92

Touching lives Years

Since 1932

RICHARD PIERIS & COMPANY PLC | ANNUAL REPORT 2023/2024

ARPICO

Contents

www.arpico.com

92

Touching Lives Years

Since 1932

As a legend in Sri Lankan industry, our story has been filled with hard work, and a commitment to maintaining and elevating our standards. This year, we continue to place importance on the upliftment and empowerment that we provide; through our business and through our growth, which ensures that we continue to touch more lives as we have done over the last 92 years.

Our Core Business

RETAIL SECTOR

Our Retail sector offers a comprehensive range of Household, FMCG, Furniture and Electronics. Arpico retail stores also provide unimaginable convenience with bank service points, ATMs, credit card and mobile bill payment facilities for a truly one-stop shop experience.

TYRE SECTOR

Our Tyre sector has built up a reputation as the most high quality and reliable Tyre leader in Sri Lanka. As the largest in the business, we are committed to introducing tyre innovations to the market, Solid Tyres being the latest breakthrough innovation.

PLASTICS, FURNITURE & ELECTRONICS SECTOR

Our Plastic and Furniture sector has established its credentials as a household name in manufacturing and distributing Mattresses, Water tanks, Plastic furniture, Cushions and Sheets, Rigifoam products, PVC Pipes and Fittings, Vinyl mats, day-to-day consumer durables, as well as industrial and domestic Rubber products and Water pumps. The Furniture operation focuses on manufacturing Sofas, Panel furniture and Wooden furniture for an end-to-end portfolio. The sector promotes the eco- friendly ‘Green Gas’ concept, advocating for a cleaner energy system.

RUBBER SECTOR

Our Rubber sector manufactures Mattresses, Pillows, Rubber Rings, Crutch tips, Shoe soles and Jar rings along with specialty items such as Fire Retardant mats, Electrical safety mats and Anti-static mats. This sector mainly caters to the export market while some products are sold locally. The Arpico Organic Latex Foam (certified by Global Organic Latex Standards), is an exciting product we launched.

PLANTATION SECTOR

Our Plantation sector, famed in Sri Lanka and overseas, has vast acres of land abundant with Tea, Rubber, Oil palm, Coconut and Spices. We are also the largest Tea/Rubber producer in the country. Our brand of St. Clair's Tea is popular both internationally and domestically.

FINANCIAL SERVICES AND OTHER SECTORS

Our Financial services sector, which inspire trust and confidence, spans Insurance, Finance, Stock Broking, Margin Trading and a Logistics arm. Clients can avail of a variety of products such as Fixed Deposits, Savings Deposit, Leasing, Hire Purchase, Term Loans and Islamic Finance, while the portfolio of the Insurance arm includes Endowment, Term Assurance, Education, Hospitalisation, Investment, Group Assurance and Loan protection plans. RPC Logistics Limited, the Logistics arm of the Group, offers integrated logistics solutions both locally and internationally.

Vision and Mission

Vision

To be a market driven, technologically oriented diverse group.

We will organise and operate to continually focus on exceeding the expectations of our customers, whilst excelling in profitability and we will attract, develop and retain talented people to ensure the continued growth and viability of all our business ventures.

Mission

To continually exceed the expectations of our customers.

To optimize the contribution from our employees by providing career and personal development opportunities, thereby creating an atmosphere that would motivate and internalise employee aspirations with corporate objectives.

To provide a satisfactory return to shareholders whilst retaining sufficient funds for reinvestment, thereby enhancing corporate wealth.

To ensure continuous growth by the planned expansion and diversification of business activities.

To continually strive for the upliftment of our community whilst adhering to high ethical standards in business.

Our History at a Glance

1932
2024

One of the largest and most diversified conglomerates in the country, Richard Pieris and Company boasts of a footprint extending from manufacturing to retail, to plantation management and financial services, generating value across the national economy.

The long and rich history of the Company gives an insight into its resilience and innovation. The Company originated as a commission agents, general import and export merchants and dealers in estate supplies', within the British colonial backdrop where all major trade and economic activities were controlled by British principals.

The Company was one of the pioneers of home-grown Sri Lankan businesses in the colonial times. The newly-formed Company's first business venture was a filling station and within the first seven years of commencing business operations, revenues grew by more than 400%. In 1940, the business was converted into a limited-liability Company with the founding partners as Directors. The issued share capital of Rs. 50,000 was substantial for its day, and the new Company boasted 70 employees. The World Wars presented another growth opportunity for this emerging conglomerate. The Company witnessed a rapid increase in demand for natural rubber, which had become a precious commodity to sustain allied military operations.

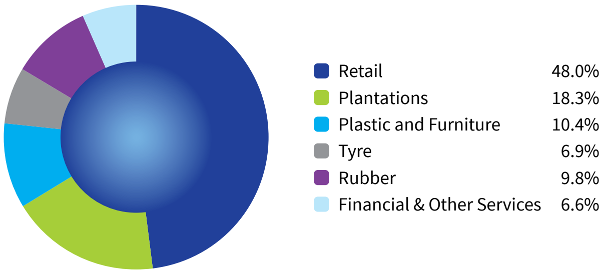
Responding to the demand, Richard Pieris and Company launched a tyre rebuilding business to meet the increasing demand for tyres for military vehicles. This first manufacturing venture was an instant success that continues to remain an exceptionally successful business venture to date, with the Arpico and Arpidag brands continuing to retain leadership status in the domestic tyre sector.

As one of the most enduring, stable and profitable corporate entities in the country for 92 years, Richard Pieris and Company PLC have enhanced people's lifestyles and given them the 'Arpico' brand to love and be proud of.

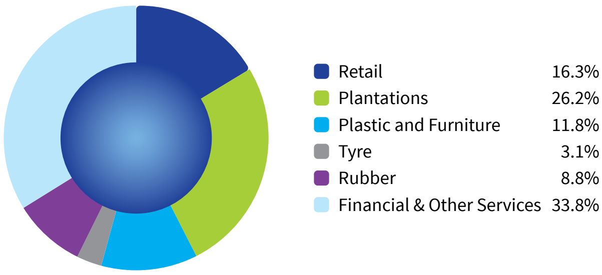
Financial Highlights

	2023/2024 Rs.'000	2022/2023 Rs.'000
Revenue	73,859,225	79,193,785
Profit from operations	3,817,296	11,718,875
Profit before tax from continuing operations	2,191,494	9,344,490
Income tax expense	(1,164,932)	(3,116,789)
Profit for the year from continuing operations	1,026,562	6,227,701
Profit for the year	1,023,732	6,225,588
Profit attributable to equity holders of the parent	572,872	4,978,844
Total assets	92,917,697	87,498,735
Shareholder funds	24,632,018	24,536,837
Market capitalisation	41,718,285	42,125,292
Total value addition	19,536,024	27,202,787
Per Ordinary Share		
Earnings (Rs.)	0.28	2.45
Net assets (Rs.)	12.10	12.06
Market value (Rs.)	20.50	20.70
Ratios		
Return on equity (%)	2.33	21.02
Interest cover (No. of times)	2.20	4.44
Dividend payout	1.78	0.29
Gearing ratio (%)	46.03	45.54
Price Earnings (No. of times)	73.21	8.45
Dividend per share (Rs.)	0.50	0.70
Dividend Cover (No. of times)	0.56	3.50
Current Ratio (No. of times)	1.07	1.09

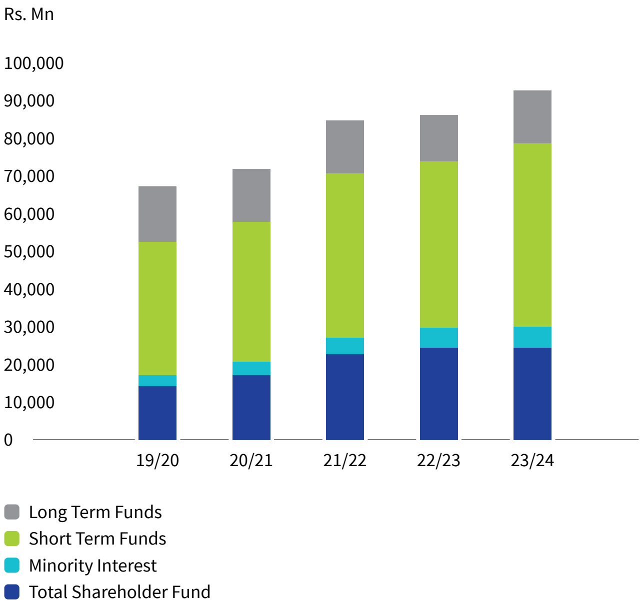
Group Turnover Composition



Segmental Assets



Capital Structure



Chairman's Review

Dear Valued Shareholders,
I welcome you to the Annual Report and the Audited Financial Statements of Richard Pieris and Company PLC for the year ended 31st March 2024. The Company navigated an uncertain macroeconomic landscape throughout the year, showcasing resilience and adaptability to the challenges and constantly changing market environment. However, the Company experienced critical hurdles to its performance during the fiscal year leading to a considerable decline in profitability compared to the previous financial year.

Although the uncertain macroclimate presented at the onset of the financial year created obstacles for the Group performance, the latter part of the year showcased an improved economic landscape creating a conducive environment for businesses. In this environment, all sectors continue to consolidate as the economy stabilizes. Consequently, the Group was able to deliver a resilient financial performance in the first quarter of fiscal year 2024/25. This performance is a clear reflection of our dedication to sustaining product and service excellence leveraging our strong brand reputation, capabilities and prudent strategies in driving growth and creating value for the stakeholders.

"Although the uncertain macroclimate presented at the onset of the financial year created obstacles for the group performance, the latter part of the year showcased an improved economic landscape creating a conducive environment for businesses."

Group Performance
One of the critical obstacles to our progress was the high tax regime during the period that contributed to a drop in people's disposable income. This created a decline in demand for products in certain segments. The highly competitive market landscape also posed a challenge for the general product range. On the other hand, the Group's export segment was also adversely affected owing to the negative economic outlook, geopolitical conflicts and the high cost of raw material. Import restrictions implemented as a fiscal policy measure to maintain economic control also weigh on Group performance.

The decline in profitability underscored the necessity for prudent strategic intervention, cost control measures and substantial operational improvements. Despite the impediments and decline in profitability, certain sectors in which we operate in continue to maintain performance. The Plantation sector reported an operating profit of Rs. 3.5 Bn, making it the Group's largest contributor to profitability. The Retail sector, the strong and vital arm of the Group, was the second-highest contributor to the Group's profitability, reporting an operating profit of Rs. 1.6 Bn. While the Plastics, Furniture and Electronics sector reported an operating profit of Rs.587 Mn during the period under review, the Tyre sector made an operating profit of Rs. 522 Mn.

The Group navigated a volatile operating landscape demonstrating resilience and adaptability during the period, which is reflected across all the sectors in which we operate in. Hence, following the economic stabilization towards the latter part of the financial year, all sectors continue to effectively utilize their resources to return to normal business conditions.

While remaining agile in the constantly evolving market landscape, we were able to steer the Group ahead in delivering value to all our stakeholders. Our strategies were consistently revisited and adjusted to sustain our competitive advantage while ensuring cost optimization to minimize financial impact.

Our Employees
I commend the tireless effort and commitment of our employees in maintaining our market position at a time when industries were faced with multifaceted challenges. As a result, we were able to stay focused on our growth objectives, crafting products to meet the evolving customer preferences across all our sectors. Our valued employees were instrumental in sustaining our customer-centric approach and building closer connections with customers and various other stakeholders. In appreciation of employee contribution, we consistently make an effort to support their training and development through exposure to learning and development opportunities in addition to ensuring their work-life balance to sustain their motivation and job satisfaction.

Focus on Sustainability

Considering our larger responsibility as a corporate, we continue to embrace the concept of sustainability, incorporating its essence into our business activities. As such, we have adopted plant-based sustainability approaches in our production processes and are in compliance with all required regulatory measures.

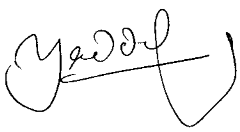
Way Ahead

Moving forward, we remain optimistic about the period ahead considering the improvements in the macroeconomic environment witnessed towards the latter part of the financial year. While we anticipate harnessing new opportunities arising from the improved business landscape, we will also actively work on cost control and strive to achieve an optimal level of efficiency.

Further, we are in the process of commissioning second plants for the Foam Rubber sector as well as PU mattress business in the financial year 2024/2025 to enhance production capacity. However, the proposed wage increase for plantation workers may reduce the profitability of plantation operations. Hence, we hope that the wage increase will be based on a productivity-based system to benefit both parties in the coming years.

Appreciation

On behalf of the Board, I wish to extend my sincere thank you to our customers, shareholders, business partners and suppliers for their continued support. I would like to express my heartfelt gratitude to my fellow Board members and management teams for their leadership and wise counsel in steering the Company ahead amidst a tumultuous environment. In conclusion, I extend my warmest thanks to stakeholders of Richard Pieris Group who contributed to the growth of the organization.



Dr. Sena Yaddehige
Chairman/CEO/MD

28 August 2024

"Moving forward, we remain optimistic about the period ahead considering the improvements in the macroeconomic environment witnessed towards the latter part of the financial year."

Board of Directors

01

02

03

04

05

06

07

08

Board of Directors

01

Dr. Sena Yaddehige

Chairman/Managing Director/Chief Executive Officer

The business legacy of Dr. Sena Yaddehige spans not only time but also the depth of multiple industries and sectors. Renowned as a pioneer in the field of engineering and as a revered global business icon, Dr. Yaddehige is also a Swiss-based industrialist, with numerous ventures in multiple countries.

Under the leadership of Dr. Yaddehige, Richard Pieris Group has evolved into one of the leading diversified business conglomerates in Sri Lanka with the footprint extending from manufacturing, to exports, to retail, to plantations, to financial services, creating value across the national economy in multiple sectors. Dr. Yaddehige also served as a Director on the Board of the National Development Bank PLC (NDB) from 2007 to 2010.

As a businessman and industrialist with wide global recognition, his companies are established in the USA, UK, Germany, and Singapore. In addition, Dr. Yaddehige is also the founding Managing Director of a European manufacturing firm, which develops and exports automotive components and systems, which are based on his innovations and conceptions.

His repertoire of innovations and developments includes contactless sensor technology and drive by wire systems. Furthermore, as a radiation specialist, Dr. Yaddehige is also the creator of several other technologies and components in radiation processing, for which he owns several patents from around the world. Locally, he holds the patent for slow release fertiliser, which provides relatively better results than quick release fertilisers while being a safer alternative for the environment. Dr. Yaddehige also pioneered the development unit for lithium batteries in Sri Lanka.

Apart from his professional and scientific accolades, he was awarded with three doctorates, one of which is a Doctor of Science (D.Sc.), awarded as a high commendation for his original findings and research in radiation, radiation processing, Electromechanical sensor technology, Non-contact sensor technology, and automotive pedal systems, and as recognition of his patents in these respective arenas.

02

Mr. Viville Perera

Director

Mr. Viville Perera is a Science graduate from Kelaniya University with Second Class Honours and is a Fellow Member of the Chartered Institute of Management Accountants and an Associate Member of the Chartered Institute of Marketing in the United Kingdom. Mr. Perera has over 33 years' experience in senior managerial capacities in leading business organizations such as Associated Newspapers of Ceylon Limited, Middleway Ltd. (Ceylinco Group), Amico Group of Companies, and Alliance Finance Co. PLC.

He served as Treasurer from 1992 to 1997 and Vice President from 1999 to 2002 of the Sri Lanka Institute of Packaging. Mr.Perera represented Richard Pieris and Company PLC as an Ex-Co member from 2011 to 2020 and was the Deputy Vice Chairman for 2018/19 and 2019/20 of the Industrial Association of Sri Lanka, an affiliated trade association under the aegis of the Ceylon Chamber of Commerce. He is also the Chairman of Arpico Insurance PLC and is on the Board of Directors of several companies in the Richard Pieris Group.

03

Mr. E P I Fernando

Director

Mr. E. P. I. Fernando brings over 37 years of management experience, all of which is in foreign and local banks specializing in operational management, retail and institutional banking. He began his career at ANZ Grindlays and thereafter moved to Standard Chartered Bank, where he held various senior positions, including head of retail products and business development. He also worked at Pan Asia Bank PLC as the Head of Institutional Liability Sales. His leadership roles over decades in multiple functions of operations, marketing, and strategy led to strengthened business and contributed to significant growth in the organizations he served.
His contribution and expertise have also been extended through many institutional and government bodies. Mr. Fernando served as the Chairman/CEO of the Vocational Training Authority (VTA). He has also served as a board member of the National Apprentice and Industrial Training Authority (NAITA), the Board of the Tea Research Institute of Sri Lanka, the Export Development Board (EDB) and the Industrial Development Board (IDB). He was also a committee member of the National Sports Council and the Advisory Council of the Sri Lanka Export Development Board. Mr. Fernando also served as a Board Director of Richard Pieris Securities and Namunukula Plantations PLC.

04

Mr. Shaminda Yaddehige

Director

Mr. Shaminda Yaddehige is an Executive Director and also the Chief Operating Officer of the Company. Mr. Yaddehige was educated at Charter House-United Kingdom and graduated in Chemical Engineering from University College London.
In addition, he also possesses a Masters Degree in Business Administration from IE Business School, which is ranked amongst the top 10 business schools in the world.

Mr. Yaddehige worked as a Management Consultant at Pricewaterhouse Coopers - UK and also at the world renowned international ultra high net worth banking giant, Credit Suisse of Switzerland. He has extensive experience in international marketing and has built a very strong marketing network in Europe.

Mr. Yaddehige has been in the Directorate of Richard Pieris Exports PLC, Richard Pieris Natural Foams Limited, Richard Pieris Distributors Limited and also in several other companies within the Richard Pieris Group.

05

Dr.Jayatissa de Costa P.C.

Director

Dr.Jayatissa De Costa LL.B. (Cey), LL.M. (Lond), Ph.D (Colombo) is a President's Counsel. He was admitted to the Legal Profession in Sri Lanka in January 1971 and has an unbroken practice of more than 52 years at Bar specializing in Civil Matters. In addition, he has held numerous positions both in the Public Sector and Private Sector including the Chairmanship of the Public Utilities Commission of Sri Lanka and membership of the Law Commission. He was also the Principal of Sri Lanka Law College. Dr.Jayatissa De Costa had functioned as a Law Lecturer in a number of universities both at home and abroad and has published a large number of books in Law. He had his education at Dharmapala Vidyalaya, Pannipitiya, London School of Economics and Political Science, School of Oriental and African Studies and Kings' College, University of London.

06

Mr. J Felix Fernandopulle

Director

Mr. Fernandopulle is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and of the Institute of Certified Management Accountants of Sri Lanka.

He is the Managing Director of Mahaweli Coconut Plantations PLC,where he also worked in the capacity of Finance Director and was the former Chairman of Richard Pieris Finance Ltd. He is also a Director of the National Credit Guarantee Institute Ltd.

He served on the Board of Chilaw Finance PLC after the takeover by Richard Pieris Finance Ltd until the merger. He has served as a Director of the Coconut Development Authority and Coconut Research Institute and has also served on the Advisory Committee on Coconut at the Ministries of Plantation Industries and Coconut Industries. He has represented Sri Lanka's Desiccated Coconut Manufacturers Association at the Asian & Pacific Coconut Council.

07

Mr. Shiron Gooneratne

Director

Mr. Shiron Gooneratne is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds an MBA from the University of Leicester, United Kingdom.

Mr. Gooneratne brings a wealth of experience, both from Sri Lanka and overseas. Having trained at Ernst and Young, he has held the positions of Finance Director - GlaxoSmithKline Consumer Healthcare, Chief Financial Officer of Sri Lanka Telecom PLC, Chief Financial Officer of Dilmah Ceylon Tea Company PLC, and Group Chief Financial Officer / Executive Director of Richard Pieris & Company PLC. Currently, he functions as a Non-Executive Director of Richard Pieris & Company PLC.

08

Mr. Wasantha Abeysirigunawardena

Director

Mr. Wasantha Abeysirigunawardena is a Rubber Technologist holding a Masters in Polymer Science & Technology with over 43 years' experience in the rubber products manufacturing industry. His long associations with Richard Pieris Group count over 35 years and his contributions to product development have been highly acclaimed, winning him a Merit Award from The Plastics and Rubber Institute for the significant contribution he made towards the development and growth of the polymer industry in Sri Lanka.

He is the CEO of Richard Pieris Exports PLC and is also a director of numerous other companies in the Group. He is an Associate Member of The Institute of Materials in London and also a Member of The Institute of Incorporated Engineers in Sri Lanka. He has also been conferred with a Graduateship in Mechanical Engineering from The City and Guilds Institute, London.

Retail Sector

Our Retail sector is involved in the sale of a wide array of FMCG, household goods, furniture and electronic goods, while also providing value-added services, such as bank service points, ATMs, credit card and mobile bill payment facilities, and delivering a unique shopping experience to customers.

Our Business ▹ Retail sector

The Retail sector, a strong and very important arm of the Richard Pieris Group, comprises of 4 entities: Richard Pieris Distributors Ltd, Arpimalls Development Company (Pvt) Ltd, RPC Retail Development Company (Pvt) Ltd and RPC Real Estate Development Company (Pvt) Ltd. The primary objective of the sector is to manage and administrate the renowned chain of supermarkets under the 'Arpico' brand name. Despite the numerous challenges faced during the year in review, the retail sector continued to be one of the significant contributors to the overall revenue and profits of the Group.

The growing intense competition and the challenging macro-economic environment decelerated the expansion plan of the Retail sector. However, the Arpico Brand of supermarkets maintained its dominance in the industry providing superior quality wide range of products coupled with excellent customer service.

Richard Pieris Distributors Ltd.

Richard Pieris Distributors Limited currently manages a total of 22 Supercenters, 9 Superstores, 26 Arpico Daily outlets, and 11 showrooms. The Retail chain continues to be a go-to destination for customers which provides family shopping experience, offering a wide assortment of Fast Moving Consumer Goods (FMCG), General Merchandise, Furniture, Mattresses, Bakery, Pharmacy and Electronic products. With the diverse product range, the Company provides customers with the convenience of shopping for all their needs under one roof.

One of the key differentiating factors of Arpico Supercenters and Superstores is the abundant retail space and ample parking, ensuring an unmatched and comfortable shopping experience for the customers. In addition to the core offerings, the Company has introduced several added facilities such as

banking services, utility bill payments, restaurants, and laundry kiosks. These supplementary services enhance customer convenience and contribute to a comprehensive retail experience.

During the year under review, Richard Pieris Distributors Limited enhanced the customer experience by upgrading some of its outlets. These paved way the Company to provide greater customer shopping experience. Furthermore, the Company has been dedicated to improving the interior and exterior of the existing outlets, incorporating innovative trends and designs into the retail spaces. By continuously enhancing the stores, the Company aims to provide an engaging and modern shopping environment for customers.

As a socially responsible organization, Richard Pieris Distributors Limited remains committed to implementing green initiatives in the operations, aligned with global sustainability standards. The Company believes in taking proactive measures to minimize the environmental impact and contribute to a greener future.

Despite the intense competition and adverse macro-economic factors, Richard Pieris Distributors Limited has continued to prioritize customer satisfaction. Under the theme, “Shop Smart, Save More” the Company introduced attractive promotions and campaigns to customers, ensuring they receive value for their purchases while maintaining their loyalty. The Company embarked on using digital platforms to reach out to its consumers at large.

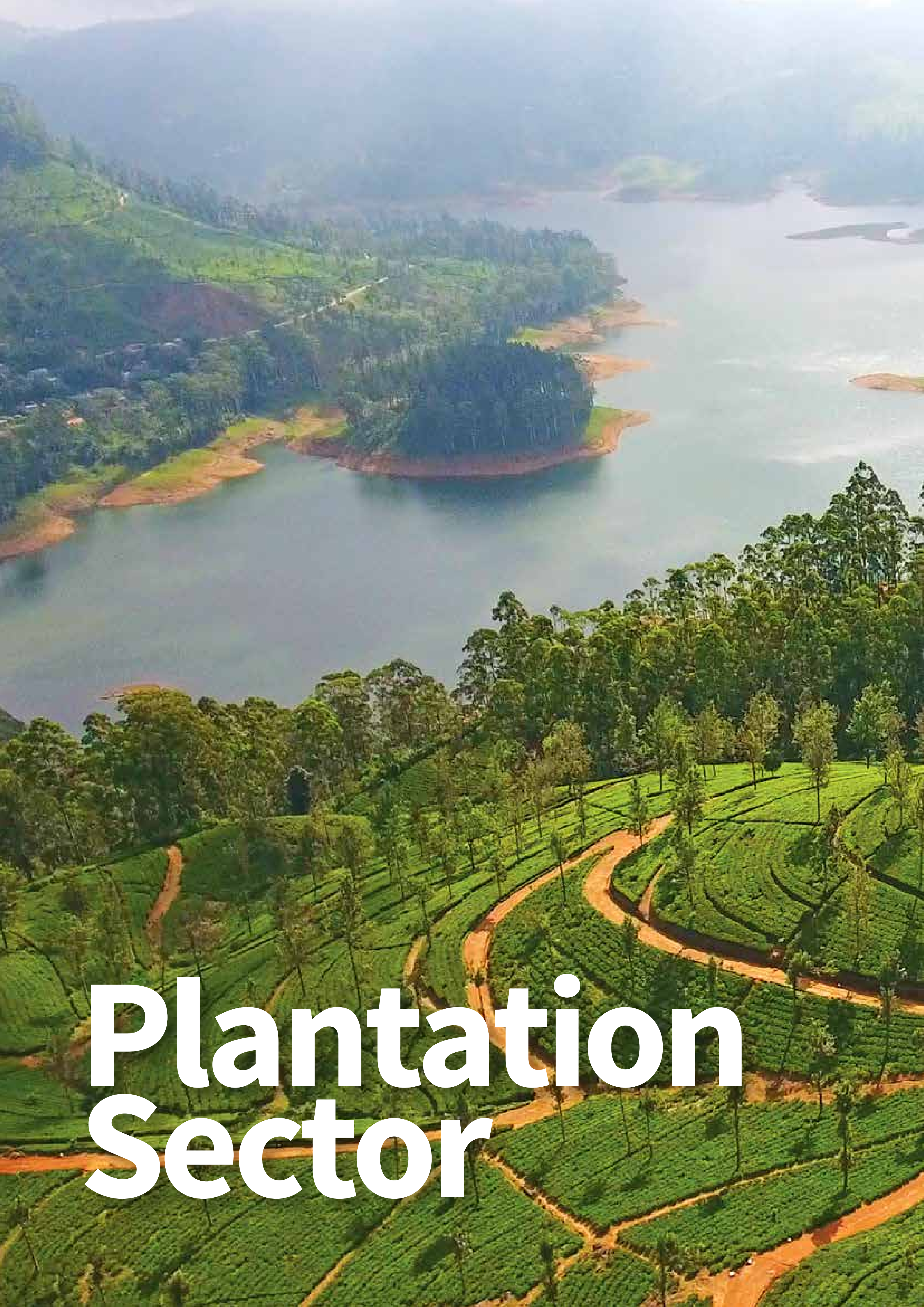
The Company has taken various initiatives to improve the fresh produce category and focused on providing products of utmost quality and freshness aligned with international trends. State-of-the-art cool room facilities are integrated within the infrastructure to preserve the quality and freshness of fresh produce.

Throughout the year, the Company has achieved significant milestones and implemented strategic initiatives to enhance the retail experience for our valued customers.

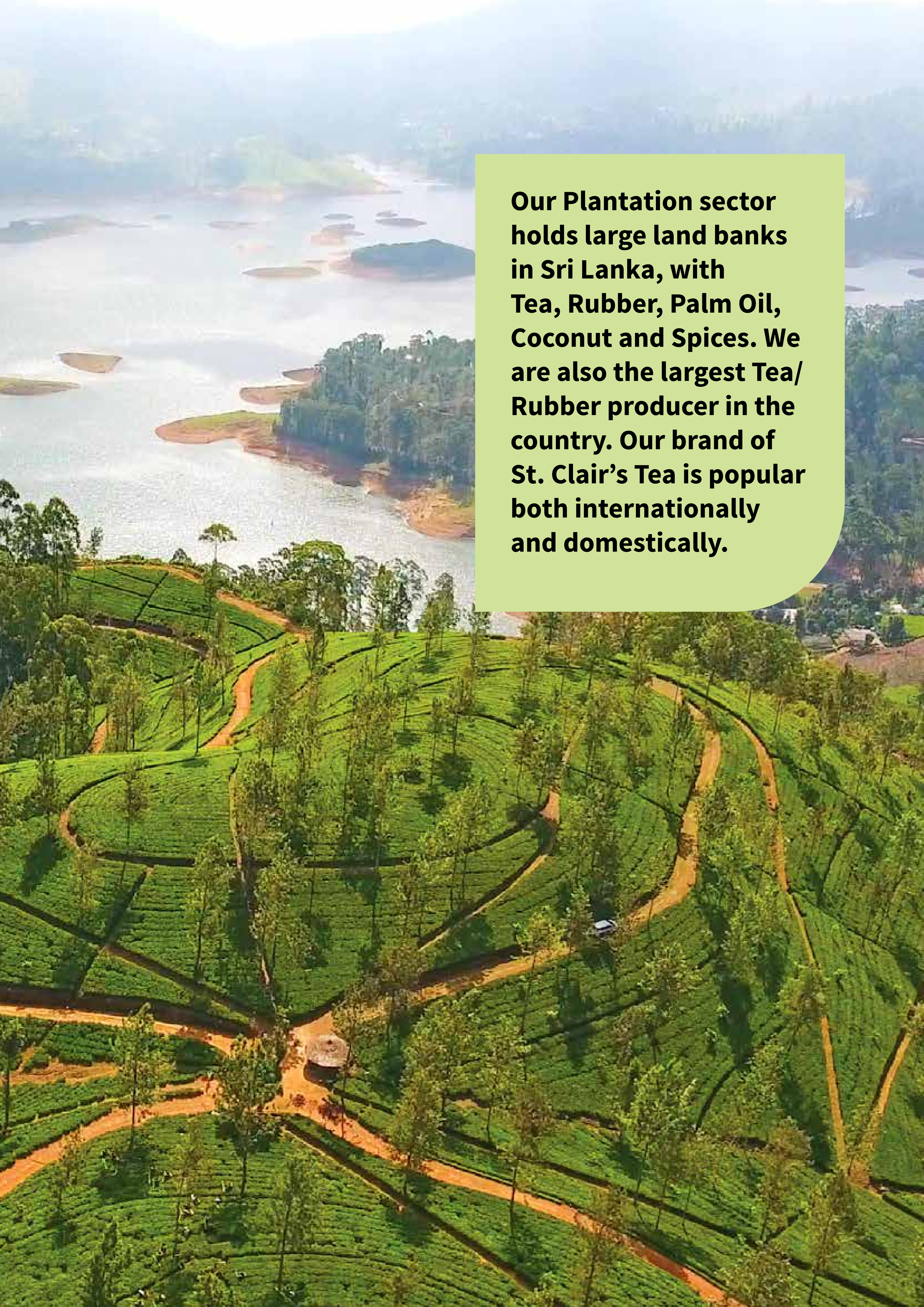
Arpimalls Development Company (Pvt) Ltd.
Arpimalls Development Company (Pvt) Ltd. owns the two large Arpico Supercentres in Battaramulla and Dehiwela operated by Richard Pieris Distributors Ltd. The Company continued its profit making record during the year under review.

RPC Retail Developments (Pvt) Ltd.
RPC Retail Developments (Pvt) Ltd. owns the two large Arpico Supercentres in Negombo and Kadawatha and has continued recording profits in the year under review.

RPC Real Estate Development Company (Pvt) Ltd.
RPC Real Estate Development Company (Pvt) Ltd. owns the Arpico Supercentre in Kandy. The Company also continued its profit making track record in the year under review.



Plantation Sector



Our Plantation sector holds large land banks in Sri Lanka, with Tea, Rubber, Palm Oil, Coconut and Spices. We are also the largest Tea/ Rubber producer in the country. Our brand of St. Clair's Tea is popular both internationally and domestically.

Our Business ▹ Plantation Sector

During the year under review, the sector recorded the highest profit contribution to the Group profit, despite the challenges that were faced. Whilst the effects of the global pandemic were waning off, the country continued to go through economic difficulties. The prohibitions on importing fertilizer and weedicide were removed during the year which is greatly welcomed by the industry.

The Plantation sector had to continue bearing a higher cost of raw materials and other inputs such as fuel and chemicals.

The prices in the Colombo Tea Auctions increased significantly during the period under review. The Plantation sector recorded a operating profit of Rs. 3.6 Bn.

The Plantation sector continued to enhance stakeholder value by consolidating its position focusing on enhancing the crop and diversifying into other crops. The initiative taken to plant coffee has progressed satisfactorily and the Company continues to expand its coffee extent in estates managed by all the three companies. Much of the cultivation has been on lands which had been unproductive for tea cultivation.

The sector takes a key interest in uplifting the living standard of the estate communities in the aspects of health, safety training and education and infrastructure development.

Certifications have been pivotal to reach premium customers and a significant portion of estates are internationally certified with quality standards such as HACCP, ISO:22000:2005/2018, ISO:9001:2015, Rainforest Alliance, Ethical Tea Partnership, Global Organic Latex Standard (GOLS) Certification Fair Trade and Forest Stewardship Council TM Certification.

Namunukula Plantations PLC

As the second-largest oil palm producer in the island, Namunukula Plantations PLC is one of the most diversified plantation companies in Sri Lanka, producing five main crops comprising Tea, Rubber, Oil Palm, Coconut and Cinnamon - with a total extent of 11,779 hectares in 18 estates located in Badulla, Kalutara, Galle and Matara districts.

The oil palm plantations of Namunukula Plantations are located in Kalutara, Galle and Matara areas, where the climatic conditions are ideal for growing oil palm.

The decision taken by the government banning the planting of oil palm without any scientific evidence has deprived the sector from progressing. Whilst repeated requests are made to the government to reconsider this decision, no change has taken effect to this date.

In view of the above, Namunukula Plantations PLC has taken a strategic decision to expand the cultivation of rubber and coffee and already established a nursery to meet the requirement of rubber plants for field planting.

Kegalle Plantations PLC

During the financial year the Company recorded a revenue of 3.9 Bn.

Both Tea and Rubber prices reduced. The crop also continued to decline and this could be attributed to the effects of the prohibition of import of fertilizer and chemicals as mentioned above. The Company is focusing on enhancing the crop adopting agriculture practices and fertilizing its fields.

The total output of Rubber was 3.3 Mn kg and this is below that of the prior year. The average annual rainfall in the region was 6,493 mm and this is well above that of the prior year. The Company remains the largest Rubber producer of the country.

The Company has a wide range of Rubber products such as Latex Crepe, Centrifuged Latex and Sole Crepe. The Company invests in increasing the production of Sole Crepe with the view to increase export revenue.

In optimizing and stabilizing against the fluctuating prices, the Company is seeking diversification of crops and to this end has invested in planting coffee.

Maskeliya Plantations PLC

Maskeliya Plantations PLC manages tea estates located in the Maskeliya, Upcot, Talawakelle and Bandarawela Regions.

During the year under review the Company was able to record a revenue of Rs. 6.3 Bn, an increase of 3% compared to the prior year. During the same period the crop increased by 23% and the costs too increased by 20%. The Company NSA declined by 18% compared to the last year but it was compensated by increased crop.

The teas produced in Maskeliya remain one of the top-quality teas sought by premium buyers all over the world. The Company continues to focus on maintaining Good Agricultural Practices, Good Manufacturing Practices and Good Human Capital Management Practices along with Total Quality Management systems. With these, most of the estates and factories have been accredited with certifications such as HACCP, The Ethical Tea Partnership, RA FLO and ISO 22000.


Rubber
Sector

Our Rubber sector, which mainly caters to the export market, is involved with products such as mattresses, pillows, latex rings, crutch tips, shoe soles and jar rings along with specialty items such as fire retardant mats, electrical safety mats and anti-static mats. We have also introduced new products such as Arpico Organic Latex Foam, certified by Global Organic Latex Standards (GOLS).

Our Business ▷ Rubber Sector

Macroeconomic Backdrop

Sri Lanka's macroeconomic backdrop in 2023/24 was characterized by significant challenges, including depreciation of the US Dollar, high inflation, and rising energy costs - all exacerbated by the aftermath of the COVID-19 pandemic and ongoing global economic uncertainties. The rupee's volatility against major currencies increased the cost of imported goods and raw materials, while surging energy prices added to production costs. Additionally, weakened global demand led to reduced export volumes, compounding economic strain.

Sector Performance

Richard Pieris Exports PLC (RPE) and Richard Pieris Natural Foams Limited (RPNF), part of the Richard Pieris Exports PLC Group, continued operations despite facing challenging conditions. Depreciation of the US Dollar and high energy costs were the two most severe challenges in the year. Group turnover dropped by 21% in 2023/24 due to subdued demand from export markets, which caused a decline in export volumes of hard rubber during the year.

While the US and Asia Pacific regions performed below expectations through most of the year, the Group anticipates improved volumes going forward. Proposed cuts in energy costs in Sri Lanka are expected to reduce overhead costs, and coupled with significant investments in the continuous sheeting line and the new RPNF latex plant to be commissioned in 2024/25, the next financial year should usher in greater profitability. Despite global economic challenges, sales volumes of hard rubber declined by 20%, although the latex segment saw a marginal 9% increase in volumes.

HARD RUBBER SEGMENT

Richard Pieris Exports PLC leads the industry as a pioneer in manufacturing and exporting high-quality rubber mats for diverse applications. Since its establishment in 1983, the Company has expanded its production to include a wide range of rubber products, such as food-grade jar sealing rings, crutch tips, rubber shoe soles, and specialized items tailored for markets in the US, Europe, and the Asia Pacific region.

Performance of Richard Pieris Exports PLC (RPE)
Richard Pieris Exports PLC, a subsidiary of Richard Pieris & Company PLC and the Group's first fully export-oriented company, witnessed a decline in revenue by 38% and a 20% drop in volume during the year under review. The unfavourable sales mix, exchange rate losses and high energy costs contributed to a decrease in profit. The ring business, typically the largest contributor, experienced a 19% decline, significantly impacting overall performance. Additionally, the mat business also saw a sales decline of 20%. The new continuous sheeting line facility will commence commercial operations in Q3 2024/25, enhancing manufacturing capacity and market reach.

LATEX SEGMENT

Richard Pieris Natural Foams (RPNF) Limited
Richard Pieris Natural Foams (RPNF) Limited, maintains its prominent role as a premier Sri Lankan manufacturer and exporter of latex foam blocks, sheets, and pillows crafted from natural and organic latex.

Performance of Richard Pieris Natural Foams (RPNF) Limited
The company manufactures natural latex foam products, including mattresses, toppers, pillows, and other items exported to North America, Europe, Canada, the Middle East, Australia, Southeast Asia, China, and India.

During the period under review, RPNF recorded a 12% drop in revenue from the previous year, amounting to Rs. 5,145 Mn in 2023/24, down from Rs. 5,870 Mn. Exchange rate losses contributed to this decline. Volumes saw a 9% increase due to higher demand in key markets as a result of high freight costs in these export markets, impacting sales. Demand for organic latex products from the USA and Canada continues to grow, leveraging the Group's competitive advantage with its organic rubber plantation in Sri Lanka. Furthermore, the appointment of a distributor to promote latex products in Europe boosted sales during the year.

The future outlook for penetrating the US market is positive, with a new plant scheduled to commence operations in 2024, enhancing capacity and quality standards. Sales are expected to surge significantly with these enhancements. The introduction of graphite-infused latex products has generated buyer interest, offering a cooling feature. The Group's graphite material, a natural component with sustainable value and requisite certifications for specific markets, supports market penetration efforts. The Company remains committed to employee training and development, emphasizing multi-skilling to counteract brain drain. Recruitment from rural areas contributes to upliftment of rural communities, ensuring employee welfare and workplace satisfaction.

The future appears promising with the new plant slated for operational launch in 2024. Innovation continues to drive the Group's success, with process improvement projects paving the way for future innovations expected in 2024/25. A dedicated R&D team and laboratory facility underscores the Group's commitment to innovation, new product development, and quality assurance. These advancements position the Company to leverage challenges into opportunities.

Tyre Sector

Our Tyre sector has successfully made its mark across the island as the finest and the largest Tyre Retreader in Sri Lanka. We have also introduced popular tyre brands to the domestic market and added solid tyres to the product portfolio.

Our Business ▹ Tyre Sector

Tyre Sector of Richard Pieris & Company PLC consists of four entities namely, Richard Pieris Tyre Company Limited, Arpidag International (Pvt) Limited, Richard Pieris Rubber Compounds Limited and BGN Industrial Tyre (Pvt) Ltd. The Tyre Sector is mainly engaged in tyre retreading, tyre trading and manufacturing of industrial solid tyres for export. Richard Pieris Rubber Compounds and Arpidag International contribute to the sector by supplying required mixed compounds and tread liners as well as material for Retreading.

