

Richard Pieris Exports PLC

Interim Financial Statements

Six months ended 30th September 2019

Company Statement of Financial Position

	As at 30th September		As at 31st March
	2019	2018	2019
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	76,151	72,548	79,770
Long Term Investments	517,236	535,307	517,236
Deferred Tax Asset	942	-	297
	594,329	607,855	597,303
Current Assets			
Inventories	139,920	120,957	154,621
Trade & Other Receivables	544,605	386,913	328,859
Short Term Investment	109,695	196,256	187,741
Amounts Due from Related Parties	18,233	80,592	18,688
Cash and Bank Balances	474,868	292,507	573,651
	1,287,321	1,077,225	1,263,560
Total Assets	1,881,650	1,685,080	1,860,863
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	1,426,075	1,187,364	1,209,019
Total Equity	1,646,337	1,407,626	1,429,281
Non-Current Liabilities			
Deferred Tax Liability	-	867	-
Retirement Benefit Obligation	63,499	58,119	61,003
	63,499	58,986	61,003
Current Liabilities			
Trade and Other Payables	129,034	91,878	136,504
Income Tax Payable	17,959	13,152	18,776
Amounts Due to Related Parties	24,821	25,056	189,570
Interest Bearing Loans & Borrowings	-	88,382	25,729
	171,814	218,468	370,579
Total Liabilities	235,313	277,454	431,582
Total Equity and Liabilities	1,881,650	1,685,080	1,860,863


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 Financial Controller

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 8th November 2019 in Colombo.



W.R. Abeyirigunawardena
 Director



W.J. Viville P. Perera
 Director

Consolidated Statement of Financial Position

	As at 30th September		As at 31st March
	2019	2018	2019
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	802,316	789,414	806,382
Investment in Associate	218,057	193,444	206,736
Other Investment	54,213	72,284	54,213
Investment Property - Leasehold	287,323	285,873	287,323
Leasehold Land Prepayment	11,407	11,680	11,544
Deferred Tax Asset	942	-	297
	1,374,258	1,352,695	1,366,495
Discontinued Operations			
Assets of Arpico Natural Latex Foams (Pvt) Ltd	50	108	108
Current Assets			
Inventories	436,060	454,308	508,994
Trade & Other Receivables	1,580,420	1,231,612	1,130,565
Short Term Investment	114,970	333,125	193,016
Leasehold Land Prepayment	273	273	273
Amounts Due from Related Parties	177,378	36,214	95,042
Cash and Bank Balances	550,168	364,942	733,880
	2,859,269	2,420,474	2,661,770
Total Assets	4,233,577	3,773,277	4,028,373
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	1,617,972	1,164,202	1,246,265
Foreign Currency Translation	111,880	95,464	101,728
Equity Attributable to Equity Holders of the Parent	1,950,114	1,479,928	1,568,255
Non Controlling Interest	1,007,555	733,740	804,210
Total Equity	2,957,669	2,213,668	2,372,465
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	45,612	98,817	43,875
Deferred Tax Liabilities	69,924	70,241	70,437
Retirement Benefit Obligation	91,092	84,020	89,225
	206,628	253,078	203,537
Discontinued Operations			
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	226,868	226,869	226,896
Current Liabilities			
Trade and Other Payables	386,724	336,745	448,354
Income Tax Payable	45,468	43,624	72,718
Amounts Due to Related Parties	140,938	188,727	428,512
Interest Bearing Loans & Borrowings	269,282	510,566	275,891
	842,412	1,079,662	1,225,475
Total Liabilities	1,275,908	1,559,609	1,655,908
Total Equity and Liabilities	4,233,577	3,773,277	4,028,373


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 Financial Controller

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 Approved and Signed for and on behalf of the Board on 8th November 2019 in Colombo.



