

Richard Pieris Exports PLC

Interim Financial Statements

Six months ended 30th September 2018

Consolidated Statement of Financial Position


	As at 30th September		As at 31st March
	2018	2017	2018
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	789,414	961,529	773,932
Investment in Associate	193,444	172,672	173,306
Other Investment	72,284	72,284	72,284
Investment Property Leasehold	285,873	-	-
Leasehold Land Prepayment	11,680	11,953	11,817
	1,352,695	1,218,438	1,031,339
Discontinued Operations			
Assets of Arpico Natural Latex Foams (Pvt) Ltd	108	162	108
Current Assets			
Inventories	454,308	384,058	511,613
Trade & Other Receivables	1,231,612	852,069	967,516
Short Term Investments	333,125	230,441	241,112
Leasehold Land Prepayment	273	273	273
Amounts Due from Related Parties	36,214	31,541	308,140
Cash and Bank Balances	364,942	293,965	281,797
	2,420,474	1,792,347	2,310,451
Total Assets	3,773,277	3,010,947	3,341,898
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	1,164,202	856,165	873,386
Foreign Currency Translation	95,464	72,275	75,605
Equity Attributable to Equity Holders of the Parent	1,479,928	1,148,702	1,169,253
Non Controlling Interest	733,740	629,480	650,977
Total Equity	2,213,668	1,778,182	1,820,230
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	98,817	-	90,814
Deferred Tax Liabilities	70,241	43,263	61,799
Retirement Benefit Obligation	84,020	69,170	79,292
	253,078	112,433	231,905
Discontinued Operations			
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	226,869	226,869	226,839
Current Liabilities			
Trade and Other Payables	336,745	325,368	320,002
Income Tax Payable	43,624	17,262	9,838
Amounts Due to Related Parties	188,727	157,858	90,256
Interest Bearing Loans & Borrowings	510,566	392,975	642,828
	1,079,662	893,463	1,062,924
Total Liabilities	1,559,609	1,232,765	1,521,668
Total Equity and Liabilities	3,773,277	3,010,947	3,341,898

The above figures are subject to audit

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.


 Palika Chandrajeewa
 Sector Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
 Approved and Signed for and on behalf of the Board on 12th November 2018, in Colombo.


 W.R. Abeyirigunawardena
 Director


 W.J. Viville P. Perera
 Director

Company Statement of Financial Position

	As at 30th September		As at 31st March
	2018	2017	2018
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	72,548	78,433	73,474
Long Term Investments	535,307	535,307	535,307
	607,855	613,740	608,781
Current Assets			
Inventories	120,957	110,767	124,246
Trade & Other Receivables	386,913	256,590	293,858
Short Term Investment	196,256	106,325	111,177
Amounts Due from Related Parties	80,592	108,430	33,967
Cash and Bank Balances	292,507	229,930	215,777
	1,077,225	812,042	779,025
Total Assets	1,685,080	1,425,782	1,387,806
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	1,187,364	955,552	959,204
Total Equity	1,407,626	1,175,814	1,179,466
Non-Current Liabilities			
Deferred Tax Liability	867	851	521
Retirement Benefit Obligation	58,119	50,706	55,939
	58,986	51,557	56,460
Current Liabilities			
Trade and Other Payables	91,878	115,131	123,885
Income Tax Payable	13,152	9,324	2,926
Amounts Due to Related Parties	25,056	25,087	24,951
Interest Bearing Loans & Borrowings	88,382	48,869	118
	218,468	198,411	151,880
Total Liabilities	277,454	249,968	208,340
Total Equity and Liabilities	1,685,080	1,425,782	1,387,806


The above figures are subject to audit

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Palika Chandrajeewa
 Sector Finance Manager

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 Approved and Signed for and on behalf of the Board on 12th November 2018, in Colombo.