The year 2023/24 was an exceptional year with economic and political turmoil, and restrictions to importations causing many challenges to the tyre retreading industry. Exchange rate fluctuations caused critical damage to forward planning and price increase of imported material with the global economic depression thereby affecting the buying behavior of customers negatively impacting the Retreading business. Despite these unprecedented circumstances, the Tyre Sector has managed to maintain a retreading revenue growth of over 3% compared to FY 22/23 which accounts to over 66% of the total revenue of the Company. Strong brand equity and engaging customer service supported by one of the best island-wide distributor networks in the country helped the sector emerge strong despite negative market conditions.

Through its application expertise and leading market share as the biggest supplier of retreaded tyres in Sri Lanka the Tyre Sector has made a significant contribution to the Group for over a decade with minimum capital investment. Apart from the core business of retreading, over the years, the Sector has diversified into tyre, tubes and flaps trading and manufacturing of high-quality industrial tyres for export purposes. This growth strategy focuses on the synergies with existing businesses of the Sector as well as the application expertise developed over the years, and attempts to maximize value to our customers both locally and globally.

Richard Pieris Tyre Company Limited

During the 23/24 financial year, profit before tax of Richard Pieris Tyre Company has declined by 58% compared to the

previous financial year. The decrease in profits for the Company was mainly due to the increase in import raw materials and local raw materials along with the commodity price fluctuations in the country and the international market, Sri Lankan rupee depreciation, challenging in finding labour forces with the skilled experience in manufacturing sector, increased competition mainly for the trading sector and so on.

As one of the pioneers in the tyre industry, Richard Pieris Tyre Company is constantly exploring new business avenues in order to capture a greater share of the market. 'Arpico Tyres' was introduced to the market by leveraging on the strength of the Arpico brand, resulting in a rapid adoption by customers. Since its introduction, Arpico Tyres has shown an exponential growth in the market. The Company is continually strengthening its market share with Arpico tyres with the islandwide network of over 1,000 dealers.

As a proud home-grown tyre manufacturer, the Richard Pieris Tyre Company is reputed for its precise pricing and product strategies that cater to present and future needs of customers in each segment. The main threat to the business has been the dumping of low priced-low quality radial tyres from China and competing against family-owned small businesses, which the Company successfully countered by building the most trusted and reputed brand.

Richard Pieris Tyre Company is the sole agent for the world-renowned "Nexen" tyre brand of South Korea, which has helped the Company to expand the trading segment on a larger scale. The Company also holds the distribution rights for Maxtreck brand from China, which is widely accepted in the market due to its high quality and competitive price offering. Further, the Company has a sole agent with one of the largest tyre and tube manufacturing companies called "ARL Ltd" in India. These are some of the top selling brands accounting to approximately 34% of sales revenue. The Company has received an overwhelming response from customers for these brands and it aims to bring more international premium brands into its portfolio in future.

Arpidag International (Pvt) Limited

Commencing operations in 1991, Arpidag has developed an unparalleled reputation as the pioneer of the cold process technology to Sri Lanka, manufacturing pre-cured tread materials and other related products. Its high-quality standards with strict adherence to ISO 9001 process quality standards have been a key pillar of its success.

Richard Pieris Rubber Compounds Limited

Providing mixing services to Richard Pieris Tyre Company as well as to several other external customers, Richard Pieris Rubber Compounds makes a substantial contribution to the Tyre sector. The Company also supplies rubber-related chemicals to small players in the industry while investing in continuous improvements in its milling and quality testing processes to ensure superior quality. Superior quality of the compound supplied by Richard Pieris Rubber Compound Limited helps its customers manufacture high quality, precision products for mission critical and demanding applications.

BGN Industrial Tyre (Pvt) Ltd

Known for its range of high quality solid tyres, BGN Industrial Tyres (Pvt) Ltd is a reputed Industrial Solid Tyre manufacturing venture acquired in 2017. With its rapidly expanding global footprint, BGN supplies reliable solutions to customers across twenty (20) countries and counting. Growth of market share, supported by favourable exchange rates resulted in BGN doubling the revenue compared to last year. With several key accounts in the pipeline, BGN is intensely focused on entering new geographies and engaging new customers.

Plastics, Furniture and Electronics Sector

Plastic segment is in the business of manufacturing and distribution of mattresses, water tanks, plastic furniture, cushions and sheets, rigifoam products, PVC pipes and fittings, vinyl mats, day-to-day consumer durables, as well as industrial and domestic rubber products, water pumps, whilst the furniture operation focuses on manufacturing sofas, panel furniture and wooden furniture. The sector emphasis on the eco-friendly ‘Green Gas’ concept, seeking to pave the way for a cleaner energy system.

Our Business ▷ Plastics, Furniture and Electronics Sector

Sector Performance Overview

The Plastics, Furniture, and Electronics Sector encompasses the manufacture and trade of a diverse range of products, including foam and spring mattresses, electronics, furniture, water tanks, Rigifoam products, PVC pipes and fittings, rubber products, and other consumer durables.

In the latter part of the financial year 2023/24, the sector achieved notable revenue growth,overcoming the challenges posed by the ongoing economic crisis and nationwide demand contractions. This recovery has been fueled by competitive market strategies and the execution of comprehensive business plans.

Despite the broader economic slowdown, the sector successfully advanced its market penetration and geographical expansion efforts, aiming to reach a larger customer base. Key to this progress has been a relentless focus on continuous product development and achieving cost efficiencies through automation. These initiatives have not only bolstered profitability but also ensured that customer expectations are consistently met.

Arpico Mattresses

Arpico Mattresses have been a household name in Sri Lanka for decades, renowned as the pioneer and leading mattress brand. The company offers a wide range of products including spring mattresses, foam mattresses, sheets, cushions, and pillows, all known for their quality and comfort. Certified with ISO 9001:2015 and SLS 1335, Arpico mattresses have expanded beyond the local market through its retail chain and island-wide network. The introduction of Swiss technology and advanced coil technology has further enhanced its offerings.

Water Tank Operations

As a long-standing and trusted brand in Sri Lanka, Arpico Water Tanks are renowned for its commitment to superior hygiene at an affordable cost. The product lineup includes molded water tanks, hybrid water tanks, septic tanks, and sump tanks, along with garbage bins, compost bins, and traffic accessories. All products are manufactured under ISO 9001:2015 certification, reinforcing Arpico's position as the preferred supplier in these categories.

PVC Operations

Arpitech (Pvt) Ltd specializes in manufacturing Polyvinyl Chloride (PVC) products, including pipes, fittings, conduit pipes, conduit fittings, garden hoses, and rain convey systems. The company has established itself as the leading manufacturer of PVC pipes and fittings in Sri Lanka. Arpitech's adherence to SLS 147, SLS 659, and SLS 935 quality standards and its ISO 9001:2015 certification underline the high quality of its products. The PVC operation saw growth during the year under review, driven by product diversification, an optimal sales mix, enhanced market competitiveness, and an expanding dealer network.

Printing Rollers/Industrial Rubber Products and Molded Rubber Goods

Investment in improving product quality and standards has driven sales in the 2023/24 financial year. The portfolio includes printing rollers, conveyor belts, industrial rollers, industrial rubber products, and molded rubber goods. The company remains focused on product innovation as a key component of its future growth strategy.

Arpico Water Pumps

New water pumps have been introduced under the Arpico brand, gradually establishing a market presence. Although commercial and construction activity declined led to marginal revenue growth in this segment, the company is well-positioned to benefit from economic recovery and aims to increase its market share with strategies focused on becoming the future market leader.

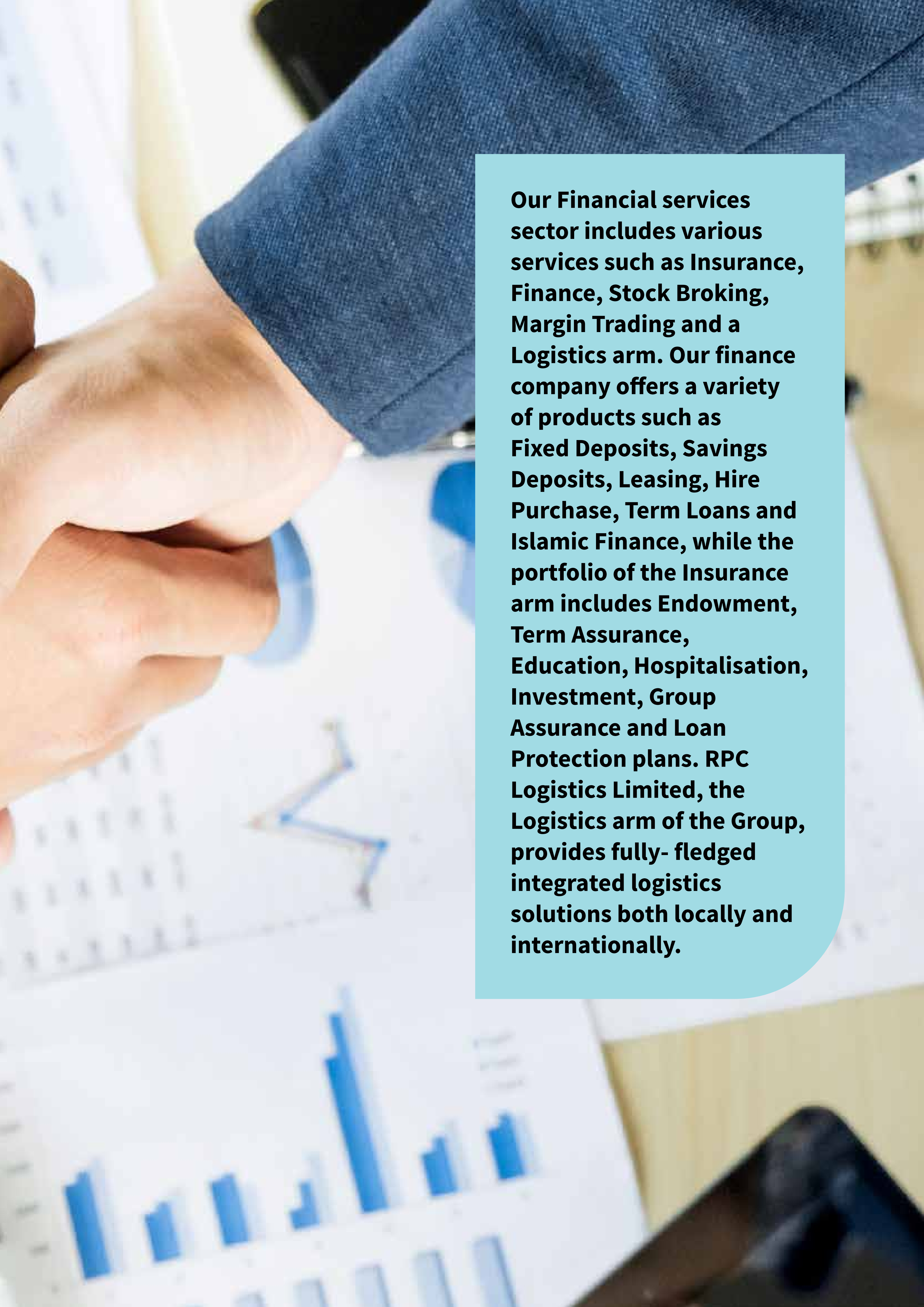
Arpico Rigifoam

By understanding market needs and customer requirements, Arpico Rigifoam, as the pioneer in the industry, has maintained a dominant position in the market. The brand is highly recognized and preferred for its rigifoam products. Continued collaboration with institutions and direct dealers for industrial and fisheries transport applications has bolstered its market presence.

Furniture Operations

Arpico Furniture continues to be a trusted name, offering a wide array of products including elegant sofas and panel furniture for both consumers and institutions. The company is working on strategic plans to expand its local market presence with a broader product range at competitive prices. Customized furniture orders are also available, and the company's stores are designed to offer a pleasant shopping experience, complemented by superior customer service.
This comprehensive approach has enabled the sector to navigate challenges and leverage opportunities for growth, positioning it for continued success in the coming years.

Financial Services and Other



Our Financial services sector includes various services such as Insurance, Finance, Stock Broking, Margin Trading and a Logistics arm. Our finance company offers a variety of products such as Fixed Deposits, Savings Deposits, Leasing, Hire Purchase, Term Loans and Islamic Finance, while the portfolio of the Insurance arm includes Endowment, Term Assurance, Education, Hospitalisation, Investment, Group Assurance and Loan Protection plans. RPC Logistics Limited, the Logistics arm of the Group, provides fully- fledged integrated logistics solutions both locally and internationally.

Our Business ▹ Financial Services and Other

Richard Pieris and Company PLC

As the Group's holding company, Richard Pieris & Company PLC holds a significant amount of shares from subsidiaries and leads each Business Unit's particular strategy to generate wealth for shareholders, as well as deciding on primary corporate policy and decision-making. Group Companies relies on the Company's many divisions for critical services such as information and communication, human resources, and procurement.

Information Technology (IT) drives innovation, and the Group makes full use of its in-house IT expertise to give its business operations a competitive advantage. The in-house IT team, which created and upgraded the software used throughout the firm, meets the Group's specific business requirements. The IT team is focused on sustainability while modernizing the Group's IT infrastructure. Printers have been centralized, and printing solutions have been streamlined, with the goal of minimizing paper usage and precisely tracking paper use. To improve internal operations, the IT team is developing a complete access control and time and attendance system for transparency and ease of use. Furthermore, a new system is being developed to centrally monitor the factory's production steps in order to eliminate waste.

Innovative e-commerce systems have been established, and significant efforts have been made on the back end to cope with the large rise in demand during the pandemic, in order to serve our client base through in-house IT. Improving the Group's digital infrastructure has a positive impact on RPC's culture and operations, providing several intangible and tangible benefits while giving the Group a competitive advantage in all industries.

Employees are the driving force behind the Company's success. The Group Human Resource Department is in charge of overall administration and policy, as well as satisfying the different demands and requirements of the Group's companies.

The Central Commercial Division is critical to the performance of the subsidiaries because it maintains solid relationships, orders on time, and manages economies of scale while handling raw materials, consumables, and other trading commodities from a variety of local and global suppliers.

To keep up with the Group's rapid growth and as financing requirements have become more substantial, the Group Treasury assists in advising on funding requirements of all businesses, negotiating bank facilities, and managing aspects such as foreign exchange exposure and interest rate risk. The Group Finance responsible for Group reporting and, when needed, project appraisals and feasibility studies.

The Centralized Internal Audit Division builds the Group's internal control system and proposes appropriate actions when necessary. The risks that each sector faces are diverse, necessitating a dynamic risk and mitigation action plan. The Internal Audit role is crucial since it supports the Group's standing with improved systems while also increasing the confidence of shareholders and other stakeholders.

RPC Logistics Limited

RPC Logistics is primarily engaged in international freight forwarding, customs brokerage and transportation. At present, 66% of the Company's revenue is generated from its freight forwarding and balance from the customs brokerage and transport operation. The Company's portfolio of services includes air freight, sea freight, sea freight consolidation, customs brokerage, transshipment and local transport. The Company also provides services which include door-to-door cargo handling with the assistance of the Company's overseas agents and a variety of other connected services.

The Company has purchased two 40ft and two 20ft prime movers with four trailers during the last two years in order to cater to the requirements of the import and export segment of the Group.

Arpico Insurance PLC

Arpico Insurance PLC has incurred a significant loss during the year due to valuation deficit in the life fund.

Operating 69 branches across the island, the Company enhanced its geographical presence by renovating 4 branches. Following rider plans were launched by the Company during the year.

- Cash back protector - Accidental Death Benefit
- Cash back protector - Additional Term Protection Benefit
- Cash back protector - Family Income benefit

In 2023, Arpico Insurance implemented a multi-pronged growth strategy aimed at strengthening our market position. This strategy focused on two key areas: enhancing our health insurance offerings and elevating customer awareness of the Arpico Insurance brand.

Recognizing the growing importance of health insurance, we strategically expanded and improved our health insurance products based on a deep understanding of market trends and customer needs. This included providing more extensive coverage, higher limits, and inclusive terms, solidifying our commitment to offering robust healthcare solutions to our policyholders.

While some segments of the Arpico Insurance flourished, others faced challenges. Our agency business saw a significant 19% drop in 2023. Economic uncertainties, heightened competition, and evolving customer preferences all contributed to this downturn. Recognizing this shift, we undertook a comprehensive review of our sales strategies and operational frameworks.

In stark contrast to the agency business, our Corporate Solutions segment experienced remarkable growth, boasting a 182% increase in 2023.

In 2023, Arpico Insurance achieved notable recognition for our commitment to excellence, innovation, and industry leadership. Our efforts in transparency, governance, sustainability, and strategic expansion were acknowledged through prestigious awards and accolades

The Company received the Bronze award at the CA Sri Lanka TAGS Awards for gross premium up to Rs.10 Bn Companies. Arpico Insurance won the Indian Chamber of Commerce awards for Best Strategies for Insurance Spreading in Sri Lanka.

Richard Pieris Finance Limited

Richard Pieris Finance Limited provides a comprehensive suite of financial solutions tailored to meet the diverse needs of our clients. Throughout the challenging fiscal year, marked by significant upheavals in the financial industry, our steadfast management team employed innovative strategies to uphold our competitive position and effectively cater to our customers' financial needs. The unwavering dedication and resilience of our organization were recognized through the A credit rating bestowed upon us by Fitch Ratings Lanka Limited.

Notably, we executed astute market penetration strategies, such as the expansion of our micro-lending operations and implementation of Gold Loan business across the branch network. Micro Lending portfolio has been increased by almost Rs. 1 Bn and Gold Loan portfolio has also been doubled to Rs. 1.3 Bn during this financial year. These initiatives enabled us to forge ahead, capturing new market segments and bolstering our presence in the industry. Furthermore, our cohesive integration with other entities within the Richard Pieris Group empowered Richard Pieris Finance Limited to establish an extensive network of stakeholders and gain a distinct advantage through our consumer financing products.

In line with our proactive approach to risk management, Richard Pieris Finance Limited adopted several strategic measures to mitigate potential risks and strengthen our operational foundation. One key strategy involved diversifying our Fixed Deposit (FD) portfolio, which had previously relied heavily on corporate FDs, towards a more robust and resilient retail deposit base. This prudent risk mitigation tactic not only enhances our financial stability but also ensures a more diversified and sustainable funding source.

Recognizing the importance of accessibility and proximity to our valued customers, we embarked on an ambitious branch network expansion initiative. By increasing our physical presence in strategic locations, we have extended our reach and improved convenience for our clients, facilitating greater engagement and satisfaction.

Moreover, we undertook a comprehensive reorganization of our Legal Department, reinforcing our commitment to the efficient and effective recovery of outstanding debts. This strategic move directly impacts our financial performance by enhancing our ability to handle legal matters efficiently, expedite recovery processes, and safeguard our financial interests.

Corporate Social Responsibility

Over 92 years, Richard Pieris & Company PLC has been one of the most sustainable enterprises, balancing economic success, environmental protection, and social responsibility while being an intrinsic component of the Company's corporate culture. We want to go beyond the boundaries by managing long-term relationships within the network and including sustainability as a key characteristic of the organization.

The Group is one of Sri Lanka's largest and oldest diverse conglomerates, pioneering new solutions to improve sustainability while improving the quality, value, and integrity of business processes. We are making tremendous progress in decreasing the Group's carbon footprint by maintaining the "go green" approach, enabling the on-going transition from traditional energy usage to solar power, with our outlets being converted or built with solar panels.

We also continue to strive to expand our operations in order to engage constructively with all stakeholders, responding to them in a timely and efficient manner while welcoming their feedback. Our team continuously empowers us to identify business opportunities that support the Company's growth while favourably addressing stakeholders.

Our Customers

Thousands of consumers around the country, and the Company constantly put customers first, living the Group goal of 'touching lives' by creating better experiences together every day even during an unprecedented year of challenges.

Our Company model is centered on improving the customer experience by seeking out unique solutions that benefit both sides. As our primary business activity, we prioritize understanding and responding to client needs, and some of our companies have merged with their customers and collaboratively arrange production and delivery schedules to improve the ultimate goal of customer happiness.

As a cohesive unit, our team maintains constant communication with our customer base, striving to enhance our services while minimizing resource usage, including energy and water, and promoting energy conservation. By establishing connections with diverse suppliers, businesses, governments, and partners, we have fostered innovation and extended our positive impact beyond our regular operations and product offerings. Moreover, we take pride in achieving the prestigious platinum class green retail building certification for one of our outlets in Sri Lanka through our retail chain.

We are pioneers in introducing a loyalty scheme with many promotional activities throughout the previous years. We have added value to the end customer with exciting gifts and rewards. We have established a number of alliances with financial institutions to allow customers smart buying options, etc.

Good Agricultural Practices (GAPs)

Agricultural practices adopted on estates conform to TRI (Tea Research Institute) guidelines and regulations and internationally certified standards such as Rainforest Alliance, Ethical Tea Partnership, and Fairtrade Labelling Organization (FLO).

Good Manufacturing Practices (GMPs)

Good Manufacturing Practices, which adhere to widely recognized standards like HACCP/ISO 22000 and ISO 22000: 2005 System Certifications - Food Safety Management System Certification, are practiced in our factories from the time tea is harvested from the field until it is packaged.

Fair Trading

Our guiding principle centres on fulfilling commitments, practicing fairness and integrity in every transaction, and maintaining accessibility and transparency. To accomplish this, we prioritize building relationships based on honesty and trust, and actively pursue solutions that benefit all parties involved.

Our Employees

We are among the nation's largest and most diverse private sector employers, with vast communities of individuals. The Group is committed to empowering its workforce, encouraging them to leverage their knowledge and skills effectively for the Company's benefit, as well as their own professional and personal growth.

- We promote an open-door policy, fostering improved relationships with all employees throughout the Group.
- The Group conducts a wide range of training and development programs, recognizing the value of enhancing employee performance and supporting their professional and career advancement.
- Various initiatives are undertaken across the SBUs to support employees, including health and medical guidance and nutritional programs (especially in the plantation sector).
- Employees are encouraged to adhere to health and safety guidelines and standards, ensuring access to adequate medical facilities.
- As a responsible employer, we have secured necessary insurance coverage to provide compensation for potential losses.
- All employees are expected to respect differences in religious opinions, values, and rights among their fellow Group members, treating everyone with equal respect and consideration.

Our Community

The Richard Pieris Group engages in a diverse range of activities across all provinces in Sri Lanka, aiming to contribute positively to the nation's welfare. Our initiatives span the entire island, from small villages to urban centres, ensuring we impact the lives of every Sri Lankan. As producers of various products and services, we recognize our heightened responsibility to the community, striving to offer quality and safe products at fair prices while also giving back to society.

Additionally, our team is committed to promoting responsible production and distribution practices throughout the value chain as an integral part of our business model. In this sustainable approach, our team is self-driven and maintains a positive outlook, actively contributing to the cause of sustainable development both in their professional endeavors and as responsible members of society.

Our Suppliers

As a company, we prioritize establishing and nurturing long-term, effective relationships with our suppliers and partners, recognizing their vital role in our value supply chain. Our dedicated supply chain team consistently works on developing innovative solutions and upholding responsible sourcing standards in collaboration with our suppliers. This approach has yielded significant cost benefits for the Group, thanks to our extensive global network of suppliers.

Central to our supplier strategy is the promotion of sustainable relationships founded on innovation and mutual benefit. We actively engage with both smaller and larger local suppliers for the procurement of raw materials and other necessary items, taking into consideration the well-being of local communities.

Supporting local entrepreneurs remains an on-going commitment for us, and we aim to create opportunities and offer competitive prices for their products in the domestic market through our wide network of outlets across the island. We encourage them to produce innovative and high-quality products, which in turn enhances the overall effectiveness of the value chain.

Our Initiatives

Braille Initiative for the 7th Integrated Annual Report
In a significant step toward inclusivity, Namunukula Plantation PLC introduced the Braille Initiative, enabling visually impaired individuals to access the company's 7th Integrated Annual Report. This effort underscores our commitment to fostering an inclusive environment where everyone, regardless of their abilities, can engage with essential information.

Financial Support for Employees' Children Pursuing Higher Education
Recognizing the importance of education, the Company extended financial support to the children of our employees, aiding them in pursuing higher education. This initiative not only assists in building a brighter future for these young individuals but also demonstrates our commitment to the welfare of our employees and their families.

Mobile Services for National Identity Cards for Estate Workers
To facilitate the convenience of our estate workers, Namunukula Plantation PLC organized mobile services to assist in obtaining National Identity Cards. This initiative ensures that our workers have access to essential identification documents, enabling them to fully participate in civic and economic activities.

Health & Wellbeing Related Activities
Eye Screening Programmes
With the objective of promoting good vision and eye health, the group conducted comprehensive eye screening programmes for its employees and their families. These programmes are vital in early detection and prevention of eye-related issues.

Corporate Social Responsibility

Dental Care Initiatives
Recognizing the importance of oral health, dental care initiatives were undertaken to provide necessary treatments and raise awareness about dental hygiene. These initiatives contribute to the overall health and wellbeing of our workforce.

Health Campaigns
Various health campaigns were organized to address a range of health issues and promote general wellness among our employees and their families. These campaigns are integral in fostering a healthy and productive workforce.

Construction of Child Development Centres (CDCs)
Under the World Bank Assisted Early Childhood Development (ECD) Project, Namunukula Plantation PLC played an active role in the construction of Child Development Centres. These centres are essential in providing a safe and nurturing environment for young children, contributing to their early development and education.

Awareness Programme on Nutritional Status Enhancement
An awareness programme focused on enhancing nutritional status was conducted to educate employees and their families on the importance of a balanced diet and proper nutrition. This initiative is crucial in ensuring the long-term health of our community.

Tuberculosis Awareness Programme
Plantation sector organized a tuberculosis awareness programme to educate the community about prevention, early detection, and treatment of the disease. This effort is part of our broader commitment to improving public health.

Mobilization Activities
Home Gardening Awareness Programmes
To promote self-sufficiency and sustainable living, home gardening awareness programmes were conducted. These programmes encourage employees and their families to cultivate their own gardens, contributing to food security and environmental sustainability.

Household Cash Management Programme
Financial literacy is key to economic stability. The Household Cash Management Programme was introduced to educate employees on effective budgeting and financial management, empowering them to make informed decisions about their finances.

Engineering Activities
New Life Housing Programmes
As part of our commitment to improving living conditions, the New Life Housing Programmes were initiated to provide safe and comfortable housing for our employees. This initiative is a testament to our dedication to enhancing the quality of life for our workforce.

Community Involvement and Development Related Activities
International Women's Day Celebrations
Namunukula Plantation PLC celebrated International Women's Day with a range of activities aimed at empowering and recognizing the contributions of women in our community. These celebrations reflect our commitment to gender equality and the empowerment of women.

Pongal Festival Celebrations
Plantation sector actively participated in Pongal Festival celebrations, fostering a sense of community and cultural appreciation among employees. Such events play a crucial role in preserving cultural heritage and promoting unity.

Outbound Training Activities
Outbound training activities were organized to develop teamwork, leadership, and problem-solving skills among our employees. These activities are essential in building a cohesive and effective workforce.

Our commitment towards the environment
As a Group engaged in plantations, we are committed to environmental sustainability development while making efforts to ensure that all activities carried out are in harmony with the environment. We take maximum efforts to protect, conserve and improve the environment in line with our operations and developments.

Resourcefulness in the tropical environment
Tropical environments are capable of preserving a variety of flora and fauna species simultaneously as they abound the plantations. These tropical plantations also support and preserve the multi-crop system.

Forest Conservation and Tree Planting
As an ongoing process we regulate and plan the cutting of trees, control over forest fires, properly utilize forests and forest management etc.

Under this programme, we promote the habit of planting trees especially in our estates. Further, Maskeliya Plantations PLC has secured its biomass energy with giant bamboo, which will provide a steady supply of firewood for the processing centers.

Balsa (Ochroma Pyramidale) is one of the rapid growing species trialed successfully. At present, the only Balsa cultivation in Sri Lanka which is located outside the Botanical Gardens is owned by the Richard Pieris Group.

Carbon neutrality is another concept we are on the path to achieve in the future along with net zero carbon dioxide emissions. Going ahead, we hope to earn carbon credits.

Nature and Diversity

The Company has a number of estates spread over the wet zone, which experience over 2500mm of rain. Most of our rubber estates are spread between the central highlands and the western southern plains, varying in elevation from 500 feet above sea level. The three plantation companies are situated in the wet zone, the intermediate zone and the upcountry zone and are subdivided into low country, mid country and upcountry plantations. Most of the estates are close to natural forests or reservation lands for forestry where many endangered species of butterflies, birds, and animals are provided protection.

During a survey on biodiversity, over a dozen different micro-ecosystem types have been identified in the Maskeliya, Udapussellawa, Haputhale, Nuwara Eliya, and Nawalapitiya regions. They range from pristine virgin forests and grasslands to manmade ecosystems such as hydropower reservoirs, plantations, and distributed scrublands, etc. Tea cover is the dominant vegetation type which conceals the majority of the cultivable land area in Maskeliya.

Hydro power

There are plants at Talawakelle and Brunswick estates that generate electricity, which helps to supply electricity for domestic use and also contributes to the national grid.

Land Management

As a member of the plantation sector, the Group is concerned about the usage of land resources, particularly soil, which is a key component of food security and the livelihood of many people. To safeguard against land and soil erosion, we continuously emphasize improved land management structures and methods such as weeding, mulching, terracing, growing Maana (grass which prevents soil erosion) and other similar plants.

In our tea plantations, mainly in the Upcountry and Uva range, these methods are adopted to safeguard the soil and prevent soil erosion in every bank or end of planting areas with a higher slope, and they have paved the way to minimize the conditions that promote soil erosion, such as rain, wind, and physical disturbance.

A pilot project was initiated at Mocha Estate, Maskeliya, aiming to enrich the soil within the generated resources and improve the nutrient retention ability and moisture holding capacity by converting weed biomass removed from the fields through manual weeding into enriched compost and putting it back to the tea fields. By improving the soil in this way, the input use efficiency of the soil could be enhanced while controlling the usage of costly fertilizer inputs, which will save funds at the same time.

Further, different approaches such as crop diversification are being used in plantation companies, which have led to enhanced and efficient land use and other natural resource utilization.

Harvesting of Timber

The National Environmental Act's environmental standards are followed in all operations, including the felling, clearing, extraction, and transportation of timber. In the Plantation sector, it is required to establish conservation forest extents in vulnerable areas in addition to replanting the harvested extents almost immediately during the following monsoon. It is strictly forbidden to clear cut trees in areas larger than 2 hectares, cut down trees in wind belts, or cut down trees in catchment areas or on terrain with steep gradients in any way.

Water Resources Management

Through improved water retention methods and rainwater harvesting, the Group has launched numerous initiatives to protect and develop water resources. The majority of the Company's retail locations have water treatment facilities, and no water is released into the environment without being first treated. On marginal land expanses as well as along the water streams present in the tea estates, we are currently establishing ecosystems resembling forests. In order to increase the retention of the water we harvest, we have also begun to build mini/micro scale cascading reservoir systems, etc.

Many steps have been taken towards water management by Namunukula, Maskeliya, and Kegalle Plantations:

- It improves its stand of both high and low shade, which not only serves to reduce ground temperatures but also provides valuable raw material for mulching and reduces the velocity of heavy rainfall at the point of impact.
- Contour draining is a process that enables us to maximize the harvesting of rain water, amongst other agronomical benefits.
- Forking and burying of pruning material to improve soil permeability, amongst other agronomical benefits.
- The management of water resources is a field that will continue to change to address present and upcoming problems. As a result, new strategies are being followed and put into practice to deal with the increase in environmental uncertainties in order to prevent future setbacks.

Conservation of Biodiversity

As an environmentally and socially responsible group, we are committed to preserving biodiversity by raising community awareness about conservation. Our plantation companies are the crucible for our sustainable efforts, where we conduct biodiversity surveys, community awareness programmes, plant community forestry blocks rich in native plants, and engage in eco-tourism and nature photography.

Financial Review

Overall Group Performance
During the financial year 2023/24, the Group was able to demonstrate resilient in the market in terms of revenue amounting to Rs. 73.9 Bn, with a decrease of 7% over the previous financial year. Consequently, the Group recorded a Profit before Tax of Rs.2.2 Bn and Profit after Tax of Rs. 1.0 Bn.

Revenue Analysis
The Group recorded a decrease in its revenue by 7% when compared with previous year and which represents a mixed contribution from sectors where the group operates.

Retail Sector

The Retail sector emerged as the most significant contributor to the Group's revenue for yet another year, contributing 48% to the Group revenue. The sector reported revenue of Rs. 35.4 Bn. The growth in the modern retail trade continued to expand with the emphasis by clients on convenience and availability becoming greater in urban areas due to increasingly busy lifestyles. The performance of the sector was assisted by the opening of large format outlets which in turn expanded the total network of large format retail outlets to 31. The sector is also focusing on premeditated geographical expansion in all formats of outlets and expanding its array of products displayed.

Rubber Sector

Even though the rubber sector continued its innovation and product diversification during the year, its revenue decreasing by 21% to Rs.7.3 Bn. Although the rupee depreciated, decrease in sales volumes drop the sector revenue during the year. The decline reported in this sector due to the recessionary pressure in the European, Asia Pacific and the Latin American regions.

Tyre Sector

Revenue of the Tyre sector reached Rs. 5.1 Bn, contributing 6.9% to the Group revenue in the reporting financial year. The re-treading segment continued to dominate the sector's revenue. Numerous product promotions initiated through dealer networks as well as at corporate levels resulted in a considerable contribution from the trading of Nexen and Birla Tyres. The sector is gradually giving prominence towards its trading operations of its branded products of Nexen and Birla. Contribution from the Solid Tyre manufacturing also showed promising results during the year, showcasing a better performance for the next financial year.

Plastics and Furniture Sector

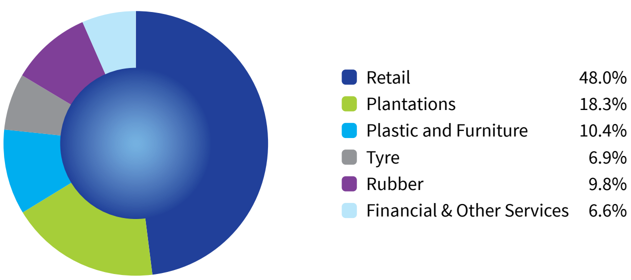
Despite of the challenges imposed from the external environment, the Plastics and Furniture sector was able to report revenue of Rs. 7.7 Bn for the financial year 2023/24 contributing 10.4% to the Group revenue. Plastic and furniture sector comprise key product categories such as mattresses, water tanks, PVC pipes, vinyl mats, electronic and rigiform products and the products are highly sensitive to the market sentiments. The sector was challenged with numerous factors including fluctuation in the global material prices which in turn increased the procuring costs. Product developments and Strategic initiatives are underway to revive and to move forward.

Plantation Sector

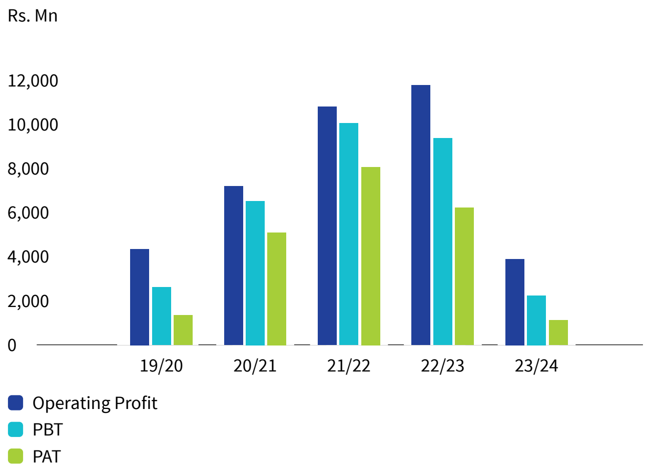
The sector ended the year by recording total revenue of Rs. 13.5 Bn and continued to be the second highest contributor to the Group revenue, contributing 18.3% during the year under review.

Revenue from the palm oil segment is known as the most profitable crop in the plantation sector.

Group Turnover Composition



Operating Profit vs. PBT vs. PAT



Financial Services Sector

The Financial Services sector comprises of the finance company, life insurance, stock broking and margin trading arm. The sector contributed to the group revenue by reporting Rs. 4.6 Bn which is 6.3% of the Group Revenue.

Cost of Sales and Operating Expenses

The cost of sale of the Group increased by 3% during the year under review, which absorbed 78% of the Group revenue. The cost of sales reported to be Rs.57.7 Bn in the period under review compared to Rs. 56 Bn in the corresponding year.

Administration costs were reported to be Rs. 9.3 Bn in the reporting year compared to Rs. 8.9 Bn in the previous year. Meanwhile, the Group's distribution costs, which include advertising and promotional costs as well as sales related expenses, commissions paid on sales volumes, increased by 4.5% to reach Rs. 4.6 Bn during the year, accounting for 6.2% of the total revenue.

Profit from Operations

The gross profit was reported to be Rs. 16.1 Bn for the reporting year 2023/24 compared to Rs. 23.2 Bn in the financial year 2023/24. Other operating income for the year was recorded at Rs. 1.9 Bn. Consequently, profit from operations of the Group decreased by 67% to Rs. 3.8 Bn, which reflects an operating profit margin of 5% for the reporting financial year.

Retail Sector

Retail sector pivoted to be the second highest contributor to Group's profits generated from operations contributing 29% to the Group operating profit compared to 21% in the corresponding year. The operating profit of the Retail sector was Rs. 1.6 Bn. The focus on producing energy through renewable energy sources in selected large format retail outlets and emphasis on key strategic initiatives in managing the cost structure. Further, margin enhancement programmes are underway which is expected to upsurge the margins of the sector in near future.

Rubber Sector

The Rubber sector emerged to be the last contributor for the Group operating profit accounting for 2.1% during the period under review. The operating profit reached to Rs. 114.7 Mn for the year under review compared to Rs. 1.2 Bn reported in the previous financial year.

Tyre Sector

The Tyre sector reported an operational profit of Rs. 523 Mn for the reporting financial year contributing 9.6% to the Group operating profit. The Tyre sector to an extent was affected from increase in raw material prices in the market which influenced in escalation of the operational cost.

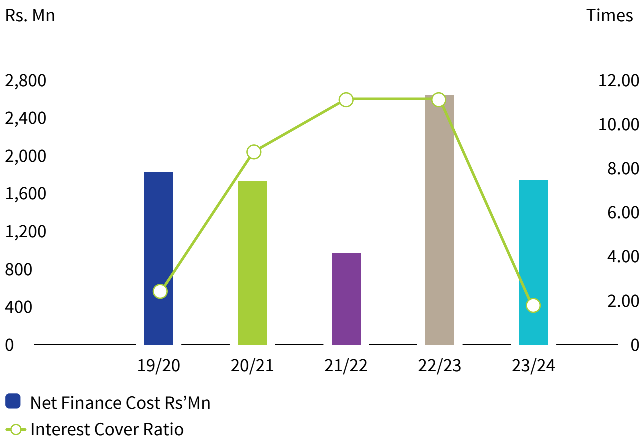
Plastics and Furniture Sector

The Plastic and Furniture sector reported revenue of Rs. 7.7 Bn while recording an operating profit of Rs. 587 Mn. During the year, drastic increase in cost of sales was witnessed mainly been driven by raw material price increase and selling & distribution expenses hinder the profitability of the sector.

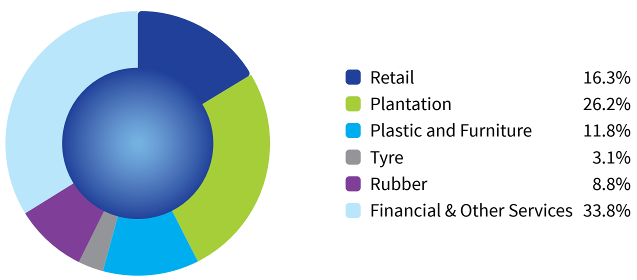
Plantation Sector

The Plantation sector, which experienced a healthy performance and recorded the highest contribution for the operating profit of the group, recorded an operating profit of Rs. 3.6 Bn and contributed by 66% of the operating profit of the Group.

Net Finance Cost vs. Interest Cover Ratio



Segmental Assets

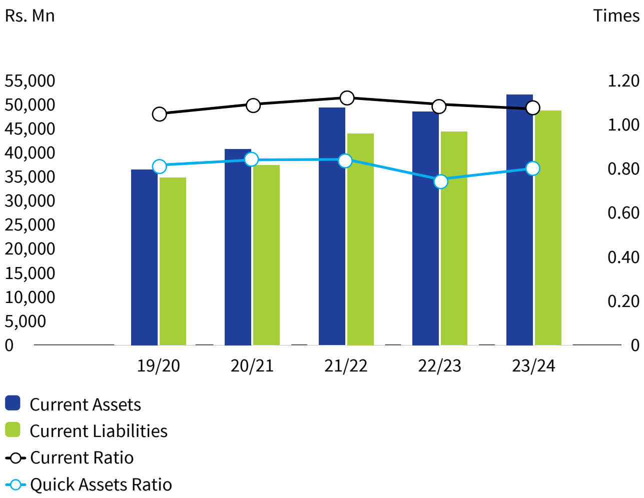


Financial Services Sector
The sector reported an operating loss of Rs. 1.5 Bn for the reporting year, indicating a substantial decline in profit over the previous year. Revision of country's tax policies and the prolonged economic crisis of the country have highly affects the deposit base of the Finance company and insurance premium collection of the insurance company.