W.R. Abeyirigunawardena
 Director



W.J. Viville P. Perera
 Director

Consolidated Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2019 Rs. '000	2018 Rs. '000	Change %	2019 Rs. '000	2018 Rs. '000	Change %
Continuing Operations						
Revenue	1,530,361	1,330,358	15	2,796,082	2,557,802	9
Cost of Sales	(1,053,997)	(902,404)	17	(1,903,095)	(1,733,576)	10
Gross Profit	476,364	427,954	11	892,987	824,226	8
Other Operating Income	10,872	9,932	9	19,108	10,342	85
Distribution Costs	(100,600)	(122,065)	(18)	(189,986)	(231,244)	(18)
Administrative Expenses	(52,079)	(58,601)	(11)	(110,046)	(114,191)	(4)
Other Operating expenses	-	(2,451)	(100)	-	(2,451)	(100)
Profit from Operations	334,557	254,769	31	612,063	486,682	26
Finance Income	6,036	10,325	(42)	13,572	20,232	(33)
Finance Cost	(2,122)	(10,874)	(80)	(6,286)	(15,309)	(59)
Other Financial Items	39,296	45,251	(13)	48,044	57,442	(16)
Share of Profit/ (Loss) of Associate	947	(2,040)	(146)	1,359	357	281
Profit Before Tax	378,714	297,431	27	668,752	549,404	22
Taxation	(53,134)	(50,985)	4	(93,670)	(89,968)	4
Profit for the Period from Continuing Operations	325,580	246,446	32	575,082	459,436	25
Discontinued Operations						
Loss after tax for the period from discontinued operations	(15)	(15)	-	(30)	(30)	-
Profit for the period	325,565	246,431	32	575,052	459,406	25
Attributable to:						
Equity Holders of the Parent	210,899	158,020	33	371,707	290,816	28
Non Controlling Interest	114,666	88,411	30	203,345	168,590	21
	325,565	246,431	32	575,052	459,406	25

	Rs.	Rs.	Rs.	Rs.
Earnings Per Share	18.89	14.15	33.30	26.05
Earnings Per Share from Continuing Operations	18.89	14.16	33.30	26.05

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2019 Rs. '000	2018 Rs. '000	Change %	2019 Rs. '000	2018 Rs. '000	Change %
Revenue	439,928	357,107	23	806,661	694,897	16
Cost of Sales	(296,232)	(243,823)	21	(540,274)	(481,988)	12
Gross Profit	143,696	113,284	27	266,387	212,909	25
Other Operating Income	212	56,350	(100)	220	56,623	(100)
Distribution Costs	(9,968)	(14,490)	(31)	(23,201)	(28,159)	(18)
Administrative Expenses	(13,877)	(13,353)	4	(26,897)	(25,712)	5
Other Operating Expenses	-	(1,000)	(100)	-	(1,000)	(100)
Profit from Operations	120,063	140,791	(15)	216,509	214,661	1
Finance Income	6,036	6,875	(12)	13,572	13,298	2
Finance Cost	(691)	(1,172)	(41)	(1,377)	(1,858)	(26)
Other Financial Items	18,188	28,408	(36)	23,354	30,176	(23)
Profit before Tax	143,596	174,902	(18)	252,058	256,277	(2)
Taxation	(20,066)	(17,087)	17	(35,002)	(28,117)	24
Profit Attributable to Ordinary Shareholders	123,530	157,815	(22)	217,056	228,160	(5)
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	11.07	14.14		19.44	20.44	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Statements of Comprehensive Income

	3 months ended 30th September		6 months ended 30th September	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Consolidated				
Profit for the period	325,565	246,431	575,052	459,406
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other Comprehensive Income / (Expenses) to be reclassified to profit or loss in subsequent periods				
Share of Other Comprehensive Income of Associate	-	-	-	-
Translation of Associate using foreign functional currency	8,583	15,979	10,152	19,859
Other comprehensive income for the period	8,583	15,979	10,152	19,859
Total comprehensive income for the period	334,148	262,410	585,204	479,265

Attributable to

Equity Holder of the Parent Company	219,482	173,999	381,859	310,675
Non Controlling Interest	114,666	88,411	203,345	168,590
	334,148	262,410	585,204	479,265

	3 months ended 30th September		6 months ended 30th September	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Company				
Profit for the period	123,530	157,815	217,056	228,160
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income / (Expenses) to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	123,530	157,815	217,056	228,160

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 Rs. '000			
Consolidated						
Balance as at 31st March 2018	220,262	219,250	654,136	75,605	650,977	1,820,230
Profit for the period	-	-	290,816	-	168,590	459,406
Other Comprehensive Income	-	-	-	19,859	-	19,859
Total Comprehensive Income	-	-	290,816	19,859	168,590	479,265
Dividend paid by Subsidiary companies to outside shareholders	-	-	-	-	(85,827)	(85,827)
Balance as at 30th Sep 2018	220,262	219,250	944,952	95,464	733,740	2,213,668
Balance as at 31st March 2019	220,262	219,250	1,027,015	101,728	804,210	2,372,465
Profit for the period	-	-	371,707	-	203,345	575,052
Other Comprehensive Income	-	-	-	10,152	-	10,152
Total Comprehensive Income	-	-	371,707	10,152	203,345	585,204
Balance as at 30th September 2019	220,262	219,250	1,398,722	111,880	1,007,555	2,957,669