W.R. Abeysirigunawardena
 Director



W.J. Viville P. Perera
 Director

Consolidated Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2018 Rs. '000	2017 Rs. '000	Change %	2018 Rs. '000	2017 Rs. '000	Change %
Continuing Operations						
Revenue	1,330,358	1,073,051	24	2,557,802	2,136,090	20
Cost of Sales	(902,404)	(736,797)	22	(1,733,576)	(1,425,851)	22
Gross Profit	427,954	336,254	27	824,226	710,239	16
Other Operating Income	9,932	512	1,840	10,342	1,437	620
Distribution Costs	(122,065)	(84,138)	45	(231,244)	(182,858)	26
Administrative Expenses	(58,601)	(54,225)	8	(114,191)	(106,449)	7
Other Operating expenses	(2,451)	-	100	(2,451)	-	100
Profit from Operations	254,769	198,403	28	486,682	422,369	15
Finance Income	10,325	12,558	(18)	20,232	23,418	(14)
Finance Cost	(10,874)	(2,128)	411	(15,309)	(5,796)	164
Other Financial Items	45,251	1,279	3,438	57,442	11,753	389
Share of Profit/ (Loss) of Associate	(2,040)	(4,816)	(58)	357	(7,322)	(105)
Profit Before Tax	297,431	205,296	45	549,404	444,422	24
Taxation	(50,985)	(25,980)	96	(89,968)	(65,479)	37
Profit for the Period from Continuing Operations	246,446	179,316	37	459,436	378,943	21
Discontinued Operations						
Loss after tax for the period from discontinued operations	(15)	(15)	-	(30)	(30)	-
Profit for the period	246,431	179,301	37	459,406	378,913	21
Attributable to:						
Equity Holders of the Parent	158,020	97,940	61	290,816	218,608	33
Non Controlling Interest	88,411	81,361	9	168,590	160,305	5
	246,431	179,301	37	459,406	378,913	21
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	14.15	8.77		26.05	19.58	
Earnings Per Share from Continuing Operations	14.16	8.77		26.05	19.58	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Income Statements

	3 months ended 30th September			6 months ended 30th September		
	2018 Rs. '000	2017 Rs. '000	Change %	2018 Rs. '000	2017 Rs. '000	Change %
Revenue	357,107	265,549	34	694,897	548,315	27
Cost of Sales	(243,823)	(201,168)	21	(481,988)	(386,271)	25
Gross Profit	113,284	64,381	76	212,909	162,044	31
Other Operating Income	56,350	479	11,664	56,623	78,728	(28)
Distribution Costs	(14,490)	(11,273)	29	(28,159)	(24,152)	17
Administrative Expenses	(13,353)	(12,211)	9	(25,712)	(24,511)	5
Other Operating Expenses	(1,000)	-	100	(1,000)	-	100
Profit from Operations	140,791	41,376	240	214,661	192,109	12
Finance Income	6,875	5,465	26	13,298	9,269	43
Finance Cost	(1,172)	(1,234)	(5)	(1,858)	(3,150)	(41)
Other Financial Items	28,408	1,689	1,582	30,176	10,627	184
Profit before Tax	174,902	47,296	270	256,277	208,855	23
Taxation	(17,087)	(6,102)	180	(28,117)	(17,791)	58
Profit Attributable to Ordinary Shareholders	157,815	41,194	283	228,160	191,064	19
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	14.14	3.69		20.44	17.11	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Statements of Comprehensive Income

	3 months ended 30th September		6 months ended 30th September	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Consolidated				
Profit for the period	246,431	179,301	459,406	378,913
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other Comprehensive Income / (Expenses) to be reclassified to profit or loss in subsequent periods				
Share of Other Comprehensive Income of Associate				
Translation of Associate using foreign functional currency	15,979	(763)	19,859	1,510
Other comprehensive income for the period	15,979	(763)	19,859	1,510
Total comprehensive income for the period	262,410	178,538	479,265	380,423

Attributable to

Equity Holder of the Parent Company	173,999	97,177	310,675	220,118
Non Controlling Interest	88,411	81,361	168,590	160,305
	262,410	178,538	479,265	380,423

	3 months ended 30th September		6 months ended 30th September	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Company				
Profit for the period	157,815	41,194	228,160	191,064
Other comprehensive income / (Expenses) not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income / (Expenses) to be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	157,815	41,194	228,160	191,064

Figures in brackets indicate deductions.

