

Richard Pieris Exports PLC

Interim Financial Statements

Twelve months ended 31st March 2016

Consolidated Income Statements

	3 months ended 31st March			12 months ended 31st March		
	2016 Rs. '000	2015 Rs. '000	Change %	2016 Rs. '000	2015 Rs. '000	Change %
Continuing Operations						
Revenue	723,627	583,365	24	3,047,568	2,498,140	22
Cost of Sales	(494,081)	(411,561)	20	(2,087,455)	(1,723,506)	21
Gross Profit	229,546	171,804	34	960,113	774,634	24
Other Operating Income	4,254	2,017	111	12,147	8,003	52
Distribution Costs	(49,581)	(28,495)	74	(210,560)	(162,903)	29
Administrative Expenses	(50,368)	(43,357)	16	(181,135)	(158,562)	14
Other Operating Expenses	(7,945)	(19,598)	(59)	(7,945)	(19,598)	(59)
Profit from Operations	125,906	82,371	53	572,620	441,574	30
Finance Income	8,126	5,942	37	23,651	20,942	13
Finance Cost	(1,062)	(2,873)	(63)	(12,060)	(15,555)	(22)
Other Financial Items	30,736	(6,739)	(556)	37,925	(8,442)	(549)
Share of Profit of Associate	(2,027)	1,514	(234)	14,376	8,082	78
Profit Before Tax	161,679	80,215	102	636,512	446,601	43
Taxation	(41,689)	(22,295)	87	(88,011)	(58,350)	51
Profit for the Period from Continuing Operations	119,990	57,920	107	548,501	388,251	41
Discontinued Operations						
Loss after tax for the period from discontinued operations	(50)	146	(134)	(110)	92	(220)
Profit for the period	119,940	58,066	107	548,391	388,343	41
Attributable to:						
Equity Holders of the Parent	74,148	40,230	84	364,056	267,676	36
Non Controlling Interest	45,792	17,836	157	184,335	120,667	53
	119,940	58,066	107	548,391	388,343	41
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	6.64	3.60		32.61	23.98	
Earnings Per Share from Continuing Operations	6.64	3.59		32.62	23.97	
Dividend Per Share	12.50	4.00		12.50	10.40	

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

Company Income Statements

	3 months ended 31st March			12 months ended 31st March		
	2016 Rs. '000	2015 Rs. '000	Change %	2016 Rs. '000	2015 Rs. '000	Change %
Revenue	250,013	233,938	7	1,114,878	1,014,442	10
Cost of Sales	(166,091)	(166,220)	(0)	(784,257)	(713,825)	10
Gross Profit	83,922	67,718	24	330,621	300,617	10
Other Operating Income	54,813	10,361	429	62,788	15,747	299
Distribution Costs	(4,468)	(3,742)	19	(37,908)	(42,124)	(10)
Administrative Expenses	(18,764)	(19,440)	(3)	(51,237)	(50,695)	1
Other Operating Expenses	(7,744)	(7,544)	3	(7,744)	(7,544)	3
Profit from Operations	107,759	47,353	128	296,520	216,001	37
Finance Income	2,030	2,459	(17)	8,506	8,081	5
Finance Cost	(883)	(2,182)	(60)	(8,711)	(10,421)	(16)
Other Financial Items	4,432	(6,118)	(172)	12,941	(7,630)	(270)
Profit before Tax	113,338	41,512	173	309,256	206,031	50
Taxation	(9,186)	(6,408)	43	(34,871)	(26,648)	31
Profit Attributable to Ordinary Shareholders	104,152	35,104	197	274,385	179,383	53
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	9.33	3.14		24.58	16.07	
Dividend Per Share	12.50	4.00		12.50	10.40	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Statement of Financial Position