	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit Rs. '000	
Company				
Balance as at 31st March 2018	220,262	219,250	739,954	1,179,466
Profit for the period	-	-	228,160	228,160
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	228,160	228,160
Balance as at 30th Sep 2018	220,262	219,250	968,114	1,407,626
Balance as at 31st March 2019	220,262	219,250	989,769	1,429,281
Profit for the period	-	-	217,056	217,056
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	217,056	217,056
Balance as at 30th September 2019	220,262	219,250	1,206,825	1,646,337

Consolidated Segmental Information

	Turnover		Profit / (Loss) before Tax		Total Assets		Total Liabilities	
	For the 6 months period ended		For the 6 months period ended		As at 30th Sep	As at 30th Sep	As at 30th Sep	As at 30th Sep
	30th Sep 2019	30th Sep 2018	30th Sep 2019	30th Sep 2018	2019	2018	2019	2018
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	24,366	24,556	288	(195)	51,576	52,629	17,883	19,611
Latex Based Segment	1,980,600	1,851,668	415,047	348,634	2,577,130	2,389,431	1,054,532	1,346,832
Hard Rubber Segment	806,661	694,897	252,058	256,277	1,881,650	1,685,080	235,313	277,454
	2,811,627	2,571,121	667,393	604,716	4,510,356	4,127,140	1,307,728	1,643,897
Adjustment for Inter Group Transactions	(15,545)	(13,319)	1,359	(55,312)	(276,779)	(353,863)	(31,820)	(84,288)
	2,796,082	2,557,802	668,752	549,404	4,233,577	3,773,277	1,275,908	1,559,609

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

Cash Flow Statements

	Consolidated		Company	
	For the 6 months period ended		For the 6 months period ended	
	30th Sep 2019	30th Sep 2018	30th Sep 2019	30th Sep 2018
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Group Profit before Tax and Non-Controlling Interest				
From Continuing Operations	668,752	549,404	252,058	256,277
Loss from discontinued Operations	(30)	(30)	-	-
Adjustment to reconcile profit before tax to net cash flows	49,864	65,075	(3,804)	(53,724)
Operating profit before working capital changes	718,586	614,449	248,254	202,553
Changes in Working Capital adjustments	(814,794)	179,379	(372,809)	(169,293)
Cash generated from/(used in) operations	(96,208)	793,828	(124,555)	33,260
Interest Paid	(6,286)	(15,309)	(1,377)	(1,858)
Income Tax Paid	(121,888)	(47,661)	(36,464)	(17,545)
Defined Benefit plan costs paid	(5,977)	(2,041)	(2,099)	(2,041)
Net cash flows from / (used in) Operating activities	(230,359)	728,817	(164,495)	11,816
Net cashflows from / (used in) investing activities	54,382	(412,712)	91,441	(18,758)
Net cash inflow / (Out flow) before financing	(175,977)	316,105	(73,054)	(6,942)
Net cash flows from / (used in) financing activities	(52,795)	(20,472)	-	80,108
Net Increase / (Decrease) in cash and cash equivalents	(228,772)	295,633	(73,054)	73,166
Cash and cash equivalents at the beginning of the period	540,040	(217,187)	547,922	215,659
Cash and cash equivalents at the end of the period	311,268	78,446	474,868	288,825
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	550,168	364,942	474,868	292,507
From Discontinuing operations	50	108	-	-
	550,218	365,050	474,868	292,507
Bank Overdraft	(238,950)	(286,604)	-	(3,682)
	311,268	78,446	474,868	288,825

Figures in brackets indicate deductions.

The above figures are subject to audit.

Notes to the Financial Statements

1 The figures given above for the six months ended 30th September 2019 and 30th September 2018 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the six months ended 30th September 2019 have been prepared in accordance with LKAS 34, Interim Financial Reporting.

These Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2019.

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended 31st March 2019.

SLFRS 9 and SLFRS 15 became applicable for financial periods beginning on or after 1st January 2018. The Group adopted SLFRS 9 and SLFRS 15 using the modified retrospective method.

However, Group previously presented the Interim Financial Statements for the period ended 30th September 2018 by applying LKAS 39 – “Financial Instruments-Recognition and Measurement” permitted by the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by CA Sri Lanka. Therefore, the comparative Financial Statements for the period ended 30th September 2018 is reported under LKAS 39 and is not comparable to the information presented for Interim Financial Statements for 30th September 2019.

