

Richard Pieris Exports PLC

Interim Financial Statements

Nine months ended 31st December 2019

Consolidated Statement of Financial Position

	As at 31st December		As at 31st March
	2019	2018	2019
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	827,066	789,004	806,382
Investment in Associate	214,538	213,598	206,736
Other Investment	54,213	72,284	54,213
Investment Property - Leasehold	287,323	285,147	287,323
Leasehold Land Prepayment	11,339	11,612	11,544
Deferred Tax Asset	942	-	297
	1,395,421	1,371,645	1,366,495
Discontinued Operations			
Assets of Arpico Natural Latex Foams (Pvt) Ltd	50	108	108
Current Assets			
Inventories	484,803	475,310	508,994
Trade & Other Receivables	1,630,409	1,165,719	1,130,565
Short Term Investment	5,275	322,349	193,016
Leasehold Land Prepayment	273	273	273
Amounts Due from Related Parties	160,850	91,904	95,042
Cash and Bank Balances	890,132	577,232	733,880
	3,171,742	2,632,787	2,661,770
Total Assets	4,567,163	4,004,540	4,028,373
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	1,466,650	1,345,482	1,246,265
Foreign Currency Translation	110,258	111,483	101,728
Equity Attributable to Equity Holders of the Parent	1,797,170	1,677,227	1,568,255
Non Controlling Interest	950,686	848,592	804,210
Total Equity	2,747,856	2,525,819	2,372,465
Non-Current Liabilities			
Interest Bearing Loans & Borrowings	30,456	106,750	43,875
Deferred Tax Liabilities	69,849	72,149	70,437
Retirement Benefit Obligation	91,048	83,055	89,225
	191,353	261,954	203,537
Discontinued Operations			
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd	226,883	226,884	226,896
Current Liabilities			
Trade and Other Payables	596,548	490,424	448,354
Income Tax Payable	51,566	70,700	72,718
Amounts Due to Related Parties	390,448	174,019	428,512
Interest Bearing Loans & Borrowings	362,509	254,740	275,891
	1,401,071	989,883	1,225,475
Total Liabilities	1,819,307	1,478,721	1,655,908
Total Equity and Liabilities	4,567,163	4,004,540	4,028,373


The above figures are subject to audit

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



Palika Chandrajeewa
 Sector Financial Controller

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 11th February 2020 in Colombo.



W.R. Abesirigunawardena
 Director



W.J. Viville P. Perera
 Director

Company Statement of Financial Position

	As at 31st December		As at 31st March
	2019	2018	2019
	Rs. 000	Rs. 000	Rs. 000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	75,792	70,872	79,770
Long Term Investments	517,236	535,307	517,236
Deferred Tax Asset	942	-	297
	593,970	606,179	597,303
Current Assets			
Inventories	150,257	140,450	154,621
Trade & Other Receivables	353,700	286,858	328,859
Short Term Investment	-	181,994	187,741
Amounts Due from Related Parties	129,225	24,508	18,688
Cash and Bank Balances	813,300	477,951	573,651
	1,446,482	1,111,761	1,263,560
Total Assets	2,040,452	1,717,940	1,860,863
EQUITY AND LIABILITIES			
Stated Capital	220,262	220,262	220,262
Revenue Reserves	1,319,629	1,277,854	1,209,019
Total Equity	1,539,891	1,498,116	1,429,281
Non-Current Liabilities			
Deferred Tax Liability	-	940	-
Retirement Benefit Obligation	63,842	56,099	61,003
	63,842	57,039	61,003
Current Liabilities			
Trade and Other Payables	186,120	106,723	136,504
Income Tax Payable	13,922	18,786	18,776
Amounts Due to Related Parties	236,677	25,435	189,570
Interest Bearing Loans & Borrowings	-	11,841	25,729
	436,719	162,785	370,579
Total Liabilities	500,561	219,824	431,582
Total Equity and Liabilities	2,040,452	1,717,940	1,860,863


The above figures are subject to audit

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



Palika Chandrajeewa
 Sector Financial Controller

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W.R. Abeyirigunawardena
 Director