Group Financial Position and Liquidity
Non-Current Assets
The non-current assets of the group represent Rs. 41 Bn during the year, and as such represent 44% of total assets. The property, plant and equipment category, which accounts for 29% of the total assets, decreased by 1% over the previous financial year.

Working Capital
During the year, the current assets of the Group increased to Rs. 52 Bn compared to Rs. 49.5 Bn reported during the corresponding period, whilst current liabilities also reached Rs. 48.6 Bn indicating an increase of 0.5% and an increase of 1% respectively. Inventory decreased by Rs. 2.3 Bn and stock level reached to Rs. 13 Bn. Trade receivables were reported to be Rs. 11.7 Bn in the reporting year compared to Rs.10 Bn in the previous financial year. The working capital cycle expanded, which induced trade and other payables also increased to Rs. 13.1 Bn. Accordingly working capital days were managed within the controllable limits. The total current assets of the Group accounted for 56% of its total assets while total current liabilities accounted for 78% of the total liabilities. The Group's current ratio was reported to be 1.07 and the quick ratio was reported at 0.80 compared to 1.09 and 0.75 times respectively in the corresponding period.

Working Capital Investment vs. Current Ratio



Capital Structure
Equity
The profit attributable to the shareholders for the year was recorded at Rs. 572 Mn, which resulted the reserves to reach Rs. 22.5 Bn.

Borrowing
In terms of borrowings, the net debt including cash balance was stationed at Rs. 12.8 Bn compared to Rs. 14.4 Bn in the previous financial year, a decrease of Rs. 1.6 Bn during the year even though the Group relied on external funding for the continuous expansion of its core businesses.

Market Capitalization
The market capitalization of the Company was Rs. 41.7 Bn at the closing price of the share, decreased from Rs. 42.12 Bn recorded in the previous year. During the year under review, the highest traded price of the Group's share was Rs. 24.80, while the lowest price was Rs. 17.00. During the period under review 65,249,805 shares were traded and the share price closed for the year at Rs. 20.50.

Risk Management

Managing business and financial risks are fundamentally important in maintaining sustainable growth and making steady progress towards the achievement of corporate goals and objectives. “Risk” being a factor which is not possible to “eliminate” completely, the Group ensures the “minimisation” of risks by adopting various strategies for continuous reviewing of the Group operations. Various strategies are developed and implemented to achieve this goal.

Risk Exposure	Group Objectives	Risk Minimisation Strategies
Financial Risk Management		
1. Liquidity and Cash Management	• To ensure faster response to market opportunities by ensuring instant funding ability. • To maintain a ‘sufficient’ liquidity position at all times.	• Funding of long term assets through Equity and Long Term Loans. • Availability of short term borrowing facilities to the Group at all times. • Funding of inventory by short term creditors. • The Group owns land and buildings with market values significantly in excess of its book values that can be offered as collateral for future funding requirements. • Sourcing of funding requirements through many financial institutions.
2. Interest Rate Risk	• To minimise adverse effects of interest rate volatility. • To ensure cost of borrowing is at minimum level. • To optimise the return on the Shareholder’s Fund and Life Policy Fund of Insurance Company. • Optimize the interest spread through matching the maturities of assets and liabilities of the Finance Company.	• Structuring the loan portfolio to combine foreign currency and local currency denominated borrowings. Continuous monitoring is being done to match the mix of foreign and local denominated borrowings to the mix of export and local revenue of the Group. • Using fixed and variable rate borrowings to strike a balance. • Centralised Treasury that coordinates Group funding requirements thus ensuring more effective borrowing terms. • Practicing effective hedging techniques whenever deemed necessary. • Centralised Treasury function to get the advantage of the total pooling of funds. • Matching the Assets and Liabilities of maturities. • Duration Management.
3. Currency Risk	• To minimise risk associated with the fluctuation in foreign currency rates in relation to export proceeds, import payments and foreign currency debt transactions	• Export proceeds exceeding the import payments and foreign currency debt payments act as a natural hedge. • Ensuring effective Treasury operations through various hedging techniques such as forward bookings, forward sales, swaps and options contracts etc.
Business Risk Management		
1. Credit Risk	• To minimise risks associated with debtor defaults.	• Obtaining insurance cover for export debtors. • Developing and implementing Credit Policies • Obtaining bank guarantees, deposits and collateral for all major local customers. • Following stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit. • Demarcating the local areas and appointing new distributors thus increasing the number of customers with the objective of reducing credit exposure due to the reliance of a few customers. • Closely monitoring the debtor balances, laying action plans, and determining the same are under control.
2. Asset Risk	• To minimise risk from fire, theft and machinery and equipment breakdown.	• Obtaining comprehensive insurance covers for all tangible assets. • Adoption of stringent procedures with regards to the moving of assets from one location to another. • Carrying out mandatory preventive maintenance programs. • Carrying out frequent employee training programs in areas such as fire prevention.

Risk Management

Risk Exposure	Group Objectives	Risk Minimisation Strategies
3. Internal Controls	• To maintain a sound system of internal control to safeguard shareholders' wealth and Group assets.	• Carrying out of system audits and other control mechanisms such as inventory and cash counts throughout the Group by our central Internal Audit Department. • Having in place a budgetary process and a budgetary control mechanism on a monthly basis to ensure that the Group's performance is in line with its targets.
4. Reputation Risk	• To prevent the causes that damage our reputation. • To minimise the impact if, despite our best endeavours, a reputation crisis should occur.	• Adopting stringent quality assurance policies with regard to goods bought out from third parties as well as the inputs, processes and outputs of own brand and in-house manufactured products. • Ensuring effective communication with various stakeholders including employees, bankers, media, regulators, customers, suppliers, shareholders and the community at large. • Providing the front line managers and the sales staff with adequate training in order to improve service standards as well as to educate staff on the importance of customer service. • Ensuring Public Liability Cover to make certain of the safety of the customers and public at all times.
5. Human Capital and Labour Risk	• To ensure a smooth flow of operations without any undue disruptions. • To project our selves as a human employer, successful in motivating, developing, retaining and attracting the best of human capital.	• Maintaining healthy relationships with trade unions through regular dialogue • Entering into agreements with trade unions. • Improving employee benefits by way of incentives and welfare activities. • Improving the Human Resource function of the Group with regards to employee recruitment, performance appraisals and in-house as well as external training programs. • Promoting Performance driven culture.
6. Technological Risk	• To keep pace with the current technological developments and safeguard against obsolescence.	• Continuous investment in new technologies and automation. • Investing in Research and Development activities throughout the year. • Investing in hardware and developing software in-house.
7. Procurement Risk	• To minimise risk associated with price and availability.	• Introduction of total Supply Chain framework including correct procurement process system. • Establishing relationships with many global and local suppliers for raw materials and commodities in order to reduce over-dependency on a single supplier/brand. • Ensuring effective category management to reduce the risk of non-availability of goods at our retail outlets. • Adoption of backward integration strategies. • Centralised purchasing division which has enabled us to create a reliable network of global suppliers. • Entering into forward contracts for raw material purchases. • Ensure Goods in Transit are insured.
8. Inventory	• To reduce stock obsolescence and manage stock holding costs. • Reducing the risk associated with theft and shrinkage.	• Adopting a monthly declaration policy. • Identifying slow-moving stocks and effectively laying out a channel for these to be sold off. • Adopting security systems at the Retail outlets such as security tags with alarm systems, surveillance cameras and deployment of security to manage theft. • Ensure raw material and finished goods stocks are insured.

Risk Exposure	Group Objectives	Risk Minimisation Strategies
9. Risk of Competition	• To maximise our market share and maintain market leadership in the respective industries.	• Ensuring high standards of quality. • Increasing productivity and efficiency in order to ensure our prices remain competitive despite increasing wage, energy and transportation costs. • Carrying out Research and Development activities to identify needs. • Further strengthening our Arpico brand through aggressive advertising campaigns and target marketing. • Introducing pioneering products. • The introduction of a CRM programme in our retail chain. • The provision of various value added services at our key retailing outlets.
10. Intellectual Capital Risk	• To protect ourselves against possible violations, fraudulent usage and infringements on the Group's copyrights.	• Registering our brands and trademarks. • Successfully obtaining patents for manufactured products. • Furthering our Arpico brand image through promotions and advertising whilst ensuring value of the brand image is resolute.
11. Capital Investments Risk	• To minimise risk of not meeting profit expectations.	• Adopting a stringent approval procedure for Capital expenditure based on the level of investment and the expected pay back. • Carrying out extensive feasibility studies for large scale investments. External expertise is obtained wherever required.
12. Information Systems Risk	• To minimise risk associated with Data Security, Hardware and Communication and Software.	• Maintaining of spare servers. • Mirroring of hard disks with critical data. • Data back-ups stored in off-site locations. • Vendor agreements for support service and maintenance. • Regular upgrading of Virus Scanners, Firewalls etc. • Compliance with statutory requirements for environmental preservations. • Carrying out Application Control Audits. • Having a Disaster Recovery Site.
13. Environmental, Political and Regulatory Risk	• To minimise the negative impact from the changes in the external environment which are beyond our control. • To comply with the regulatory requirements.	• Compliance with statutory requirements for all tax and other payments. • Prioritise the IT requirements for reporting • Set up internal deadlines for each criterion • Meet the deadline for Statutory Returns and review all returns by Group Finance before the submission. • Continuous dialogu e with statutory bodies to get the updated reporting requirements.
14. Underwriting Risk	• To minimise the claims and to ensure proper pricing.	• Assessing the risk exposed by accepting the policy and carrying out proper ratings and loadings before underwriting any policy. • Adhering to the guide lines provided by re-insurer • Referring any complicated matters to the re-insurer before accepting the risk. • Checking validity and accuracy of all the proofs given by the client before accepting the risk.

Statement of Value Added

	2023/2024 Rs.'000	%	2022/2023 Rs.'000	%
Revenue	73,859,225		79,193,785	
Cost of material and services purchased	(54,544,611)		(54,099,033)	
	19,314,614		24,118,326	
Other income	1,896,295		2,108,035	
	21,210,909		27,202,787	
Distribution of value added				
To employees				
- Remuneration	10,308,723	49%	9,488,490	35%
To government				
- Duties and taxes	3,689,252	17%	3,116,789	11%
To providers of capital				
- Interest on loan capital	2,830,115	13%	4,669,624	17%
- Non controlling interest	450,860	2%	1,246,744	5%
- Dividend to shareholders	1,017,519	5%	1,424,527	5%
Retained in the business				
- Depreciation and amortisation	2,341,568	11%	2,277,769	8%
- Profit retained	572,872	3%	4,978,844	19%
	21,210,909		27,202,787	

Our People

The success of Richard Pieris & Company PLC is fundamentally built upon the dedication and talent of our employees. Since our inception in 1932, we have evolved into one of Sri Lanka's leading conglomerates, recognizing that our growth and long-term sustainability are closely tied to the well-being and development of our workforce. With a diverse team of over 17,588 employees spread across numerous companies within the group, including seven publicly listed entities, we are deeply committed to fostering a supportive, engaging, and empowering environment for every individual within our organization.

Valuing Our People

We believe that a motivated and engaged workforce is crucial to maintaining our position as a market leader. To this end, we prioritize employee engagement, fostering a culture where every individual feels valued and respected. Our approach is rooted in transparent communication, recognizing contributions, and offering opportunities for growth and advancement.

Employee Engagement and Relations

We take pride in our diverse workforce, which includes individuals from various religions, ethnicities, and backgrounds. Despite our differences, we work together harmoniously, unified by our shared goals and values. Our strong commitment to employee relations is reflected in our open-door policy, ensuring that communication between management and staff is both transparent and constructive.

We maintain a Sports Club that regularly organizes events and activities, fostering camaraderie and teamwork among our employees. These events are designed to enhance engagement, promote physical well-being, and strengthen the sense of community within the organization.

Training, Development, and Career Mobility

At Richard Pieris & Company PLC, we recognize the importance of continuous learning and personal development. We offer a range of training programs tailored to enhance both technical and soft skills. For employees in specific designations, we also provide specialized skill training through external agencies, ensuring that our workforce remains at the forefront of industry standards.

Our diversified business portfolio provides employees with unique opportunities for career mobility. We encourage our employees to explore different sectors within the Group, allowing them to broaden their experience and expertise. This internal mobility ensures that our employees have the opportunity to pursue varied career paths, contributing to both personal and professional growth.

Welfare and Well-being

The health and well-being of our employees are paramount. We provide a comprehensive insurance scheme that addresses the health needs of our workforce. Additionally, we offer a medical facility on our premises with OPD services, where employees can receive medical care and medicine free-of-charge, regardless of their designation.

Safety at Work

The safety and well-being of our employees remain paramount. We maintain rigorous safety protocols and continually assess and upgrade our infrastructure to ensure a secure working environment. Through comprehensive training programs, safety awareness campaigns, and incident reporting systems, we promote a safety-conscious culture at all levels of the organization. Adhering to necessary fire and safety protocols is a key aspect of our commitment to safety. We conduct regular drills and safety practices to ensure that our employees are well-prepared and aware, as we prioritize their safety at all times.

In conclusion, at Richard Pieris & Company PLC, our people are at the heart of everything we do. We are dedicated to creating an environment where our employees feel valued, engaged, and empowered to reach their full potential.

Corporate Structure

1. RUBBER SECTOR

RICHARD PIERIS EXPORTS PLC

Business Activity	Manufacture and export of rubber mats and sealing rings
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Mr. W R Abeysirigunawardena	Director
Dr. L M K Tillekeratne	Director
Mr. A M Patrick	Director (Ceased to be a director w.e.f. 27.09.2023)
Mr. L C Wijayasinghe	Director
Dr. Lawrence Perera	Director (Appointed w.e.f. 26.10.2023)
Stated Capital	Rs. 220,262,000 represented by 11,163,745 shares
Group Holding	83.90%
Location	310, High Level Road, Nawinna, Maharagama.

ARPITALIAN COMPACT SOLES (PRIVATE)LIMITED

Business Activity	Manufacture and export of resin rubber shoe soling sheets
Dr. Sena Yaddehige	Chairman
Mr. Fabio Piccolo	Director
Mr. W R Abeysirigunawardena	Director
Mr. Rohan Nishantha Yaddehige	Director
Stated Capital	Rs. 542,371,660 represented by 60,471,501 ordinary shares and 6,404,500 preferential shares
Group Holding	58.69%
Location	310, High Level Road, Nawinna, Maharagama.

RICHARD PIERIS NATURAL FOAMS LIMITED

Business Activity	Manufacture and export of foam rubber products
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. W R Abeysirigunawardena	Director
Mr. W J V P Perera	Director
Mr. Shiron Gooneratne	Director
Stated Capital	Rs. 640,822,600 represented by 64,082,260 shares
Group Holding	85.75%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO NATURAL LATEXFOAMS (PRIVATE) LIMITED (Discontinued Business)

Business Activity	Manufacture and export of foam rubber products
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. W R Abeysirigunawardena	Director
Stated Capital	Rs. 90,000,000 represented by 9,000,000shares
Group Holding	84.93%
Location	310, High Level Road, Nawinna, Maharagama.

MICRO MINERALS (PRIVATE) LIMITED

Business Activity	Manufacture of rubber fillers
Dr. Sena Yaddehige	Chairman
Mr. W R Abeysirigunawardena	Director
Mr. G.B.M.Amarakoon	Director
Stated Capital	Rs.9,126,000 represented by 912,600 shares
Group Holding	57.68%
Location	310, High Level Road, Nawinna, Maharagama.

2. TYRE SECTOR

RICHARD PIERIS TYRE COMPANY LIMITED

Business Activity	Tyre retreading, re-manufacturing & trading
Dr. Sena Yaddehige	Chairman
Mr. W R Abeysirigunawardena	Director
Mr. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 50,000,000 represented by 4,000,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPIDAG INTERNATIONAL (PRIVATE) LIMITED

Business Activity	Manufacture of pre-cured tyre retreading material
Dr. Sena Yaddehige	Chairman
Mr. W R Abeysirigunawardena	Director
Mr. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 58,650,000 represented by 459,999 shares
Group Holding	51.00%
Location	310, High Level Road, Nawinna, Maharagama.

RICHARD PIERIS RUBBER COMPOUNDS LIMITED

Business Activity	Mixing rubber compounds
Dr. Sena Yaddehige	Chairman
Mr. W R Abeysirigunawardena	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 17,000,000 represented by 1,700,000shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

BGN INDUSTRIAL TYRE (PRIVATE) LIMITED

Business Activity	Manufacturing of Industrial Tyre
Mr. Shaminda Yaddehige	Chairman
Mr. W R Abeysirigunawardena	Director
Mr. B G Nandana	Director
Mr. Shiron Gooneratne	Director
Mr. Sunimal Fernando	Director
Mr. Sudheera Epitakumbura	Alternate Director to Mr.Shaminda Yaddehige
Mr. Sumith Ranwatte	Alternate Director to Mr. Sunimal Fernando
Stated Capital	Rs. 147,364,000 represented by 7,317,680 shares
Group Holding	51.00%
Location	95/1, Industrial Zone, Kindelpitiya, Millawa, Horana.

3. PLASTICS SECTOR

PLASTISHELLS LIMITED

Business Activity	Manufacture of rotational molded products
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. Shiron Gooneratne	Director
Mr. L C Wijayasinghe	Director
Stated Capital	Rs. 34,160,030 represented by 3,416,003 shares
Group Holding	98.39%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO PLASTICS LIMITED

Business Activity	Manufacture of plastic products
Dr. Sena Yaddehige	Chairman
Mr. L C Wijayasinghe	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 29,000,000 represented by 2,900,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPITECH (PRIVATE) LIMITED

Business Activity	Manufacture of PVC pipes & fittings and polyurethane foam products
Dr. Sena Yaddehige	Chairman
Mr. L C Wijayasinghe	Director
Mr. Shaminda Yaddehige	Director
Mr. Shiron Gooneratne	Director
Stated Capital	Rs. 35,000,020 represented by 3,500,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

R P C POLYMERS (PRIVATE) LIMITED

Business Activity	Manufacturers, exporters and importers of all plastic products
Dr. Sena Yaddehige	Chairman
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Mr. L C Wijayasinghe	Director
Stated Capital	Rs. 187,000,020 represented by 18,700,002 shares
Group Holding	98.88%
Location	310, High Level Road, Nawinna, Maharagama.

RICHARD PIERIS RUBBER PRODUCTS LIMITED

Business Activity	Manufacture of rubber products
Dr. Sena Yaddehige	Chairman
Mr. W R Abeysirigunawardena	Director
Mr. Shaminda Yaddehige	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 27,000,000 represented by 2,700,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO FURNITURE DISTRIBUTORS (PRIVATE) LIMITED

Business Activity	Carrying on buying and selling of furniture items
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. K.A.S Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Mr. W J V P Perera	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

Corporate Structure

ARPICO DURABLES (PRIVATE) LIMITED

Business Activity	Business of trading and distributing goods
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. L C Wijayasinghe	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

4.RETAIL SECTOR

RICHARD PIERIS DISTRIBUTORS LIMITED

Business Activity	Managing & operating a chain of retail network
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director/Alternative Director to Dr.Sena Yaddehige
Mr. W J V P Perera	Director
Mr. Kelum Senanayake	Director (Resigned w.e.f. 05.03.2024)
Mr. Nalin Ranasinghe	Director (Appointed w.e.f. 19.03.2024)
Stated Capital	Rs. 1,096,760,960 represented by 106,676,096 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO INTERIORS (PRIVATE) LIMITED

Business Activity	Interior decorating
Mr. Shaminda Yaddehige	Director
Mr. K A S Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 30,000,020 represented by 3,000,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO FURNITURE LIMITED (Discontinued Business)

Business Activity	Furniture Industry
Mr. Shaminda Yaddehige	Director
Mr. Shiron Gooneratne	Director
Stated Capital	Rs 40,000,000 represented by 4,000,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPIMALLS DEVELOPMENT COMPANY (PRIVATE) LIMITED

Business Activity	Operates retailing centers
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Athula Herath	Director
Mr. K.A.S.Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Stated Capital	Rs. 430,000,020 represented by 21,000,002 ordinary shares and 22,000,000 preference shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

RPC REAL ESTATE DEVELOPMENT COMPANY (PRIVATE) LIMITED

Business Activity	Property & Real Estate Development Projects
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. K A S Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Stated Capital	Rs. 667,000,020 represented by 66,700,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

RPC RETAIL DEVELOPMENTS COMPANY (PRIVATE) LIMITED

Business Activity	Construction, Property and Real Estate Development
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. K A S Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Stated Capital	Rs 387,000,020 represented by 38,700,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

RPC PROPERTIES (PRIVATE) LIMITED

Business Activity	Property Development Projects
Mr. D I U N K Baddewithana	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 1,000 represented by 100 shares
Group Holding	49.00%
Location	310, High Level Road, Nawinna, Maharagama.

5. PLANTATION SECTOR

RICHARD PIERIS PLANTATIONS (PRIVATE) LIMITED

Business Activity	Managing agents of plantations
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Shaminda Yaddehige	Director
Mr. K.A.S.Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Stated Capital	Rs 70 represented by 7 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

RPC MANAGEMENT SERVICES (PRIVATE) LIMITED

Business Activity	Investment & management of the plantation companies
Dr. Sena Yaddehige	Chairman
Dr. C M P P R P Perera	Director
Mr. Shaminda Yaddehige	Director
Mr. Sudheera Epitakumbura	Director
Stated Capital	Rs. 75,000,000/- represented by 7,500,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

MASKELIYA PLANTATIONS PLC

Business Activity	Tea Plantations
Dr. Sena Yaddehige	Chairman
Dr. L S K Hettiarachchi	Director
Mr. J L A Fernando	Director
Mr. Shaminda Yaddehige	Director
Dr. Sarath Samaraweera	Director
Mr. K A S Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Stated Capital	Rs. 673,720,950 represented by 53,953,490 shares
Group Holding	83.40%
Location	310, High Level Road, Nawinna, Maharagama.

KEGALLE PLANTATIONS PLC

Business Activity	Rubber, Tea and Coconut Plantations
Dr. Sena Yaddehige	Chairman
Prof. R C W M P A Nugawela	Director
Dr. S S G Jayawardena	Director
Mr. Shaminda Yaddehige	Director
Mr. Ananda Fernando	Director
Stated Capital	Rs. 250,000,010 represented by 25,000,001 shares
Group Holding	79.14%
Location	310, High Level Road, Nawinna, Maharagama.

EXOTIC HORTICULTURE (PRIVATE) LIMITED

Business Activity	Cultivation of fruits
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Stated Capital	Rs. 10,000,000 represented by 1,000,000shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

HAMEFA KEGALLE (PRIVATE) LIMITED (Discontinued Business)

Business Activity	Manufacture & Export of furniture
Dr. Sena Yaddehige	Chairman
Mr. L C Wijayasinghe	Director
Stated Capital	Rs. 28,000,020 represented by 2,800,002 shares
Group Holding	79.14%
Location	310, High Level Road, Nawinna, Maharagama.

NAMUNUKULA PLANTATIONS PLC

Business Activity	Rubber, Tea, Cinnamon &Coconut Plantations
Dr. Sena Yaddehige	Chairman
Mr. N C Peiris	Director
Mrs. Subhashini Welikala - (Government nominee)	Director (Appointed w.e.f. 15.05.2023)
Mr. Shaminda Yaddehige	Director
Mr. S G D Amerasinghe	Director
Mr. Ananda Fernando	Director
Stated Capital	Rs. 350,000,010 represented by 23,750,001 shares
Group Holding	67.94%
Location	310, High Level Road, Nawinna, Maharagama.

RPC PLANTATION MANAGEMENT SERVICES (PRIVATE) LIMITED

Business Activity	Investment & Management of Plantations
Dr. Sena Yaddehige	Chairman
Mr. Shaminda Yaddehige	Director
Mr. Sudheera Epitakumbura	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 241,062,500 represented by 24,106,250 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

Corporate Structure

MASKELIYA TEA GARDENS (CEYLON) LIMITED

Business Activity	Trading & Marketing of Value Added tea
Dr. Sena Yaddehige	Chairman
Mr. Athula Herath	Director
Mr. J L A Fernando	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 15,000,070 represented by 1,500,007 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

6. SERVICES

RICHARD PIERIS GROUP SERVICES (PRIVATE) LIMITED

Business Activity	Provides Company secretarial services
Dr. Sena Yaddehige	Chairman
Mrs. R J Siriweera	Director
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Stated Capital	Rs.20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO INDUSTRIAL DEVELOPMENT COMPANY (PRIVATE) LIMITED

Business Activity	Operates industrial estates
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Athula Herath	Director
Mr.K.A.S.Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Stated Capital	Rs. 106,400,000 represented by 1,500,000 ordinary shares 9,140,000 preferential shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

RPC LOGISTICS LIMITED

Business Activity	Freight forwarding and allied services
Mr. W J V P Perera	Director
Mr. Shiron Gooneratne	Director
Mr.W Abeysirigunawardena	Director
Stated Capital	Rs. 20,000,070 represented by 2,000,007 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO EXOTICA ASIANA (PRIVATE) LIMITED

Business Activity	Leisure
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Mr. Shiron Gooneratne	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO CONSTRUCTION (PRIVATE) LIMITED

Business Activity	Business of construction nationally and internationally
Mr. W J V P Perera	Director
Mr. Rohan Yaddehige	Director
Stated Capital	Rs. 20,000,070 represented by 2,000,007 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO HOMES LIMITED (Discontinued Business)

Business Activity	Property & Real Estate Development
Dr. Sena Yaddehige	Chairman
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 70 represented by 7 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO HOTEL SERVICES (PRIVATE) LIMITED

Business Activity	Business of national and international airline travel and trade
Dr. Sena Yaddehige	Chairman
Mr. Shiron Gooneratne	Director
Mr. Wasantha Abeysirigunawardena	Director
Stated Capital	Rs. 6,000,020 represented by 600,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

MARKRAY SYSTEMS (PRIVATE) LIMITED

Business Activity	Carrying on IT related activities
Dr. Sena Yaddehige	Chairman
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

RICHARD PIERIS SECURITIES (PRIVATE) LIMITED

Business Activity	Stock Broking
Mr. Shiron Gooneratne	Director– Resigned w.e.f. 25.10.2023
Mr. W J V P Perera	Director
Mr. Wasantha Abeysirigunawardena	Director
Mr. Milan Madugalle	Director (Appointed w.e.f. 01.11.2023)
Stated Capital	Rs. 195,500,000 represented by 19,550,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

RPC MARGIN SERVICES (PRIVATE) LIMITED formerly RICHARD PIERIS FINANCIAL SERVICES (PRIVATE) LIMITED

Business Activity	Margin providers
Mr. Shiron Gooneratne	Director
Mr. W J V P Perera	Director
Mr. Wasantha Abeysirigunawardena	Director
Stated Capital	Rs. 35,000,000 shares represented by 3,500,000 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO HOSPITAL (PRIVATE) LIMITED

Business Activity	Relating to human health care and allied services
Dr. Sena Yaddehige	Chairman
Stated Capital	Rs. 40 represented by 4 shares
Group Holding	69.79%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO INSURANCE PLC

Business Activity	Life Insurance
Mr. Ramal Jasinghe	Chairman (Appointed w.e.f. 16.05.2023)
Mrs. L S A Seresinhe	Director
Mr. Shiron Gooneratne	Director
Mrs. Dilukshika N Fernando	Director
Mr. Kelum Senanayake	Director (Appointed w.e.f. 01.12.2023)
Stated Capital	Rs. 675,564,870 represented by 66,230,407 shares
Group Holding	81.59%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO ATARAXIA ASSET MANAGEMENT (PRIVATE) LIMITED

Business Activity	Asset management
Mr. W J V P Perera	Director
Mr. Savantha Sebastian	Director
Mr. Sharad Sridharan	Director

ARPICO ATARAXIA ASSET MANAGEMENT (PRIVATE) LIMITED

Stated Capital	Rs. 40,000,020 represented by 4,000,002 shares
Group Holding	51.00%
Location	310, High Level Road, Nawinna, Maharagama.

RICHARD PIERIS FINANCE LIMITED

Business Activity	Carrying on leasing, hire purchasing & other financial services
Mr. K B Wanigasekara	Chairman (Resigned w.e.f. 27.02.2024)
Mr. K B Wijeratne	Director
Mr.Kelum Senanayake	Director
Mr. N H G Wijekoon	Director (Appointed W.E.F 09.08.2023)
Mr. Rasitha Gunawardana	Director (Appointed W.E.F 09.08.2023)
Mr. Bonniface Silva	Director (Appointed W.E.F 22.12.2023)
Stated Capital	Rs. 1,260,830,690 represented by 121,833,069 shares
Group Holding	98.61%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO INFOSYS (PRIVATE) LIMITED

Business Activity	Relating to information communication technology/ business process outsourcing
Dr. Sena Yaddehige	Chairman
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO CONSUMER BRANDS (PRIVATE) LIMITED

Business Activity	Relating to trading of pharmaceutical product
Dr. P M S S Pathinisekara	Director
Dr. M S Samarakoon	Director (Ceased to be a Director w.e.f. 31.01.2024)
Mr. Shiron Gooneratne	Director
Mr. Athula Herath	Director
Mr. Dilshan Abeysekara	Director (Ceased to be a Director w.e.f. 31.01.2024)
Mr. Kamantha Cooray	Director (Appointed w.e.f. 14.12.2023)
Stated Capital	Rs. 100,000,020 represented by 10,000,002 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

Corporate Structure

ARPICO DEVELOPMENTS (PRIVATE) LIMITED	
Business Activity	Construction of shopping malls and renting it out to retail business
Dr. SenaYaddehige	Chairman
Mr. W J V P Perera	Director
Mr.K.A.S.Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO PLANTATIONS INTERNATIONAL (PRIVATE) LIMITED	
Business Activity	Business of Plantation Management
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	89.57%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO HYDEPARK TOWERS (PRIVATE) LIMITED	
Business Activity	Carrying on Property Development Business.
Dr. Sena Yaddehige	Chairman
Mr. W J V P Perera	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

RICHARD PIERIS TRADING CO. PTE LIMITED	
Business Activity	General wholesale trade (Including General Importers and Exporters)
Mr. Rohan Nishantha Yaddehige	Director
Mr. Richard Chan Wah Cheong	Director
Mr. K A S Lasantha	Director (Ceased to be a Director w.e.f. 27.12.2023)
Stated Capital	Rs. 65,349,374 represented by 618,500 shares
Group Holding	100%
Location	310, High Level Road, Nawinna, Maharagama.

ARPICO DAILY RETAIL MANAGEMENT (PRIVATE) LIMITED	
Business Activity	Retail /Sales
Mrs. R S K Rambodagedara	Director
Stated Capital	Rs. 20 represented by 2 shares
Group Holding	50%
Location	310, High Level Road, Nawinna, Maharagama.

KADOLANA BEACH RESORTS (PRIVATE) LIMITED	
Business Activity	Operating of Resorts
Dr. Sena Yaddehige	Chairman
Stated Capital	Rs. 30 represented by 3 shares
Group Holding	59.71%
Location	310, High Level Road, Nawinna, Maharagama.

Financial Information

Financial Contents

Annual Report of the Board of Directors

The Directors of Richard Pieris and Company PLC are pleased to present to their members the Annual Report together with the audited Financial Statements of its Group and the Company, for the year ended 31 March 2024.

The Directors approved the Financial Statements on 28 August 2024.

Principal Activities & Operational Review

Richard Pieris and Company PLC is the holding company that owns, directly and indirectly, investments in a number of companies constituting the Richard Pieris Group. The principal activities of the Group are described under the Group Structure on pages 52 - 58 of the report.

A review of the Group's business and its performance during the year, with comments on financial results and future developments, is contained in the Chairman Review, Sector Reviews and the Financial Review of this Annual Report. The measures taken by the Company to manage its risks are detailed in the report titled Risk Management on pages 47 - 49 of this report.

Future Developments

The Group intends to continue to pursue a strategy of focusing on its core business activities. In order to achieve this, the Group will concentrate on enhancing the performance of its retail, plantation, tyre, rubber, plastics and financial services business sectors. Further information on future developments is provided in the Chairman Review and Sector Reviews of this report.

Group Revenue

The revenue of the Group was Rs.74 Bn. A detailed analysis of the Group's turnover identifying the contributions from different sectors is given in Note 3 to the Financial Statements. The Group's exports from Sri Lanka were Rs. 7.8 Bn. Trade between Group companies is conducted at fair market prices.

Results & Dividends

Details relating to the Group profits are given in the table on Page 62. The Group reported a Profit after tax amounting to Rs. 1.02 Bn.

Group Investments

The Group Invested in Treasury Bonds & Fixed Deposits other than investments in subsidiary companies during the year. Details of this are given in Note 17 to Financial Statements.

Property, Plant & Equipment

Capital expenditure on property, plant, equipment and work-in-progress incurred during the year under review amounted to Rs. 2.5 Bn. Information relating to this is given in Note 12 to the Financial Statements. Land is included as described in accounting policies in the financial statements. Capital expenditure approved and contracted for after the year-end is given in Note 36 to the Financial Statements. The value of property stated in the Financial Statements is not in excess of its current market values.

Freehold Property

A description of the property owned by the Group is shown under the Group Real Estate portfolio on page 152.

Stated Capital

The stated capital of the Company as at 31 March 2024 was Rs. 1.9 Bn. The details of the stated capital are given in Note 24 to the Financial Statements.

Reserves

Total Group Reserves as at 31st March 2024 amount to Rs. 22.6 Bn. (Rs. 23.1 Bn as at 31 March 2023). The details of which, is given in the Statement of Changes in Equity in page 80.

Taxation

The general corporate income tax rate in effect during the year was 30%. Companies that enjoy tax holiday status and other concessionary rates are listed in Note 8.2 to the Financial Statements.

In computing the Group's tax liability, the maximum relief available to investors under the provisions of the Inland Revenue Act has been claimed.

It is the Group's policy to provide for deferred taxation on all known temporary differences, on the liability method.

Details on the Group's exposure to taxation are disclosed in Note 8 to the Financial Statements.

Share Information

Information relating to earnings, dividend, net assets and market value per share is given in the Ten Year Summary on pages 148 - 149 of this report.

Substantial Shareholdings

The twenty major shareholders and the percentage held by each one of them as at 31st March 2024 are given in page 151 under Shareholder Information.

Directors

The names of Directors who served during the year are given on pages 11 to 13 of this report, under the caption of 'Board of Directors'.

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Four Ordinary Resolutions have been received by the Company,

1. Mr. Viville P Perera of 33, C 1, King's Gate, Keells Housing Scheme, Buthgamuwa Road, Kalapaluwawa, Rajagiriya, a shareholder of the Company.
   "That Dr. Sena Yaddehige of Le Neuf, Chemin, St. Saviours, Guernsey, United Kingdom, who is 78 years of age be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige"

The Company has also received a letter dated 15th August 2024 from Dr. Sena Yaddehige declaring his willingness to be elected to the Directorate of the Company.

2. Mr. Kalinga Perera of 54/4, Ananda Balika Mawatha, Pitakotte, Kotte, a shareholder of the Company.
"That Dr. Henry Jayatissa De Costa of No. 496/3, Havelock Road, Colombo 06, who is 82 years of age be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Dr. Henry Jayatissa De Costa "

The Company has also received a letter dated 05th August 2024 from Dr. Jayatissa De Costa declaring his willingness to be elected to the Directorate of the Company.

3. Mr. Adrian Oswald of No. 32, St. Sebastian Road, Galwetiya, Wattala, a shareholder of the Company.
"That Mr. Viville P Perera of 33, C 1, King's Gate, Keells Housing Scheme, Buthgamuwa Road, Kalapaluwawa, Rajagiriya who is 76 years of age be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said "Mr. Viville P Perera"

The Company has also received a letter dated 06th August 2024 from Mr. Viville Perera declaring his willingness to be elected to the Directorate of the Company.

4. Mr. Nilantha Randeniya 201/1/A, Wattegedera Lane, Wattegedera, Maharagama, a shareholder of the Company.
"That Mr. Felix Fernandopulle of 28A, Police Park Avenue, Colombo 05 who is 70 years of age be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said "Mr. Felix Fernandopulle "

The Company has also received a letter dated 08th August 2024 from Mr. Felix Fernandopulle declaring his willingness to be elected to the Directorate of the Company.

The Directors who considered the contents of the letters received by the Company from Mr. Viville Perera, Mr. Kalinga Perera, Mr. Adrian Oswald, Mr. Nilantha Randeniya, Dr. Sena Yaddehige, Dr. Jayatissa De Costa, Mr. Viville Perera and Mr. Felix Fernandopulle decided to notify the Shareholders of the Company of the said Notices received by the Company and the proposed Resolutions, which are to be moved at the Annual General Meeting of the Company for the purpose of considering and if thought fit passing the said Resolutions as Ordinary Resolutions.

Group Profits	2023/2024 Rs.'000	2022/2023 Rs.'000
The net profit earned by the Group after providing for all expenses, known liabilities and depreciation on property plant and equipments was	2,191,494	9,344,490
From which the deduction of income tax and transfer to the deferred taxation account was	(1,164,932)	(3,116,789)
Leaving the Group with a profit after tax from continuing operations of	1,026,563	6,227,702
From which the loss after tax from discontinued operations deducted was	(2,830)	(2,113)
Leaving the Group with a profit for the year of	1,023,732	6,225,589
From which Non - controlling interest deducted was	(450,860)	(1,246,744)
Leaving a profit attributable to the equity holders of the parent was	572,872	4,978,844
To which the retained profits brought forward from the previous year added was	23,163,920	21,201,306
Adjustments and transfers	3,986	(21,812)
Subsidiary dividend to minority shareholders	(4,812)	(67,471)
Adjustments due to changes in SLFRSs	-	-
Adjustment for Surcharge Tax	-	(1,376,254)
Other comprehensive income/(loss)	(186,995)	(126,166)
Leaving a profit available for appreciation of	23,548,970	24,588,447
Appropriations		
The amount available has been appropriated as follows	-	-
Interim Dividend 2023-24	(1,017,519)	(1,424,527)
Leaving a retined profit to be carried forward amounting to	22,531,451	23,163,920

Directors' Interest in Contracts with the Company and the Interest Register
Directors' interests in contracts or proposed contracts with the Company both direct and indirect are disclosed on page 146 and 147. These interests have been declared at the meetings of Directors. The Directors have no direct or indirect interest in any other contract or proposed contract of the Company. The Company maintains an interest register as required by the Companies' Act No. 07 of 2007. Information pertaining to Directors' interest in contracts, their remuneration and their share ownership are disclosed in the interest register.

Transactions with Related Undertakings
The list of Directors at each of the subsidiary and associate companies has been disclosed in the Group structure on page 52 to 58.

Directors' Shareholding
Directors' Shareholding in Richard Pieris and Company PLC is stated in page 151.

Directors' Interest in Contracts
Directors' interest in contracts in relation to transactions with related entities, transactions with Key Management Personnel and other related disclosures are stated in Note 39 (Related party disclosures) to the Financial Statements. In addition, the Company carried out transactions in the ordinary course of business with entities having one or more Directors in common which is summarised above.

Directors' Remuneration
Directors' fees and emoluments, in respect of the Group and the Company for the financial year ended 31st March 2024 are disclosed in Note 39.6 to the Financial Statements.

Vision & Long Term Goals
The Group's Vision and Long Term Goals are given in page 4 of this report.

Environmental Protection
The Company has not engaged in any activities detrimental to the environment. The Group's efforts in relation to environmental protection are set out in the Corporate Social Responsibility Report in pages 38 - 43.

Employment Policies
Group employment policies are based on recruiting the best people, providing them training to enhance their skills, recognition of innate skills and competencies of each individual while offering equal career opportunities regardless of gender, race or religion and to retain them with the Group as long as possible. Health and safety of the employees has always received priority in the HR agenda.

Statutory Payments
The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government and in relation to employees have been made up to date.

Events after the Reporting Date
There have not been any material events that occurred subsequent to the Reporting date that require disclosure or adjustments to the Financial Statements, other than those disclosed if any, in Note 38 to the Financial Statements.

Corporate Governance / Internal Control
The Directors acknowledge their responsibility for the Group's corporate governance and the system of internal control. The practices carried out by the Company in relation to corporate governance and internal controls are explained in pages 64 - 66 of this report. The Board is satisfied with the effectiveness of the system of internal control for the period up to the date of signing the Financial Statements.

Directors' Responsibility for Financial Reporting
The Statement of Directors' Responsibility for financial reporting of the Company and the Group is set out in page 71 of this report.

Compliance with Other Laws & Regulations
The Directors, to the best of their knowledge and belief, confirm that the Group has not engaged in any activities that contravene the laws and regulations applicable in Sri Lanka. Financial Statements are published quarterly in line with the listing rules of the Colombo Stock Exchange.