	As at 31st March	
	2016	2015
	Rs. 000	Rs. 000
ASSETS		
Non-current Assets		
Property, Plant & Equipment	472,628	474,162
Investment in Associate	163,500	135,213
Other Investment	72,284	-
Leasehold Land Prepayment	12,363	6,007
Deferred Tax Assets	237	23,520
	721,012	638,902
Assets of Arpico Natural Latex Foams (Pvt) Ltd	210	315
Current Assets		
Inventories	297,392	302,077
Trade & Other Receivables	649,412	505,445
Short Term Investments	312,653	192,668
Leasehold Land Prepayment	273	76
Amounts Due from Related Parties	58,547	62,825
Cash and Bank Balances	287,919	204,480
	1,606,196	1,267,571
Total Assets	2,327,418	1,906,788
EQUITY AND LIABILITIES		
Stated Capital	220,262	220,262
Revenue Reserves	352,459	169,563
Foreign Currency Translation	62,780	45,697
Equity Attributable to Equity Holders of the Parent	635,501	435,522
Non Controlling Interest	467,224	382,298
Total Equity	1,102,725	817,820
Non-Current Liabilities		
Interest Bearing Loans & Borrowings	15,836	57,979
Deferred Tax Liabilities	2,137	1,913
Retirement Benefit Obligation	58,014	59,345
	75,987	119,237
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	226,850	226,845
Current Liabilities		
Trade and Other Payables	256,702	263,488
Income Tax Payable	24,007	18,066
Amounts Due to Related Parties	156,680	214,005
Interest Bearing Loans & Borrowings	484,467	247,327
	921,856	742,886
Total Liabilities	1,224,693	1,088,968
Total Equity and Liabilities	2,327,418	1,906,788

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 26th May 2016 in Colombo.



W R Abeyirigunawardena
Director



W.J. Viville P. Perera
Director

Company Statement of Financial Position

As at 31st March


	2016 Rs. 000	2015 Rs. 000
ASSETS		
Non-current Assets		
Property, Plant & Equipment	71,044	69,666
Long Term Investments	535,307	463,023
	606,351	532,689
Current Assets		
Inventories	121,101	123,198
Trade & Other Receivables	270,306	241,409
Short Term Investment	91,217	83,836
Amounts Due from Related Parties	51,098	62,555
Cash and Bank Balances	94,291	14,898
	628,013	525,896
Total Assets	1,234,364	1,058,585
EQUITY AND LIABILITIES		
Stated Capital	220,262	220,262
Revenue Reserves	574,199	467,197
Total Equity	794,461	687,459
Non-Current Liabilities		
Interest Bearing Loans & Borrowings	15,836	49,110
Deferred Tax Liability	949	638
Retirement Benefit Obligation	45,481	48,117
	62,266	97,865
Current Liabilities		
Trade and Other Payables	103,547	89,740
Income Tax Payable	14,897	16,248
Amounts Due to Related Parties	15,522	42,870
Interest Bearing Loans & Borrowings	243,671	124,403
	377,637	273,261
Total Liabilities	439,903	371,126
Total Equity and Liabilities	1,234,364	1,058,585

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 26th May 2016 in Colombo.


 W R Abeyisirigunawardena
 Director


 W.J. Viville P. Perera
 Director

Statement of Changes in Equity

Consolidated	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			
Balance as at 31st March 2014	220,262	219,250	(196,908)	42,432	276,507	561,543
Profit for the period	-	-	267,676	-	120,667	388,343
Other Comprehensive Income	-	-	(4,352)	3,265	(1,275)	(2,362)
Total Comprehensive Income	-	-	263,324	3,265	119,392	385,981
1st Interim dividend	-	-	(71,448)	-	-	(71,448)
2nd Interim dividend	-	-	(44,655)	-	-	(44,655)
Dividend paid by Subsidiary companies to outside shareholders	-	-	-	-	(13,601)	(13,601)
Balance as at 31st March 2015	220,262	219,250	(49,687)	45,697	382,298	817,820
Balance as at 1st April 2015	220,262	219,250	(49,687)	45,697	382,298	817,820
Adjustment for Super Gain Tax	-	-	(44,289)	-	(16,779)	(61,068)
Adjusted Balance as at 1st April 2015	220,262	219,250	(93,976)	45,697	365,519	756,752
Profit for the period	-	-	364,056	-	184,335	548,391
Other Comprehensive Income	-	-	2,676	17,083	64	19,823
Total Comprehensive Income	-	-	366,732	17,083	184,399	568,214
Interim Dividend	-	-	(139,547)	-	-	(139,547)
Dividend paid by subsidiary company to outside shareholders	-	-	-	-	(82,694)	(82,694)
Balance as at 31st March 2016	220,262	219,250	133,209	62,780	467,224	1,102,725

Company	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit / (Loss) Rs. '000	
Balance as at 31st March 2014	220,262	219,250	188,027	627,539
Profit for the period	-	-	179,383	179,383
Other Comprehensive Income	-	-	(3,360)	(3,360)
Total Comprehensive Income	-	-	176,023	176,023
1st Interim dividend	-	-	(71,448)	(71,448)
2nd Interim dividend	-	-	(44,655)	(44,655)
Balance as at 31st March 2015	220,262	219,250	247,947	687,459
Balance as at 1st April 2015	220,262	219,250	247,947	687,459
Adjustment for Super Gain Tax	-	-	(29,457)	(29,457)
Adjusted Balance as at 1st April 2015	220,262	219,250	218,490	658,002
Profit for the period	-	-	274,385	274,385
Other Comprehensive Income	-	-	1,621	1,621
Total Comprehensive Income	-	-	276,006	276,006
Interim Dividend	-	-	(139,547)	(139,547)
Balance as at 31st March 2016	220,262	219,250	354,949	794,461