W.J. Viville P. Perera
 Director

Consolidated Income Statements

	3 months ended 31st December			9 months ended 31st December		
	2019	2018	Change	2019	2018	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Continuing Operations						
Revenue	1,426,063	1,341,932	6	4,222,145	3,899,734	8
Cost of Sales	(970,476)	(897,292)	8	(2,873,571)	(2,630,868)	9
Gross Profit	455,587	444,640	2	1,348,574	1,268,866	6
Other Operating Income	(8,888)	6,482	(237)	10,220	16,824	(39)
Distribution Costs	(96,637)	(128,378)	(25)	(286,623)	(359,622)	(20)
Administrative Expenses	(50,402)	(59,882)	(16)	(160,448)	(174,073)	(8)
Other Operating expenses	-	274	(100)	-	(2,177)	(100)
Profit from Operations	299,660	263,136	14	911,723	749,818	22
Finance Income	6,315	12,724	(50)	19,887	32,956	(40)
Finance Cost	(5,394)	(8,418)	(36)	(11,680)	(23,727)	(51)
Other Financial Items	835	73,619	(99)	48,879	131,061	(63)
Share of Profit/ (Loss) of Associate	(2,205)	4,730	(147)	(846)	5,087	(117)
Profit Before Tax	299,211	345,791	(13)	967,963	895,195	8
Taxation	(60,160)	(49,644)	21	(153,830)	(139,612)	10
Profit for the Period from Continuing Operations	239,051	296,147	(19)	814,133	755,583	8
Discontinued Operations						
Loss after tax for the period from discontinued operations	(15)	(15)	-	(45)	(45)	-
Profit for the period	239,036	296,132	(19)	814,088	755,538	8
Attributable to:						
Equity Holders of the Parent	124,981	181,280	(31)	496,688	472,096	5
Non Controlling Interest	114,055	114,852	(1)	317,400	283,442	12
	239,036	296,132	(19)	814,088	755,538	8
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	11.19	16.24		44.49	42.29	
Earnings Per Share from Continuing Operations	11.20	16.24		44.49	42.29	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Income Statements

	3 months ended 31st December			9 months ended 31st December		
	2019 Rs. '000	2018 Rs. '000	Change %	2019 Rs. '000	2018 Rs. '000	Change %
Revenue	290,798	275,198	6	1,097,459	970,095	13
Cost of Sales	(211,560)	(202,622)	4	(751,834)	(684,610)	10
Gross Profit	79,238	72,576	9	345,625	285,485	21
Other Operating Income	111,105	973	11,319	111,325	57,596	93
Distribution Costs	(7,044)	(12,747)	(45)	(30,245)	(40,906)	(26)
Administrative Expenses	(12,648)	(12,559)	1	(39,545)	(38,271)	3
Other Operating Expenses	-	1,000	(100)	-	-	-
Profit from Operations	170,651	49,243	247	387,160	263,904	47
Finance Income	6,315	9,238	(32)	19,887	22,536	(12)
Finance Cost	(643)	(2,302)	(72)	(2,020)	(4,160)	(51)
Other Financial Items	3,131	48,883	(94)	26,485	79,059	(66)
Profit before Tax	179,454	105,062	71	431,512	361,339	19
Taxation	(9,597)	(14,572)	(34)	(44,599)	(42,689)	4
Profit Attributable to Ordinary Shareholders	169,857	90,490	88	386,913	318,650	21
	Rs.	Rs.		Rs.	Rs.	
Earnings Per Share	15.21	8.11		34.66	28.54	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Statements of Comprehensive Income

	3 months ended 31st December		9 months ended 31st December	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Consolidated				
Profit for the period	239,036	296,132	814,088	755,538
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	(1,622)	16,019	8,530	35,878
Other comprehensive income for the period	(1,622)	16,019	8,530	35,878
Total comprehensive income for the period	237,414	312,151	822,618	791,416

Attributable to

Equity Holder of the Parent Company	123,359	197,299	505,218	507,974
Non Controlling Interest	114,055	114,852	317,400	283,442
	237,414	312,151	822,618	791,416

	3 months ended 31st December		9 months ended 31st December	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Company				
Profit for the period	169,857	90,490	386,913	318,650
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	169,857	90,490	386,913	318,650

Figures in brackets indicate deductions.

Statement of Changes in Equity

Consolidated	Stated Capital Rs. '000	Revenue Reserves		Foreign Currency Translation Rs. '000	Non Controlling Interest Rs. '000	Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit Rs. '000			
Balance as at 31st March 2018	220,262	219,250	654,136	75,605	650,977	1,820,230
Profit for the period	-	-	472,096	-	283,442	755,538
Other Comprehensive Income	-	-	-	35,878	-	35,878
Total Comprehensive Income	-	-	472,096	35,878	283,442	791,416
Dividend paid by Subsidiary companies to outside shareholders	-	-	-	-	(85,827)	(85,827)
Balance as at 31st December 2018	220,262	219,250	1,126,232	111,483	848,592	2,525,819
Balance as at 31st March 2019	220,262	219,250	1,027,015	101,728	804,210	2,372,465
Profit for the period	-	-	496,688	-	317,400	814,088
Other Comprehensive Income	-	-	-	8,530	-	8,530
Total Comprehensive Income	-	-	496,688	8,530	317,400	822,619
Interim Dividend	-	-	(276,303)	-	-	(276,303)
Dividend paid by Subsidiary Companies to outside Shareholders	-	-	-	-	(170,924)	(170,924)
Balance as at 31st December 2019	220,262	219,250	1,247,400	110,258	950,686	2,747,856

Company	Stated Capital Rs. '000	Revenue Reserves		Total Rs. '000
		General Reserves Rs. '000	Accumulated Profit Rs. '000	
Balance as at 31st March 2018	220,262	219,250	739,954	1,179,466
Profit for the period	-	-	318,650	318,650
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	318,650	318,650
Balance as at 31st December 2018	220,262	219,250	1,058,604	1,498,116
Balance as at 31st March 2019	220,262	219,250	989,769	1,429,281
Profit for the period	-	-	386,913	386,913
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	386,913	386,913
Interim Dividend	-	-	(276,303)	(276,303)
Balance as at 31st December 2019	220,262	219,250	1,100,379	1,539,891