The Group has successfully adopted the new Sri Lanka Accounting Standards (new SLAS) comprising LKAS and SLFRS applicable for financial periods commencing from 1st January 2018 as issued by the Institute of Chartered Accountants of Sri Lanka.

The Company is in compliance with the CSE rules on related party transactions which was made mandatory with effect from 1st of January 2016.

Annual General Meeting
The Annual General Meeting will be held at the Registered Office of the Company, No. 310, High Level Road, Nawinna, Maharagama, on 27th September 2024. The Notice of the Annual General Meeting is on page 157 of this report.

Auditors
The Financial Statements for the year have been audited by Messrs. Ernst & Young, Chartered Accountants.

In accordance with the Companies Act No. 7 of 2007, a resolution proposing the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as auditors to the Company and authorizing the Directors to determine their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

W. J. Viville Perera
Director

Wasantha. R. Abeysirigunawardena
Director

Richard Pieris Group Services (Pvt) Limited
Secretaries

No. 310, High Level Road,
Nawinna, Maharagama.

28th August 2024

Corporate Governance

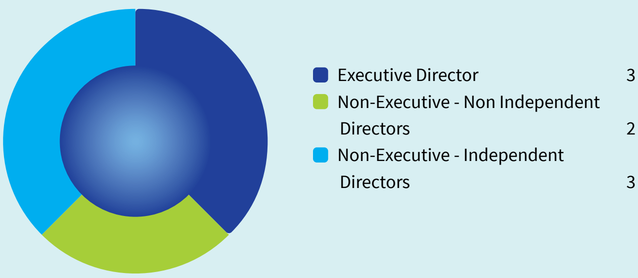
The structure that guides and manages organizations, known as Corporate Governance is essential to fostering an ethical environment that produces strong financial performance and sustainable growth. Thus the Board of Directors of Richard Pieris and Company PLC is committed and takes responsibility to maintain the highest standards of Corporate Governance guidelines at all organization level in order to ensure that business operations are conducted ethically and benefited to all stakeholders.

Richard Pieris' has designed its' Corporate Governance policies and practices to ensure that the Company is focused on its responsibilities to its stakeholders and on creating long term shareholder value. The Company recognizes the interests of all its stakeholders including shareholders, employees, customers, suppliers, consumers and the other communities in which it operates. The Group complies with the rules on Corporate Governance, included in the Listing Rules of the Colombo Stock Exchange, and is guided by the principles included in the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. This statement sets out the Corporate Governance policies, practices and processes adopted by the Board.

The Board and its Operations

The Company is governed by its Board of Directors, who directs and supervises the business and affairs of the Company on behalf of the shareholders.

Board Composition



The Board comprises eight Directors, of which three are Executive Directors whilst five are Non-Executive Directors, ensuring an independent outlook to temper the expediency of the experts. Brief profiles of the Directors are set out on pages 12 and 13. The Board has assessed the independence of the Non-Executive Directors.

During the year the Board met on three occasions. Prior to each meeting, the Directors are provided with all relevant management information and background material relevant to the agenda to enable informed decisions. Board Papers are submitted in advance on Group performance, new investments, capital projects and other issues which require specific Board approval. A separate information memorandum is provided on statutory payments at each Board Meeting.

Name of Director	Director Status
Dr. S. Yaddehige	Chairman EXE
Mr. W. J. V. P. Perera	EXE
Mr. Shaminda Yaddehige	EXE
Mr. Shiron Gooneratne	NED
Mr. Wasantha Rukmal Abesirigunawardena	NED
Dr. Jayatissa De Costa P.C.	INED
Mr. Prasanna Fernando	INED
Mr. J. F. Fernandopulle	INED

EXE - Executive Director
NED - Non-Executive Director
INED - Independent Non-Executive Director

The Chairman, who is also the Chief Executive Officer, is responsible for matters relating to policy, maintaining regular contact with the other Directors, shareholders and external stakeholders of the Company. He is responsible for all aspects of the Group's overall commercial, operational and strategic development and assisted by the Executive Management Committee comprising Executive Directors and Heads of the Strategic Business Units (SBU). The Senior Independent Director was appointed during the financial year who provides comments and suggestions which taken from the meetings taken by inclusively of independent directors of the board to Chairman and other non-independent directors The Finance function evolves on the Group Chief Financial Officer, who is present by invitation at Board meetings when financial matters are discussed. The Board of Directors has access to independent professional advice as and when deemed necessary for decision making.

The main functions of the Board are to:

- Direct the business and affairs of the Company.
- Formulate short and long term strategies, as a basis for the operational plans of the Company and monitor implementation.
- Report on their stewardship to shareholders.
- Identify the principal risks of the business and ensure adequate risk management systems are in place.
- Ensure internal controls are adequate and effective.
- Approve the annual capital and operating budgets and review performance against budgets.
- Approve the interim and final Financial Statements of the Group.
- Determine and recommend interim and final dividends for the approval of shareholders.
- Ensure compliance with laws and regulations.
- Sanction all material contracts, acquisitions or disposal of assets and approve capital projects.

Three Non-Executive Directors are independent with no direct or indirect material relationship with the Company and have duly submitted the annual declaration as per the Colombo Stock Exchange Listing Rules. Their wide range of expertise and significant experience in commercial, corporate and financial activities bring an independent view and judgment to the Board.

Sub Committees of the Board

The Board is responsible for the establishment and functioning of all Board Committees, the appointment of members to these committees and their compensation. The Board has delegated responsibilities to three Board Sub Committees which operate within clearly defined terms of reference.

Audit Committee

The Audit Committee is comprised of three Independent Non-Executive Directors namely Dr. Jayatissa De Costa P.C., Mr. Prasanna Fernando and the Chairman of the Committee, Mr. J F Fernandopulle. Audit Committee Chairman is a Senior Chartered Accountant. The Group Chief Financial Officer, Group Internal Audit Manager and functional heads of subsidiaries attend meetings by invitation.

The Audit Committee Report on page 68 describes the activities carried out by the Committee during the financial year.

Remuneration Committee

The Remuneration Committee is comprised of three Independent Non- Executive Directors –its Chairman, Dr. Jayatissa De Costa P.C., Mr. Prasanna Fernando and Mr. J. F. Fernandopulle,

The Report of the Remuneration Committee on page 67 highlights its main activities.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee consists of three Independent Non-Executive Directors namely its' Chairman Dr. Jayatissa De Costa P.C., Mr. Prasanna Fernando and Mr. J F Fernandopulle. The Report of the Related Party Transactions Review Committee on page 69 highlights its main activities.

Relationship with Shareholders

The Board maintains healthy relationships with its shareholders. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Apart from this, its principal methods of communication include the corporate website, the annual report, quarterly Financial Statements.

Internal Controls

The Board is responsible for instituting on effective internal control system to safeguard the assets of the Company and ensure that accurate and complete records are maintained from which reliable information is generated. The system includes all controls including financial, operational and risk management. Strategies adopted by the Company to manage its risk are set out in its report on Risk Management on pages 47 to 49.

Apart from the strategic plans covering a three year time horizon, a comprehensive budgetary process is in place, where annual budgets, identifying the critical success factors and functional objectives, prepared by all subsidiaries are, approved by the Board, at the commencement of a financial year, and its achievement monitored monthly, through a comprehensive monthly management reporting system. Clear criteria and benchmarks have also been set out for the evaluation of capital projects and new investments.

The Group Internal Audit Division regularly evaluates the internal control system across the organization and its findings are reviewed first by the Audit Committee and significant issues are thereafter reported to the Board. The Board reviewed the internal control procedures in existence and are satisfied with its effectiveness.

Relationship with Other Stakeholders

The Board identifies the importance of maintaining a healthy relationship with its key stakeholders and ensures the Group as a whole inculcates this practice. Internal communication is mainly conducted through e-mails, memos and circulars.

The Board also ensures that the Group policies and practices are in line with the Company's values and its social responsibilities. The Group promotes protection of the environment, health and safety standards of its employees and others within the organization. The relevant measures taken are given in detail in the Corporate Social Responsibility report on pages 38 to 43.

Compliance

The Board places significant emphasis on strong internal compliance procedures. The Financial Statements of the Group are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards (LKAS and SLFRS) and other statutory regulations. Financial Statements are published quarterly in line with the Listing Rules of the Colombo Stock Exchange through which all significant developments are reported to shareholders quarterly. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

Going Concern

The Directors have continued to use the 'Going Concern' basis in the preparation of the Financial Statements, after careful review of the financial position and cash flow status of the Group. The Board of Directors believes that the Group has adequate resources to continue its operation for the foreseeable future.

Corporate Governance Requirements under Section 7 of the Listing Rules issued by the Colombo Stock Exchange

Colombo Stock Exchange	Status of Richard Pieris and Company PLC
Non-Executive Directors	In Compliance
Independent Directors	In Compliance
Disclosures relating to Directors	In Compliance
Remuneration Committee	In Compliance
Audit Committee	In Compliance
Related Party Transactions Committee	In Compliance

Corporate Governance Requirements under Section 9 of the Listing Rules issued by the Colombo Stock Exchange

The corporate governance requirements applicable to listed entities were revised during the FY 2023/24 with effect from 01st October 2023. The status of compliance for the salient amendments of revised requirements is as follows,

Rule	Rule	Effective date of implementation	Status of compliance
9.2	Policies to be established	October 2024	Will be complied before the effective date
9.3, 9.11, 9.12, 9.13, 9.14	Sub – committee composition and chairmanship and disclosures	October 2024	Partially complied and will be fully complied before the effective date
9.6	Chairperson and CEO duality	October 2023	Senior Independent Director appointed
9.7	Fitness and proprietary of Directors and CEO	April 2024	Complied
9.8.1	Board composition	October 2024	Complied
9.8.2	Minimum Number of Independent Directors	October 2024	Complied
9.8.3	Enhancements to the independence criteria	October 2024	Will be complied before the effective date
9.13.4, 9.13.5	Enhances functions and disclosures in the Annual Report relating to the Audit Committee	October 2024	Complied
9.14.2	Composition of related party transactions review committee	April 2024	Complied

Report of the Remuneration Committee

The Remuneration Committee, appointed by and responsible to the Board of Directors, consist of three Independent Non-Executive Directors of Richard Pieris and Company PLC, Dr. Jayatissa De Costa P.C.,Mr. J. F Fernandopulle and and Mr. Prasanna Fernando. The Committee is chaired by Dr. Jayatissa De Costa P.C. The Committee met on several occasions during the financial year.

The Remuneration policy of the company is formulated to attract and retain high caliber personnel and motivate them to develop and implement the business strategy in order to optimize long term shareholder value. The Committee took into account, competition, market information and business performance in deciding the overall remuneration policy.

Dr. Jayatissa De Costa P.C.
Chairman

28 August 2024

Report of the Audit Committee

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meeting, and responsibilities of the Committee.

The purpose of the Audit Committee is to:

1. Assist the Board of Directors in fulfilling its overall responsibilities for the financial reporting process.
2. Review the system of internal controls and risk management.
3. Monitor and evaluate the effectiveness of the internal audit function.
4. Review the Company's process for monitoring compliance with laws and regulations.
5. Review the independence and performance of the external auditors.
6. To make recommendations to the Board on the appointment of external auditors and recommend their remuneration and terms of engagement.

The Committee is comprised of three Independent Non-Executive Directors namely Dr Jayatissa De Costa P.C., Mr Prasanna Fernando and Mr. J F Fernandopulle. Chairman to the committee is a Senior Chartered Accountant. The Company Secretary functions as Secretary to the Audit Committee.

The principal activities of the Committee are detailed below.

Meetings

The Audit Committee held 06 meetings during the year under review.

The Group Chief Financial Officer, Group Internal Audit Manager and functional heads of the Strategic Business Units (SBUs) were invited if deemed necessary for audit committee meetings.

Meetings were held with the external auditors regarding the scope and the conduct of the annual audits.

Internal Audit and Risk Management

The Internal Audit Programme was reviewed by the Committee to ensure that it covered the major business units of the Group.

The Group Internal Audit Manager was invited to be present at all Audit Committee deliberations. He presented a summary of the salient findings of all internal audits and details of the investigations carried out by his department for the period. The responses Heads of the SBUs to the internal audit findings were reviewed and where necessary corrective actions were recommended and implementation monitored.

Internal Controls

During its meetings, the Committee reviewed the adequacy and effectiveness of the internal control systems and the Group's approach to its exposure to the business and financial risks. Processes are in place to safeguard the assets of the organization and to ensure that the financial reporting system can be relied upon in the preparation and presentation of financial statements.

A comprehensive Management Report and Accounts are produced at every month end highlighting all the key performance criteria pertaining to the Company's SBUs which is reviewed by the Senior Management on a monthly basis. SBU Boards review performance on a quarterly basis.

Financial Statements

The Committee reviewed the Group's Quarterly Financial Statements, the Annual Report and Accounts for reliability, consistency and compliance with the Sri Lanka Accounting Standards and other statutory requirements, including the Companies Act, No 7 of 2007, prior to issuance. The committee also reviewed the adequacy of disclosure in the published Financial Statements.

External Auditors

The Audit Committee has reviewed the other services provided by the External Auditors to the group to ensure their independence as Auditors has not been compromised.

The external auditors kept the Audit Committee informed on an on-going basis of all matters of significance. The Committee met with the Auditors and discussed issues arising from the audit and corrective action taken when necessary.

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young be re-appointed as Auditors for the financial year ending 31st March, 2024 subject to the approval of the shareholders at the next Annual General Meeting.

Conclusion

The Audit Committee is satisfied that the control environment prevailing in the organization provides reasonable assurance regarding the reliability of the financial reporting of the Group, the assets are safeguarded and that the Listing Rules of the Colombo Stock Exchange have been complied with.

J F Fernandopulle
Chairman of the Audit Committee

28 August 2024

Report of the Related Party Transactions Review Committee

The Related Party Transactions Review Committee is comprised of three Independent Non-Executive Directors namely Dr. Jayatissa De Costa P.C.(Chairman), Mr. Prasanna Fernando and Mr. J F Fernandopulle.

The Deputy Group Chief Financial Officer attend meetings by invitation. The Company Secretary is the Secretary to the Related Party Transactions Review Committee.

The Objectives of the Committee,

- To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs", other than those exempted by the CSE listing rules on the Related Party Transactions) of Richard Pieris & Company PLC and all its listed subsidiaries are carried out and disclosed in a manner consistent with the CSE listing rules.
- To advise and update the Board of Directors on the related party transactions of each of the listed companies on a quarterly basis.
- To ensure compliance with the CSE listing rules on the Related Party Transactions.
- To review policies and procedures of Related Party Transactions of the Group.
- To ensure shareholder interests are protected and that fairness and transparency are maintained.

The Committee reviewed the policy framework for adoption on Related Party Transactions for Richard Pieris & Company and all its listed subsidiaries. In such process the committee considered and reviewed Related Party Transactions which require approval of the Board of Directors, various thresholds set out by the Colombo Stock Exchange listing rules and disclosure requirements, etc.

The Committee held 04 meetings during the period under review. The activities and views of the Committee have been communicated to the Board of Directors where appropriate.

Details of the related party transactions entered into by the Group/Company are disclosed on pages 146 to 147.

Dr. Jayatissa De Costa P.C.
Chairman

28 August 2024

Statement by the Senior Independent Director

I was appointed by the Board as the Independent Director (SID) on 01st November 2023 in compliance with Section 9.6.3. of Listing Rules of Corporate Governance. I act as the Company's SID, since there is no separation between the roles of Chief Executive and Chairperson. Under the current Chairman, a world-class scientist, the Company has expanded into a major diversified conglomerate with strong market positions both domestically and internationally. As a result, the Board determined that current Chairperson holds the CEO position of the Company would be the best arrangement.

Role of the Senior Independent Director

The Senior Independent Non- Executive Director and the other Independent Directors will be meeting annually without the presence of other Directors to discuss the matters and concerns relating to the entity and the operation of the Board. He will give the comments and suggestions from these meetings to Chairperson and the other Board Members.

During the financial year that concluded on March 31, 2024, no such meeting was held because the SID was appointment on 01st November 2023 which has not lapsed one year.

J F Fernandopulle
Senior Independent Director

28 August 2024

Statement of Directors' Responsibility

In keeping with the provisions under the Companies Act No. 7 of 2007, the Directors of Richard Pieris and Company PLC, acknowledge their responsibility in relation to financial reporting of both, the Company and that of its Group. These responsibilities differ from those of its Auditors, M/s. Ernst & Young, which are set out in their report, appearing on pages 72 and 75 of this report.

The financial statements of the Company and its subsidiaries for the year ended 31st March 2024 included in this report, have been prepared and presented in accordance with the new Sri Lanka Accounting Standards (LKAS and SLFRS), and they provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The Directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the financial statements exhibited on pages from 68 to 138 inclusive. All material deviations from these standards if any have been disclosed and explained. The judgments and estimates made in the preparation of these financial statements are reasonable and prudent.

The Directors confirm their responsibility for ensuring that all companies within the Group maintain accounting records, which are sufficient to prepare financial statements that disclose with reasonable accuracy, the financial position of the Company and its Group. They also confirm their responsibility towards ensuring that the financial statements presented in the Annual Report give a true and fair view of the state of affairs of the Company and its Group as at 31st March 2024, and that of the profit for the year then ended.

The overall responsibility for the Company's internal control systems lies with the Directors. Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud, the Directors confirm that the prevalent internal control systems instituted by them and which comprise internal checks, internal audit and financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Directors' are of the view that the Company and its Group have adequate resources to continue operations in the foreseeable future and have continued to use the going - concern basis in the preparation of these financial statements.

The Directors' have provided the Auditors M/s. Ernst & Young Chartered Accountants with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Auditors have examined the financial statements together with all financial records and related data and express their opinion which appears as reported by them on pages 72 and 75 of this report.

By Order of the Board,

Richard Pieris Group Services (Pvt) Limited
Secretaries

310, High Level Road, Nawinna, Maharagama

28 August 2024

Independent Auditor's Report

Building a better working world

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF RICHARD PIERIS AND COMPANY PLC

Report on the Financial Statements

Opinion

We have audited the Financial Statements of Richard Pieris and Company PLC, ("the Company") and the Consolidated Financial Statements of the Company and its subsidiaries ("The Group"), which comprise the statement of financial position as at 31 March 2024, and the Statement of comprehensive income, Statement of Changes in equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Assessment of Impairment of Goodwill The Group's Statement of Financial Position includes an amount of Rs. 1,115 Mn relating to Goodwill as further described in Note 14 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount determined by Management using value in use computations (VIU). Such Management VIU calculations are based on the discounted future cashflows of each Cash Generating Unit (CGU) to which Goodwill have been allocated. A deficit between the recoverable value and the carrying values of the CGUs including Goodwill would result in an impairment. Impairment testing of Goodwill was a key audit matter due to: • the degree of assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations. Key areas of significant judgements, estimates and assumptions included key inputs and assumptions related to the value in use computations such as growth rates used for extrapolation purposes, discount rates and terminal growth rates as disclosed in Note 2.10.12 and 14 to the financial statements.	Our audit procedures included the following; • We gained an understanding of how Management has forecasted its discounted future cash flows. • We assessed the reasonableness of significant assumptions including long term growth rates and discount rate. We tested the completeness and accuracy of the underlying data used and performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations. We assessed the adequacy of the disclosures made in Note 14 and in the financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, B Vasanthan ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp), W D P L Perera ACA

A member firm of Ernst & Young Global Limited

Key Audit Matter	How our audit addressed the key audit matter
Allowances for Loans and Advances - Loan, Lease and Hire Purchase receivables Allowances for expected credit losses of Loan, Lease and Hire Purchase receivables amounting to Rs. 1,734 million arising from Loans and Advances of Rs. 13,999 million (Note 21) is determined by the management based on the accounting policies described in Note 2.11.2. This was a key audit matter due to • the involvement of significant management judgements, assumptions and level of estimation uncertainty associated in management's expectation of future cash flows to recover such financial assets; and • the materiality of the reported amount of allowance of expected credit losses and use of complex calculations in its determination. Key areas of significant judgements, assumptions and estimates used by management included: assumed future occurrence of events and/or transactions and forward-looking macroeconomic scenarios and their associated weightages, which are subject to inherently heightened levels of estimation uncertainty.	In addressing the adequacy of the allowances for expected credit losses of Loan, Lease and Hire Purchase receivables, our audit procedures included the following key procedures: • Assessed the alignment of the entity's allowances for expected credit losses computations and underlying methodology including responses to economic conditions with its accounting policies, based on the best available information up to the date of our report. • Evaluated the design, implementation, and operating effectiveness of controls over estimation of expected credit losses, which included assessing the level of oversight, review and approval of allowances for expected credit losses, policies and procedures by the Board and the management. • Checked the completeness, accuracy and reasonableness of the underlying data used in the expected credit loss computations by cross checking to relevant source documents and accounting records of the entity. • Evaluated the reasonableness of credit quality assessments and related stage classifications. • Assessed the reasonableness of the judgements, assumptions and estimates used by the Management in assumed future occurrence of events and/or transactions including the value and the timing of cash flow forecasts, status of recovery actions of the collaterals, forward-looking macroeconomic scenarios and their associated weightages. • Assessed the adequacy of the related financial statement disclosures set out in notes 2.11.2 and 21.
Measurement of bearer biological assets As of 31 March 2024, the Group's bearer biological assets amounted to Rs. 9.5 Bn and represented 10% of the Group's total assets. Bearer Biological Assets comprised of Rs. 3.4 Bn Immature Plantations and Rs. 6.1 Bn of Mature plantations, as disclosed in Notes 2.10.6 and 12 to the financial statements. This was a key audit matter due to: • The materiality of the reported bearer biological asset balance. and • The degree of management's judgement involved in identification of costs to be capitalized as immature plantations, point at which transfers are to be made from immature plantations to mature plantations and identification of possible indicators of impairment, as disclosed in Notes 2.10.6 and 12 to the financial statements.	Our audit procedures included the following key procedures: • Obtained an understanding of management's expense allocation process and evaluated the design of relevant key controls over the identification of expenses to be capitalized in relation to immature plantations. • Tested the significant expenses incurred by examining related invoices, capital expenditure authorisations and other corroborative evidence. • Tested transfer of immature plants to respective matured plantation categories by examining ageing profile of immature plantations. • Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations. • Inspected the ageing profile of the immature biological assets as of the reporting date to ensure that possible indictors of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements. We also assessed the adequacy of the related disclosures given in Notes 2.10.6 and 12 in the financial statements.

Other Information included in the 2024 Annual Report
Other information consists of the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and Group’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor’s report is 2471.

28 August 2024
Colombo

Statement of Profit or Loss

For the year ended 31st March	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Continuing operations					
Revenue from contracts with customers	3.1	69,248,473	74,359,866	1,045,097	942,408
Revenue from insurance contracts	3.1	2,074,699	2,437,642	-	-
Interest Income from Finance company	3.1	2,536,054	2,396,277	-	-
Dividend Income	3.1	-	-	1,593,685	3,102,502
Other revenue	3.1	-	-	49,689	123,924
Total Revenue		73,859,225	79,193,785	2,688,471	4,168,833
Cost of sales		(57,717,578)	(56,004,507)	-	-
Gross profit		16,141,647	23,189,278	2,688,471	4,168,833
Other operating income	4.1	1,893,838	2,105,695	215,400	210,246
Selling and distribution expenses		(4,599,818)	(4,398,488)	-	-
Administrative expenses		(9,283,880)	(8,894,221)	(631,849)	(451,514)
Other operating expenses	4.2	(334,492)	(283,389)	(26,334)	-
Operating profit	4.3	3,817,296	11,718,875	2,245,688	3,927,566
Finance costs	5	(2,830,115)	(4,669,624)	(1,744,405)	(2,563,187)
Finance income	6	1,091,510	2,029,256	153,019	389,933
Share of profit of an associate	7	112,802	265,983	-	-
Profit before tax from continuing operations		2,191,494	9,344,490	654,301	1,754,312
Tax expense	8	(1,164,932)	(3,116,789)	75,514	(168,982)
Profit for the year from continuing operations		1,026,562	6,227,701	729,815	1,585,330
Discontinued operations					
Loss after tax for the year from discontinued operations	9	(2,830)	(2,113)	-	-
Profit for the year		1,023,732	6,225,588	729,815	1,585,330
Attributable to:					
Equity holders of the parent		572,872	4,978,844		
Non-controlling interests		450,860	1,246,744		
		1,023,732	6,225,588		
Earnings per share					
Basic	10	Rs. 0.28	Rs. 2.45		
Earnings per share for continuing operations					
Basic	10	Rs. 0.28	Rs. 2.45		
Dividend per share	11	Rs. 0.50	Rs. 0.70		

Figures in brackets indicate deductions.

The accounting policies and notes from pages 83 to 147 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31st March	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Profit for the year		1,023,732	6,225,588	729,815	1,585,330
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax);					
Net gain/(loss) on financial instruments at fair value through other comprehensive income		158,771	(98,288)	-	-
Fair value movement of AFS reserve transferred to life fund		(158,771)	98,288	-	-
Exchange differences on translation of foreign operations		(79,017)	99,270	-	-
Net other comprehensive income to be reclassified to profit or loss		(79,017)	99,270	-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax);					
Net gain/(loss) on equity instruments at fair value through other comprehensive income		808,007	(342,181)	649,316	(268,509)
Gain / (loss) on actuarial valuation on defined benefit obligation	32	(299,979)	(232,939)	(10,446)	7,808
Income tax effect		84,844	70,824	3,134	(2,342)
Net other comprehensive loss not to be reclassified to profit or loss		592,872	(504,296)	642,004	(263,044)
Other comprehensive loss for the year, net of tax		513,855	(405,026)	642,004	(263,044)
Total comprehensive income for the year, net of tax		1,537,587	5,820,562	1,371,819	1,322,285
Attributable to:					
Equity holders of the parent		1,113,526	4,590,912		
Non-controlling interests		424,061	1,229,650		
		1,537,587	5,820,562		

Figures in brackets indicate deductions.

The accounting policies and notes from pages 83 to 147 form an integral part of these financial statements.

Statement of Financial Position

As at 31st March	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Assets					
Non-current assets					
Property, plant and equipment	12.1	26,784,504	25,908,480	282,583	270,150
Investment properties	13	481,168	374,948	2,722,879	2,707,516
Right-of-use assets	29	3,636,175	3,226,699	156,136	208,164
Intangible assets	14	1,137,044	1,140,983	-	-
Consumable biological assets	15	1,763,300	1,603,306	-	-
Investments in subsidiaries	16	-	-	4,960,275	4,818,971
Investment in associates	16	473,063	438,299	-	-
Other non-current financial assets	17	5,441,642	4,525,993	1,729,670	1,080,356
Deferred tax assets	18	1,179,214	801,981	19,546	15,637
		40,896,110	38,020,689	9,871,089	9,100,794
Current assets					
Inventories	19	13,129,119	15,391,055	2,225	4,573
Produce on bearer biological assets	15	60,715	65,419	-	-
Trade and other receivables	20	11,736,922	10,089,591	768,184	539,164
Loans and advances	21	12,265,444	11,750,737	-	-
Tax receivables		212,370	168,374	-	-
Amounts due from subsidiaries		-	-	5,825,547	4,781,977
Other current financial assets	17	1,701,180	1,438,520	-	-
Cash and short-term deposits	23	12,915,837	10,574,350	1,203,271	978,801
		52,021,587	49,478,046	7,799,227	6,304,515
Total assets		92,917,697	87,498,735	17,670,316	15,405,309
Equity and liabilities					
Equity					
Stated capital	24	1,972,829	1,972,829	1,972,829	1,972,829
Revenue reserves		22,531,452	23,163,920	2,334,710	2,629,726
Statutory reserve fund	25	88,438	88,438	-	-
Other components of equity	26	39,299	(688,350)	(289,627)	(938,943)
Equity attributable to equity holders of the parent		24,632,018	24,536,837	4,017,912	3,663,612
Non-controlling interests		5,562,018	5,274,162	-	-
Total equity		30,194,036	29,810,999	4,017,912	3,663,612
Non-current liabilities					
Interest-bearing loans and borrowings	28	1,854,804	1,881,666	-	-
Lease liabilities on Right-of-use Assets	29	3,453,184	2,870,965	226,245	301,474
Insurance provision	27	2,906,873	2,253,798	-	-
Provisions	30	196,451	191,815	-	-
Government grants	31	492,804	482,394	-	-
Employee benefit liabilities	32	2,561,214	2,440,982	67,302	54,227
Deferred tax liabilities	18	2,619,872	2,288,281	-	-
		14,085,203	12,409,901	293,547	355,701

As at 31st March	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Current liabilities					
Trade and other payables	34	13,132,327	12,200,915	219,690	509,007
Customer deposits	35	10,332,211	8,401,840	-	-
Current portion of interest-bearing loans and borrowings	28	1,790,265	3,404,268	-	-
Current portion Lease liabilities on Right-of-use Assets	29	944,463	1,012,696	75,229	63,152
Amounts due to subsidiaries		-	-	573,350	552,263
Income tax payable		330,698	615,915	1,741	152,941
Short term borrowings	22	22,108,494	19,642,201	12,488,847	10,108,634
		48,638,458	45,277,834	13,358,857	11,385,996
Total liabilities		62,723,661	57,687,736	13,652,404	11,741,697
Total equity and liabilities		92,917,697	87,498,735	17,670,316	15,405,309

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

Sudheera Epitakumbura
Head of Finance

The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:

Wasantha R Abeysirigunawardena
Director

W J V P Perera
Director

The accounting policies and notes from pages 83 to 147 form an integral part of these financial statements.

28 August 2024

Statement of Changes in Equity

	Attributable to equity holders of the parent							
For the year ended 31st March	Stated capital	Revenue reserves	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Statutory reserve fund	Total	Non controlling interest	Total equity
Group	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1st April 2022	1,972,829	21,201,306	(807,127)	380,543	89,282	22,836,833	4,358,123	27,194,957
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	(1,376,254)	-	-	-	(1,376,254)	(57,832)	(1,434,086)
Adjusted Balance As at 1st April 2022	1,972,829	19,825,052	(807,127)	380,543	89,282	21,460,579	4,300,291	25,760,870
Profit for the year	-	4,978,844	-	-	-	4,978,844	1,246,744	6,225,588
Other comprehensive income	-	(126,166)	(325,106)	63,340	-	(387,932)	(17,094)	(405,026)
Total comprehensive income	-	4,852,678	(325,106)	63,340	-	4,590,912	1,229,650	5,820,564
Dividends	-	(1,424,527)	-	-	-	(1,424,527)	-	(1,424,527)
Amount transferred due to changes in holdings	-	(22,656)	-	-	-	(22,656)	(48,975)	(71,631)
Transfers during the year	-	844	-	-	(844)	-	-	-
Subsidiary dividend to minority shareholders	-	(67,471)	-	-	-	(67,471)	(206,804)	(274,275)
At 31st March 2023	1,972,829	23,163,920	(1,132,233)	443,883	88,438	24,536,837	5,274,162	29,810,999
As at 1st April 2023	1,972,829	23,163,920	(1,132,233)	443,883	88,438	24,536,837	5,274,162	29,810,999
Profit for the year	-	572,872	-	-	-	572,872	450,860	1,023,732
Other comprehensive income	-	(186,995)	778,779	(51,130)	-	540,654	(26,799)	513,855
Total comprehensive income	-	385,877	778,779	(51,130)	-	1,113,525	424,061	1,537,587
Dividends	-	(1,017,519)	-	-	-	(1,017,519)	-	(1,017,519)
Amount transferred due to changes in holdings	-	3,986	-	-	-	3,986	(7,036)	(3,050)
Subsidiary dividend to minority shareholders	-	(4,812)	-	-	-	(4,812)	(129,169)	(133,981)
At 31st March 2024	1,972,829	22,531,452	(353,454)	392,753	88,438	24,632,018	5,562,018	30,194,036
Company								
As at 1st April 2022	1,972,829	2,488,980	(670,434)	-	-	3,791,375	-	3,791,375
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	(25,522)	-	-	-	(25,522)	-	(25,522)
Adjusted Balance As at 1st April 2022	1,972,829	2,463,458	(670,434)	-	-	3,765,853	-	3,765,853
Profit for the year	-	1,585,330	-	-	-	1,585,330	-	1,585,330
Other comprehensive income	-	5,466	(268,509)	-	-	(263,044)	-	(263,044)
Total comprehensive income	-	1,590,794	(268,509)	-	-	1,322,286	-	1,322,286
Dividends	-	(1,424,527)	-	-	-	(1,424,527)	-	(1,424,527)
At 31st March 2023	1,972,829	2,629,726	(938,943)	-	-	3,663,612	-	3,663,612
As at 1st April 2023	1,972,829	2,629,726	(938,943)	-	-	3,663,612	-	3,663,612
Profit for the year	-	729,815	-	-	-	729,815	-	729,815
Other comprehensive income	-	(7,312)	649,316	-	-	642,004	-	642,004
Total comprehensive income	-	722,503	649,316	-		1,371,819	-	1,371,819
Dividends	-	(1,017,519)	-	-	-	(1,017,519)	-	(1,017,519)
At 31st March 2024	1,972,829	2,334,710	(289,627)	-	-	4,017,912	-	4,017,912

Figures in brackets indicate deductions.

The accounting policies and notes from pages 83 to 147 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31st March	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Operating activities					
Profit before tax from continuing operations		2,191,494	9,344,490	654,301	1,754,312
Loss from discontinued operations		(2,830)	(2,113)	-	-
Profit before tax		2,188,664	9,342,377	654,301	1,754,312
Non-cash adjustment to reconcile profit before tax to net cash flows:					
Depreciation and impairment of property, plant and equipment	12,13	1,459,885	1,366,312	21,434	22,572
Amortization of ROUA	29	877,745	906,916	52,027	52,490
Amortization and impairment of intangible assets	14	3,939	4,541	-	-
Gain on disposal of property, plant and equipment		(6,700)	(111,823)	-	(48,000)
(Gain)/loss on biological assets		4,703	(7,586)	-	-
Net change in the fair value of financial assets at FVTPL		(102,699)	(4,921)	-	-
Fair value adjustment of biological assets	15.1	(148,969)	(132,594)	-	-
Finance income	06	(1,091,510)	(2,029,256)	(153,019)	(389,933)
Finance costs	05	2,830,115	4,669,624	1,744,405	2,563,187
Share of profit of an associate	07	(112,802)	(265,983)	-	-
Provision for bad debts	20	158,329	89,593	-	-
Provision for slow moving stocks	19	1,017,548	596,675	-	-
Provision for defined benefit plan	32	580,789	503,532	14,625	13,360
Provision on warranties	30	4,636	30,039	-	-
Grants amortized	31	(38,070)	(37,150)	-	-
Impairment of loans and advances	21	45,967	54,718	-	-
Impairment of Subsidiaries		-	-	20,000	5,000
Exchange differences on translation of foreign currency		(67,682)	345,275	(23,305)	162,246
		7,603,886	15,320,288	2,330,469	4,135,232
Working capital adjustments:					
(Increase) / decrease in trade and other receivables and prepayments		(1,805,660)	788,281	(1,272,591)	(451,908)
Increase in inventories		1,244,390	(3,649,308)	2,348	3,129
(Increase) / decrease in trade and other payables		931,412	(1,594,523)	(268,229)	547,809
Changes in operating assets	21	(560,674)	1,584,270	-	-
Changes in operating liabilities	35	1,930,371	(1,507,990)	-	-
Increase in insurance provision		653,075	293,022	-	-
Cash generated from operations		9,996,800	11,234,039	791,997	4,234,262
Interest paid		(2,272,391)	(4,669,624)	(1,744,405)	(2,563,187)
Gratuity paid	32	(760,536)	(790,270)	(11,996)	(15,196)
Interest received		1,091,510	2,029,256	153,019	389,933
Income tax paid		(1,427,235)	(3,978,052)	(76,461)	(561,089)
Net cash flows from / (used in) operating activities		6,628,148	3,825,348	(887,846)	1,484,723

Statement of Cash Flows

For the year ended 31st March	Notes	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Investing activities					
Proceeds from sale of property, plant and equipment		124,826	453,774	-	83,300
Purchase of property, plant and equipment	12	(2,486,103)	(3,478,846)	(26,334)	(33,391)
Purchase of investment properties	13	(107,285)	(54,287)	(22,895)	(46,544)
Intangible assets acquired	14	-	(1,554)	-	-
Increase in biological assets due to new planting	15	(11,025)	(20,981)		
Purchase of financial instruments		(4,943)	(686,809)	-	(99,386)
Proceeds from sale of financial assets		(262,660)	594,130	-	-
Dividend received from associate		50,330	150,996	-	-
Increase in holding in a subsidiary		(3,050)	(71,631)	(161,304)	(336,539)
Receipt of government grants	31	48,480	17,060	-	-
Net cash flows used in investing activities		(2,651,430)	(3,098,147)	(210,533)	(432,560)
Net cash (outflow) / inflow before financing		3,976,718	727,201	(1,098,377)	1,052,164
Financing activities					
Proceeds from borrowings	28	1,220,041	2,309,000	-	-
Repayment of borrowings	28	(2,860,905)	(5,037,852)	-	-
Lease Liability - Rentals paid	29	(1,319,450)	(707,155)	(63,152)	(49,135)
Lease Liability - Obtained		1,297,513	291,348		
ROU asset acquired		(1,287,221)	(389,258)	-	-
Dividends paid to equity holders of the parent	11	(1,017,519)	(1,424,527)	(1,017,519)	(1,424,527)
Dividends paid to non-controlling interests		(133,981)	(274,275)	-	-
Net cash flows used in financing activities		(4,101,523)	(5,232,719)	(1,080,671)	(1,473,662)
Net increase/(decrease) in cash and cash equivalents		(124,805)	(4,505,519)	(2,179,048)	(421,497)
Net foreign exchange difference		-	-	23,305	(162,246)
Cash and cash equivalents as at the beginning of the year	23	(9,067,851)	(4,562,332)	(9,129,833)	(8,546,091)
Cash and cash equivalents at the end of the year		(9,192,657)	(9,067,851)	(11,285,576)	(9,129,833)
Analysis of Cash & Cash equivalents at 31st March					
Bank and cash balances	23	12,915,837	10,574,350	1,203,271	978,801
Short term borrowings	23	(22,108,494)	(19,642,201)	(12,488,847)	(10,108,634)
		(9,192,657)	(9,067,851)	(11,285,576)	(9,129,833)

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1. Reporting Entity

Richard Pieris & Company PLC ("Company") is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principle business place of the Company is situated at 310, High Level Road, Nawinna, Maharagama.

In the Annual Report of the Board of Directors and in the Financial Statements, "the company" refers to Richard Pieris and Company PLC as the holding Company and "the Group" refers to the companies whose accounts have been consolidated therein.

1.2. Principle Activities and Nature of Operations

The principal activities of the Group are stated in the Annual Report of the Board of Directors.

1.3. Parent Entity and Ultimate Parent Entity

The Company does not have an identifiable parent on its own. Richard Pieris & Company PLC is the ultimate parent of the group.

1.4. Directors Responsibility

The Board of Directors is responsible for these Consolidated Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards.

1.5. Approval of Financial Statements

The Consolidated Financial Statements of the Group for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on 28th August 2024.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and in compliance with the Companies Act No. 7 of 2007.

2.2. Basis of measurement

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for:

- Financial instruments reflected as fair value through profit or loss which is measured at fair value.
- Financial instruments designated as fair value through other comprehensive income (OCI) which are measured at fair value.
- Consumable biological assets and agricultural produce from bearer biological assets which are measured at fair value, less costs to sell.

Where appropriate, the specific policies are explained in the succeeding notes. No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

2.3. Presentation and Functional Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees, the Group's functional and presentation currency, which is the primary economic environment in which the holding Company operates. All values are rounded to the nearest thousand (Rs.'000), except when otherwise indicated.

2.4. Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.5. Comparative information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements.

In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

2.6. Rounding

All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand (Rs'000), except when otherwise indicated.

2.7. Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

2.8. Basis of Consolidation

The consolidated financial statements encompass the Company, its subsidiaries (together referred to as the "Group") and the Group's interest in equity accounted investees (Associates).

Subsidiaries and equity accounted investees are disclosed in Note 16 to the Financial Statements.

Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it de-recognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the Statement of Profit or Loss. Any investment retained is recognised at fair value.

2.8.1 Consolidation of subsidiaries with different accounting periods

The financial statements of all subsidiaries in the Group other than Arpico Insurance PLC are prepared for a common financial year, which ends on 31 March.

Subsidiary with 31 December financial year ends prepare for consolidation purposes, additional financial information as of the same date as the financial statements of the parent. The difference between the date of the subsidiary's financial statements and that of the consolidated financial statements will not be more than three months.

2.8.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Statement of Profit or Loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the Statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to eachof the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash- generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of th cash- generating unit retained.