Statement of Changes in Equity

	Stated Capital Rs. '000	Revenue Reserves		Foreign Currency Translation Rs. '000	Non Controlling Interest Rs. '000	Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit Rs. '000			
Consolidated						
Balance as at 31st March 2017	220,262	219,250	418,307	70,765	583,546	1,512,130
Profit for the period	-	-	218,608	-	160,305	378,913
Other Comprehensive Income	-	-	-	1,510	-	1,510
Total Comprehensive Income	-	-	218,608	1,510	160,305	380,423
Dividend paid by subsidiary companies to outside shareholders	-	-	-	-	(114,371)	(114,371)
Balance as at 30th September 2017	220,262	219,250	636,915	72,275	629,480	1,778,182
Balance as at 31st March 2018	220,262	219,250	654,136	75,605	650,977	1,820,230
Profit for the period	-	-	290,816	-	168,590	459,406
Other Comprehensive Income	-	-	-	19,859	-	19,859
Dividend paid by Subsidiary companies to outside shareholders	-	-	-	-	(85,827)	(85,827)
Total Comprehensive Income	-	-	290,816	19,859	82,763	393,438
Balance as at 30th September 2018	220,262	219,250	944,952	95,463	733,740	2,213,668

	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit Rs. '000	
Company				
Balance as at 31st March 2017	220,262	219,250	545,238	984,750
Profit for the period	-	-	191,064	191,064
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	191,064	191,064
Balance as at 30th September 2017	220,262	219,250	736,302	1,175,814
Balance as at 31st March 2018	220,262	219,250	739,954	1,179,466
Profit for the period	-	-	228,160	228,160
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	228,160	228,160
Balance as at 30th September 2018	220,262	219,250	968,114	1,407,626

Consolidated Segmental Information

	Turnover		Profit / (Loss) before Tax		Total Assets		Total Liabilities	
	For the 6 months period ended		For the 6 months period ended		As at 30th	As at 30th	As at 30th Sep	As at 30th Sep
	30th Sep 2018	30th Sep 2017	30th Sep 2018	30th Sep 2017	Sep 2018	Sep 2017	2018	2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	24,556	24,496	(195)	238	52,629	60,170	19,611	27,137
Latex Based Segment	1,851,668	1,571,861	348,634	320,401	2,389,431	1,921,523	1,346,832	1,061,843
Hard Rubber Segment	694,897	548,315	256,277	208,855	1,685,080	1,425,782	277,454	249,968
	2,571,121	2,144,672	604,716	529,494	4,127,140	3,407,475	1,643,897	1,338,948
Adjustment for Inter Group Transactions	(13,319)	(8,582)	(55,312)	(85,072)	(353,863)	(396,528)	(84,288)	(106,183)
	2,557,802	2,136,090	549,404	444,422	3,773,277	3,010,947	1,559,609	1,232,765