Statements of Comprehensive Income

	3 months ended 31st March		12 months ended 31st March	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
Consolidated				
Profit for the period	119,940	58,066	548,391	388,343
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods				
Actuarial gains /(losses) on defined benefit plans	2,010	(6,393)	2,010	(6,393)
Deffered Tax effect on actuaial gains /(losses) on defined benefit plans	(248)	770	(248)	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	978	(4)	978	(4)
Translation of Associate using foreign functional currency	4,760	1,406	17,083	3,265
Other comprehensive income for the period	7,500	(4,221)	19,823	(2,362)
Total comprehensive income for the period	127,440	53,845	568,214	385,981
Attributable to				
Equity Holder of the Parent Company	81,584	37,284	383,815	266,589
Non Controlling Interest	45,856	16,561	184,399	119,392
	127,440	53,845	568,214	385,981
	3 months ended 31st March		12 months ended 31st March	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
Company				
Profit for the period	104,152	35,104	274,385	179,383
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods				
Actuarial gains /(losses) on defined benefit plans	-	-	-	-
Deffered Tax effect on actuaial gains /(losses) on defined benefit plans	1,842	(3,818)	1,842	(3,818)
Deffered Tax effect on actuaial gains /(losses) on defined benefit plans	(221)	458	(221)	458
Other comprehensive income / (Expenses) to be reclassified to profit or loss in subsequent periods				
	-	-	-	-
Other comprehensive income for the period	1,621	(3,360)	1,621	(3,360)
Total comprehensive income for the period	105,773	31,744	276,006	176,023

Figures in brackets indicate deductions.

Cash Flow Statements

	Consolidated		Company	
	For the 12 months period ended		For the 12 months period ended	
	31st Mar 2016	31st Mar 2015	31st Mar 2016	31st Mar 2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from / (used in) Operating Activities				
Group Profit before Tax and Non-Controlling Interest				
From Continuing Operations	636,512	446,601	309,256	206,031
Loss from discontinued Operations	(110)	92	-	-
Adjustment to reconcile profit before tax to net cash flows	(24,585)	55,115	(58,439)	17,224
Operating profit before working capital changes	611,817	501,808	250,817	223,255
Changes in Working Capital adjustments	(118,595)	70,263	1,112	(4,542)
Cash generated from operations	493,222	572,071	251,929	218,713
Interest Paid	(11,898)	(15,599)	(8,580)	(10,328)
Income and Super Gain Tax Paid	(113,908)	(33,459)	(64,789)	(18,192)
WHT Paid	(1,821)	(28)	(800)	-
Defined Benefit plan costs paid	(9,901)	(4,745)	(8,748)	(4,603)
Net cash flows from Operating activities	355,694	518,240	169,012	185,590
Net cash used in investing activities	(227,875)	(397,650)	(22,794)	(71,244)
Net cash inflow before financing	127,819	120,590	146,218	114,346
Net cash used in financing activities	(268,578)	(197,187)	(174,059)	(162,601)
Net Decrease in cash and cash equivalents	(140,759)	(76,597)	(27,841)	(48,255)
Cash and cash equivalents at the beginning of the period	101,468	178,065	(939)	47,316
Cash and cash equivalents at the end of the period	(39,291)	101,468	(28,780)	(939)
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	287,919	204,480	94,291	14,898
From Discontinuing operations	210	315	-	-
	288,129	204,795	94,291	14,898
Bank Overdraft	(327,420)	(103,327)	(123,071)	(15,837)
	(39,291)	101,468	(28,780)	(939)

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Segmental Information

12 months ended 31st March	Turnover		Profit from operations		Net Assets	
	2016	2015	2016	2015	2016	2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	63,592	61,006	1,976	1,648	32,315	30,836
Latex Based Segment	1,905,089	1,441,656	330,463	233,272	575,466	427,333
Hard Rubber Segment	1,114,878	1,014,442	296,520	216,001	794,461	687,459
	3,083,559	2,517,104	628,959	450,921	1,402,242	1,145,628
Adjustment for Inter Group Transactions	(35,991)	(18,964)	(56,339)	(9,347)	(766,741)	(710,106)
	3,047,568	2,498,140	572,620	441,574	635,501	435,522

Figures in brackets indicate deductions.