2.8.2 Foreign Currencies

Foreign Currency Transactions

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss. Tax charges and credit attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary assets and liabilities which are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Foreign Operations

The results and financial position of all Group entities that have a functional currency other than the Sri Lanka Rupee are translated into Sri Lanka Rupees as follows:

- Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on the acquisition, are translated to Sri Lanka Rupees at the exchange rate at the reporting date
- Income and expenses are translated at the average exchange rates for the year

Foreign currency differences are recognised in Statement of Other Comprehensive Income. When a foreign operation is disposed of, the relevant amount in the translation reserve is transferred to Statement of Profit or Loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is re-attributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to Statement of Profit or Loss.

Arpitalian Compact Soles (Pvt) Limited uses US dollars as its functional currency as it conducts the majority of its business in US dollars and is entitled to the benefits provided to companies approved by the Board of Investment of Sri Lanka. Arpitalian Compact Soles (Pvt) Limited adopted US dollars as its measurement and functional currency in line with LKAS 21 which deals with "effects of Changes in Foreign exchange Rates" and has been translated to the presentation currency of the Group, Sri Lankan Rupees, for consolidation purpose.

Richard Pieris Trading Company PTE Limited uses Singapore dollars as its functional currency as it conducts the majority of its business in Singapore Dollars and the financials has been translated to the presentation currency of the Group, Sri Lankan Rupees, for consolidation purpose.

2.9 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions which may affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty exists at the date of preparation, about these assumptions and estimates and hence, may result in outcomes that require a material adjustment to the recorded carrying amount of the asset or liability as at the reporting date or in future periods.

2.9.1 Judgements

In the process of applying the Group's accounting policies, management has made following judgements which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

Going Concern

When preparing Consolidated Financial Statements, management has made assessment of the ability of the constituents of the Group to continue as a going concern, taking into account all available information about the future, including intentions of curtailment of businesses, as decided by the Board, as disclosed in Note 09 to the Consolidated Financial Statements.

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The assessment includes the existing and anticipated effects of the COVID-19 pandemic on the significant assumptions that are sensitive or susceptible to change or are inconsistent with historical trends. As the economic effects of COVID-19 continue to evolve, management considered a range of scenarios to determine the potential impact on underlying performance and future funding requirements. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

Tax on Financial Statements
The Group is subject to income taxes and other taxes. Significant judgement was required to determine the total provision for current, deferred and other taxes and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws and timing of future taxable income, including but not limited to those that can arise due to treatment of effect of adoption of Sri Lanka Financial Reporting Standards, Interpretations and Transfer Pricing, at the time of the preparation of these Financial Statements.

Deferred tax assets
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are given in Note 08 to the Consolidated Financial Statements.

Uncertainty on income tax assessments
IFRIC Interpretation 23 "Uncertainty over Income Tax Treatment" The interpretation is effective for annual reporting period beginning on or after 1 April 2019.

Transfer pricing regulation
The Group is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations necessitated using management judgment to determine the impact of transfer pricing regulations. Accordingly critical judgments and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgments. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

Impairment of receivables
The Group reviews at each reporting date all receivables to assess whether an allowance should be recorded in the Statement of Profit or Loss. The management uses judgment in estimating such amounts in the light of the duration of, outstanding and any other factors management is aware of that indicates uncertainty in recovery.

Impairment of loans and advances
The Company assessed loans and advances collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to expected loss. The collective assessment takes in to account data from the loan portfolio (such as levels of arrears, credit utilisation, loan-to-collateral ratios, etc.), and judgements on the effect of concentrations of risks and economic data (including levels of unemployment, inflation, interest rates, exchange rates). Further details are given in in Note 2.11.2 to the consolidated Financial Statements.

Determination of performance obligations
Significant judgments relating to determination of performance obligations in relation to Group's revenue recognition are given in note 2.10.1.

Valuation of Inventories
The Group has applied judgment in the determination of impairment in relation to inventories that are slow moving or obsolete. The Group's impairment assessment in relation to such inventories take into account factors such as the ageing of items of inventories, dates for possible expiry and expectations in relation to how the inventories will be utilised or sold. Judgment has also been applied by management in determining net realisable value of inventories (NRV). The estimates and judgements applied in the determination of NRV are influenced by expectations of sales relating to identified goods and historically realised sales prices.

2.9.2 Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates, on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets
a. Non-financial assets other than Goodwill
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from an active market, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

b. Goodwill
The Group tests annually whether goodwill requires impairment, in accordance with the accounting policy stated in Note 2.10.16. The basis of determining the recoverable amounts of cash generating units and key assumptions used are given in Note 14 to the Financial Statements.

Defined benefit plans - Gratuity
The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, staff withdrawals, and mortality rates. Due to the complexity of the valuation; the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details are given in Note 32 to the Consolidated Financial Statements.

Fair Value of Financial Instruments
Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Intangible Assets
For the purposes of impairment testing, goodwill is allocated to cash generating units when cash generating units to which goodwill has been allocated are tested for impairment annually, using Value in Use method. The calculation of value in use for the cash generating unit is most sensitive to the assumptions of sales growth, discount rates and cost increases due to inflation. Further details are given in Note 14 to the Financial Statements.

Liability Adequacy Test (LAT)
At each reporting date, an assessment is made of whether the recognized life insurance liabilities are adequate by using an existing liability adequacy test as laid out under SLFRS 4. The liability value is adjusted to the extent that is insufficient to meet future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policy holder options and guarantees, as well as investment income from assets backing such liabilities, are used. A number of valuation methods are applied, including discounted cash flows to the extent that the test involves discounting of cash flows, the interest rate applied based on the managements prudent expectation of current market interest rates. Any deficiencies shall be recognized in the Statement of Profit or Loss by setting up a provision for liability adequacy. Further details are given in Note 27 to the Financial Statements.

Incremental Borrowing rate (IBR)
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.10 Material Accounting Policies Applied

2.10.1. Revenue Recognition

2.10.1.1. Revenue from Contacts with Customers
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Goods transferred at a point in time
Under SLFRS 15, revenue is recognized upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Services transferred over time
Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Group recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

Disaggregation of revenue
The Group presented disaggregated revenue with Group's reportable segments based on timing of revenue recognition and geographical region in the operating segment information section.

Reconciliation of revenue
Reconciliation between Revenue from contracts with customers and revenue information that is disclosed for each reportable segment has been provided in the operating segment information section of Note 03 to the Financial Statements.

2.10.1.1.1. Contract balances

Contract assets

Contract assets are Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditioned on some criteria other than the passage of time, upon satisfaction of the conditions. The Group has not held contract assets as at the reporting date.

Contract liabilities

Contract liabilities are Group's obligation to transfer goods or services to a customer for which the group has received consideration (or the amount is due) from the customer. Group contract liabilities mainly include loyalty points not yet redeemed. Contract liabilities of the Group have been disclosed under trade and other payables and warranty provisions.

2.10.1.1.2. Performance Obligations and significant judgements

The Group's performance obligations and significant judgements are summarised below:

Retail

The Retail sector focuses on modern organised retailing through a chain of supermarkets. Revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, which is generally upon delivery of the goods. The output method will provide a faithful depiction in recognising revenue.

Loyalty points programme

The Group has a loyalty point programme – Arpico Privilege Points, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

Sale of Rubber, Tyre, Plastic, Furniture and Electronics

The Group is in the business of selling rubber based articles, tyres, plastic products, furniture items and electronic items. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of those good or services.

Right to return

Certain contracts provide the customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned. Based on the assessment performed, the Group concluded that refund liabilities do not have a material impact on the Group's financial statements that need an adjustment in Financial Statements.

Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under LKAS 37 Provisions.

Sale of Plantation produce

Revenue from sale of plantation produce is recognized at the point in time when the controls of the goods are transferred to the customer. Black tea and Rubber produce are sold at the Colombo tea/rubber Auction and the highest bidder whose offer is accepted shall be the buyer, and a sale shall be completed at the fall of the hammer, at which point control is transferred to the customer. Revenue from sale of other crops are recognized at the point in time when the control of the goods has been transferred to the customer generally upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer.

There is no element of financing present as the Group's sale of plantation produce are either on cash terms (Immediate payment or advance payment not exceeding 30 days) or on credit terms ranging from 7 to 15 days.

Financial Services and others

Financial Services provides a complete range of financial solutions including leasing, insurance, stock broking and fund management. The services under one contract can be identified as one performance obligation. Entity determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the entity recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The output method will provide a faithful depiction in recognising revenue.

2.10.1.2. Insurance Revenue

Gross Premium

Gross recurring premiums on life are recognised as revenue when payable by the policyholder. For single premium business revenue is recognized on the date on which the policy is effective.

Reinsurance Premium

Gross reinsurance premiums on insurance contracts are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective. Reinsurance premiums are decided based on rates agreed with re-insurers.

Fees and Commission Income
Insurance policyholders are charged for policy administration services and other contract fees. These fees are recognised as revenue upon receipt or becoming due.

Investment Income
Interest incomes for all interest-bearing financial assets are recognised within 'investment income' in the Statement of Profit or Loss using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

f) Interest Income
For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Profit or Loss.

2.10.1.3. Finance Company Revenue
Interest Income and Interest Expense
For all financial instruments measured at amortised cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

The calculation of EIR takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR. However, for a reclassified financial asset for which the Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.10.1.4. Other revenue
Dividends
Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental Income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

Royalties
Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement.

Gains and losses
Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the Statement of Profit or Loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material, are presented in aggregate basis (reported and presented on a net basis)

2.10.2. Grants and Subsidies
Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to Statement of Profit or Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

2.10.3. Taxes
Current Income Tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income shall be recognised in Statement of Other Comprehensive Income not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, and associates deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities arising from investment properties at fair value are measured based on the tax consequence of the presumption that the carrying amount of the investment properties measured at fair value will be recovered entirely through sale.

Deferred tax relating to items recognised outside Statement of Profit or Loss is recognised outside Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax
Revenues, expenses and assets are recognised net of the amount of sales tax, except:
- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Surcharge Tax
The Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022, confirming the imposition of a one-time tax of 25% on entities in which the taxable income exceeded Rs. 2 Bn for the financial year ended 31st March 2021. The surcharge tax is applicable to the Richard Pieris Group as the cumulative taxable income of group entities calculated in accordance with the provisions of the Act , exceeded the set threshold.

VAT on Financial Services
VAT on Financial Services is calculated in accordance with VAT Act No. 14 of 2002 and subsequent amendment thereto.

2.10.4. Non-current Assets Held for Sale and Discontinued Operations
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit or Loss.

2.10.5. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Permanent land development costs which relate to the Group's Plantation Sector are those costs incurred in major infrastructure development and building new access roads on leased lands. The costs have been capitalised and amortised over the shorter of useful lives or remaining lease periods.

Permanent impairment to land development costs are charged to the Statement of Profit or Loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

Depreciation is calculated on a straight-line basis over the useful life of assets or components as follows.

Buildings	20-60 years
Plant, machinery tools and electrical installations	5-30 years
Furniture, fixtures and fittings	4-10 years
Office and other equipment	5-10 years
Computers	3-10 years
Motor vehicles	4-10 years
Land improvements	20 years
Replanting and new planting	
- Tea	33 years
- Rubber	20 years
- Coconut	50 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is de-recognised.

Capital expenditure incurred in relation to fixed assets which are not completed as at the Reporting date are shown as capital work-in-progress and is stated at cost. On completion, the related assets are transferred to property, plant and equipment. Depreciation on such assets commences when the assets are ready for their intended use.

2.10.6. Biological Assets

Immature and Mature Plantations

Biological assets are classified in to mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Rubber, tea and other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes rubber, tea plants and coconut palms, those that are not intended to be sold or harvested, however used to grow for harvesting agriculture produce. Consumable biological assets includes managed timber those that are to be harvested as agricultural produce from biological assets or sold as biological assets.

The entity recognize the biological assets when, and only when, the entity controls the assets as a result of past event, it is possible that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - Property, Plant and Equipment.

The managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Note 15 to the Financial Statements.

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in profit or loss for the period in which it arises.

Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, only where such cost increases the expected future benefits from that field, beyond its pre-infilling performance assessment.

Infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

Infilling costs that are not capitalised have been charged to the Statement of Profit or Loss in the year in which they are incurred.

2.10.7. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.10.11.1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use-assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use-assets are depreciated over the useful life which is the shorter of the estimated useful life of the asset as follows.

Bare land	53 years
Mature plantations	30 years
Leasehold buildings	25 years
Machinery	15 years
Land improvements	30 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as more fully described In Note 2.10.16 Impairment of non-financial assets.

Lease liabilities

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group's lease liabilities are included in Note 29 to the Financial Statements.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low value assets recognition exemption to leases that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.10.8. Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred except to the extent where borrowing costs that are directly attributable to the acquisition, construction or production of assets that takes a substantial period of time to get ready for its intended use or sale, is capitalized.

2.10.9. Investment Properties

Investment properties are measured initially at cost, including transaction costs and subsequently measured at cost less accumulated depreciation and impairment.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit or Loss in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

2.10.10. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit or Loss when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is de-recognised.

2.10.11. Inventories

Inventories are valued at the lower of cost and net realizable value after making due allowances for obsolete and slow moving items. Net realizable value is the estimated selling price less estimated costs of completion and estimated costs necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition, are accounted for as follows;

a) Raw Material

At actual cost on first in first out and weighted average cost.

b) Work in Progress

At the cost of direct materials, direct labour and an appropriate proportion of production overheads based on normal operating capacity.

c) Finished Goods

At purchase cost and/or cost of direct materials, direct labour and an appropriate proportion of production overheads based on normal operating capacity.

d) Goods in Transit

At actual cost

e) Growing Crop Nurseries

At the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

f) Consumables and Spares

At actual cost

2.10.12. Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss.

The following criteria are also applied in assessing impairment of no financial assets.

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible Assets

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2.10.13. Cash and short-term deposits

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts and short term borrowings which are settled within 90 days.

2.10.14. Dividend Distributions

The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed. Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in income as a separate line in the Statement of Comprehensive Income.

2.10.15. Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit or Loss net of any reimbursement.

2.10.16. Contingent Assets and Contingent Liabilities

Provisions are made for all obligations existing as at the reporting date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

All contingent liabilities are disclosed in Note 33 to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

2.10.17. Post-Employment Benefits

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuary using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 32 to the Financial Statements. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The basis of payment of retiring gratuity as follows:

Length of service (years) of service	No. of months' salary for each completed year
00-04	0
05-10	½
11-20	¾
21-30	1
Over 30	1 ¼

The basis of payment of retiring gratuity was revised for employees recruited on or after 1st August 2011 to be in line with the provisions of the Gratuity Act No.12 of 1983. In accordance with revised LKAS 19 Employee Benefits, the Group has recognized all actuarial gains and losses in the Statement of Other Compressive Income.

The actuarial valuation was carried out by a professionally qualified actuary firm Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2024. Provision made for the year is in compliance with the actuarial valuation report as at 31 March 2024.

Defined Contribution Plans:

Employees are eligible for Arpico Employees' Provident Fund Contributions/Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Companies contribute 12% and 3% of gross emoluments of employees to the Arpico Employees' Provident Fund /Ceylon Planter's Provident Fund/ Employees' Provident Fund and Employees' Trust Fund respectively.

2.10.18. Financial Instruments

2.10.18.1. Financial assets

Financial assets within the scope of SLFRS 9 are classified as amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow, characteristics and the Group's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables and quoted financial instruments and unquoted financial instruments.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Financial assets at amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include trade receivables and short term investments.

Financial assets designated at fair value through OCI
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for thepurpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Financial assets-de-recognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets
The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. Based on the assessment performed, the Group concluded that SLFRS 9 does not have a material impact on the Group's Financial Statements.

Impairment losses were evaluated based on ECL s for debt instruments of the Group which are held to maturity. Impairment losses for Loans & advances of Richard Pieris Finance Ltd were accounted based on the modified retrospective method without restating the comparatives.

2.10.18.2. Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.11. Significant Accounting Policies that are Specific to Other Businesses

2.11.1. Insurance Company

2.11.1.1. Actuarial Valuations of the Insurance Provisions
The valuation of long term Insurance Provision was carried out by Messrs'. Actuarial Partners Consulting Sdn Bhd and the Directors agree to the long term nature of insurance business provisions on the recommendation of the said actuary.

The actuarial valuation takes into account all liabilities including contingent liabilities and is based on assumptions recommended by the independent external actuary. The liability for life insurance contracts is based on current assumptions or on assumptions established at inception of the contract, incorporating regulator recommended minimum requirements.

The main assumptions used relate to mortality, morbidity, investment returns and discount rates. Industry and Company experience on mortality and morbidity is considered, adjusted when appropriate to reflect the product characteristics, target markets and own claims severity and frequency experiences. Discount rates are based on current and historical rates, adjusted for regulator recommended basis.

2.11.1.2. Reinsurance Contracts
The Company cedes insurance risk in the normal course of business to recognised re-insurers through formal reinsurance arrangements.

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from re-insurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the re-insurer's policies and are in accordance with the related reinsurance contract.

Reinsurance is recorded gross in the Statement of Financial Position unless a right to offset exists. Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the re-insurer. The impairment loss, if any is recorded in the Statement of Profit or Loss. Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

2.11.1.3. Premium Receivable
Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the Statement of Profit or Loss.

Life Insurance premiums (only the premiums due in the 30 day grace period) are recognized at each reporting date and will be reversed if the premiums are not settled during the subsequent month, and thus the policies will be lapsed as per the Company policy.

2.11.1.4. Life Insurance Contract Liabilities
Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the net premium method as specified by the Insurance Board of Sri Lanka (IBSL) based on the recommendation of the Independent Consultant Actuary. The liability is determined as the sum of the discounted value of the expected future benefits, less the discounted value of the expected future premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is computed based on IBSL specified guidelines and current assumptions which vary based on the contract type.

Furthermore, adjustments are performed to capture the likely liabilities that may arise due to currently lapsed contracts reviving in the future.

2.11.1.5. Liability Adequacy Test
As required by the SLFRS 4- Insurance Contracts, the Company performed a Liability Adequacy Test (LAT) in respect of Life Insurance contract liabilities with the assistance of a qualified actuary. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. If that assessment that the carrying amount of the liabilities (less related assets) is insufficient in light of the estimated future cash flows, the deficiency is recognised in the Statement of Profit or Loss by creating an additional provision in the Statement of Financial Position.

2.11.2. Finance Company
2.11.2.1. Impairment of Financial Assets
The Company applies a three-stage approach to measuring Expected Credit Losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

Debt Instruments
- Instruments measured at amortised cost and fair value through other Comprehensive Income;
- Financing and Receivables commitments; and
- Financial Guarantee Contracts

ECL is not recognised on equity instruments.

Financial Assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Company determines 12 months ECL from customers who are not significantly credit deteriorated (i.e. less than 30 days past due)

Stage 2: Lifetime ECL – not Credit Impaired
For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the Financial Asset) is recognised. In being consistent with the policies of the Company, significant deterioration is measured through the rebuttable presumption of 30 days past due in line with the requirements of the standard.

Stage 3: Lifetime ECL – Credit Impaired
Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and Financing Income is calculated by applying the Effective Rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for Impairment
At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment loss reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Company's investment grade criteria, or which are less than 30 days past due, are considered to have a low credit risk. The provision for impairment loss for these Financial Assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the Statement of Profit or Loss.

The Company assesses whether the credit risk on an exposure has increased significantly on a collective basis. For the purposes of a collective evaluation of impairment, Financial Instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs
ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

Financial Assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the Financial Asset discounted by the Effective rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

Financial Assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the Effective rate.

Undrawn commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.

Financial Guarantee Contracts: as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

For further details on how the Company calculates ECLs including the use of forward looking information, refer to the Credit quality of Financial Assets section in Note 23. For details on the effect of modifications of Financing and Receivables on the measurement of ECL refer to note on Provision for expected credit loss.

ECLs are recognised using a provision for impairment loss account in Statement of Profit and Loss. The Company recognises the provision charge in Statement of Profit or Loss, with the corresponding amount recognised in other Comprehensive Income, with no reduction in the carrying amount of the asset in the Statement of Financial Position.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows.

PD : The probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD : The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of capital and financing income, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued financing income from missed payments.

LGD : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including the realisation of any collateral.

2.12.Segment Information

2.12.1. Reporting Segments

The activities of the segments are described in the segmental Review of operations. Segmentation has been determined based on primary format and secondary format. Primary format represents the business segments, identified based on the differences in the products and services produced which has a similar nature of process, risk and return while the secondary format is on the basis of geographical areas in which the products or services are sold. The operating results of the segments are described in Note 03 to the Financial Statements. The geographical analysis is by the location of the customer. Since the manufacturing and marketing service as well as the assets and liabilities are located in Sri Lanka, only the revenue has been analysed into the geographical location.

2.12.2. Segment information

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group.

2.13 Accounting Standards Issued but Not Yet Effective - 31 March 2024

2.13.1 New and amended standards and interpretations

The new and amended standards and interpretations that are issued up to the date of issuance of the Group financial statements but are not effective for the current annual reporting period, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective

2.13.1.1 SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

2.13.1.2 Definition of Accounting Estimates - Amendments to LKAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors

2.13.1.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

2.13.1.4 Disclosure of Accounting Policies - Amendments to LKAS 1 and IFRS Practice Statement 2
Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgments, provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

2.13.1.5 Classification of Liabilities as Current or Non-current - Amendments to LKAS
Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify –

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

2.13.1.6 Classification of Liabilities as Current or Non-current - Amendments to LKAS
Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024.

2.13.1.7 Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7
The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024.

2.13.1.8 Lease Liability in a Sale and Leaseback - Amendment to SLFRS 16
The amendments to SLFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2024.

2.13.1.9 International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12
The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments are effective for annual periods beginning on or after 1 January 2024.

Notes to the Financial Statements

03. Group Segmental Reporting

Year ended 31st March 2024 Business Segment	Rubber Rs.'000	Tyre Rs.'000	Plastic and furniture Rs.'000	Retail Rs.'000	Financial Services Rs.'000	Other Services Rs.'000	Plantations Rs.'000	Total segments Rs.'000	Adjustments Rs.'000	Consolidated Rs.'000
Revenue										
External customers	7,266,817	5,099,558	7,668,062	35,456,846	4,624,403	242,127	13,501,413	73,859,225	-	73,859,225
Inter - segment	169,198	247,421	1,424,705	31,184	-	2,968,106	1,997,729	6,838,342	(6,838,342)	-
Intra - segment	2,847	522,280	541,728	230,803	-	-	112,331	1,409,989	(1,409,989)	-
Total revenue	7,438,862	5,869,258	9,634,495	35,718,833	4,624,403	3,210,232	15,611,472	82,107,556	(8,248,331)	73,859,225
Results										
Segment results	114,697	522,500	587,329	1,550,481	(1,549,658)	627,576	3,558,057	5,410,982	(1,593,686)	3,817,296
Finance costs										(2,830,115)
Finance income										1,091,510
Share of profit of an associate										112,802
Profit before tax from continuing operations										2,191,494
Income tax expense										(1,164,932)
Profit for the year from continuing operations										1,026,562
Loss after tax for the year from discontinued operations										(2,830)
Profit for the year										1,023,732
Non-controlling interests										(450,860)
Attributable to Equity holders of the parent										572,872
Operating assets	10,666,018	3,717,741	14,193,722	19,714,169	22,753,343	18,047,563	31,596,846	120,749,405	(28,244,769)	92,444,634
Operating liabilities	4,739,523	2,056,868	13,898,292	13,569,969	18,310,702	13,100,345	14,920,394	80,596,157	(17,872,433)	62,723,661
Other disclosures										
Investment in an associate	227,906	-	-	-	-	-	12,568	240,474	232,589	473,063
Capital expenditure	682,158	27,747	80,106	273,322	44,430	45,774	1,332,566	2,486,103	-	2,486,103
Depreciation and amortisation	156,717	40,944	162,067	511,059	46,433	24,405	518,260	1,459,885	-	1,459,885

Geographic information	Sri Lanka Rs.'000	USA Rs.'000	Europe Rs.'000	Other Rs.'000	Total segments Rs.'000	Adjustments Rs.'000	Consolidated Rs.'000
Revenue	67,495,922	2,359,892	3,402,155	2,011,245	75,269,214	(1,409,989)	73,859,225

Segment Information

Year ended 31st March 2023 Business Segment	Rubber Rs.'000	Tyre Rs.'000	Plastic and furniture Rs.'000	Retail Rs.'000	Financial Services Rs.'000	Other Services Rs.'000	Plantations Rs.'000	Total segments Rs.'000	Adjustments Rs.'000	Consolidated Rs.'000
Revenue										
External customers	9,149,914	5,360,764	7,729,852	36,786,669	4,854,007	174,529	15,138,051	79,193,786	(0)	79,193,785
Inter - segment	177,665	1,448,641	1,538,885	33,373	-	4,496,138	2,278,167	9,972,869	(9,972,869)	-
Intra - segment	159,439	1,609,137	1,058,203	226,233	-	-	753,571	3,806,583	(3,806,583)	-
Total revenue	9,487,018	8,418,542	10,326,940	37,046,275	4,854,007	4,670,667	18,169,789	92,973,238	(13,779,453)	79,193,785
Results										
Segment results	1,169,907	917,862	1,634,617	3,172,201	(895,426)	2,849,391	5,972,824	14,821,377	(3,102,502)	11,718,875
Finance costs										(4,669,624)
Finance income										2,029,256
Share of profit of an associate										265,983
Profit before tax from continuing operations										9,344,490
Income tax expense										(3,116,789)
Profit for the year from continuing operations										6,227,701
Loss after tax for the year from discontinued operations										(2,113)
Profit for the year										6,225,588
Non-controlling interests										(1,246,744)
Attributable to Equity holders of the parent										4,978,844
Operating assets	9,292,696	3,807,595	13,882,953	18,241,868	21,631,359	15,857,607	27,371,525	110,085,602	(23,862,034)	86,223,568
Operating liabilities	3,152,865	2,129,979	13,041,249	12,026,168	16,546,716	11,207,791	12,205,912	70,310,680	(13,589,618)	56,721,062
Other disclosures										
Investment in an associate	227,906	-	-	-	-	-	12,568	240,474	197,825	438,299
Capital expenditure	868,231	38,089	402,577	579,580	81,623	54,518	1,454,227	3,478,846	-	3,478,846
Depreciation and amortisation	157,375	38,424	162,470	471,863	51,142	21,751	463,285	1,366,310	-	1,366,310

Geographic information	Sri Lanka Rs.'000	USA Rs.'000	Europe Rs.'000	Other Rs.'000	Total segments Rs.'000	Adjustments Rs.'000	Consolidated Rs.'000
Revenue	74,335,786	2,649,310	3,289,105	2,726,167	83,000,368	(3,806,583)	79,193,785

3.1 Revenue form contracts with customers

	Group		Company	
Timing of Revenue recognition	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Goods transferred at a point in time	68,992,696	74,165,250	-	-
Services transferred over time	255,777	194,616	1,045,097	942,408
Total revenue from contracts with customers	69,248,473	74,359,866	1,045,097	942,408
Revenue from insurance contracts	2,074,699	2,437,642	-	-
Interest income from finance company	2,536,054	2,396,277	-	-
Dividend Income	-	-	1,593,685	3,102,502
Other revenue	-	-	49,689	123,924
Total revenue	73,859,225	79,193,785	2,688,471	4,168,833

4. Other Income/Expenses and Adjustments

4.1 Other Operating Income

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Government grants	35,326	37,150	-	-
Net gain on disposal of property, plant and equipment	6,700	111,823	-	48,000
Space rental income	580,715	439,994	-	-
Gain on change in fair value of biological assets	144,266	92,180	-	-
Income from partnership promotions from retail business	192,699	189,065	-	-
Foreign exchange gain	13,423	541,667	-	162,246
Scrap sales/sales commission/mixing income	20,488	138,461	230	-
Sale of timber/rubber trees	126,890	56,402	-	-
Documentation and other service charges from financial services	116,209	50,070	-	-
Sundry income	657,123	448,883	215,170	-
Total other operating income	1,893,838	2,105,695	215,400	210,246

4.2 Other Operating Expenses

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Foreign exchange loss	113,963	278,408	23,305	-
Irrecoverable VAT on management fees of plantation companies	175,707	20,288	-	-
Amortisation and impairment of intangible assets	62,310	4,187	-	-
Unclaimed ESC write off	-	1,379	-	-
Others	(17,488)	(20,873)	3,029	-
Total other operating expenses	334,492	283,389	26,334	-

4.3 Profit from operations is stated after charging following expenses

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Directors' remuneration & fees	577,720	377,870	465,722	349,523
Audit Fees	40,556	31,095	1,814	1,522
Depreciation	1,459,885	1,366,312	21,434	22,572
Amortisation of right of use assets	877,745	906,916	52,027	52,490
Amortisation and impairment of intangible assets	3,939	4,541	-	-
Provision made for defined benefit plan cost	581,731	503,532	14,625	13,360
Staff costs including defined contribution plan cost	9,149,272	8,607,088	2,116	5,887
Legal fees	54,137	26,696	2,610	3,593
Donations	550	889	-	-
Allowances for impairment of receivables	158,329	89,593	-	-

5. Finance Costs

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Interest on long term borrowings	683,876	918,555	-	-
Interest on short term borrowings	1,588,447	3,217,109	1,705,276	2,517,504
Finance charge on lease liabilities	557,792	533,960	39,129	45,683
Total finance costs	2,830,115	4,669,624	1,744,405	2,563,187

6. Finance Income

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Interest income from related companies	-	-	144,231	150,531
Interest income from third parties	1,091,510	2,029,256	8,788	239,402
Total finance income	1,091,510	2,029,256	153,019	389,933

7. Share of Results of Associates

The Group can influence up to 33.33% of the voting rights (effective interest of 22.25%) of AEN Palm Oil Processing (Pvt) Limited, an entity involved in the processing of palm oil.

The Group's interest in AEN Palm Oil Processing (Pvt) Limited is accounted for using the equity method in the Consolidated Financial Statements. The Group's share of the assets and liabilities as at 31st March 2024 and 2023, and income and expenses of the entity for the years ended 31st March 2024 and 2023, which is accounted under the equity method are as follows.

	2024 Rs.'000	2023 Rs.'000
Revenue	8,683,994	9,979,506
Profit before tax	338,407	798,029
Group's share of profit before tax	112,802	265,983
(-) Tax expense	(18,827)	(28,140)
Group share of profit after tax	93,976	237,843
Associate's Statement of Financial Position		
Current assets	683,399	791,981
Non-current assets	1,179,526	1,018,765
Total assets	1,862,926	1,810,746
Current liabilities	(378,298)	(401,342)
Non-current liabilities	(110,301)	(139,379)
Total liabilities	(488,599)	(540,721)
Net assets	1,374,327	1,270,025
Group share of net assets	458,063	423,299
Goodwill	15,000	15,000
	473,063	438,299

Investments in Associates	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	438,299	351,452
Share of profits	112,802	265,983
Taxation	(27,708)	(28,140)
Dividend received	(50,330)	(150,996)
At the end of the year	473,063	438,299

8. Income Tax Expense

The Major components of income tax expense for the years ended 31 st March 2024 and 2023 are:

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Current Income Tax				
Current Income Tax Charge	826,916	1,938,621	(74,739)	161,493
Adjustment In Respect of Current Income Tax of Previous Years	(2,515)	(34,844)	-	14,483
Deferred Tax				
Relating to origination and Reversal of Temporary Differences	72,140	1,053,961	(775)	(6,994)
ESC Unrecoverable	-	27,971	-	-
Tax on Associate Results	18,827	28,140	-	-
Dividend Tax	249,563	102,941	-	-
Income Tax Expense reported in the Statement of Profit or Loss	1,164,932	3,116,789	(75,514)	168,982
Other Comprehensive Income				
Deferred Tax:				
Relating to Origination and Reversal of temporary differences	84,844	70,824	3,134	(2,342)
Income Tax Expense reported in the Other Comprehensive Income	84,844	70,824	3,134	(2,342)
A. Taxation on current year profit				
Profit before tax from continuing operations (Note 8.a)	4,809,660	13,999,730	674,302	1,768,311
Loss before tax from discontinued operations	(2,830)	(2,113)	-	
Profit from associate companies	112,802	265,983	-	
	4,919,632	14,263,600	674,302	1,768,311
Disallowed items	6,023,734	5,806,724	423,745	287,874
Allowable Expenses	(5,507,451)	(6,503,205)	(121,590)	(122,343)
Tax Exempt income	(2,441,197)	(4,770,657)	(1,593,685)	(420,749)
Resident Dividend	-	-	-	-
	2,994,718	8,796,462	(617,227)	1,513,093
Utilization of Tax Losses	(632,165)	(1,297,184)	(153,019)	(389,933)
Taxable Income	2,362,553	7,499,278	(770,246)	1,123,160
Income Tax 30%	763,687	688,028	-	-
Income Tax 28%	-	7,150	-	-
Income Tax 24%	-	579,802	-	-
Income Tax 20%	55,680	72,676	-	-
Income Tax 18%	-	187,015	-	-
Income Tax 14%	-	288,255		97,730
Income Tax at other Rates	7,549	115,696	-	63,763
	826,916	1,938,621	-	161,493
(Over)/ Under provision in the previous year	(2,515)	(34,844)	(74,739)	14,483
	824,402	1,903,777	(74,739)	175,976
Deferred Tax	72,140	1,053,960	(775)	(6,994)
ESC unrecoverable	-	27,971	-	
Tax on associate results	18,827	28,140	-	
Dividend Tax	249,563	102,941	-	
	1,164,932	3,116,789	(75,514)	168,982

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
B. Deferred tax expenses / (reversals)				
Accelerated depreciation for tax purpose - PPE	412,685	1,651,978	(3,323)	6,480
Tax on right of use asset	(252,854)	(22,248)	3,337	(10,193)
Accelerated depreciation for tax purpose - Biological assets and others	-	-	-	-
Retirement benefit obligation	174,367	(392,857)	(789)	(3,281)
Benefit arising from tax losses	(139,355)	(366,276)	-	-
Impairment provision for loans and advances	-	-	-	-
Other Provisions	(122,703)	183,364	-	-
Total Deferred Tax Expense	72,140	1,053,961	(775)	(6,994)
Other Comprehensive Income				
Retirement benefits obligation	84,844	70,824	3,134	(2,342)
Differed Tax Charge Directly to OCI	84,844	70,824	3,134	(2,342)

8.a The Profit before tax from continuing operations represents the entity-level profit before tax, excluding consolidation adjustments.

8.1 Tax Losses

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Tax Losses Carried Forward for the year ended 31st March				
Tax Losses Brought Forward	3,186,455	3,401,168	651,694	-
Tax Losses Arising during the year	2,339,653	1,082,471	770,246	1,041,627
Tax Losses Utilizing during the year	(632,165)	(1,297,184)	(153,019)	(389,933)
At the end of the period	4,893,943	3,186,455	498,675	651,694

8.2 Income tax rates and details of tax holidays enjoyed by the Group

In accordance with the Inland Revenue (Amendment) Act, No. 45 of 2022 certified on 19th of December, 2022, corporate income tax arising from business income has been increased to 30% w.e.f. October 01, 2022. As a result of this amendment, income tax has been calculated based on a tax rate of 30% from October 01, 2022.

RPC Polymers (Pvt) Limited has entered into an agreement with the Board of Investment of Sri Lanka under section 17 of the BOI Act No. 04 of 1978 and accordingly its profit and income was exempt from income tax for a period of three years commencing from the year of assessment 2008/09 after this tax exempted period the Company was be liable to tax at 10% for a period of 2 years immediately succeeding the last day of said exemption period and currently is liable to the reduced income tax rate of 20%.

In terms of an agreement entered in to with the Board of Investment of Sri Lanka under the BOI Act No. 04 of 1978, RPC Retail Development (Pvt) Limited was exempted from tax for a period of three years commencing from the year of assessment 2009/2010 .After the expiry of the tax holiday the Company was liable for income tax at 10% for two years and at 20% thereafter.

9. Discontinued Operations

The Group continued to focus on its core business operations and restructured or exit from marginal businesses with limited potential. Accordingly operations of four businesses which were incurring heavy losses were discontinued in previous years namely, Arpico Homes Limited, Hamefa Kegalle (Pvt) Limited, Arpico Hotel Services (Pvt) Limited, Arpico Natural Latexfoams (Pvt) Limited.

The results of discontinued operations are given below.

	2024 Rs.'000	2023 Rs.'000
Revenue/Other Income	2,457	2,340
Expenses	(5,287)	(4,453)
Loss for the year from discontinued operations	(2,830)	(2,113)
Income Tax Reversal	-	-
Loss for the year from discontinued operations	(2,830)	(2,113)
Total Assets and Liabilities		
Total assets	40,400	45,244
Total liabilities	95,252	95,149
Summary of Statement of Cash Flows		
Net cash flows from/(used) Operating Activities	(5)	(3)
Net cash flows from/(used) Investing Activities	-	-
Net cash flows from/(used) Financing Activities	-	-

The Financial statements of the companies stated above have been prepared on a basis other than on a going concern reflecting the closure of operations.

10. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events, that have changed the number of ordinary shares outstanding.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for the effects of diluted potential ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2024 Rs.'000	2023 Rs.'000
Net profit attributable to ordinary equity holders of the parent from continuing operations	575,702	4,980,957
Loss attributable to ordinary equity holders of the parent from discontinued operations	(2,830)	(2,113)
Net profit attributable to ordinary equity holders of the parent for basic and diluted earnings	572,872	4,978,844
Weighted average number of ordinary shares for basic earnings per share	2,035,038,275	2,035,038,275
Effect of dilution:		
Effect of potential ordinary shares from share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	2,035,038,275	2,035,038,275

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these Financial Statements.

	2024 Rs.'000	2023 Rs.'000
Basic earnings per share	0.28	2.45
Earnings per share from continuing operations – Basic	0.28	2.45

11. Dividend per Share

	2024 Per Share	2024 Rs.'000	2023 Per Share	2023 Rs.'000
Interim Dividend	0.50	1,017,519	0.70	1,424,527
	0.50	1,017,519	0.70	1,424,527

11.a The interim dividend of Rs 0.50 per share for the financial year 2023/2024 was declared on 20th June 2023 and paid on 24th July 2023.

12. Property Plant & Equipment

12.1 Group

	As at 01.04.2023 Rs.'000	Additions Rs.'000	Disposals/ transfers Rs.'000	Effect of foreign currency translation Rs.'000	As at 31.03.2024 Rs.'000
Cost / valuation					
Land / land improvements	5,506,823	-	-	-	5,506,823
Buildings	6,800,665	87,839	4,955	(13,903)	6,879,556
Bearer Biological Assets - Immature/mature plantations	12,056,870	999,382	(30,062)	-	13,026,190
Plant, machinery, tools & electrical installation	8,350,455	316,101	61,634	(74,572)	8,653,618
Office & other equipment	2,880,598	112,876	(25,686)	-	2,967,788
Furniture, fixtures & fittings	997,119	16,409	-	(2,702)	1,010,826
Motor vehicles	1,286,721	88,436	(9,651)	(266)	1,365,240
Computers	880,715	33,294	(335)	-	913,674
	38,759,966	1,654,337	855	(91,443)	40,323,715
Capital work in progress	3,204,413	831,766	(161,963)	-	3,874,216
Total gross carrying amount	41,964,378	2,486,103	(161,108)	(91,443)	44,197,931

	As at 01.04.2023 Rs.'000	Charge for the year Rs.'000	Disposals Rs.'000	Effect of foreign currency translation Rs.'000	As at 31.03.2024 Rs.'000
Depreciation / amortization					
Land improvements	127,984	-	-	-	127,984
Buildings	2,586,104	247,419	-	(3,910)	2,829,613
Bearer Biological Assets - Immature/mature plantations	3,146,518	373,710	(30,062)	-	3,490,166
Plant, machinery, tools & electrical installations	5,803,821	421,345	(2,561)	(51,467)	6,171,138
Office & other equipment	1,830,750	247,045	-	-	2,077,795
Furniture, fixtures & fittings	784,659	52,998	-	(2,666)	834,991
Motor vehicles	1,022,413	65,438	(10,026)	(266)	1,077,559
Computers	753,649	50,865	(333)	-	804,181
	16,055,899	1,458,820	(42,982)	(58,309)	17,413,427

Net Book Values	2024 Rs.'000	2023 Rs.'000
Land / land improvements	5,378,839	5,378,839
Buildings	4,049,943	4,214,561
Bearer Biological Assets - Immature/mature plantations	9,536,024	8,910,352
Plant, machinery, tools & electrical installations	2,482,480	2,546,634
Office & other equipment	889,993	1,049,848
Furniture, fixtures & fittings	175,835	212,460
Motor vehicles	287,681	264,308
Computers	109,493	127,066
	22,910,288	22,704,068
Capital work in progress	3,874,216	3,204,413
Total carrying amount	26,784,504	25,908,480

Property plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 5,843 Mn (2023 - Rs. 7,346 Mn).

During the financial year, the Group acquired property plant and equipment to the aggregate value of Rs. 2,486 Mn (2023 - Rs. 3,478 Mn) for cash considerations.