SLFRS 16-Leases, is effective from the financial periods beginning on or after 1st January 2019. The Group is in the process of assessing the impact on the adaptation of SLFRS 16.

The provisions of the 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 confirm to the current presentation. The figures in brackets indicate deductions.

3 Stated Capital

	As at 30.09.2019	As at 31.03.2019
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 Market Capitalization

	As at 30.09.2019	As at 31.03.2019
Market Capitalization (Rs '000')	2,478,351	2,366,714
Float adjusted Market Capitalization (Rs '000')	399,015	381,041
Price Earnings Ratio (times)	6.67	5.03
The company complies with option 02 of the listing rules 7.13.1(b) - Less than Rs 1 Bn float adjusted market capitalization.		

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 2019.

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

7 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 30.09.2019, approved by the board are as follows.

	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Contracted but not provided for	-	131,982	-	-
Approved but not contracted for	-	213,167	-	-
	<u>-</u>	<u>345,149</u>	<u>-</u>	<u>-</u>

Lease Commitments

	Group			
	2019 Rs.'000	2019 USD	2018 Rs.'000	2018 USD
Within one year	5,449	29,910	5,067	29,910
After one year but not more than five years	21,796	119,640	20,267	119,640
More than five years	325,662	1,787,585	306,513	1,809,403
	<u>352,907</u>	<u>1,937,135</u>	<u>331,847</u>	<u>1,958,953</u>

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

9 Net asset value per Share

	30th Sep 2019 Rs.	30th Sep 2018 Rs.	31st March 2019 Rs.
Consolidated (in Rs.)	174.68	132.56	140.48
Company (in Rs.)	147.47	126.09	128.03

10 Market Price Per Share

	30th Sep 2019 Rs	30th Sep 2018 Rs	31st March 2019 Rs.
Highest for the Quarter / Year (in Rs.)	227.00	170.00	248.00
Lowest for the Quarter / Year (in Rs.)	196.00	160.00	201.20
Last Traded Price for the Quarter / Year (in Rs.)	222.00	163.80	212.00

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

Shareholder Information

1. Major Shareholders as at 30th Sep 2019

	<u>As at 30th Sep 2019</u>		<u>As at 31st March 2019</u>		<u>Change</u>
	No of Shares	Holding %	No of Shares	Holding %	
1 Richard Pieris & Company Plc.	9,366,027	83.90%	9,366,027	83.90%	-
2 Mr.D.F.G.Dalpethado	93,608	0.84%	46,184	0.41%	47,424
3 Mr. P.Vijendran	60,000	0.54%	60,000	0.54%	-
4 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
5 Mr.K.A.S.R.Nissanka	50,000	0.45%	52,897	0.47%	(2,897)
6 Mr. A.A.A.Noorudin	50,000	0.45%	50,000	0.45%	-
7 Mr.C.Ramachandran	50,000	0.45%	50,000	0.45%	-
8 J.B.Cocoshell (Pvt) Ltd	48,343	0.43%			48,343
9 Ransiri Enterprises (Pvt) Ltd	42,100	0.38%	42,100	0.38%	-
10 Mr.S.Abishek	41,000	0.37%	40,000	0.36%	1,000
11 Union Investments (Pvt) Ltd	40,600	0.36%	40,600	0.36%	-
12 Mrs.V.Saraswathi	35,174	0.32%		0.00%	35,174
13 Mr. M.S.P.Fernando	34,048	0.30%	34,048	0.30%	-
14 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,000	0.27%	-
15 Mr.M.Naizer	28,308	0.25%	28,008	0.25%	300
16 Mr. N.A.Withana	25,000	0.22%	25,000	0.22%	-
17 Mrs M. Y. Amerasinghe	21,998	0.20%	21,998	0.20%	-
18 Mr.H.A. Pieris	20,931	0.19%	20,931	0.19%	-
19 Mr.R.C.Wijesena	20,550	0.18%			20,550
20 Mr Pathige	20,000	0.18%			20,000
Total	10,131,086	90.75%	9,961,192	89.23%	169,894

2. Public & Parent Shareholding

As at 30th Sep 2019, the public held 16.10% (2018: 16.10%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 83.90%. (2018-83.90%).

As at 30th Sep 2019 no of public holders are 1,614 (2018 : 1,538)

The Ordinary Voting Shares of Richard Pieris Exports PLC have been transferred from Main Board to the Diri Savi Board of the CSE , with effect from 07th July 2017.

3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 30th Sep 2019	No of Shares as at 31st March 2019
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
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

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