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

Cash Flow Statements

	Consolidated		Company	
	For the 6 months period ended		For the 6 months period ended	
	30th Sep 2018	30th Sep 2017	30th Sep 2018	30th Sep 2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Group Profit before Tax and Non-Controlling Interest				
From Continuing Operations	549,404	444,422	256,277	208,855
Loss from discontinued Operations	(30)	(30)	-	-
Adjustment to reconcile profit before tax to net cash flows	65,075	23,033	(53,724)	(74,525)
Operating profit before working capital changes	614,449	467,425	202,553	134,330
Changes in Working Capital adjustments	179,379	(46,393)	(169,293)	(95,747)
Cash generated from operations	793,828	421,032	33,260	38,583
Interest Paid	(15,309)	(6,676)	(1,858)	(3,852)
Income Tax Paid	(47,661)	(57,863)	(17,545)	(22,234)
Defined Benefit plan costs paid	(2,041)	(3,123)	(2,041)	(2,921)
Net cash flows from Operating activities	728,817	353,370	11,816	9,576
Net cash flows from / (used in) investing activities	(412,712)	(261,817)	(18,758)	75,726
Net cash inflow / (Out flow) before financing	316,105	91,553	(6,942)	85,302
Net cash flows from / (used in) financing activities	(20,472)	(43,464)	80,108	(55,357)
Net Increase in cash and cash equivalents	295,633	48,089	73,166	29,945
Cash and cash equivalents at the beginning of the period	(217,187)	64,380	215,659	187,359
Cash and cash equivalents at the end of the period	78,446	112,469	288,825	217,304
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	364,942	293,965	292,507	229,930
From Discontinuing operations	108	162	-	-
	365,050	294,127	292,507	229,930
Bank Overdraft	(286,604)	(181,658)	(3,682)	(12,626)
	78,446	112,469	288,825	217,304

Figures in brackets indicate deductions.

The above figures are subject to audit.

Notes to the Financial Statements

1 The figures given above for the six months ended 30th September 2018 and 30th September 2017 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the six months ended 30th September 2018 have been prepared in accordance with LKAS 34, Interim Financial Reporting. There were no changes to the Accounting Policies and methods of Computation since the publication of the Annual Report for the year ended 31st March 2018 except for the details disclosed in Note 11. The provisions of the new Companies Act No.7 of 2007 have been considered in preparing the interim financial statements of the Company and of the Group.

The Interim financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value.

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

3 Stated Capital

	As at 30.09.2018	As at 31.03.2018
Issued & fully paid Number of shares (Ordinary Shares)	11,163,745	11,163,745
	Rs.	Rs.
Stated Capital (Rs)	220,262,000	220,262,000

4 Market Capitalization

	As at 30.09.2018	As at 31.03.2018
Market Capitalization (Rs '000')	1,828,621	1,876,626
Float adjusted Market Capitalization (Rs '000')	294,408	302,137
Pirce Earnings Ratio (times)	11.57	5.02
The company complies with option 02 of the listing rules 7.13.1(b) - Less than Rs 1 Bn float adjusted market capitalization.		

5 There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the annual report for the year ended 31st March 2018.

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

7 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 30.09.2018, approved by the board are as follows.

	Group		Company	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Contracted but not provided for	131,982	241,330	-	-
Approved but not contracted for	213,167	287,157	-	-
	<u>345,149</u>	<u>528,487</u>	<u>-</u>	<u>-</u>

Lease Commitments

	Group		Company	
	2018 Rs.'000	2018 USD	2017 Rs.'000	2017 USD
Within one year	5,067	29,910	4,580	29,910
After one year but not more than five years	20,267	119,640	18,322	119,640
More than five years	306,513	1,809,403	281,690	1,839,313
	<u>331,847</u>	<u>1,958,953</u>	<u>304,592</u>	<u>1,988,863</u>

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

9 Net asset value per Share

	30th Sep 2018 Rs.	30th Sep 2017 Rs.	31st March 2018 Rs.
Consolidated (in Rs.)	132.56	102.90	104.74
Company (in Rs.)	126.09	105.32	105.65

10 Market Price Per Share

	30th Sep 2018 Rs	30th Sep 2017 Rs	31st March 2018 Rs.
Highest for the Quarter / Year (in Rs.)	170.00	240.00	195.00
Lowest for the Quarter / Year (in Rs.)	160.00	210.00	168.00
Last Traded Price for the Quarter / Year (in Rs.)	163.80	212.10	168.10

11 Accounting Policy for Investment Property Leasehold

The Investment Property interest held under a lease and classified as an investment property is initially recognised at the lower of the fair value of the property and the present value of the minimum lease payments.