Above net book value of plantations include Rs. 6,173 Mn (2023 - Rs. 6,028 Mn) matured Plantations and Rs. 3,363 Mn (2023 - Rs. 2,882 Mn) immature plantations. Further during the period Rs. 518 Mn (2023 - Rs. 502 Mn) has capitalize from immatured to matured plantations.

12.2 Company

	As at 01.04.2023 Rs.'000	Additions Rs.'000	Disposals/ transfers Rs.'000	Adjustments Rs.'000	As at 31.03.2024 Rs.'000
Cost / valuation					
Land	6,481	-	-	-	6,481
Buildings	52,208	-	-	-	52,208
Plant, machinery, tools & electrical installations	101,018	-	-	-	101,018
Office & other equipment	37,006	228	-	-	37,234
Furniture, fixtures & fittings	25,201	-	-	-	25,201
Motor vehicles	50,183	-	-	-	50,183
Computers	63,869	1,870	-	-	65,739
	335,966	2,098	-	-	338,064
Capital work in progress	223,235	24,237	-	-	247,472
Total gross carrying amount	559,201	26,335	-	-	585,536

	As at 01.04.2023 Rs.'000	Charge for the year Rs.'000	On disposals Rs.'000	Adjustments Rs.'000	As at 31.03.2024 Rs.'000
Depreciation / amortization					
Buildings	47,516	4,093	-	-	51,610
Plant, machinery, tools & electrical installations	93,229	3,624	-	-	96,853
Office & other equipment	34,363	853	-	-	35,216
Furniture, fixtures & fittings	23,831	446	-	-	24,277
Motor vehicles	35,958	1,500	-	-	37,458
Computers	54,154	3,386	-	-	57,540
	289,051	13,902	-	-	302,953

Net Book Values	2024 Rs.'000	2023 Rs.'000
Land	6,481	6,481
Buildings	598	4,691
Plant, machinery, tools & electrical installations	4,165	7,789
Office & other equipment	2,018	2,643
Furniture, fixtures & fittings	924	1,370
Motor vehicles	12,725	14,225
Computers	8,200	9,716
	35,111	46,915
Capital work in progress	247,472	223,235
Total carrying amount	282,583	270,150

Property plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 257 Mn (2023 - Rs. 235 Mn).

During the financial year, the Company acquired property plant and equipment to the aggregate value of Rs. 26.3 Mn (2023 - Rs. 33.3 Mn) for cash considerations.

13. Investment properties

13.1 Group

	As at 01.04.2023 Rs.'000	Additions Rs.'000	Transfers Rs.'000	As at 31.03.2024 Rs.'000
Gross carrying amounts				
Freehold land	333,656	107,285	-	440,941
Buildings	48,852	-	-	48,852
	382,508	107,285	-	489,793

	As at 01.04.2023 Rs.'000	Charge for the Year Rs.'000	Transfers Rs.'000	As at 31.03.2024 Rs.'000
Depreciation				
Buildings	7,560	1,065	-	8,625
	7,560	1,065	-	8,625

Net Book Values	2024 Rs.'000	2023 Rs.'000
Freehold land	440,941	333,656
Buildings	40,227	41,292
Total carrying amount of investment properties	481,168	374,948

13.2 Company

	As at 01.04.2023 Rs.'000	Additions Rs.'000	Disposals/ transfers Rs.'000	As at 31.03.2024 Rs.'000
Gross carrying amounts				
Freehold land	2,548,674	22,895	-	2,571,569
Buildings and building integrals	315,669	-	-	315,669
	2,864,343	22,895	-	2,887,238

	As at 01.04.2023 Rs.'000	Charge for the Year Rs.'000	Adjustments Rs.'000	As at 31.03.2024 Rs.'000
Depreciation				
Buildings and building integrals	156,827	7,532	-	164,359
	156,827	7,532	-	164,359

Net Book Values	2024 Rs.'000	2023 Rs.'000
Freehold land	2,571,569	2,548,674
Buildings on freehold land	151,310	158,842
Total carrying amount of investment properties	2,722,879	2,707,516

	2024 Rs.'000	2023 Rs.'000
Rental income derived from investment properties	238	243
Direct operating expenses incurred	3.2	2.8

The Group measures its Investment properties at cost method and depreciation calculated based on straight-line basis over the usefull life for 50 years of the asset.

As at 31st March 2024, investment properties were valued by qualified independent valuer Mr. W. M. Chandrasena.

During the financial year, the Group acquired investment properties to the aggregate value of Rs. 107 Mn (2023 - Rs. 54 Mn) for cash considerations.

Fair value of investment properties are given in Group Real Estate Portfolio in page 154.

14. Intangible Assets

	Goodwill Rs.'000	Licenses Rs.'000	Other Intangibles Rs.'000	Total Rs.'000
As at 1st April 2023	1,219,937	58,735	33,828	1,312,500
Acquisition through business combinations	-	-	-	-
Acquired / incurred during the period	-	-	-	-
As at 31st March 2024	1,219,937	58,735	33,828	1,312,500
Amortisation and Impairment				
As at 1st April 2023	104,903	47,482	19,132	171,517
Amortisation/impairment for the year	-	1,451	2,487	3,939
As at 31st March 2024	104,903	48,933	21,619	175,456
Net Book Value				
As at 31st March 2023	1,115,034	11,253	14,696	1,140,983
As at 31st March 2024	1,115,034	9,802	12,209	1,137,044

(a) Goodwill

Goodwill represents the excess of an acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition, and is carried at cost less accumulated impairment losses. The Group goodwill has been allocated to seven cash-generating units, for impairment testing as follows;

1. Kegalle Plantations PLC	327,736
2. Namunukula Plantations PLC	
3. Maskeliya Plantations PLC	
4. Arpico Super Centre - Kandy	153,142
5. Six estates of Uva range Namunukula Plantations PLC	305,915
6. BGN Industrial Tyre (Private) Limited	22,228
7. Richard Pieris Finance Limited	306,013

Goodwill is not amortised, but is reviewed for impairment annually and whether there is an indication that goodwill may be impaired. For the purpose of testing goodwill for impairment, goodwill is allocated to the operating entity level, which is the lowest level at which the goodwill is monitored for internal management purpose.

The recoverable amount of the goodwill is determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management for one year, and forecast for the four years thereafter, covering a five year period.

(b) Licenses

Licenses include separately acquired five operating licenses stated at cost less accumulated amortizations and impairment losses. Licenses acquired have been amortized evenly over the validity period of the license.

(c) Other intangible assets

Other intangibles represent an IT platform developed by Ataraxia (Pvt) Limited to manage its funds which is amortised over a period of ten years commencing from financial year 2012/13 and also IT systems used by Richard Pieris Finance Limited to manage operations.

Key assumptions used in value in use calculations

Volume growth - Volume growth is based on past performance, the approved budget and expected performance of such CGU based on the actual performance and to evaluate future investment proposals.

Discount rates - Discount rates reflect management's estimate of the risk specific to the unit. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

Cost increase due to inflation - Expected inflationary levels over the next five years based on management judgment were used to estimate the increase in costs over similar periods.

The value range of the key rates that are used in the assumptions are as follows.

- Revenue Growth based on past performance, the approved budgets and that all other factors will remain the same
- Discount rate - 13% - 23%
- Terminal growth rate of the company - 1% - 13%

Sensitivity analysis of value in use calculation by changing discount rate given that all other factors will remain the same.

Plantation Sector	Arpico Supercenter Kandy	Richard Pieris Finance Limited
1% Increase ▸ VIU Changed (6%)	1% Increase ▸ VIU Changed (28%)	1% Increase ▸ VIU Changed (9%)
1% Decrease ▸ VIU Changed 8%	1% Decrease ▸ VIU Changed 29%	1% Decrease ▸ VIU Changed 11%

15. Biological Assets

15.1 Consumable Biological Assets

	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	1,603,306	1,449,731
Increase due to new planting	23,543	20,981
Decrease due to harvesting	(12,519)	-
Gain in fair value	148,969	132,594
At the end of the year	1,763,300	1,603,306

Biological assets include commercial timber plantations cultivated in estates of Kegalle Plantations PLC, Maskeliya Plantations PLC and Namunukula Plantations PLC. The valuation was carried out by Mr. W.M. Chandrasena, FIV(SL) MRICS (Chartered Valuation surveyor), using discounted cash flow method.

Key assumptions used in valuation are as followers:

1. Timber price was based on the price list of the State Timber Corporation of sawn timber logs.
2. The prices adopted are net of expenditure
3. Time period of maturity estimated at 20 years (2023 - 20 years).
4. Discount rate used was 17.5% (2023 - 19%)

15.2 Sensitivity Analysis

Sensitivity variation sales price

Values as appearing in the Statement of Financial Position are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

As at 31st March 2024	-10% Rs.'000	Rs.'000	+10% Rs.'000
Managed timber	1,586,999	1,763,300	1,939,603
Total	1,586,999	1,763,300	1,939,603

Sensitivity variation discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber trees show that a rise or decrease by 1.5% of the discount rate has the following effect on the net present value of biological assets:

As at 31st March 2024	19.00% Rs.'000	17.50% Rs.'000	16.00% Rs.'000
Managed timber	1,715,196	1,763,300	1,824,942
Total	1,715,196	1,763,300	1,824,942

15.3 Produce on Bearer Biological Assets

	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	65,419	57,833
Gain arising from changes in fair value of biological assets	(4,703)	7,586
At the end of the year	60,715	65,419

15.4 Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 : Quoted market prices in active markets for identical assets or liabilities.
Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	31st March 2024 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Assets measured at fair value				
Consumable biological assets – timber	1,763,300	-	-	1,763,300
Produce on bearer biological assets	60,715	-	60,715	-
	1,824,016	-	60,715	1,763,300

	31st March 2023 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Assets measured at fair value				
Consumable biological assets – timber	1,603,306	-	-	1,603,306
Produce on bearer biological assets	65,419	-	65,419	-
	1,668,725	-	65,419	1,603,306

In determining the fair value, highest and best use of timber, current condition of the trees and expected timber content at harvesting have been considered. Also, the valuers have made reference to market evidence of transaction prices of the company, and the market prices of timber corporation, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

16 Investments

A Company investments in subsidiaries

	% Holding		No of shares			Value Rs.'000		
	31.03.2024	31.03.2023	31.03.2024	Movement	31.03.2023	31.03.2024	Movement	31.03.2023
Quoted investments								
Richard Pieris Exports PLC (Rs. 4,114 Mn) *	84	84	9,392,563	-	9,392,563	310,885	-	310,885
Kegalle Plantations PLC (Rs. 2,400 Mn) * +	-	-	9,500	-	9,500	1,441	-	1,441
Arpico Insurance PLC (Rs. 1,430 Mn) *	82	82	15,125,001	-	15,125,001	151,250	-	151,250
Unquoted investments								
Richard Pieris Distributors Limited	100	100	106,673,960	-	106,673,960	812,130	-	812,130
Arpidag International (Pvt) Limited	51	51	234,598	-	234,598	27,110	-	27,110
Richard Pieris Tyre Company Limited	100	100	4,000,000	-	4,000,000	50,000	-	50,000
Richard Pieris Rubber Products Limited	100	100	2,700,000	-	2,700,000	27,000	-	27,000
Richard Pieris Rubber Compounds Limited	100	100	1,700,000	-	1,700,000	17,000	-	17,000
Arpico Furniture Limited	100	100	4,000,000	-	4,000,000	40,000	-	40,000
Arpico Plastics Limited	100	100	2,900,000	-	2,900,000	29,000	-	29,000
Arpico Industrial Development Company Limited								
Ordinary Shares	100	100	1,500,000	-	1,500,000	15,000	-	15,000
12% Redeemable Cumulative Preference Shares	-	-	9,140,000	-	9,140,000	91,400	-	91,400
Plastishells Limited	98	98	3,361,000	-	3,361,000	35,615	-	35,615
Richard Pieris Natural Foams Limited	22	22	14,022,253	-	14,022,253	143,479	-	143,479
Arpitalian Compact Soles (Pvt) Limited			-	-	-	-	-	-
Ordinary Shares	18	18	10,666,666	-	10,666,666	80,000	-	80,000
10% Redeemable Cumulative Preference Shares	-	-	6,404,500	-	6,404,500	64,045	-	64,045
RPC Management Services (Pvt) Limited	100	100	3,750,000	-	7,499,999	550,250	-	550,250
Richard Pieris Group Services (Pvt) Limited	100	100	2	-	2	-	-	-
Arp-Eco (Pvt) Limited	100	100	2	-	2	-	-	-
RPC Logistics (Pvt) Limited	100	100	2,000,002	-	2,000,001	20,000	-	20,000
Richard Pieris Plantations (Pvt) Limited	100	100	7	-	1	-	-	-
R P C Real Estate Development Company (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Homes (Pvt) Limited	100	100	7	-	7	-	-	-
Arpico Exotica Asiana (Pvt) Limited	100	100	2	-	2	-	-	-
Arpico Hotel Services (Pvt) Limited	100	100	600,000	-	600,000	6,000	-	6,000
RPC Construction (Pvt) Limited	100	100	2,000,000	-	2,000,000	20,000	-	20,000
Arpitech (Pvt) Limited	100	100	28,500,018	-	3,500,002	285,000	-	285,000
Arpimalls Development Company (Pvt) Limited	24	24	5,000,000	-	5,000,000	50,000	-	50,000
Arpico Interiors (Pvt) Limited	83	83	2,500,000	-	2,500,000	25,000	-	25,000
Richard Pieris Securities (Pvt) Limited	100	100	15,299,999	-	19,499,999	194,500	-	194,500
Richard Pieris Financial Services (Pvt) Limited	100	100	3,499,999	-	3,499,999	35,000	-	35,000
Arpico Ataraxia Asset Management (Pvt) Limited	51	51	2,040,001	-	2,040,001	20,400	-	20,400
Richard Pieris Finance Limited	99	99	160,450,053	11,521,738	148,928,315	2,096,504	161,304	1,935,200
Arpico Durables (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Furniture Distributors (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Developments (Pvt) Limited	50	50	1	-	1	-	-	-
RPC Retails Developments Company (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Pharmaceuticals (Pvt) Limited	100	100	10,000,002	-	10,000,002	100,000	-	100,000
Richard Pieris Trading Company (Pte) Limited	100	100	618,500	-	618,500	65,349	-	65,349
						5,363,357	161,304	5,202,053

	% Holding		No of shares			Value Rs.'000		
	31.03.2024	31.03.2023	31.03.2024	Movement	31.03.2023	31.03.2024	Movement	31.03.2023
Provision for fall in value of the investments in;								
Arpico Furniture Limited						(40,000)		(40,000)
Arpico Hotel Services (Pvt) Limited						(6,000)		(6,000)
RPC Construction (Pvt) Limited						(20,000)		(20,000)
Arpitech (Pvt) Limited						(35,000)		(35,000)
Arpitalian Compact Soles (Pvt) Limited						(72,082)		(72,082)
Arpico Pharmaceuticals (Pvt) Limited						(100,000)		(100,000)
Richard Pieris Securities (Pvt) limited						(80,000)		(80,000)
Arpico Plastics Limited						(20,000)		(20,000)
Arpico Ataraxia (Pvt) Limited						(5,000)		(5,000)
Arpico Interiors (Pvt) Limited						(25,000)	(20,000)	(5,000)
Company investments in subsidiaries						4,960,275	141,304	4,818,971

B Group investments in subsidiaries

	% Holding		No of shares			Value Rs.'000		
	31.03.2024	31.03.2023	31.03.2024	Movement	31.03.2023	31.03.2024	Movement	31.03.2023
Investor								
Richard Pieris Distributors Limited								
Investee								
Arpimalls Development Co (Pvt) Limited								
Ordinary shares	76	76	16,000,000	-	16,000,000	160,000	-	160,000
6% redeemable cumulative preference shares	-	-	22,000,000	-	22,000,000	220,000	-	220,000
Arpico Interiors (Pvt) Limited	17	17	500,000	-	500,000	5,000	-	5,000
RPC Real Estate Development (Pvt) Limited								
Ordinary shares	50	50	1	-	1	-	-	-
6% redeemable cumulative preference shares	-	-	66,700,000	-	66,700,000	667,000	-	667,000
RPC Retail Development (Pvt) Limited								
Ordinary shares	50	50	1	-	1	-	-	-
6% redeemable cumulative preference shares	-	-	38,700,000	-	38,700,000	387,000	-	387,000
Arpico Insurance PLC (Rs. 1,430 Mn) *	27	27	17,790,001	-	17,790,001	177,900	-	177,900
Richard Pieris Finance Limited	9	9	13,911,993	-	13,911,993	158,240	-	158,240
Arpico Durables (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Furniture Distributors (Pvt) Limited	50	50	1	-	1	-	-	-
Arpico Developments (Pvt) Limited	50	50	1	-	1	-	-	-
Investor								
Arpico Industrial Development Company (Pvt) Limited								
Investee								
R P C Polymers (Pvt) Limited	31	31	5,700,000	-	5,700,000	57,000	-	57,000
Investor								
Richard Pieris Exports PLC								
Investee								
Richard Pieris Natural Foams Limited	43	43	27,560,001	-	27,560,001	284,820	-	284,820
Micro Minerals (Pvt) Limited	69	69	627,400	-	627,400	6,274	-	6,274
Arpitalian Compact Soles (Pvt) Limited	49	49	29,587,667	-	29,587,667	227,905	-	227,905
Arpico Natural Latex Foams (Pvt) Limited	44	44	3,999,999	-	3,999,999	40,000	-	40,000
Investor								
Richard Pieris Natural Foams Limited								
Investee								
Arpico Natural Latex Foams (Pvt) Limited	56	56	5,000,000	-	5,000,000	50,000	-	50,000

	% Holding		No of shares			Value Rs.'000		
	31.03.2024	31.03.2023	31.03.2024	Movement	31.03.2023	31.03.2024	Movement	31.03.2023
Investor								
Plastishells Limited								
Investee								
R P C Polymers (Pvt) Limited	70	70	13,000,001	-	13,000,001	130,000	-	130,000
Investor								
Richard Pieris Plantations (Pvt) Limited								
Investee								
Exotic Horticulture (Pvt) Limited	100	100	1,000,000	-	1,000,000	10,000	-	10,000
Maskeliya Tea Garden Limited	100	100	1,500,000	-	1,500,000	15,000	-	15,000
RPC Plantation Management Services (Pvt) Limited	100	100	24,106,249	-	24,106,249	330,000	-	330,000
Investor								
RPC Management Services (Pvt) Limited								
Investee								
Maskeliya Plantations PLC (Rs. 1,440 Mn) *	83	83	44,998,397	-	44,998,397	778,329	-	778,329
Kegalle Plantations PLC (Rs. 2,400 Mn) * +			3,900	-	3,900	591	-	591
Investor								
RPC Plantation Management Services (Pvt) Limited								
Investee								
Namunukula Plantations PLC (Rs. 5,723 Mn) *	68	67	16,145,050	118,489	16,026,561	783,909	3,050	780,859
Kegalle Plantations PLC (Rs. 2,400 Mn) * +	80	80	19,920,245	-	19,920,245	357,197	-	357,197
Investor								
Kegalle Plantations PLC								
Investee								
Richard Pieris Natural Foams Limited	35	35	2,250,000	-	2,250,000	225,000	-	225,000
Hamefa Kegalle (Pvt) Limited	100	100	2,800,000	-	2,800,000	14,000	-	14,000
Arpico Insurance PLC (Rs. 1,430 Mn) *	40	40	26,685,001	-	26,685,001	266,850	-	266,850
Richard Pieris Finance Limited	12	10	14,804,353	65,217	14,739,136	161,087	13,696	147,391
Investor								
Arpitech (Pvt) Limited								
Investee								
RPC Properties (Pvt) Limited	49	49	49	-	49	-	-	-
Investor								
Richard Pieris Tyre Company Limited								
Investee								
BGN Industrial Tyre (Pvt) Limited	51	51	7,319	-	7,319	84,150	-	84,150
						5,597,252	16,746	5,580,506
Provision for fall in value of investment in;								
Kegalle Plantations PLC						(120)	-	(120)
Arpico Natural Latex Foams (Pvt) Limited						(90,000)	-	(90,000)
						5,507,132	16,746	5,490,386

C Company / Group investment in associate

	% Holding		No of shares			Value Rs.'000		
	31.03.2024	31.03.2023	31.03.2024	Movement	31.03.2023	31.03.2024	Movement	31.03.2023
Group investments in associate;								
Unquoted Investments								
Investor								
Namunukula Plantations PLC								
Investee								
AEN Palm Oil Processing (Pvt) Limited	33	33	699,027	-	699,027	12,568	-	12,568
Group investment in associate (at cost)						12,568	-	12,568
Share of reserves						460,495	34,764	425,731
Group investment in associates (equity basis)						473,063	34,764	438,299

* Amounts stated within brackets correspond to market value as at 31st March 2024. In the opinion of the Directors, any reduction in market value below cost is considered to be of temporary nature.

\+ The holding stake of these investments are less than 1%.

Investment in Subsidiaries are stated at Cost

16.1 Principal Subsidiaries with Material Non- Controlling Interest

Financial information of subsidiaries that have material non controlling interests (NCI) are provided below;

For the year ended 31st March 2024	Plantations Rs.'000	Rubber Rs.'000	Financial Services Rs.'000
Summarised Statement of Profit or Loss			
Revenue	14,753,313	1,945,498	2,437,642
Operating cost	(11,971,028)	(1,817,725)	(2,820,067)
Finance cost	(516,680)	(3,257)	(24,125)
Finance income	757,911	110,497	524,934
Share of profit of an associate	-	-	-
Profit before tax	3,023,515	235,013	118,384
Income tax expense	(689,345)	(131,832)	(2,308)
Profit for the year	2,334,170	103,181	116,076
Other comprehensive income	(96,453)	(18,470)	154,606
Total comprehensive income	2,237,717	84,711	270,682
Profit attributable to NCI	(689,649)	(16,612)	125,206
Dividend paid to NCI	(117,238)	(21,568)	-

As at 31st March 2024

Summarised Statement of Financial Position			
Current assets	10,670,018	2,516,701	1,138,867
Non current assets	15,935,893	963,970	3,786,634
Total assets	26,605,911	3,480,671	4,925,501
Current liabilities	4,622,183	334,913	445,827
Non current liabilities	7,050,221	109,013	2,997,149
Total liabilities	11,672,404	443,925	3,442,976
Accumulated balance of material NCI	4,031,666	488,916	272,933

For the year ended 31st March 2024 Summarised cash flow information for the year ending 31st March	Plantations Rs.'000	Rubber Rs.'000	Financial Services Rs.'000
Cash flows from operating activities	2,793,685	560,010	(40,494)
Cash flows from / (used in) investing activities	(1,369,140)	(76,928)	(95,187)
Cash flows used in financing activities	(671,397)	(133,965)	-
Net increase / (decrease) in cash and cash equivalents	753,148	349,117	(135,681)

The above information is based on amounts before inter company eliminations.

Names of material partly owned subsidiaries and effective holding percentage owned by non controlling interest

Plantation Sector	Rubber Sector	Financial Services Sector
Maskeliya Plantations PLC - 16.60%	Richard Pieris Exports PLC - 16.10%	Arpico Insurance PLC - 18.41%
Kegalle Plantations PLC - 20.86%		
Namunukula Plantations PLC - 32.06%		

17. Other Financial Assets

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Fair Value Through Profit or Loss				
Unquoted equity shares				
Credit Information Bureau	593	593	-	-
Finance Houses Consortium	200	200	-	-
	793	793	-	-
Quoted equity shares				
Piramal Glass Ceylon PLC	121,137	8,136	-	-
Sampath Bank PLC	-	10,099	-	-
Hatton National Bank PLC (Non voting)	-	204	-	-
	121,137	18,438	-	-
Unit Trust	-	52,262	-	-
Total Fair Value Through Profit or Loss Investments	121,930	71,493	-	-
Fair Value Through Other Comprehensive Income				
Unquoted equity shares				
Asset Trust Management (Pvt) Limited	5,625	5,625	5,625	5,625
Asia Auto Parts LLP	-	-	-	-
	5,625	5,625	5,625	5,625
Quoted equity shares				
Commercial Bank of Ceylon PLC	789	3	10	3
John Keells Holdings PLC	24	9	24	9
Asian Hotel Properties PLC	39,003	17,721	39,003	17,721
Dialog Axiata PLC	130	192	130	192
National Development Bank PLC	1,684,848	1,056,798	1,684,848	1,056,798
The Lighthouse Hotel PLC	30	8	30	8
	1,724,824	1,074,731	1,724,045	1,074,731
Total Fair Value Through Other Comprehensive Income	1,730,449	1,080,356	1,729,670	1,080,356

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Amortized Cost				
Treasury bill investments	949,510	874,688	-	-
Treasury bond investments	989,942	1,212,072	-	-
Fixed deposits	-	-	-	-
Other loans and receivables	461,015	183,842	-	-
Total Financial Assets at Amortized Cost	2,400,467	2,270,602	-	-
Available for sale investments				
Unquoted equity shares				
Asset Trust Management (Pvt) Limited	-	-	-	-
Asia Auto Parts LLP	23,681	28,681	-	-
	23,681	28,681	-	-
Quoted equity shares				
Commercial Bank of Ceylon PLC	-	992	-	-
John Keells Holdings PLC	-	-	-	-
Asian Hotel Properties PLC	-	-	-	-
Dialog Axiata PLC	-	-	-	-
National Development Bank PLC	272,132	163,325	-	-
The Lighthouse Hotel PLC	-		-	-
	272,132	164,316	-	-
Government Securities				
Treasury bill investments	-		-	-
Treasury bond investments	294,062	195,425	-	-
Total available for sale investments at fair value	589,875	388,423	-	-
Loans and receivables				
Investments in corporate debts	564,508	579,424	-	-
Investment in repurchase agreement	389,844	487,494	-	-
Fixed Deposit	1,220,513	912,943	-	
Other loans and receivables	125,235	173,779	-	-
Total loans and receivables	2,300,100	2,153,640	-	-
Total other financial assets	7,142,822	5,964,513	1,729,670	1,080,356
Total current	1,701,180	1,438,520	-	-
Total non-current	5,441,642	4,525,993	1,729,670	1,080,356

17.1 Fair values

Set out below is a comparison by class of the carrying amounts and fair values of the Group that are carried in the financial statements.

The following methods and assumptions were used to estimate the fair value;

- Cash and short term deposits, trade receivables, trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.
- Interest bearing borrowings, loans and other receivables are evaluated by the Group Treasury based on parameters such as interest rates, credit risk and other relevant risk factors. Based on the evaluation, allowances are taken to account for the expected losses of these receivables where the carrying amounts of which are not materially different from their calculated fair values.
- Fair Value Through Other Comprehensive Income financial assets is derived from quoted market prices in active markets where unrealized gains/losses recognized in Other Comprehensive Income.
- Fair value of unquoted Fair Value Through Other Comprehensive Income financial assets is estimated using appropriate valuation techniques.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted prices in active markets for identical assets or liabilities.
Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group held the following financial instruments carried at fair value on the statement of financial position:

Assets measured at fair value	31st March 2024 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Fair Value Through Other Comprehensive Income				
Equity Shares - Quoted	1,724,824	1,724,824	-	-
- Unquoted	5,625	-	-	5,625
	1,730,449	1,724,824	-	5,625
Fair value through profit or loss				
Equity Shares - Quoted	121,137	121,137	-	-
- Unquoted	793	-	-	793
Unit Trust	-	-	-	-
	121,930	121,137	-	793
Amortized Cost				
Treasury bill investments	949,510	949,510	-	-
Treasury bond investments	989,942	-	989,942	-
Fixed deposits	-	-	-	-
Other loans and receivables	461,015	-	461,015	-
	2,400,467	949,510	1,450,957	-
Available for sale financial assets				
Equity Shares - Quoted	272,132	272,132	-	-
- Unquoted	23,681	-	-	23,681
	295,813	272,132	-	23,681
Treasury bill investments	-	-	-	-
Treasury bond investments	294,062	-	294,062	-
	294,062	-	294,062	-
Loans and receivables				
Investments in corporate debts	564,508	-	564,508	-
Investment in repurchase agreement	389,844	-	389,844	-
Other loans and receivables	125,235	-	125,235	-
Fixed deposits	1,220,513		1,220,513	
	2,300,100	-	2,300,100	-
	7,142,822	3,067,603	4,045,119	30,099

	31st March 2023 Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000
Fair Value Through Other Comprehensive Income				
Equity Shares - Quoted	1,074,731	1,074,731	-	-
- Unquoted	5,625	-	-	5,625
	1,080,356	1,074,731	-	5,625
Fair value through profit or loss				
Equity Shares - Quoted	18,438	18,438	-	-
- Unquoted	793	-	-	793
Unit Trust	52,262	52,262	-	-
	71,493	70,700	-	793
Amortized Cost				
Treasury bill investments	874,688	874,688	-	-
Treasury bond investments	1,212,072	-	1,212,072	-
Fixed deposits	-	-	-	-
Other loans and receivables	183,842	-	183,842	-
	2,270,602	874,688	1,395,913	-
Available for sale financial assets				
Equity Shares - Quoted	164,316	164,316	-	-
- Treasury bond investments	28,681	-	-	28,681
	192,998	164,316	-	28,681
Treasury bill investments	-		-	
Treasury bond investments	195,425	-	195,425	-
	195,425	-	195,425	-
Loans and receivables				
Investments in corporate debts	579,424	-	579,424	-
Investment in repurchase agreement	487,494	-	487,494	-
Other loans and receivables	173,779	-	173,779	-
Fixed deposits	912,943		912,943	
	2,153,640	-	2,153,640	-
	5,964,513	2,184,435	3,744,978	35,099

Set out below is a comparison by class of the carrying amounts and the fair values of the Group that are carried in the financial statements.

	Carrying amount		Fair Value	
Group	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Other Financial Assets				
Fair Value Through Other Comprehensive Income	1,730,449	1,080,356	1,730,449	1,080,356
Fair value through profit or loss	121,930	71,493	121,930	71,493
Available for sale investments	589,875	388,423	589,875	388,423
Loans and receivables	2,300,100	2,153,640	2,300,100	2,153,640
Total	4,742,354	3,693,911	4,742,354	3,693,911

Group	Carrying amount 2024 Rs.'000	Carrying amount 2023 Rs.'000	Fair Value 2024 Rs.'000	Fair Value 2023 Rs.'000
Financial liabilities				
Interest-bearing loans and borrowings	3,645,069	5,285,934	3,645,069	5,285,934
Total	3,645,069	5,285,934	3,645,069	5,285,934

The fair values of cash and short term deposits, trade payables, customer deposits, short term borrowings and lease liabilities approximate their carrying amounts largely due to the short term maturities.

18. Deferred Tax (Assets) / Liability

	Group 2024 Rs.'000	Group 2023 Rs.'000	Company 2024 Rs.'000	Company 2023 Rs.'000
Deferred tax assets	(1,179,214)	(801,981)	(19,546)	(15,637)
Deferred tax liabilities	2,619,872	2,288,280	-	-
Net deferred tax liability / (asset)	1,440,658	1,486,299	(19,546)	(15,637)
Net deferred tax liability / (asset)				
At the beginning of the period	1,486,299	534,674	(15,637)	(10,985)
Transfer to Statement of Profit and Loss	72,140	1,053,961	(775)	(6,995)
Transfer from/(to) the Statement of Other Comprehensive Income	(84,844)	(70,698)	(3,134)	2,342
Effect of changes in exchange rates	(32,937)	(31,638)	-	-
At the end of the period	1,440,658	1,486,299	(19,546)	(15,638)
Deferred tax liabilities				
Accelerated depreciation for tax purposes - PPE	3,830,855	3,416,276	44,247	47,570
Accelerated depreciation for tax purposes - Biological assets	-	-	-	-
Other deferred liabilities	982,684	884,546	-	-
	4,813,539	4,300,822	44,247	47,570
Deferred tax assets				
Retirement benefit obligations	(788,011)	(857,210)	(20,190)	(16,268)
Un-utilised tax losses	(1,004,381)	(840,607)	-	-
Tax on right of use asset	(442,829)	(87,618)	(43,601)	(46,939)
Other provisions	(1,137,660)	(1,029,088)	-	-
Deferred Tax Liabilities	(3,372,881)	(2,814,523)	(63,792)	(63,207)
Net Deferred Tax Liability/(Asset)	1,440,658	1,486,299	(19,546)	(15,638)

Deferred tax assets amounting to Rs. 464 Mn (2023 - Rs. 86 Mn) for the Group has not recognized since the companies do not expect these assets to reverse in the foreseeable future.

19. Inventories

	Group	
	2024 Rs.'000	2023 Rs.'000
Raw materials	3,071,618	5,069,427
Growing crop-nurseries	83,361	5,357,440
Work in progress	582,762	279,695
Finished goods	7,036,976	1,822,199
Produce inventories	1,102,224	1,253,156
Land Stock	1,325,299	1,428,995
Goods in transit	102,723	121,923
Other inventories	841,704	795,317
	14,146,667	16,128,152
Provision for slow moving inventories	(940,231)	(639,474)
Provision for unrealized profits	(77,316)	(97,623)
Net inventory	13,129,119	15,391,055

Inventories are net of allowances for slow moving and obsolete inventories.

The amount of write-down of inventories recognised as an expense is Rs. 649 Mn (2023 Rs. 674 Mn) which is recognised under administrative expenses.

Provision for slow moving inventories as an expanse is Rs. 697 Mn (2023 - Rs. 596 Mn)

Inventories carried at net realisable value as at 31st March 2024 amounted Rs. 4,096 Mn (2023 Rs. 4,255 Mn)

Inventories with a carrying amount of Rs. 1,370 Mn (2023 - Rs.1,767 Mn) are pledged as security for loans obtained, details of which are disclosed in Note 28.2 to the Consolidated Financial Statements.

20. Trade and Other Receivables

As at 31 March, the ageing analysis of trade receivables is as follows:

20.1 The aging analysis of Trade Receivables is as follows;

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Net trade receivables	6,375,517	5,236,282	-	-
Advances and deposits	1,349,072	2,048,443	-	-
Loans to employees	37,589	41,845	12,896	14,417
Premium Receivable	1,027,739	699,723	-	-
Reinsurance Receivable	23,575	1,430	-	-
Other receivables	1,495,714	1,131,044	755,289	524,747
Repossessed Stock	127,575	188,358	-	-
Less - Provision for repossessed stock	(131,642)	(148,758)	-	-
	10,305,138	9,198,367	768,184	539,164
Other non financial receivables	1,431,784	891,224	-	-
	11,736,922	10,089,591	768,184	539,164

20.2 Movement in Provision for impairment

	Group				
		Individual		Collective	
	Total Rs.'000	Fully Impaired Rs.'000	Partially Impaired	Fully Impaired Rs.'000	Partially Impaired Rs.'000
As at 1st April 2023	850,304	442,656	4,617	26,238	376,793
Charge for the year	189,769	23,352	-	(2,255)	168,672
Unused amounts reversed	(14,304)	(14,304)	-	-	
Provisions written off	(44,043)	(44,043)	-	-	
As at 31st March 2024	981,726	407,661	4,617	23,983	545,464

20.3 The aging analysis of Trade Receivables is as follows;

	Total Rs.'000	Current Rs.'000	30-60 Days Rs.'000	61-90 Days Rs.'000	91-120 Days Rs.'000	> 120 Days Rs.'000
2024	7,357,243	2,677,014	1,141,591	713,521	476,967	2,348,150
2023	6,086,586	2,614,892	952,397	531,002	300,412	1,687,883

21. Loans and Advances

	2024 Rs.'000	2023 Rs.'000
Finance lease/ Ijarah rental receivables	5,667,970	4,997,271
Hire purchase/ Muraba rental receivables	5,671	9,898
Term Loans/ Mortgage loans/ Wakala rental receivables	3,090,156	3,591,827
Short term loans/ Trading Muraba rental receivables	207,797	606,198
Other loans and advances	5,027,631	4,233,359
	13,999,225	13,438,551
Less: Impairment losses - Collective	(1,733,781)	(1,687,815)
- Individual	-	-
Net loans and advances receivables (Note 21.1)	12,265,444	11,750,737

21.1 Analysis of rental receivables on loans and advances

	2024				2023		
	Within one year Rs.'000	1-5 years Rs.'000	More than 5 Year Rs.'000	Total Rs.'000	Within one year Rs.'000	1-5 years Rs.'000	Total Rs.'000
Finance Lease/ Ijarah rental receivables							
Gross rental receivables	4,069,517	3,666,101	1,272	7,736,891	2,265,856	4,086,950	6,352,806
(-) Unearned income	(1,085,785)	(983,006)	(130)	(2,068,921)	(710,434)	(645,101)	(1,355,536)
Net rental receivables	2,983,732	2,683,095	1,142	5,667,970	1,555,422	3,441,849	4,997,271
(-) Allowance for impairment loss - Collective	(813,666)	-	-	(813,666)	(637,600)	-	(637,600)
Total net rental receivables	2,170,066	2,683,095	1,142	4,854,304	917,822	3,441,849	4,359,671
Hire purchase/ Muraba rental receivables							
Gross rental receivables	5,704	-		5,704	5,773	5,207	10,980
(-) Unearned income	(33)	-		(33)	(1,049)	(33)	(1,082)
Net rental receivables	5,671	-		5,671	4,724	5,174	9,898
(-) Allowance for impairment loss - Collective	(2,839)	-		(2,839)	(3,007)	-	(3,007)
Total net rental receivables	2,832	-		2,832	1,717	5,174	6,891
Loans and Advances							
Term loans/ Mortgage loans/ Wakala							
Gross rental receivables	2,423,503	1,115,780	17,295	3,556,578	1,066,711	3,299,846	4,366,557
(-) Unearned income	(234,719)	(231,611)	(91)	(466,422)	(356,153)	(418,577)	(774,730)
Net rental receivables	2,188,784	884,169	17,203	3,090,156	710,558	2,881,269	3,591,827
(-) Allowance for impairment loss - Collective	(917,276)	-	-	(917,276)	(1,047,208)	-	(1,047,208)
Total net rental receivables	1,271,508	884,169	17,203	2,172,880	(336,650)	2,881,269	2,544,619
Short term loans/ Trading Muraba							
Gross rental receivables	207,643	1,764		209,407	209,617	429,402	639,019
(-) Unearned income	(1,528)	(81)		(1,609)	(26,047)	(6,774)	(32,821)
Net rental receivables	206,114	1,684		207,798	183,570	422,628	606,198
(-) Allowance for impairment loss - Collective	-	-		-	-	-	-
Total net rental receivables	206,114	1,684		207,798	183,570	422,628	606,198
Other loans and advances							
Gross rental receivables	3,532,984	1,313,082	354,691	5,200,757	1,719,715	2,703,504	4,423,219
(-) Unearned income	(98,724)	(73,994)	(408)	(173,126)	(85,959)	(103,902)	(189,860)
Net rental receivables	3,434,260	1,239,088	354,283	5,027,631	1,633,756	2,599,603	4,233,359
(-) Allowance for impairment loss - Collective	-	-		-	-	-	-
Total net rental receivables	3,434,260	1,239,088	354,283	5,027,631	1,633,756	2,599,603	4,233,359
Total net loans and advances	7,084,780	4,808,036	372,628	12,265,444	2,400,215	9,350,522	11,750,737

21.2 Collective Assessment of Impairment
If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

For the purpose of a collective evaluation of impairment, financial assets are grouped considering credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment, are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the company. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect and are directionally consistent with changes in related observable data from year-to-year such as changes in;

- Changes in unemployment rate
- Property prices
- Commodity prices
- Payment status
- Inflation rates
- Changes in laws and regulations
- Interest rates
- Recent lending portfolio growth and product mix

The methodology and assumptions used for estimating provision for impairment including assumptions for projecting future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

21.4 Analysis of Maximum Exposure to Credit Risk and Movement in Allowance for ECL

As at 31 March 2024	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
Finance Lease/ Ijarah rental receivables				
Maximum exposure to credit risk				
Gross lease receivables- subject to collective impairment	2,829,049	1,164,723	1,674,198	5,667,970
Allowance for expected credit losses (ECL)	(73,356)	(101,967)	(638,343)	(813,666)
	2,755,693	1,062,756	1,035,855	4,854,303
Movement in allowance for expected credit losses				
Balance as at 31st March 2023	96,442	120,976	420,182	637,600
Charge/ (Reversal) to income statement	(23,086)	(19,009)	218,161	176,067
Balance as at 31st March 2024	73,356	101,967	638,343	813,666
Hire purchase/ Muraba rental receivables				
Maximum exposure to credit risk				
Gross hire purchase receivables- subject to collective impairment	390	2,721	2,561	5,671
Allowance for expected credit losses (ECL)	(2)	(276)	(2,561)	(2,839)
	388	2,444	-	2,832
Movement in allowance for expected credit losses				
Balance as at 31st March 2023	56	-	2,951	3,007
Charge/ (Reversal) to income statement	(54)	276	(390)	(167)
Balance as at 31st March 2024	2	276	2,561	2,839
Loans and Advances				
Maximum exposure to credit risk				
Gross lease receivables- subject to collective impairment	3,506,158	763,882	4,055,539	8,325,579
Allowance for expected credit losses (ECL)	(96,292)	(77,523)	(743,462)	(917,277)
	3,409,866	686,359	3,312,077	7,408,302

As at 31 March 2024	Stage 1 Rs.	Stage 2 Rs.	Stage 3 Rs.	Total Rs.
Movement in allowance for expected credit losses				
Balance as at 31st March 2023	158,725	237,037	651,446	1,047,208
Charge/ (Reversal) to income statement	(62,433)	(159,514)	92,016	(129,931)
Balance as at 31st March 2024	96,292	77,523	743,462	917,277

22. Short Term Borrowings

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Import loans (a)	35,061	34,380	-	-
Bank overdrafts (b)	10,605,617	10,272,688	3,358,847	1,358,634
Other short term borrowings (c)	11,467,816	9,335,133	9,130,000	8,750,000
	22,108,494	19,642,201	12,488,847	10,108,634

(a) Import loans have been obtained for the purpose of business operations and is repayable within 30-90 days.
(b) Bank overdrafts are repayable on demand and bank balances which are coming under a common overdraft facility has been pooled together.
(c) Loans obtained to fulfill working capital requirements.

