rs.)	131.00	71.00	129.50
Last Traded Price for the Year / Quarter (in Rs.)	145.00	73.00	130.30

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

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As per Finance Bill issued on March 30,2015, where the aggregate profits ( as per audited financial statements) of subsidiaries and the holding company, within a group of Companies, exceed Rs 2Bn for the Year of assessment 2013/14, each company of such group is liable to pay a levy known as Super Gains Tax which is 25% of the taxable income of such company for the Year of assessment 2013/14. The Bill is yet to be enacted.

## Shareholder Information

### 1. Major Shareholders as at 30th June 2015

	<u>As at 30th June 2015</u>		<u>As at 31st March 2015</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 T R L Holdings(Pvt) Ltd	288,918	2.59%	275,977	2.47%	12,941
3 Mr. D.F.G.Dalpethado	164,439	1.47%	164,439	1.47%	-
4 Mr.T.R.L.Perera	122,833	1.10%	189,478	1.70%	(66,645)
5 Mr. M.M.Fuad	71,406	0.64%	62,001	0.56%	9,405
6 Timex Garments ( Pvt) Ltd.	66,326	0.59%	66,326	0.59%	-
7 Mr.A.H.Udeshi	57,647	0.52%			57,647
8 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
9 E-Tech Corporation ( Pvt) Limited	47,346	0.42%	48,396	0.43%	(1,050)
10 Mr.R.A.Rishard	46,488	0.42%			46,488
11 Askold ( Private) Ltd	45,000	0.40%	45,000	0.40%	-
12 Ransiri Enterprises ( Pvt ) Ltd	41,572	0.37%	41,572	0.37%	-
13 Trading Partners ( Pvt) Ltd	41,203	0.37%	41,203	0.37%	-
14 Mr. S.Abishek	35,000	0.31%	35,000	0.31%	-
15 Mr.H.A. Pieris	30,932	0.28%	30,932	0.28%	-
16 Wintech Holdings (Pvt) Ltd	30,093	0.27%	30,113	0.27%	(20)
17 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,000	0.27%	-
18 Union Investments Ltd	27,800	0.25%	27,800	0.25%	-
19 Nagoya Ceylon Trading ( Pvt) Ltd	26,786	0.24%	33,286	0.30%	(6,500)
20 Mr. N.A.Withana	25,000	0.22%	25,000	0.22%	-
Total	10,212,185	91.5%	10,159,919	91.0%	52,266

### 2. Public & Parent Shareholding

As at 30th June 2015, the public held 19.74% (2014 : 19.74%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 80.26%. (2014-80.26%).

As at 30th June 2015 no of public holders are 1,420 (2014 : 1,397)

### 3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 30th June 2,015	No of Shares as at 31st March 2,015
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 (vacated w.e.f.28th May 2015 due to demise)	-	-
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 Abeysirigunawardena  
Kumar Abeysinghe (vacated w.e.f.28th May 2015 due to demise)  
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