After initial recognition, the investment property is measured at fair value. Gain or loss arising from a change in the fair value of Investment Property is recognised in profit or loss.

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

Shareholder Information

1. Major Shareholders as at 30th Sep 2018

	<u>As at 30th Sep 2018</u>		<u>As at 31st March 2018</u>		<u>Change</u>
	No of Shares	Holding %	No of Shares	Holding %	
1 Richard Pieris & Company Plc.	9,366,027	83.90%	9,366,027	83.90%	-
2 Mr.D.F.G.Dalpethado	177,443	1.59%	149,991	1.34%	27,452
3 Mr. T.T.T.Al-Nakib	106,050	0.95%	110,150	0.99%	(4,100)
4 Mr. P.Vijendran	60,000	0.54%	60,000	0.54%	-
5 First Capital Markets Limited	57,500	0.52%	57,500	0.52%	-
6 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
7 Mr.K.A.S.R.Nissanka	52,897	0.47%	53,397	0.48%	(500)
8 Mr. A.A.A.Noorudin	50,000	0.45%	50,000	0.45%	-
9 Ransiri Enterprises (Pvt) Ltd	42,100	0.38%	42,100	0.38%	-
10 Union Investments (Pvt) Ltd	40,600	0.36%	40,600	0.36%	-
11 Mr. Sithampalam	35,000	0.31%	35,000	0.31%	-
12 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,000	0.27%	-
13 Mr. M.S.P.Fernando	28,008	0.25%	28,008	0.25%	-
14 Sen Saal (Pvt) Ltd	25,000	0.22%			25,000
15 Mr. N.A.Withana	25,000	0.22%	25,000	0.22%	-
16 Mrs M. Y. Amerasinghe	21,998	0.20%	21,998	0.20%	-
17 Mr.A.R.Hettiarachchi	21,997	0.2%			-
18 Mr.H.A. Pieris	20,931	0.19%	20,931	0.19%	-
19 Mr P.T.S.De Silva	20,000	0.18%	19,124	0.17%	876
20 Mr G.H.A.Wimalasena	19,500	0.17%	18,500	0.17%	1,000
Total	10,253,450	91.85%	10,181,725	91.20%	49,728

2. Public & Parent Shareholding

As at 30th Sep 2018, the public held 16.10% (2017: 16.10%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 83.90%. (2017-83.90%).

As at 30th Sep 2018 no of public holders are 1,538 (2017 : 1490)

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

3 Details of Directors Shareholding is given below

Name of the Director	No of Shares as at 30th Sep 2018	No of Shares as at 31st March 2018
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. Sunil S.G. Liyanage	203	203
Mr. W.J. Viville P Perera	100	100
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
Dr.L.M.K.Tillekeratne	-	-
Mr. Angelo Maharajah Patrick	-	-

CORPORATE INFORMATION

LEGAL FORM

A Quoted Public Company with limited liability

Incorporated in Sri Lanka on 30th June, 1983

PRINCIPAL BUSINESS ACTIVITIES

Manufacture and Export of rubber based products and manufacture of
fillers for the rubber industry

BOARD OF DIRECTORS

Dr. Sena Yaddehige (Chairman)

Shaminda Yaddehige

Sunil S G Liyanage

W.J.Viville P Perera

W R Abeysirigunawardena

Dr.L.M.K.Tillekeratne

Angelo Maharajah Patrick

REGISTERED OFFICE

No. 310, High Level Road, Nawinna,

Maharagama.

T.P. 0114 310500

E-mail : rpe@arpico.com

Web : www.arpicorubber.com

COMPANY SECRETARIES

Richard Pieris Group Services (Private) Limited.

No. 310, High Level Road,

Nawinna,

Maharagama.

T.P. 0114 310500

AUDITORS

M/s Kreston MNS & Company

Chartered Accountants