23. Cash and Cash Equivalents

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Cash at banks and in hand	12,915,837	10,574,350	1,203,271	978,801
Short term borrowings (Note 22)	(22,108,494)	(19,642,201)	(12,488,847)	(10,108,634)
Cash and cash equivalents for the purpose of the statement of cash flows,	(9,192,657)	(9,067,851)	(11,285,576)	(9,129,833)

24. Stated Capital

	No. of Shares in '000	Value of Shares Rs.'000
As at 1st April 2023	2,035,038	1,972,829
As at 31st March 2024	2,035,038	1,972,829

25. Statutory Reserve Fund

	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	88,438	89,282
Transfers during the year	-	(844)
At the end of the year	88,438	88,438

Statutory reserve fund is a capital reserve which contains profits transferred as required by Section 3(b)(ii) of Central Bank Direction.

Accordingly, Arpico Finance Limited has transferred required amount from its net profit after taxation to the Statutory Reserve Fund.

26. Other Components of Equity

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Fair value reserve on Financial Assets at FVOCI	(353,454)	(1,132,233)	(289,627)	(938,943)
Foreign currency translation reserve	392,753	443,883	-	-
	39,299	(688,350)	(289,627)	(938,943)

Foreign currency translation reserve comprises the net exchange movement arising on the currency translation of foreign operations and equity accounted investees into Sri Lankan rupees.

Fair value reserve of financial assets at FVOCI includes changes in fair value of financial instruments designated as financial assets at FVOCI.

27. Insurance Provision

	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	2,253,798	1,960,776
Net increase in life insurance fund	665,339	391,311
Movement in fair value reserve on financial assets at FVOCI transferred to life fund	(12,264)	(98,288)
At the end of the year	2,906,873	2,253,798

Long duration contract liabilities included in the Life Insurance Fund, result primarily from traditional non participating Life Insurance products.

The actuarial reserves have been established based upon the following;

- Interest rates which vary by product and as required by regulations issued by the Insurance Regulatory Commission of Sri Lanka.
- Mortality rates based on published mortality tables adjusted for actual experience as required by regulations issued by the Insurance Regulatory Commission of Sri Lanka.

According to Solvency margin rules (Risk Based Capital) effective from 1 January 2016, Life Insurance Policy Liabilities are valued as per the Gross Premium Valuation (GPV) method. The change in the valuation method from Net Premium Valuation (NPV), which was applicable under the previous Solvency Margin Rules and GPV as per the new rules resulted in a one off release in Liabilities. The external actuary, Actuarial Partners Consulting Sdn Bhd has reworked the one off surplus which is amounting to Rs. 320 Mn on the RBC Basis. The one off surplus is applicable only for the non participating businesses. The Company does not engage in participating business. As company has adopted a distribution basis for the insurance contract liability valuation, the one off surplus will not be transferred to the shareholder fund as a restricted reserve.

As per the valuation, the Life Insurance Fund included in the financial statements shows deficit in the required actuarial reserves by Rs. 948 Mn as at 31 December 2023 before any transfers to shareholders. Accordingly based on the recommendations made by the Actuary a sum of Rs. 948 Mn has been transferred from Shareholders fund to the Life Insurance Fund in 2023.

Liability Adequacy Test (LAT)

A Liability Adequacy Test ("LAT") for Life Insurance contract Liability was carried out by Actuarial Partners, as at 31 December 2023 as required by SLFRS 4 - Insurance Contracts. When performing the LAT, the Company discounted all contractual cash flows and compared this amount with the carrying value of the liability.

28 Interest Bearing Loans and Borrowings

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Non current portion of Interest Bearing Loans and Borrowings				
Interest Bearing Loans	1,854,804	1,881,666	-	-
Total Non current portion of Interest Bearing Loans and Borrowings	1,854,804	1,881,666	-	-
Current portion of Interest Bearing Loans and Borrowings				
Interest Bearing Loans	1,790,265	3,404,268	-	-
Total current portion of Interest Bearing Loans and Borrowings	1,790,265	3,404,268	-	-

28.1 Interest Bearing Loans and Borrowings

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	5,285,934	7,768,958	-	-
Cash Movement				
New loans obtained	1,220,041	2,309,000	-	-
Repayment	(2,860,905)	(5,037,852)	-	-
Non cash Movement				
Amortisation of debenture issue cost				
Effect of foreign currency translation	-	245,828	-	-
	3,645,069	5,285,934	-	-
Repayable within one year	1,790,265	3,404,268	-	-
Repayable after one year	1,854,804	1,881,666	-	-
	3,645,069	5,285,934	-	-

B. Interest bearing loans and borrowings repayable after one year

Company	Lender /Instrument	31.03.2024 Rs.'000	31.03.2023 Rs.'000	Repayment	Security
Richard Pieris Distributors Limited	IFC Loan	-	765,388	US $1.131 Mn semi annual w.e.f. February 2019	Mortgage over land and buildings at Dehiwala, Negambo,Kadawatha, Matara, Panadura and Solar Panels at all Super Centres.
Richard Pieris Natural Foams Ltd	Peoples Bank	150,000	150,000	Rs. 8.333333 Mn monthly From 16th October 2021 to October 2024	Clean basis.
Richard Pieris Finance Limited	Sampath Bank PLC	-	133,822	Rs. 16.6 Mn per month	Assignment over Lease receivables.
	Hatton National Bank - Trust 06	46,286	156,625	Monthly payments in varied installments	Assignment over Lease receivables.
	Hatton National Bank - Trust 07	1,026,890	1,050,966	Bullet payment	Unsecured
	Seylan Bank PLC	-	202,279	Bullet payment	Assignment over Lease receivables.
	Commercial Bank of Ceylon PLC	31,295	156,480	Rs. 10.41 Mn per month w.e.f. March 2020	Assignment over Lease receivables.
	Cargills Bank	-	33,481	Rs. 4.6 Mn per month w.e.f. November 2019	Assignment over Lease receivables.
	Bank of Ceylon	89,685	270,594	Rs. 15 Mn per month	Assignment over Lease receivables.
	Peoples Bank - Trust 01	-	28,097	Monthly payments in varied installments	Assignment over Lease & loan receivables.
	Peoples Bank - Trust 02	-	541,634	Monthly payments in varied installments	Assignment over Lease receivables.
	Peoples Bank - Trust 03	519,289	-	Monthly payments in varied installments	Assignment over Lease receivables.
	National Development Bank - Trust 01	281,530	543,884	Monthly payments in varied installments	Assignment over Lease receivables.
	National Development Bank - Trust 02	723,025	-	Monthly payments in varied installments	Assignment over Lease & gold loan receivables.
Maskeliya Plantations PLC	Hatton National Bank PLC	-	21,200	Rs. 4.1 Mn per month	Primary mortgage over leasehold rights of Ampittiakande ,Craig ,St.Clair and Glenugei estates
	Nations Trust Bank PLC	-	4,407	Rs. 1.388904 Mn per month w.e.f. 30.04.2021	Clean Basis.
	Commercial Bank PLC	247,917	422,917	Rs.14.583333 Mn per month from Sep 2021	Clean Basis.
Kegalle Plantations PLC	Commercial Bank of Ceylon PLC	262,500	437,500	Rs. 1.041666 Mn monthly from 25.10.2021	
	Seylan Bank	266,652	366,660	Month Installment @ Rs. 8.334000 Mn commencing from 19.12.2021	
	Total Term Loans	3,645,069	5,285,934		
	Transferred to Current Liabilities	(1,790,265)	(3,404,268)		
		1,854,804	1,881,666		

29 Right of use assets and lease liabilities

29.1 Amounts recognised in the statement of financial position and income statement set out below, are the carrying amounts of the Group's right of use assets and the movements for the year ended 31 March 2024.

29.1.1 Right of use assets

	Group				Company	
	Lease hold properties	Immovable Biological Assets	Total		Leasehold Properties	
			2024	2023	2024	2023
	Rs.	Rs.	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	3,172,990	53,709	3,226,699	3,744,357	208,164	260,654
Additions	609,905	-	609,905	288,686	-	-
Transfers (SLFRS 16 initial recognition)	677,316	-	677,316	100,572		
Amortisation expense	(855,321)	(22,424)	(877,745)	(906,916)	(52,027)	(52,490)
At the end of the year	3,604,890	31,285	3,636,175	3,226,699	156,136	208,164

29.1.2 Lease liability

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	3,883,660	4,242,874	364,627	413,760
Additions	1,292,856	311,280	-	-
Transfers	4,657	(19,932)	-	-
Interest expense	557,723	544,924	39,129	45,683
Payments	(1,319,450)	(1,252,080)	(102,280)	(94,815)
Exchange difference	(21,799)	56,593	-	-
At the end of the year	4,397,647	3,883,660	301,476	364,627

29.1.3 Maturity Analysis

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Within one year	944,463	1,012,696	75,229	63,152
After one year but not more than three years	900,662	755,153	226,245	170,932
After three years but not more than five years	312,212	419,667	-	130,543
More than five years	2,240,309	1,696,145	-	-
	4,397,647	3,883,660	301,474	364,627

Following are the amounts recognized in profit or loss for the year ended 31 March 2024

Amortisation of right-of-use asset	877,745	906,916	52,027	52,490
Interest expense on lease liability	557,723	544,924	39,129	45,683
Total amount recognised in profit or loss	1,435,468	1,451,840	91,156	98,173

30. Provisions

	Maintenance Warranties	
	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	191,815	161,776
Arising during the year	14,236	37,793
(-) Reversal during the year	(9,599)	(7,753)
At the end of the year	196,451	191,815

Maintenance Warranties

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales level and current information available about returns based on the respective warranty period of products sold.

31. Government Grants

	2024 Rs.'000	2023 Rs.'000
At the beginning of the period	482,394	502,484
Received during the year	48,480	17,060
Released in the statement of profit or loss	(38,070)	(37,150)
At the end of the period	492,804	482,394

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

32. Post Employee Benefit Liabilities

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	2,440,982	2,494,781	54,227	63,871
Current service cost	148,260	171,124	3,779	8,942
Interest cost on benefit obligation	432,530	332,408	10,845	4,418
Payments	(760,536)	(790,271)	(11,996)	(15,196)
(Gain)/losses arising from changes in assumptions	299,979	232,939	10,446	(7,808)
At the end of the year	2,561,214	2,440,982	67,302	54,227

Actuarial valuation of the defined benefit plan / gratuity was carried out on 31st March 2024 by Messrs'. Actuarial and Management Consultants (Pvt) Limited.

Appropriate and compatible assumptions were used in determining the cost of retirement benefits and the key assumptions used are as follows:

Assumptions	2023/24	2022/23
Demographic assumptions		
In respect of non plantation companies,		
Retiring age:		
Executives	60 years	60 years
Non Executives	60 years	60 years
Average future working life time:		
Executives	6.3	6.3
Non Executives	6.3	6.3
Staff turnover rates:		
Executives	0.10-0.27	0.10-0.27
Non Executives	0.17-0.45	0.17-0.45
In respect of plantation companies,		
Retiring age:		
Workers (male and female)	60 years	60 years
Other categories of staff (male and female)	60 years	60 years
Staff turnover rates	0.02-0.07	0.02-0.07
Average future working life time:		
Workers	5.5 years	5.5 years
Staff	6.3 years	6.3 years
In respect of the Insurance company,		
Retiring age:	60 years	60 years
Financial assumptions		
In respect of non plantation companies,		
Rate of discount	12.00%	20.00%
Rate of salary increment (average)	10.00%	12.00%
In respect of plantation companies,		
Rate of discount	13.00%	17.00%
Rate of salary increment:		
Workers	10% per annum	10% per annum
Staff employees	10% per year	10% per year
In respect of the Insurance company,		
Rate of discount	14.00%	20%
Rate of salary increment:	11%	14%

Sensitivity Analysis

Values appearing in the Financial Statements are very sensitive to the changes in financial and non financial assumptions used. The sensitivity was carried for both the salary escalation rate and discount rate. Simulation made for retirement benefit obligation show that an increase or decrease by 1% of salary escalation rate and discount rate has the following effect of the retirement benefit obligation.

	Present value of Defined Benefit Obligation			
	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Discount Rate				
1% increase	(146,269)	(126,044)	(2,909)	(2,044)
1% decrease	164,213	140,356	3,201	2,218
Salary Increment Rate				
1% increase	170,945	149,042	3,473	2,563
1% decrease	(154,411)	(135,450)	(3,205)	(2,387)

Maturity Profile

Maturity profile of the defined benefit obligation as at 31st March 2024 is as follows.

	Defined Benefit Obligation	
	Group Rs.'000	Company Rs.'000
Future Working Life Time		
Within the next 12 months	451,195	17,159
Between 2-5 years	945,512	28,105
Beyond 5 years	1,164,507	22,038
Total	2,561,214	67,302

33. Contingent Liabilities

There are no corporate guaranties issued by the Company on loans obtained by subsidiary companies as at 31st March 2024. Guarantees given by subsidiaries on loans obtained amounted to Rs. 151.2 Mn.

Namunukula Plantation PLC

High Court of Badulla Case No's: HCRA 59/2015 to HCRA 88/2015

There were 30 cases outstanding filed at Magitrates court Passara and Bandarawela by the Commissioner of Labour (Badulla) against Tusker Bottling Co. (Pvt) Ltd, the Company and the Superintendents of these Estates regarding the payment of employees' statutory dues for the amounts which the Sub Lessee has failed to pay in respect of the sub leased 6 estates. The Company has filed objections that the Company is not liable to pay such dues. However Magistrate has ordered company to pay.

The company filed revision to that in High court and further company was deposited 14.75 Mn as refundable security deposit in the court. The Company has won the case No: 59/2015 at HC Badulla and then the Commissioner of Labour has made an appeal against the judgment given by the High Court Judge in favor of Company and the case is yet to be listed at Court of Appeal. The dates of the balance 29 cases (Case No: 60/2015 to 88/2015) are being moved forward pending a decision from a higher court. Next day of hearing is 28 August 2024.

Richard Pieris Exports PLC

The Company has one case in dispute following the termination of services of 159 employees in 2007. This matter was in the Arbitration up to February 2020 and the Award of Arbitration was published in the Government Gazette on 10th August 2020. Thereafter, the Company has repudiated the arbitration award by publishing on Government Gazette dated 18.09.2020. Nevertheless, the Assistant Labour Commissioner filed action in the Magistrate's Court Nugegoda for non-implementation of the said arbitral award. Being aggrieved by the Hon. Magistrate's order which stated that there are grounds to maintain this case, the Company sought the revisionary jurisdiction of the High Court of Colombo. Currently this case is being heard before the High Court of Colombo and the MC proceedings are laid by until the determination by the High Court. The Company is rigorously contesting matter.

Richard Pieris & Company PLC

The contingent liability of Richard Pieris & Company PLC as at 31st March 2024, relates to the following:

Richard Pieris and Company PLC and Richard Pieris Distributors Limited, a subsidiary of the Group, is contesting certain claims made by a former employee in a case filed before the Commercial High Court, Colombo.

34. Trade and Other Payables

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Trade payables	8,925,515	7,662,532	-	-
Accrued expenses	1,995,183	2,151,510	-	-
Other financial liabilities	870,690	1,012,341	219,690	509,007
Reinsurance Payables	48,993	42,142	-	-
Contract Liabilities	484,437	487,702	-	-
	12,324,818	11,356,227	219,690	509,007
Other non financial liabilities	807,509	844,688	-	-
Total trade and other payables	13,132,327	12,200,915	219,690	509,007

35. Customer Deposits

	2024 Rs.'000	2023 Rs.'000
Fixed deposits	10,247,288	8,321,068
Savings deposits	84,923	80,772
	10,332,211	8,401,840

36. Capital and Lease Commitments

36.1 Capital Commitments

The capital commitments for property, plant and equipment incidental to the ordinary course of business as at 31st March , approved by the Board are as follows:

	Group	
	2024 Rs.'000	2023 Rs.'000
Contracted but not provided for	151,000	-
Approved but not contracted for	1,275,447	1,771,007
	1,426,447	1,771,007

36.2 Lease Commitments

Future minimum rentals payable under non cancellable operating leases as at 1st April, are as follows:

	Group	
	2024 Rs.'000	2023 Rs.'000
Undiscounted future minum lease rentas payable as at 31st March	840,698	630,285
Discounted future minum lease rentas payable as at 31st March	671,827	459,477

37. Financial Risk Management Objectives and Policies

The Group has loans and other receivables, trade receivables and cash and short-term deposits that arise directly from its operations. The Group's principal financial liabilities comprise loans and borrowings, trade and other payables, public deposits and financial guarantees. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors guide the Group Treasury which is centralized to provide assistance to the Group's senior management that the Group's financial risk taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors reviews and stipulates policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk:

- Interest rate risk
- Currency risk
- Commodity price risk
- Equity price risk

Financial instruments affected by market risk include loans and borrowings, deposits, available for sale investments and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters in order to optimize the return.

Interest rate risk

Interest rate risk is the risk that the company is exposed to due to the changes in the absolute level of market interest rates. Country's yield curve reflecting public borrowings in the domestic market, the policy rates, market liquidity, reforms in fiscal policies, credit ceilings on lending, average deposit rates, etc. are considered to be the main determining factors on the quoted interest rates for short term and long term lending facilities. These external factors stresses the market lending rates inserting pressure on the finance cost of the Group in turn having a down beating effect on the profit attributable to shareholders.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on borrowings as follows:

Group	Increase/decrease in interest rate by basis points	Effect on profit before tax Rs. Millions
2022/23	+100 bps	(249.28)
	-100 bps	249.28
2023/24	+100 bps	(257.54)
	-100 bps	257.54

Company	Increase/decrease in interest rate by basis points	Effect on profit before tax Rs. Millions
2022/23	+100 bps	(101.09)
	-100 bps	101.09
2023/24	+100 bps	(124.89)
	-100 bps	124.89

Following measures and actions are usually undertaken in order to manage interest rate risk of the Group.

- Based on the studies and research on interest rate risk, the treasury division advises and takes appropriate measures to capitalize on the interest rate movements to be beneficial to the Group profitability where the facilities will be fixed for longer tenors when the market lending rates are in lower bound and take short term positioning when the market lending rates are in the higher bound.
- Structuring the loan portfolio to combine foreign currency and local currency denominated borrowings to the mix of export and local revenue of the Group.
- Using fixed and variable rate borrowings to strike a balance.
- Centralized Treasury that coordinates Group funding requirements thus ensuring more effective borrowing terms.
- Practicing effective hedging techniques as and when required.
- Centralized cash management system to get the advantage of the total pooling of funds.

Foreign currency risk
The Group is exposed to currency risk on sales, purchases and borrowings of the Group, primarily in US Dollars (USD), and also in EURO, Singapore Dollars (SGD) and Pound Sterling (GBP) especially with regards to trade related transactions. The imported materials are mainly billed in USD, EURO and SGD. The group treasury division continuously monitors the exchange rate movement of the above currencies.

Effects of Currency Translation
For the consolidated financial statements of the Group, income and expenses and the assets and liabilities of the subsidiaries outside Sri Lanka are converted into Sri Lankan Rupees, Therefore period-to-period changes in average exchange rates may cause currency translation effects for the Group. However, exchange rate translation risk doesn't affect future cash flows. The group equity position reflects changes in book value caused by exchange rates.

Commodity price risk
The Group is affected by the volatility of certain commodities. The volatility in prices of tea, rubber etc. in the auctions would trigger greater uncertainty in the contribution towards Group turnover from the plantation sector.

Credit risk
Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, resulting in a negative effect towards the Group profitability. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including foreign exchange transactions and other financial instruments.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all credit clients are subject to credit verification procedures who wish to trade on credit. Furthermore, the Group continuously monitors the receivables through the segregation of the duties of controlling the receivables through SBU credit controllers. It is the responsibility of the credit controller to continuously monitor the receivables and the receipts and recoveries are done promptly according to the credit period. Furthermore age analysis is carried out along with monthly provisioning to smooth out the unrecoverable debtor balances across the periods.

With respect to credit risk arising from other financial assets such as short term deposits, cash and cash equivalents, investments, derivative instruments etc., the credit risk exposure arises due to counterparty risk. The Group manages its operations to avoid any excessive concentration of counterparty risk and takes every possible step to ensure counterparties fulfill their obligations.

Liquidity Risk
Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.
The Group's approach to managing liquidity is to ensure, as far as possible, that it will always maintains sufficient leeway's in the short term facilities and structuring new credit lines for short and long term tenors to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Capital Management
Capital includes only the equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and re-structures the capital base time to time in light of changes in economic conditions as per the directives given by the Board of Directors. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital through share buy backs or infuse capital through new share issuance.

The Group monitors capital using indicative leverage ratios preferably through gearing ratio, which is net debt as a percentage of total equity and net debt. The Group includes within net debt, interest bearing loans & borrowings, short term borrowings less Cash & Cash Equivalents, excluding discontinued operations.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Group Year ended 31st March 2024	Notes	On demand Rs.'000	Less than 3 months Rs.'000	3 to 12 months Rs.'000	1 to 5 years Rs.'000	> 5 Years Rs.'000	Total Rs.'000
Interest bearing borrowings	28	-	802,003	1,049,571	1,749,742	-	3,645,069
Net liability to the lessor	29	2,998	3,424	938,041	1,212,875	2,240,309	4,397,647
Trade and other payables	34	1,918,120	10,917,373	174,205	106,522	16,107	13,132,327
Customer Deposits	35	1,265,667	3,036,828	4,161,053	1,868,663	-	10,332,211
Import loans	22	-	35,061	-	-	-	35,061
Bank overdrafts	22	10,605,617	-	-	-	-	10,605,617
Other short term borrowings	22	699,766	956,444	9,811,606	-	-	11,467,816
		14,492,166	15,751,134	16,134,476	4,937,801	2,256,416	53,615,748

Group Year ended 31st March 2023	Notes	On demand Rs.'000	Less than 3 months Rs.'000	3 to 12 months Rs.'000	1 to 5 years Rs.'000	> 5 Years Rs.'000	Total Rs.'000
Interest bearing borrowings	28	22,917	606,010	2,473,690	2,183,317	-	5,285,934
Net liability to the lessor	29	-	204,635	607,353	1,372,690	1,698,982	3,883,660
Trade and other payables	34	1,930,671	1,612,936	8,657,309	-	-	12,200,916
Customer Deposits	35	80,772	2,868,712	3,171,371	2,280,985	-	8,401,840
Import loans	22	-	34,380	-	-	-	34,380
Bank overdrafts	22	10,272,688	-	-	-	-	10,272,688
Other short term borrowings	22	-	9,335,133	-	-	-	9,335,133
		12,307,048	14,661,805	14,909,723	5,836,991	1,698,982	49,414,549

Company Year ended 31st March 2024	Notes	On demand Rs.'000	Less than 3 months Rs.'000	3 to 12 months Rs.'000	1 to 5 years Rs.'000	> 5 Years Rs.'000	Total Rs.'000
Interest bearing borrowings	28	-	-	-	-	-	-
Trade and other payables	34	219,690	-	-	-	-	219,690
Bank overdrafts	22	3,358,847	-	-	-	-	3,358,847
Other short term borrowings	22	-	-	9,130,000	-	-	9,130,000
		3,578,535	-	9,130,000	-	-	12,708,535

Company Year ended 31st March 2023	Notes	On demand Rs.'000	Less than 3 months Rs.'000	3 to 12 months Rs.'000	1 to 5 years Rs.'000	> 5 Years Rs.'000	Total Rs.'000
Interest bearing borrowings	28	-	-	-	-	-	-
Trade and other payables	34	509,007	-	-	-	-	509,007
Bank overdrafts	22	1,358,634	-	-	-	-	1,358,634
Other short term borrowings	22	-	-	8,750,000	-	-	8,750,000
		1,867,641	-	8,750,000	-	-	10,617,641

Risk Exposure of Arpico Insurance PLC

At Arpico Insurance, we are steadfast in our commitment to the perpetual refinement and fortification of our risk management strategies and measures. Our unwavering dedication is aimed at ensuring a robust and well-calibrated level of control over unforeseen and unpredictable circumstances. By consistently optimizing our approaches, we strive not only to meet but exceed industry standards, thereby safeguarding the interests of our valued clients with unparalleled diligence and foresight.

Purpose of Risk Management Framework

The Risk Management framework, meticulously honed in 2021, and set into motion in 2022 and 2023, serves as an impregnable bulwark, safeguarding both the economic and non-financial interests of all our stakeholders. This robust framework stands as a stalwart ally, intricately woven into the fabric of our operations, supporting the Company in navigating the intricate landscape of highly volatile macro developments that may otherwise impede our strategic objectives and plans.

In the current challenging environment, where economic and social deterrents cast a profound impact on businesses both in Sri Lanka and globally, our proactive risk management framework emerges as a beacon of resilience. It empowers us to navigate through the intricate web of uncertainties, allowing us to remain steadfast in the face of adversities. By adhering to meticulously pre-defined parameters and thresholds, our risk management framework ensures that we not only weather the storm but also emerge stronger, fortifying our ability to stay on course with strategic goals despite the prevailing uncertainties.

Risk Management Framework

The Risk Management Framework is based on the Risk Management Policy (RMP) and is set in motion by the Risk Management Department together with risk owners, while oversight is distributed in a top-down approach from the Board of Directors to the Management, as they monitor and evaluate as well as provide guidance in improving risk management procedures.

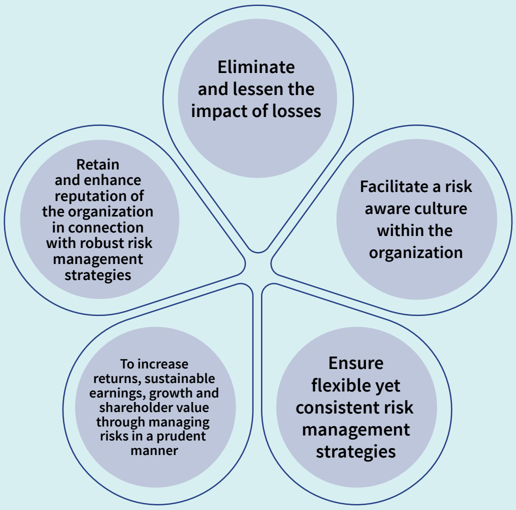
Risk Management Process

A meticulous process is adhered to when navigating through the deluge of potential risks and exposures that the Company encounters from both internal and external environments. This systematic and interconnected approach is integral to maintaining transparency and robustness in identifying risks, as well as proactively mitigating their likelihoods and occurrences

This well-defined process operates as a structured pathway, guiding the Company through the intricacies of risk management. It not only assists in the identification of potential risks but also establishes clear linkages between various stages, creating a comprehensive framework. By fostering transparency, this process enables a thorough understanding of the risk landscape, empowering the Company to make informed decisions and implement targeted strategies for risk mitigation. In essence, the methodical nature of this approach reflects the Company's commitment to not merely reacting to risks, but actively and preemptively managing them with foresight and diligence..

RISK MANAGEMENT OBJECTIVES

We are well aware of the fact that well-defined and clear risk management objectives play a pivotal role in facilitating the implementation of risk strategies. As such, we have identified and laid out a set of clear objectives, which we constantly revisit during our risk management process.



RISKS

The insurance industry has to contend with various industry-specific and generic risks. With the objective of better comprehending risks to manage each risk effectively, we have categorised risks.

Economic risk

- Price-competitiveness from a saturated industry
- Volatile rates, which could carry a negative impact on Life Insurance, due to the increase in the liability of insurance fund.
- Drop in disposable income of consumers due to after effects of economic and energy crisis.

Social risk

- An aging national population
- Political uncertainty.

Technological risks

- New cyber security threats to AIP's database
- Roadblocks in digital transformations

Legal risks

- Changing regulatory landscape and IFRS17 accounting standard implementation.
- Complexities in compliance requirements

Environmental risks

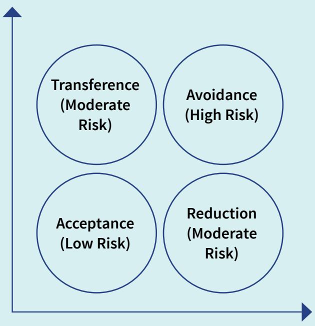
- Increasing climate volatilities
- Vulnerabilities as an island nation from weather extremities

Arpico Insurance further breaks down the above categories to broader categories in order to prioritise risks and effectively address each risk accordingly. These broader risk categories go hand in hand with our risk prioritization process.

RISK CATEGORIES AND PRIORITISATION

Broader Risk Categories

- Underwriting risk
- Reinsurance risk
- Claim risk
- Liquidity risk
- Insurance market risk
- Credit risk
- Investment risk
- Regulatory risk
- Operational risk



RISK PRIORITISATION PROCESS

Risks	Description	Risk Rating	Mitigation
Insurance Risks			
Underwriting risk	Risks due to inaccurate assessment of risk when accepting insurance policies.	High	• Ensuring a sufficient level of segregation between duties of sales and underwriting functions while centralizing function at head office. • Maintaining a robust manual of financial to offer guidance to underwriting staff. • Frequent audits and verification to ensure the smooth function of the process. • Timely consultation and feedback from Consultant Actuary and Reinsurer to adequately price products. • The medical reports are only generated from the registered and well-respected laboratories monitor by the management to ensure quality service. • Carrying underwriting as per the set guideline given by the reinsurer.
Reinsurance Risk	Inability of the ceding company to obtain insurance from a reinsurer at the right time and at an appropriate cost	High	• The Company only works with reinsurers with 'A' or above ratings and monitors their ratings consistently. • Conducting frequent reviews of outstanding reinsurance receivables. • Maintain close relationship with all reinsurers
Claims risk	Claims experience that exceed the expected level	High	• Monitoring actual claims experience with respect to expected claims. • Claims are reserved immediately at the intimation or on the availability of information of the death or injury of an insured. • The Claims Panel is involved in taking decisions on significant / problematic claims and appeals made in respect of claims.
Insurance Market Risk	Failure to adopt to changing insurance market dynamics	Moderate	• Regularly monitor and discuss local and global industry developments.
Financial Risks			
Liquidity risk	Lack of readily available funds to meet expenses	Moderate	• Maintaining a diversified mix of term investments • Regularly review reviewing cash flow projections. • Guidelines to ensure availability of sufficient funding to meet insurance and investment contract obligations. • Clauses in reinsurance contracts to meet claim payments in the event claims exceed values.
Credit Risk	The risk of financial losses in case of the counter party failing to meet contractual payment obligations.	Moderate	• Credit risk exposure monitoring with respect to investment counterparties, credit risk evaluation when making new investments. • Periodical reviews into the creditworthiness and financial stability of all entities. • The Company only places corporate debt investment exposure with counter parties that retain a credit rating of or above BBB+, given by well-known rating companies. • Imposing strict credit limitations on all such entities, upon reviewing their stability. • Maintaining a structured and standardized credit approval process, based on the size and nature of the organization. • Employing only senior and experienced staff to carry our credit approval.

Risks	Description	Risk Rating	Mitigation
Interest Rate Risk	Risk of changes in the interest rates, which might affect the Company's investment portfolio	High	• Making investments to mitigate the asset and liability mismatch thereby reducing exposure to interest rate changes.
Investment Risk	Unfavorable economic conditions leading to below par investment returns.	Moderate	• Prudent long-term and short-term investment mix • Monitoring financial and banking market
Operational Risk			
Fraud Risk	Risks that occur due to misappropriation of financial or non-financial resources of the Company, as well as claims.	Moderate	• Proper management of financials and observation of misappropriation. • Take immediate action in remediating the fraud.
Information Risk / Cyber Security Risk	Risk of unauthorised access to IT systems and possible threats to data and network security, as well as the loss of confidential data	Moderate	• Comprehensive cyber security policy • Secured network connections across branch network. • Assessment of firewall strength and protection environment through trusted third party service provider. • ICT and data security awareness and prevention through proactive training to staff. • Data backups through cloud technology. • Two factor authentication for staff accounts
Health and Safety Risks	Risks to the health and safety of individuals working for the Company.	Moderate	• Protocols in place against COVID-19 • Basic awareness of occupational safety risks
Premises risk	Damage to physical assets because of natural and man-made disasters such as flooding, fire, and riots	Low	• Prudent insurance of buildings and property • Training and awareness on workplace safety
Legal risk	Risk of facing litigation in court of law.	Low	• Seeking advice from group legal department when entering into contracts.
Strategic Risk			
Reputation Risk	The damage to reputation and brand image of the Company, when it fails to meet stakeholder expectations.	Low	• Management and staff are recommended to maintain ethical and professional conduct both in and out of premises. • Professional decorum maintained on social media accounts • Compliant management system in place for handling complaints swiftly
Regulatory Risk / Compliance Risk	Any adverse impacts that could occur from failure to meet existing and new regulatory requirements. **Capital Adequacy Ratio (CAR)** By calculating the capital adequacy ratio (CAR), the Company can ascertain the adequacy of its total available capital. The minimum regulatory cap for CAR is 120%, considered as sufficient to be solvent, when it is crucial to meet liquidity levels. Complying with the requirements mandated by IRCSL, Arpico Insurance PLC maintained a CAR at 349% as at 31st December 2023, well above the statutory minimum.	Moderate	• Strict adherence to relevant rules and regulations. • Periodical reviews on major regulatory developments and employing a mechanism to anticipate potential impact on the Company. • Consistent participation in industry forums such as events organized by the Insurance Association of Sri Lanka. • The Company's business process invariably goes through timely analyses and updates of policies and procedures.

RISK MANAGEMENT OUTLOOK FOR 2024

In 2023, the Company successfully operationalized its new Risk Management Policy (RMP). Looking ahead to 2024, uncertainties in the external environment are anticipated to persist at heightened levels. However, the proactive implementation of the risk management policy stands as a crucial pillar in fortifying the Company's resilience against both internal and external risks. The RMP is a strategic tool that is expected to play a pivotal role in steering the Company towards the attainment of its strategic objectives.

By adhering to the principles outlined in the RMP, the Company positions itself to navigate the challenges posed by the dynamic external landscape. The policy acts as a shield, enabling the organization to identify, assess, and respond effectively to potential risks, thus bolstering its ability to adapt and thrive in the face of uncertainty. In this way, the implementation of the Risk Management Policy becomes not just a compliance measure but a proactive strategy to fortify the Company's resilience and ensure the alignment of risk management efforts with its overarching strategic goals.

Goals for 2024

- Introducing specialised risk management training sessions pertaining to Anti-Money Laundering (AML) and cyber security.
- Strengthen the ML/CF risk management framework by automation.
- Extending training to staff at branches, ensuring literacy in risk management for all employees across the network.
- Carrying out risk assessment programme to cover the entire organisation including all functional departments and branches.
- Appointing a risk management representative for each department to lead risk management activities – developing a culture of risk-consciousness across each department.
- Recognising staff members who have contributed to improving risk management as "Risk Management Champions" at the annual awards ceremony

Risk Exposure of Richard Pieris Finance Limited

Credit risk

Credit risk arises principally from the Company's loans and advances to customers/other Companies and investments in debt securities. Credit risk constitutes the Company's largest risk exposure category. This can be broadly categorized into three types; default, concentration and settlement risk.

Default risk

Default risk is the risk of the potential financial loss resulting from the failure of customer or counterparty to meet its debt or contractual obligations and arises principally from the company's loans and advances to customers.

Concentration risk

Concentration risk is the credit exposure being concentrated as a result of excessive buildup of exposure to a single counterparty, industry, product, geographical location or insufficient diversification.

Settlement risk

Settlement risk is the risk of loss arising from trading/investment activities when there is a mutual undertaking to deliver on a progressive basis.

The following table shows the maximum exposure to credit risk by class of financial asset. It further shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

Exposure to credit risk of finance companies of the Group

As at 31 March 2024	Maximum exposure to credit risk Rs.'000	Net Exposure Rs.'000
Cash and bank balances	467,588	467,588
Investments in fixed deposits/Repo	1,231,292	1,231,292
Lease Receivable at Amortized Cost	4,854,303	-
HP Receivable at Amortized Cost	2,832	-
Loans and Receivables at Amortized Cost	7,408,302	422,774
Financial investments - at Fair Value through OCI	950,303	950,303
Total financial assets	14,914,619	3,071,956

Credit quality by class of financial assets of finance companies of the Group

As at 31 March 2024	Neither past due nor impaired Rs.'000	Past due but not impaired Rs.'000	Individually impaired Rs.'000	Total Rs.'000
Assets				
Cash and bank balances	467,588	-	-	467,588
Investments in fixed deposits	1,231,292	-	-	1,231,292
Lease Receivable at Amortized Cost	2,011,785	3,656,185	-	5,667,970
HP Receivable at Amortized Cost	390	5,281	-	5,671
Loans and Receivables at Amortized Cost	2,476,585	5,848,993	-	8,325,579
Financial investments - at Fair Value through OCI	950,303	-	-	950,303
Collective impairment provision	-	-	-	(1,733,783)
Total financial assets	7,137,942	9,510,460	-	14,914,619

Aging Analysis of past due (i.e. facilities in arrears of 1 day and above) but not impaired loans, by class of financial assets.

	Past due but not impaired				
	Less than 31 days Rs.'000	31 to 60 days Rs.'000	61 to 90 days Rs.'000	More than 90 days Rs.'000	Total Rs.'000
Lease Receivable at Amortized Cost	3,007,764	464,306	158,045	26,070	3,656,185
HP Receivable at Amortized Cost	2,721	-	-	2,561	5,281
Loans and Receivables at Amortized Cost	3,651,897	1,304,202	845,046	47,849	5,848,993
	6,662,381	1,768,508	1,003,091	76,479	9,510,460

Liquidity risk and funding management

In the context of a financial institution liquidity risk arises primarily due to mismatches in the maturity profile of assets and liabilities. Liquidity risk for a financial institution can take two forms; transactions liquidity, a property of assets or markets, and funding liquidity, which is more closely related to creditworthiness.

Transaction liquidity risk is the risk of moving the price of an asset adversely in the act of buying or selling it. Company's transaction liquidity risk is low if assets can be liquidated without moving the price too much.

Funding liquidity risk means the Company's inability to finance assets continuously at an acceptable borrowing rate. Funding liquidity risk generally arises when creditors either withdraw credit or change the terms on which it is granted in such a way they are no longer profitable. Funding liquidity risk would increase if the Company's credit quality is perceived to be deteriorating and the financial conditions as a whole is deteriorating.

The company's primary objective in liquidity risk management is to ensure adequate funding for its businesses throughout market cycles, including periods of financial stress. To achieve this objective the company regularly analyses and monitors liquidity positions and, maintain an adequate margin of safety in liquid assets.

Interest rate risk

Interest rate risk is a key constitute of the market risk exposure of the finance companies due to adverse and unanticipated movements in future interest rate which arises from core business activities; granting of credit facilities, accepting deposits and issuing debt instruments.

Due to the nature of operations of the companies, the impact of interest rate risk is mainly on the earnings of the company rather than the market value of portfolios. Several factors give rise to interest rate risk; among these are term structure risk, which arises due to the mismatches in the maturities of assets and liabilities; basis risk which is the threat to income arising due to differences in the bases of interest rates.

Excessive movements in market interest rate could result in severe volatility to companies' net interest income and net interest margin. Companies' exposure to interest rate risk is primarily associated with factors such as;

- Reprising risk arising from a fixed rate borrowing portfolio where reprising frequency is different to that of the lending portfolio.
- Yield curve risk arising from unanticipated shifts of the market yield curve.

Interest rate risk is managed principally through minimizing interest rate sensitive asset liability gaps. In order to ensure interest rate margin and spreads are maintained, the companies conducts periodic reviews and re-prices its assets accordingly.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the companies' net interest income.

Net Interest Income (NII) Sensitivity by Interest Rate Change

	2024	
Parallel Increase / Decrease of Basis Points (bps)	+/ - 100 bps	+/ - 200 bps
Impact on NII (Rs.'000)	1,350	2,699
	(1,350)	(2,699)

Interest rate risk exposure on financial assets and liabilities
The table below analyses the companies' interest rate risk exposure on financial assets & liabilities. The companies' assets & liabilities are included at carrying amount and categorized by the earlier of contractual reprising or maturity dates.