The above figures are subject to audit.

Notes to the Financial Statements

- 1 The figures given above for the twelve months ended 31st March 2016 and 31st March 2015 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the twelve months ended 31st March 2016 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 31.03.2016	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 31.03.2016, approved by the board are as follows.

	Group		Company	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
Contracted but not provided for	24,544	-	-	-
	<u>24,544</u>	<u>-</u>	<u>-</u>	<u>-</u>
Lease Commitments				
	2016 Rs.'000	2016 USD	2015 Rs.'000	2015 USD
Within one year	4,089	27,971	2,772	20,790
After one year but not more than five years	16,355	111,884	11,087	83,158
More than five years	249,966	1,709,991	196,021	1,470,194
	<u>270,410</u>	<u>1,849,846</u>	<u>209,880</u>	<u>1,574,142</u>

- 7 Discontinued operations comprise the results of Subsidiary of the Group whose Commercial operations have been discontinued.

8 Net asset value per Share

	31st March 2016 Rs.	31st March 2015 Rs.
Consolidated (in Rs.)	56.92	39.01
Company (in Rs.)	71.16	61.58

9 Market Price Per Share

	31st March 2016 Rs	31st March 2015 Rs.
Highest for the Quarter (in Rs.)	329.90	173.90
Lowest for the Quarter (in Rs.)	131.00	129.50
Last Traded Price for the Year / Quarter (in Rs.)	211.20	130.30

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

- 11 As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30th October 2015, the Group is liable for Super Gain Tax of 61.068 Mn (including Share of Associate) and Rs 29.457Mn for the Company. According to the Act, the Super Gain Tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2013. The Act supersedes the requirement of the Sri Lanka Accounting Standards, hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SOAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka , dated 24th November 2015. Accordingly, expense of Super Gain Tax is recorded as an adjustment to the opening retained earnings reported in the statement of Changes in Equity as at 1st April 2015.

Shareholder Information

1. Major Shareholders as at 31st March 2016

	<u>As at 31st March 2016</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	365,000	3.27%	275,977	2.47%	89,023
3 Mr. Astrue Alpha	214,381	1.92%	-	0.00%	214,381
4 Mr. M.M.Fuad	63,909	0.57%	62,001	0.56%	1,908
5 Mr. P.Vijendran	59,477	0.53%	-	0.00%	59,477
6 Mr. T.T.T.Al-Nakib	59,000	0.53%	-	0.00%	59,000
7 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
8 Mr.K.A.S.R.Nissanka	53,397	0.48%	-	0.00%	53,397
9 Mr. A.A.A.Noorudin	50,000	0.45%	-	0.00%	50,000
10 Ransiri Enterprises (Pvt) Ltd	41,572	0.37%	41,572	0.37%	-
11 Mr.R.A.Rishard	39,216	0.35%	-	0.00%	39,216
12 Mr. Sithampalam	35,000	0.31%	-	0.00%	35,000
13 Mrs M Y Amerasinghe	34,367	0.31%	-	0.00%	34,367
14 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,000	0.27%	-
15 Union Investments (Pvt) Ltd	27,800	0.25%	27,800	0.25%	-
16 Mr.A.S.Weerasinghe	26,000	0.23%	-	0.00%	26,000
17 Mr. M.S.P.Fernando	25,008	0.22%	-	0.00%	25,008
18 Mr. N.A.Withana	25,000	0.22%	25,000	0.22%	-
19 Mr. W.M.H.B.Senevi	22,114	0.20%	-	0.00%	22,114
20 Mr.H.A. Pieris	20,932	0.19%	30,932	0.28%	(10,000)
Total	10,205,569	91.42%	9,506,678	85.16%	698,891

2. Public & Parent Shareholding

As at 31st March 2016, the public held 19.74% (2015 : 19.74%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 80.26%. (2015-80.26%).

As at 31st March 2016 no of public holders are 1,523 (2015 : 1,443)

3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 31st March 2016	No of Shares as at 31st March 2015
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. J.H.P .Ratnayake (resigned w.e.f. 12th January 2016)	-	-
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

J. H. Paul Ratnayeke (resigned w.e.f.12th January 2016)

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

LEGAL ADVISORS

M/s Paul Ratnayeke Associates

International Legal Consultants, Solicitors & Attorneys-at-Law