Company As at 31st March 2024	Up to 03 Months Rs.	03-12 Months Rs.	01-03 Years Rs.	03-05 Years Rs.	Over 05 Years Rs.	Non Interest Bearing Rs.	Total as at 31/03/2024 Rs.
Assets							
Cash and bank balances	-	-	-	-	-	467,588	467,588
Investments in fixed deposits	-	1,231,292	-	-	-	-	1,231,292
Lease Receivable at Amortized Cost	1,774,987	1,208,745	2,216,959	466,136	1,142	-	5,667,970
HP Receivable at Amortized Cost	5,426	245	-	-	-	-	5,671
Loans and Receivables at Amortized Cost	4,305,549	1,493,166	1,544,011	611,366	371,486	-	8,325,579
Financial investments - at Fair Value through OCI	316,025	633,484	793	-	-	-	950,303
Other debtors & prepayments	-	-	-	-	-	181,101	181,101
Total Financial Assets	6,401,988	4,566,932	3,761,763	1,077,502	372,628	648,689	16,829,503
Financial Liabilities							
Bank Overdraft	95,506	-	-	-	-	-	95,506
Due to Customers	4,302,495	4,161,053	953,101	1,131,817	-	-	10,548,466
Interest bearing borrowings	733,251	1,087,113	1,847,743	-	-	-	3,668,108
Trade and other payables	-	-	-	-	-	474,644	474,644
Total Financial Liabilities	5,131,253	5,248,166	2,800,844	1,131,817	-	474,644	14,786,724
Interest Sensitivity Gap	1,270,735	(681,234)	960,919	(54,314)	372,628	174,045	2,042,779

38. Events After the Reporting Date
There have been no material events occurring after the reporting date that require adjustments or disclosures in the Financial Statements.

39 Related Party Disclosures

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
39.1 Amount due from/to related parties - Subsidiaries				
Amounts receivable as at 31 March	-	-	5,825,547	4,781,977
Amounts payable as at 31 March	-	-	573,351	552,263
39.2 Transaction with related parties - Subsidiaries				
Allocation of common personnel and administration expenses	-	-	479,240	523,638
Rendering of services	-	-	88,444	95,544
Rent income	-	-	234,494	241,927
Royalty income	-	-	428,971	542,701
Corporate expenses	-	-	35,897	55,641
Interest income	-	-	91,191	156,684
Post employment benefit plan				
Contribution to the provident fund	219,615	167,818	162,041	150,036
39.3 Associates				
Amounts receivable as at 31 March	58,299	22,148	-	-
Sale of goods/services	2,811,273	3,433,239	-	-

39.4 Terms and conditions

Outstanding balances at the year end are unsecured, and not interest bearing. Interest is charged based on the purpose for which funds are used.

Non Recurrent Related Party Transactions

There were no non recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2024 audited financial statements, which required additional disclosures in the 2023/24 Annual Report under Colombo Stock Exchange listing rule 9.14.8 and code of best practices on related party transactions under the Security Exchange Commission directive issued under section 13(c) of the Security Exchange Commission Act.

Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31st March 2024 audited financial statements, which required additional disclosures in 2023/24 Annual Report under Colombo Stock Exchange listing rule 9.14.8 and code of best practices on related party transactions under the Security Exchange Commission directive issued under section 13(c) of the Security Exchange Commission Act.

39.5 Off Balance Sheet Items

Guarantees given by the Company to Banks on behalf of related parties are disclosed in Note 28.1 (Interest bearing borrowings) to the Financial Statements

39.6 Transactions with key management personnel of the company or its parent

The Key Management Personnel include members of the Board of Directors of Richard Pieris and Company PLC.

a) Key management personnel compensation

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Short-term employee benefits	812,892	582,255	742,241	517,084

b) Other transactions with key management personnel

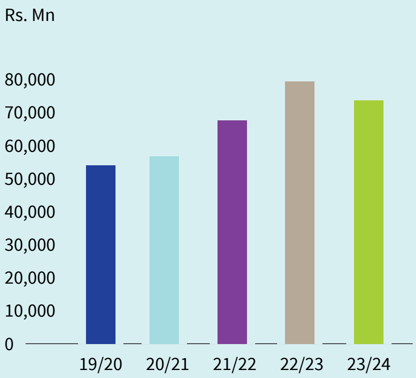
Richard Pieris and Company carries out transactions with Key Management Personnel (KMPs) and their close family members on an arm's length basis except any concessions which have been availed under concessionary schemes uniformly applicable to all staff. This is mainly evident in the Arpico sales outlets island wide.

39.7 Other related party disclosures

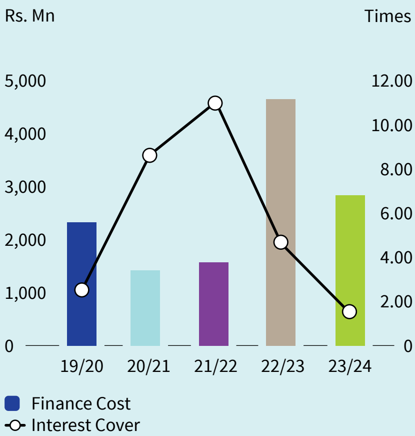
(a) Rentals amounting to Rs. 83.2 Mn were paid by the Group to a related parties of a key management personnel.
(b) Fees amounting to Rs. 71.1 Mn were paid by the Group to an entity in which a key management personnel is a Director.
(c) Rentals amounting to Rs. 8.3 Mn were paid by the Group to an entity in which a key management personnel is a Director.
(d) Fees amounting to Rs. 91.2 Mn were paid by the Group to a related party of a key management personnel.

Ten Year Summary

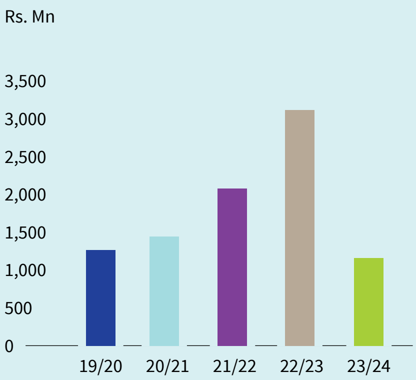
Turnover Composition



Interest Cover



Tax Expense



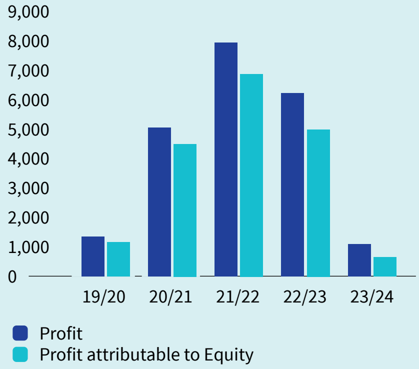
	2023/24 Rs.'000	2022/23 Rs.'000	2021/22 Rs.'000
TRADING RESULTS			
Revenue	73,859,225	79,193,785	67,668,112
Profit from operations	3,817,296	11,718,875	10,751,231
Finance cost	(2,830,115)	(4,669,624)	(1,589,284)
Finance income	1,091,510	2,029,256	625,232
Profit from operations after finance cost and finance income	2,138,692	9,078,506	9,787,178
Income from associates before tax	112,802	265,983	248,844
Profit before tax from continuing operations	2,191,494	9,344,489	10,036,022
Income tax expense	(1,164,932)	(3,116,789)	(2,071,861)
Profit for the year from continuing operations	1,026,563	6,227,701	7,964,162
Loss after tax from discontinued operations	(2,830)	(2,113)	(1,963)
Profit for the year	1,023,732	6,225,588	7,962,199
Non controlling interest	450,860	1,246,744	1,075,512
Profit attributable to equity holders of parent	572,872	4,978,844	6,886,687
Gross dividend	1,017,519	1,424,527	1,221,023
BALANCE SHEET			
Assets			
Property, plant and equipment/Leasehold properties	26,784,504	25,908,480	24,080,131
Investment properties	481,168	374,948	322,010
Intangible assets	1,137,044	1,140,983	1,143,970
Right-of-use assets	3,636,175	3,226,699	3,744,356
Biological assets	1,763,300	1,603,306	1,449,731
Investments in associates and other investments	473,063	438,299	351,442
Other non current financial assets	5,441,642	4,525,993	4,176,443
Deferred tax assets	1,179,214	801,981	458,154
Current assets	52,021,587	49,478,046	49,211,728
	92,917,697	87,498,735	84,937,975
Equity and liabilities			
Stated Capital	1,972,829	1,972,829	1,972,829
Capital and revenue reserves	22,531,452	23,163,918	21,144,163
Statutory reserve fund/Investment fund reserve	88,438	88,438	89,282
Foreign currency translation	-	-	-
Other components of equity	39,299	(688,350)	(426,584)
Non controlling interest	5,562,018	5,274,162	4,358,124
Term loans payable after one year	1,854,804	1,881,666	4,291,740
Lease liabilities on right-of-use assets	3,453,184	2,870,965	3,483,170
Insurance provision	2,906,873	2,253,798	1,960,776
Deferred income and deferred tax	2,619,872	2,288,281	1,495,312
Provisions and other liabilities	3,250,469	3,115,191	2,656,557
Net liability to the lessor payable after one year	-	-	-
Current liabilities	48,638,458	45,277,835	43,855,454
	92,917,697	87,498,735	84,880,822
RATIOS & OTHER INFORMATION			
Earnings per share (Rs.)	0.28	2.45	3.38
Market value per share (Rs.)	20.50	20.70	13.30
Price earnings ratio (No. of Times)	73.21	8.45	3.93
Net assets per share (Rs.)	12.10	12.05	11.22
Return on equity (%)	2.33	21.02	34.24
Dividend per share (Rs.)	0.50	0.70	0.60
Dividend cover (No. of Times)	0.56	3.5	5.64
Interest cover (No. of Times)	2.20	4.4	11.15
Current ratio (No. of Times)	1.07	1.09	1.12
Gearing ratio (%)	46.03	45.54	31.20

* All figures are based on Sri Lanka Accounting Standards.

2020/21 Rs.'000	2019/20 Rs.'000	2018/19 Rs.'000	2017/18 Rs.'000	2016/17 Rs.'000	2015/16 Rs.'000	2014/15 Rs.'000
56,725,189	54,239,710	55,045,358	52,972,873	49,149,395	43,018,502	37,802,243
7,205,591	4,306,099	4,879,021	5,396,771	5,290,459	3,955,303	3,103,509
(1,432,021)	(2,329,271)	(2,109,249)	(1,291,017)	(955,768)	(826,092)	(811,166)
609,794	501,850	556,240	515,641	383,695	233,759	244,304
6,383,364	2,478,678	3,326,012	4,621,395	4,718,386	3,362,970	2,536,647
116,893	89,409	27,580	10,157	83,028	35,944	42,299
6,500,257	2,568,087	3,353,592	4,631,552	4,801,414	3,398,914	2,578,946
(1,430,780)	(1,270,135)	(1,006,764)	(1,549,776)	(1,237,426)	(1,137,461)	(747,009)
5,069,477	1,297,952	2,346,828	3,081,776	3,563,988	2,261,453	1,831,937
(3,515)	(7,366)	(4,561)	(4,380)	(5,018)	(3,536)	(3,457)
5,065,962	1,290,586	2,342,267	3,077,396	3,558,970	2,257,917	1,828,480
575,701	147,385	332,699	390,416	388,875	110,232	176,388
4,490,261	1,143,201	2,009,568	2,686,980	3,170,095	2,147,685	1,652,092
2,035,038	-	1,729,783	2,238,542	1,221,023	1,017,519	508,760
20,631,673	20,207,370	20,209,899	20,673,193	17,635,423	16,491,231	15,819,465
295,121	295,246	236,253	216,623	166,709	165,209	165,152
1,142,658	1,142,431	1,155,155	1,166,434	1,140,835	1,147,321	1,158,307
4,974,188	5,559,343	1,293,525	-	-	-	-
1,301,177	1,138,269	1,026,885	951,252	865,762	824,557	794,128
227,534	189,407	149,087	125,562	117,278	241,302	88,962
2,470,448	1,983,494	2,316,579	1,741,475	1,683,037	1,112,049	606,839
458,976	500,010	433,396	91,901	75,918	109,937	-
40,755,607	36,402,312	37,999,390	31,020,053	28,244,173	23,593,348	19,450,377
72,257,382	67,417,882	64,820,169	55,986,493	49,929,135	43,684,954	38,083,230
1,972,829	1,972,829	1,972,829	1,972,829	1,972,829	1,972,829	1,972,829
15,418,372	12,642,969	11,245,314	11,136,984	10,807,381	8,786,806	7,861,271
76,761	76,761	76,606	60,204	46,024	23,190	2,478
-	-	-	-	-	-	-
(76,996)	(213,606)	(10,142)	109,388	104,969	89,903	75,826
3,315,356	2,878,055	2,837,869	2,612,630	2,614,195	2,412,573	2,431,421
4,061,498	4,244,760	5,876,070	5,070,978	6,924,988	6,272,108	6,224,424
3,851,542	4,335,774	562,035.00	-	-	-	-
2,097,233	1,622,089	1,391,506	1,154,177	814,633	501,933	307,092
1,328,005	1,457,854	1,501,810	1,393,635	1,027,096	938,493	800,429
2,840,874	3,048,365	2,966,656	2,816,141	2,543,376	2,545,350	2,725,406
-	-	-	571,393	583,654	595,444	606,780
37,371,904	35,352,032	36,399,616	29,088,134	22,489,990	19,546,325	15,075,274
72,257,382	67,417,882	64,820,169	55,986,493	49,929,135	43,684,954	38,083,230
2.21	0.56	0.99	1.32	1.56	1.05	0.82
16.80	7.80	9.20	12.80	8.30	7.20	7.40
7.60	13.92	9.29	9.69	5.32	6.86	9.00
28.18	7.11	6.53	6.53	6.35	5.34	4.87
8.55	8.24	15.13	20.50	26.64	20.67	17.84
1.00	-	0.85	1.10	0.60	0.50	0.25
2.21	-	1.16	1.20	2.60	2.11	3.29
8.76	2.36	3.14	6.96	9.25	6.68	5.47
1.09	1.03	1.04	1.07	1.26	1.21	1.29
38.15	49.55	55.15	49.05	45.03	41.55	40.49

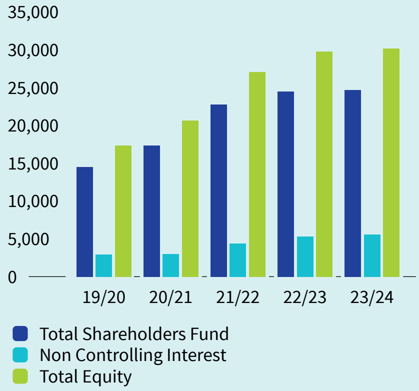
Profit After Tax

Rs. Mn



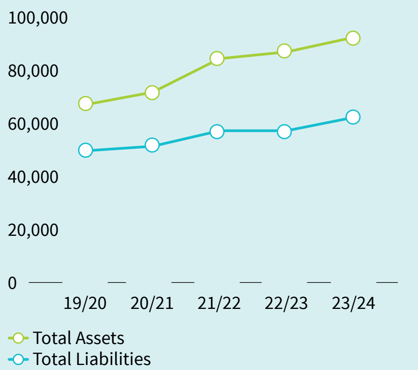
Equity

Rs. Mn



Assets & Liabilities

Rs. Mn



Share Information

The Ordinary Shares of the Company are listed in the Colombo Stock Exchange.

As at the financial year ended 31st March 2024

Distribution of Shareholders

Range of shareholding		No. of share holders as at 31.03.2024	No. of shares	% of Shareholding	No. of share holders as at 31.03.2023	No. of shares	% of Shareholding
1	1,000	4,957	1,558,897	0.08%	5,059	1,642,745	0.08%
1,001	10,000	2,505	9,842,872	0.48%	2,726	10,709,063	0.53%
10,001	100,000	815	25,108,518	1.23%	948	29,999,165	1.47%
100,001	1,000,000	206	65,597,770	3.22%	238	73,900,204	3.63%
1,000,001	& above	48	1,932,930,218	94.98%	54	1,918,787,098	94.29%
		8,531	2,035,038,275	100.00%	9,025	2,035,038,275	100.00%

Composition of Shareholders

Category	No. of share holders as at 31.03.2024	No. of shares	% of Shareholding	No. of share holders as at 31.03.2023	No. of shares	% of Shareholding
Institutional Investors	326	1,761,678,955	86.57%	393	1,749,880,797	85.99%
Individual Investors	8,205	273,359,320	13.43%	8,632	285,157,478	14.01%
Total	8,531	2,035,038,275	100.00%	9,025	2,035,038,275	100.00%
Resident shareholders	8,441	807,897,233	39.70%	8,931	823,129,231	40.45%
Non-resident shareholders	90	1,227,141,042	60.30%	94	1,211,909,044	59.55%
Total	8,531	2,035,038,275	100.00%	9,025	2,035,038,275	100.00%

The percentage of shares held by the public as at 31st March 2024 was 40.87% represented by 8,525 public shareholders. (Public shareholding as at 31st March 2023 was 41.38% represented by 9,019 public shareholders)

The Company complies with option 1 of the Listing rules 7.13.1 (a) - Rs. 10 Bn - Float Adjusted Market capitalization which requires 500 minimum public shareholders and no minimum Public shareholding percentage.

Market Activity

	31.03.2024	Date	31.03.2023	Date
Highest Price (Rs.)	24.8	2-Aug-23	34.4	23-Sep-22
Lowest Price (Rs.)	17.0	1-Jun-23	11.0	4-Apr-22
Year End Price (Rs.)	20.5	31-Mar-24	20.7	31-Mar-23
No of Transactions	12,400		32,003	
No of shares traded	65,249,805		162,940,601	
Share turnover (Rs.)	1,432,352,989		4,039,834,791	

Major Shareholders

	Name of the Shareholder	As at 31.03.2024	%	As at 31.03.2023	%
1.	Skyworld Overseas Holdings Limited	516,388,590	25.37%	516,388,590	25.37%
2.	Camille Consulting Corp.	356,010,102	17.49%	347,412,919	17.07%
3.	Deutsche Bank AG Singapore A/C 2 (DCS CLT ACC)	224,224,298	11.02%	224,553,207	11.03%
4.	Sezeka Limited	205,895,581	10.12%	203,196,647	9.98%
5.	Employees Provident Fund	169,899,520	8.35%	169,899,520	8.35%
6.	Rockport Limited	119,602,571	5.88%	114,665,573	5.63%
7.	Dr. Sena Yaddehige	106,567,150	5.24%	104,375,732	5.13%
8.	Dhanasiri Recreation (Pvt) Ltd.	34,009,920	1.67%	34,009,920	1.67%
9.	Investment Resources Company (Private) Limited	25,309,408	1.24%	20,000,000	0.98%
10.	The Executor of the Estate of Late Mrs L.B. S. Pieris	22,782,045	1.12%	22,782,045	1.12%
11.	J.B. Cocoshell (Pvt) Ltd.	21,577,873	1.06%	24,713,784	1.21%
12.	Kalday (Pvt) Ltd.	12,126,030	0.60%	12,126,030	0.60%
13.	Employees Trust Fund Board	9,471,620	0.47%	9,471,620	0.47%
14.	Est.of. LATM. D. R. Rutnam	8,586,500	0.42%	8,586,500	0.42%
15.	Mr. D.W.R. Rutnam	7,000,000	0.34%	7,000,000	0.34%
16.	Ms. J.F. Rutnam	7,000,000	0.34%	7,000,000	0.34%
17.	Citibank Hong Kong S/A Hostplus Pooled	6,806,381	0.33%	4,890,621	0.24%
18.	Dr C.M. Fernando	6,660,570	0.33%	6,660,570	0.33%
19.	Sri Lanka Insurance Corporation Ltd - Life Fund	6,275,000	0.31%	6,275,000	0.31%
20.	SSBT- Sunsuper Pty. Ltd. As Trustee For Sunsuper	5,950,161	0.29%	5,621,070	0.28%
		1,872,143,320	92.00%	1,849,629,348	90.89%

Directors Shareholding

	Name of the Director	Number of shares as at 31st March 2024	Number of shares as at 31st March 2023
1.	Dr. Sena Yaddehige	106,567,150	104,375,732
2.	Mr. W J V P Perera	4,500	4,500
3.	Mr. S S G Liyanage	-	-
4.	Mr. Shaminda Yaddehige	-	-
5.	Dr. Jayatissa De Costa P.C.	-	-
6.	Mr. Prasanna Fernando	-	-
7.	Mr. Joseph Felix Fernandopulle	107,623	107,623
8.	Mr. Shiron Gooneratne	-	-

Ratios

	31.03.2024	31.03.2023
Debt/Equity Ratio	0.85	0.84
Quick Asset Ratio	0.80	0.75
Interest Cover	2.20	4.40

Group Real Estate Portfolio

Freehold Land & Buildings

Owning Company	Location	Land in Perches	Building in (Sq. Ft)	No. of Buildings	Total Amount (Mn)	Value Per Perch (Rs)	Value Per Sq. Ft (Rs)
Richard Pieris & Company PLC	Hyde Park Corner	783	85,000	2	17,173	21,126,437	7,427
	Maharagama	1,773	289,509	10	3,752	1,879,865	1,449
	Mulleriyawa	192	-	-	82	427,083	
	Kundasale	208	-	-	72	330,288	
	Pelwatte	99			160	1,619,433	
	Arachchikattuwa	1,600	-	-	17	10,625	
	Dampe	12,782			755	59,065	
	Ratnapura	20.36	2448.85	1	27	1,031,434	2,613
	Kollupitiya	6			64	10,283,732	
	Thalangama	24			88	3,666,667	
	Ja Ela	124			15	121,690	
	Biyagama	214.66			120	559,024	
	Colombo	5.6			72	12,857,143	
	Navinna	24.78	1603.63	1	38	1,170,299	5,363
	Kandy	385.5			16	41,505	
	Yakkaduwa	115.8			12	103,627	
	Wellaboda	20		1	26	500,000	
RPC Real Estate Development Company (Pvt) Limited	Kandy	162	52,500	1	1,157	6,346,950	2,467
Arpico Industrial Development Company (Pvt) Limited	Mattegoda	1,112	149,700	1	722	457,734	1,329
	Siyambalagoda	467	57,130	1	298	428,201	1,722
Richard Pieris Distributors Limited	Maharagama	183	28,726	1	607	2,670,672	4,097
	Moratuwa	85	-	-	98	1,152,941	
	Matara	362	38,000	1	597	953,039	6,618
	Panadura	-	18,800	1	103.8	5,521	
RPC Retail Development (Pvt) Limited	Negambo	226	47,542	1	613	1,641,593	5,086
	Kadawatha	99	21,850	1	449	3,434,343	4,993
	Wattala	101	-	-	189	1,871,287	
	Kelaniya	102	-	-	77	754,902	
Arpimalls Development (Pvt) Limited	Dehiwala	166	44,616	1	768	3,594,220	3,837
	Battaramulla	124	67,134	1	866.4	5,072,347	3,506
Plastishells Limited	Mattegoda	340	45,825	2	61	126,471	397
	Dambulla	284	12,494	1	35	73,944	1,113
Arpitech (Pvt) Limited	Horethuduwa	488	-	-	39	79,918	
	Kudamaduwa	104	-	-	13	125,000	
	Mattegoda	514	-	-	63	122,568	
Richard Pieris Exports PLC	Ja-Ela	640	73,190	5	324.5	376,563	1,141
Micro Minerals (Pvt) Limited	Bandaragama	320	16,800	1	51	75,000	1,595
Richard Pieris Tyre Company Limited	Kurunegala	413	22,566	1	90.4	130,751	1,613
Arpidag International (Pvt) Limited	Maharagama	80	10,040	1	122	1,262,500	2,131
RPC Plantation Management Services (Pvt) Limited	Panadura	333	-	-	524	1,573,574	
Richard Pieris Finance Ltd	Nattandiya	160	1,021	1	3	20,000	3,134
	Chilaw	76	17,487	1	157	2,063,125	8,967
	Chilaw	30	-	-	20	750,000	-
	Chilaw - Bazzar Street	10	2,335	1	42	4,097,561	17,987
	Elpitiya	40	-	-	3	87,500	
RPC Properties (Pvt) Limited	Polgasovita	1,047	-	-	619	591,137	
	Maskeliya	7,629	-	-	55	7,183	
	Mattegoda	529	-	-	293	554,399	
	Kiribathgoda	292	-	-	179	612,227	
	Boraluwewa	1,623	-	-	18	11,275	
	Kiribathgoda 2	28			60	2,144,750	
	Ahungalla	145			90	620,690	
	Matara	75	-	-	122	1,622,733	

Owning Company	Land in Hec	Building in (Sq.Ft)
(A) Leasehold Land of Plantations		
Maskeliya Plantations PLC	10,561	7,112,890
Kegalle Plantations PLC	9,757	3,507,810
Namunukula Plantations PLC	11,779	4,585,874

	Location	Land in Per	Building in (Sq.Ft)
(B) Leasehold Land of other subsidiaries			
Plastishells Limited	Koggala	160	4,027
	Pallekale	160	4,211
Arpitech (Pvt) Limited			
	Matara	342	92,979
	Polgahawela	-	189,733
	Orient Premises		38,900
RPC Polymers (Pvt) Limited	Horana	1,312	77,436
Arpitalian Compact Soles (Pvt) Limited	Biyagama	246	30,955
Richard Pieris Natural Foams (Pvt) Limited	Biyagama	1,502	126,508
Richard Pieris Tyre Company Limited	Pallekale	252	34,936
	Weligama	432	9,030
	Polonnaruwa	540	27,185
BGN Industrial Tyre (Pvt) Limited	Horana	320	21,668
Richard Pieris Distributors Limited	Kegalle	215	60,900
	Minuwangoda	140	43,102
	Katugastota	266	57,800
	Kochchikade	90	25,764
	Kurunegala	139	99,680
	Kundasale	140	-
	Thalawathugoda	100	25,364

Group Real Estate Portfolio

Fair value Hierarchy - Freehold Land & Buildings

Owning Company	Location	Land Value Rs. '000	Building value Rs. '000	Total value Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
Richard Pieris & Company PLC	Hyde Park Corner	16,542,000	631,300	17,173,300	-	-	17,173,300
	Maharagama	3,333,000	419,400	3,752,400	-	-	3,752,400
	Mulleriyawa	82,000	-	82,000	-	-	82,000
	Kundasale	-	71,700	71,700	-	-	71,700
	Pelwatte	160,000	-	160,000	-	-	160,000
	Arachchikattuwa	17,000	-	17,000	-	-	17,000
	Dampe	754,957	-	754,957	-	-	754,957
	Ratnapura	21,000	6,400	27,400	-	-	27,400
	Kollupitiya	64,479	-	64,479	-	-	64,479
	Thalangama	88,000	-	88,000	-	-	88,000
	Ja Ela	15,053	-	15,053	-	-	15,053
	Biyagama	120,000	-	120,000	-	-	120,000
	Colombo	72,000	-	72,000	-	-	72,000
	Navinna	29,000	8,600	37,600	-	-	37,600
	Kandy	16,000	-	16,000	-	-	16,000
	Yakkaduwa	12,000	-	12,000	-	-	12,000
	Wellaboda	10,000	16,000	26,000	-	-	26,000
RPC Real Estate Development Company (Pvt) Limited	Kandy	1,027,000	129,500	1,156,500	-	-	1,156,500
Arpico Industrial Development Company (Pvt) Limited	Mattegoda	509,000	212,900	721,900	-	-	721,900
	Siyambalagoda	200,000	98,400	298,400	-	-	298,400
Richard Pieris Distributors Limited	Maharagama	489,000	117,700	606,700	-	-	606,700
	Moratuwa	98,000	-	98,000	-	-	98,000
	Matara	345,000	251,500	596,500	-	-	596,500
	Panadura	-	103,800	103,800	-		103,800
RPC Retail Development (Pvt) Limited	Negambo	371,000	241,800	612,800	-	-	612,800
	Kadawatha	340,000	109,100	449,100	-	-	449,100
	Wattala	189,000	-	189,000	-	-	189,000
	Kelaniya	77,000	-	77,000	-	-	77,000
Arpimalls Development (Pvt) Limited	Dehiwala	597,000	171,200	768,200	-	-	768,200
	Battaramulla	631,000	235,400	866,400	-	-	866,400
Plastishells Limited	Mattegoda	43,000	18,200	61,200	-	-	61,200
	Dambulla	21,000	13,900	34,900	-	-	34,900
Arpitech (Pvt) Limited	Horethuduwa	39,000	-	39,000	-	-	39,000
	Kudamaduwa	13,000	-	13,000	-	-	13,000
	Mattegoda	63,000		63,000	-	-	63,000
Richard Pieris Exports PLC	Ja-Ela	241,000	83,500	324,500	-	-	324,500
Micro Minerals (Pvt) Limited	Bandaragama	24,000	26,800	50,800	-	-	50,800
Richard Pieris Tyre Company Limited	Kurunegala	54,000	36,400	90,400	-	-	90,400
Arpidag International (Pvt) Limited	Maharagama	101,000	21,400	122,400	-	-	122,400
RPC Plantation Management Services (Pvt) Limited	Panadura	524,000	-	524,000	-	-	524,000
Richard Pieris Finance Ltd	Nattandiya	2,750	540	3,290	-	-	3,290
	Chilaw	130,688	26,110	156,798	-	-	156,798
	Chilaw	20,425		20,425	-	-	20,425
	Chilaw - Bazzar Street	37,850		37,850	-	-	37,850
	Elpitiya	3,200		3,200	-	-	3,200
RPC Properties (Pvt) Limited	Polgasovita	619,000	-	619,000	-	-	619,000
	Maskeliya	54,800	-	54,800	-	-	54,800
	Mattegoda	293,000	-	293,000	-	-	293,000
	Kiribathgoda	179,000	-	179,000	-	-	179,000
	Boraluwewa	18,300	-	18,300	-	-	18,300
	Kiribathgoda 2	60,053	-	60,053	-	-	60,053
	Ahungalla	90,000	-	90,000	-	-	90,000
	Matara	121,705	-	121,705	-	-	121,705

Glossary of Financial Terms

A

Associate Company:
An entity over which the investor has significant influence.

AWPLR
Average Prime Lending Rate published periodically by the Central Bank of Sri Lanka.

C

Current Ratio:
Current assets divided by current liabilities. A measure of short term liquidity.

D

Debt to Equity Ratio:
Total interest bearing borrowings as a percentage of shareholder's funds and non-controlling interest.

Deferred Taxation:
Sum set aside for tax in the financial statements that will become payable in a financial year other than the current financial year.

Diluted Earnings Per Share (EPS):
Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period adjusted for the effects of all dilutive potential ordinary shares.

Dividend Cover:
Profit attributable to ordinary shareholders divided by gross dividend. Measures the number of times dividend is covered by distributable profit.

Dividend per Share:
Gross dividend divided by the number of ordinary shares in issue as at the balance sheet date.

Dividend Payout:
Dividends paid or declared during the period as a proportion of company earnings for the period.

Dividend Yield:
Gross dividend per share as a percentage of the year end market price per share. A measure of return on shareholders' investment.

E

Earnings Per Share (EPS)
Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

Earnings Yield:
Earnings per share as a percentage of the year end market price per share. A measure of return on shareholders' investment.

EBITDA
Earnings before interest, tax, depreciation & amortisation.

Effective Tax Rate:
Tax expenses divided by profit before tax.

G

Gearing Ratio:
Proportion of net interest bearing liabilities to total capital employed.

Gross Dividend:
Portion of profits inclusive of tax withheld, distributed to shareholders during the year.

I

Interest Cover:
Profit before finance cost & tax (PBIT) divided by net finance cost. Measure of entity's debt service ability.

Investment Property:
Property held to earn rentals or for capital appreciation or both, rather than for;

a) Use in the production, supply of goods or services or for administrative purposes.
b) Sale in the ordinary course of business

M

Market Capitalization:
Number of shares in issue at the end of the period multiplied by the market price at the end of the period

N

Net Assets
Total assets after deducting current liabilities, long term liabilities & non-controlling interests

Net Assets per Share:
Total Equity less the Minority interest divided by total number of ordinary shares outstanding as at the balance sheet date. A basis of relative share valuation

NSA
Net Sales Average
Average sale price obtained (over a period of time, for a kilo of produce) after deductions such as brokerage, etc.

Glossary of Financial Terms

Non-Controlling Interest:
The equity in a subsidiary not attributable directly or indirectly, to a parent

P

PBIT
Profit before interest & tax inclusive of other operating income

Price Earnings Ratio:
Market price of a share divided by earnings per share as reported at that date. A key multiple for relative share valuation.

Price to Book Value:
Market price of a share divided by net assets per share. A key multiple for relative share valuation.

Public Shareholding:
Shares of a listed entity held by any person other than those directly or indirectly held by;

a) Its parent, subsidiary or associate companies or any subsidiaries or associates of its parent company; and
b) Its directors who are holding office as directors of the entity, their spouses and children under 18 years of age; and
c) Chief Executive Officer, his/her spouse and children under 18 years of age; and
d) Any single shareholder who holds 10% or more of the shares.

R

Related Parties:
Parties or Entities that is related to the entity that is preparing its financial statements.

Return on Total Capital Employed:
Profit before finance cost & tax (PBIT) divided by average total capital employed for the period.

Return on Equity:
Profit attributable to equity holders of the parent expressed as a percentage of average ordinary shareholders' fund for the period.

Revenue Reserves:
Reserves considered as being available for distributions.

S

Segmental Analysis:
Analysis of financial information to segments of an enterprise specifically, the different industries and the different geographical areas in which it operates.

Shareholders' Fund:
Stated capital plus revenue reserves and other components of equity.

Stated Capital:
The total of all amounts received by the entity or due and payable to the entity by shareholders in respect of the issue of shares and calls on shares.

Subsidiary Company:
An entity that is controlled by another entity.

T

Total Capital Employed:
Total equity plus net interest bearing borrowings

V

Value Addition:
The quantum of wealth generated by the activities of the Group measured as the differences between net revenue (including other income) and the cost of materials and services bought in.

W

Working Capital Investment:
Capital required for financing the day-to-day operations computed as current assets exclusive of liquid funds and interest earning financial receivables less operating liabilities.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Eighty – Fifth Annual General Meeting of Richard Pieris & Company PLC will be held at the Auditorium of the Registered Office, 310, High Level Road, Nawinna, Maharagama on Friday, 27th September, 2024 at 3.00 p.m. and the business to be brought before the meeting will be as follows;

1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2024 with the Report of the Auditors thereon.

2. To approve the appointment of Dr. Sena Yaddehige as a Director

   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Mr. Viville Perera of 33, C 1, King's Gate, Keells Housing Scheme, Buthgamuwa Road, Kalapaluwawa, Rajagiriya, a shareholder of the Company.
   "That Dr. Sena Yaddehige of Le Neuf , Chemin, St. Saviours, Guernsey, United Kingdom who is 78 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige "

3. To approve the appointment of Dr. Henry Jayatissa De Costa as a Director

   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Mr. Kalinga Perera of 54/4, Ananda Balika Mawatha, Pitakotte, Kotte, a shareholder of the Company.
   "That Dr. Henry Jayatissa De Costa of No. 496/3, Havelock Road, Colombo 06, who is 82 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Henry Jayatissa De Costa "

4. To approve the appointment of Mr. Viville P Perera as a Director

   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Mr. Adrian Oswald of No. 32, St. Sebastian Road, Galwetiya, Wattala, a shareholder of the Company.
   "That Mr. Viville P Perera of 33, C 1, King's Gate, Keells Housing Scheme, Buthgamuwa Road, Kalapaluwawa, Rajagiriya who is 76 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said "Mr. Viville P Perera"

5. To approve the appointment of Mr. J F Fernandopulle as a Director

   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from Mr. Nilantha Randeniya of No. 201/1/A, Wattegedera Lane, Wattegedera, Maharagama , a shareholder of the Company.
   "That Mr. Felix Fernandopulle of 28A, Police Park Avenue, Colombo 05 who is 70 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said "Mr. Felix Fernandopulle "

6. To re-elect Mr. Shiron Gooneratne , who retires by rotation in terms of Article 85 at the Annual General Meeting, a Director.

7. To re -appoint M/s. Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.

8. To authorize the Directors to determine contributions to charities.

9. To consider any other business of which due notice has been given.

By Order of the Board

Richard Pieris Group Services (Private) Limited
Secretaries

No. 310, High Level Road, Nawinna, Maharagama
28th August 2024

Note:

a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.
b) A proxy need not be a member of the Company. The form of proxy will be found inserted in the Annual Report
c) The completed form of proxy should be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not less than 48 hours before the time appointed for the holding of the meeting.

Notes

Form of Proxy

I/We* (in block letters) ....

of .... being a

member / members of the RICHARD PIERIS & COMPANY PLC, hereby appoint ....

.... of

....

whom failing DR. SENA YADDEHIGE whom failing VIVILLE PRAXIDUS PERERA whom failing SHAMINDA YADDEHIGE whom failing DR. JAYATISSA DE COSTA whom failing PRASANNA INNOCENT FERNANDO whom failing FELIX FERNANDOPULLE whom failing SHIRON GOONERATNE whom failing WASANTHA ABEYSIRIGUNAWARDENA* as my/our proxy to represent me/us and to vote on my/our behalf at the 85TH ANNUAL GENERAL MEETING of the Company to be held on 27th September 2024 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

	In favour	Against
1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2024 with the Report of the Auditors thereon.		
2. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Sena Yaddehige at this Annual General Meeting, a Director.		
3. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Jayatissa De Costa at this Annual General Meeting, a Director.		
4. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Mr. Viville Perera at this Annual General Meeting, a Director.		
5. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Mr. Felix Fernandopulle at this Annual General Meeting, a Director.		
6. To re-elect Mr. Shiron Gooneratne who retires by rotation in terms of Article 85 at the Annual General Meeting, a Director.		
7. To re-appoint M/s Ernst & Young, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.		
8. To authorize the Directors to determine contributions to charities.		
9. To consider any other business of which due notice has been given.		

Dated this .... day of 2024

....
Signature of shareholder

Notes:
(i) Please delete the inappropriate words
(ii) A proxy need not be a member of the Company.
(iii) Instructions as to completion appear on the reverse of this form.

INSTRUCTIONS AS TO COMPLETION OF PROXY FORM

To be valid, this Form of Proxy must be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not later than 3.00 p. m. on Wednesday, 25th September 2024

In perfecting the Form of Proxy, please ensure that all details are legible.

In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.

Please indicate with an 'X' in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit.

This Form of Proxy shall in the case of an individual be signed by the appointer or his/her Attorney. Where the Form of Proxy is signed under a Power of Attorney, which has not been registered with the Company, the original Power of Attorney together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company, along with the Form of Proxy.

Corporate Information

Name of the Company
Richard Pieris and Company PLC

Legal Form
A quoted public Company with limited liability, incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 on 11th May 1940. The Company registration number is PQ 138.

Stock Exchange Listing
The Ordinary shares of the Company are listed in the Colombo Stock Exchange of Sri Lanka.

Board of Directors
Dr. Sena Yaddehige - Chairman/ Managing Director/CEO
Mr. W. J. Viville P. Perera - Director
Mr. Shaminda Yaddehige - Director/COO
Dr. Jayatissa De Costa P.C. - Director
Mr. Prasanna Fernando – Director
Mr. Joseph Felix Fernandopulle - Senior Independent Director
Mr. Shiron Gooneratne - Director
Mr. Wasantha Rukmal Abeysirigunawardena - Director

Head/Registered Office
No. 310, High Level Road,
Nawinna, Maharagama,
Sri Lanka.
Telephone : + (94) 114310500
Fax : + (94) 114310777
Website : www.arpico.com
E-mail : cpu@arpico.com

Secretaries
Richard Pieris Group Services (Private) Limited
No. 310, High Level Road,
Nawinna, Maharagama,
Sri Lanka.

Auditors
Ernst & Young
Chartered Accountants,
Rotunda Towers,
No. 109, Galle Road,
Colombo 03,
Sri Lanka.

Bankers
Bank of Ceylon
Cargills Bank
Commercial Bank of Ceylon
Deutsche Bank of Ceylon
DFCC Bank
Hatton National Bank
Hongkong and Shanghai Banking Corporation
Indian Bank
Indian Overseas Bank
Nations Trust Bank
National Development Bank
Pan Asia Banking Corporation
People's Bank
Sampath Bank
Seylan Bank
Union Bank of Colombo
HDFC Bank
Muslim Commercial Bank Limited

Legal Advisors
Nithya Partners
Attorneys-at-Law,
No. 97A, Galle Road, Colombo 03,
Sri Lanka.

Heritage Partners
No. 04, Malalasekara Place, Colombo 07.

optima
Designing Your Year!
Designed & Produced by
Optima Designs (Pvt) Ltd.
A full service design and print company.
www.optimadesigns.lk

RICHARD PIERIS & COMPANY PLC
No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Telephone : + (94) 114310500   Fax : + (94) 114310777
Website : www.arpico.com