Consolidated Segmental Information

	Turnover		Profit / (Loss) before Tax		Total Assets		Total Liabilities	
	For the 9 months period ended		For the 9 months period ended		As at 31st Dec 2019	As at 31st Dec 2018	As at 31st Dec 2019	As at 31st Dec 2018
	31st Dec 2019	31st Dec 2018	31st Dec 2019	31st Dec 2018				
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Mineral Segment	35,302	34,055	312	(211)	51,943	51,817	18,316	18,811
Latex Based Segment	3,109,516	2,911,851	647,908	584,679	2,861,565	2,511,747	1,438,748	1,267,632
Hard Rubber Segment	1,097,459	970,095	431,512	361,339	2,040,452	1,717,940	500,561	219,824
	4,242,277	3,916,001	1,079,732	945,807	4,953,960	4,281,504	1,957,625	1,506,267
Adjustment for Inter Group Transactions	(20,132)	(16,267)	(111,769)	(50,612)	(386,797)	(276,964)	(138,318)	(27,546)
	4,222,145	3,899,734	967,963	895,195	4,567,163	4,004,540	1,819,307	1,478,721

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

Cash Flow Statements

	Consolidated		Company	
	For the 9 months period ended		For the 9 months period ended	
	31st Dec 2019	31st Dec 2018	31st Dec 2019	31st Dec 2018
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Group Profit before Tax and Non-Controlling Interest				
From Continuing Operations	967,963	895,195	431,512	361,339
Loss from discontinued Operations	(45)	(45)	-	-
Adjustment to reconcile profit before tax to net cash flows	70,744	97,717	(116,158)	(52,317)
Operating profit before working capital changes	1,038,662	992,867	315,354	309,022
Changes in Working Capital adjustments	(433,383)	309,416	(34,290)	(15,573)
Cash generated from operations	605,279	1,302,283	281,064	293,449
Interest Paid	(11,680)	(23,727)	(2,020)	(4,160)
Income Tax Paid	(176,333)	(67,728)	(50,098)	(26,410)
Defined Benefit plan costs paid	(8,958)	(6,429)	(4,076)	(6,135)
Net cash flows from Operating activities	408,308	1,204,399	224,870	256,744
Net cashflows from used in investing activities	124,961	(407,836)	316,812	4,643
Net cash inflow / (Out flow) before financing	533,268	796,563	541,682	261,387
Net cash flows from / (used in) financing activities	(385,949)	(227,644)	(276,303)	(10,936)
Net Increase in cash and cash equivalents	147,319	568,919	265,379	250,451
Cash and cash equivalents at the beginning of the period	147,319	(217,187)	547,922	215,659
Cash and cash equivalents at the end of the period	294,637	351,732	813,300	466,110
Analysis of Cash and Cash Equivalents				
Cash at Bank & in Hand				
From Continuing operations	890,082	577,232	813,300	477,951
From Discontinuing operations	50	108	-	-
	890,132	577,340	813,300	477,951
Bank Overdraft	(202,773)	(225,608)	-	(11,841)
	687,359	351,732	813,300	466,110

Figures in brackets indicate deductions.

The above figures are subject to audit.

Notes to the Financial Statements

1 The figures given above for the nine months ended 31st December 2019 and 31st December 2018 are subject to audit.

The Interim Financial Statements of Richard Pieris Exports PLC for the nine months ended 31st December 2019 have been prepared in accordance with LKAS 34, Interim Financial Reporting.

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

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

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

However, Group previously presented the Interim Financial Statements for the period ended 31st December 2018 applying LKAS 39 – “Financial Instruments-Recognition and Measurement” permitted by the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by CA Sri Lanka. Therefore, the comparative Financial Statements for the period ended 31st December 2018 is reported under LKAS 39 and is not comparable to the information presented for Interim Financial Statements for 31st December 2019.

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

The provisions of the Companies Act No.7 of 2007 have been considered in preparing the interim financial statements of the Company and of the Group.

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

3 Stated Capital

	As at 31.12.2019	As at 31.03.2019
Issued & fully paid Number of shares (Ordinary Shares)	11,163,745	11,163,745
	Rs.	Rs.
Stated Capital (Rs)	220,262,000	220,262,000

4 Market Capitalization

	As at 31.12.2019	As at 31.03.2019
Market Capitalization (Rs '000')	2,892,526	2,366,714
Float adjusted Market Capitalization (Rs '000')	465,697	381,041
Price Earnings Ratio (times)	5.82	5.03
The company complies with option 02 of the listing rules 7.13.1(b) - Less than Rs 1 Bn float adjusted market capitalization.		

5 There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the annual report for the year ended 31st March 2019.

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

7 Capital and Lease Commitments

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 31.12.2019, approved by the board are as follows.

	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Contracted but not provided for	-	57,479	-	-
Approved but not contracted for	-	214,871	-	-
	<u>-</u>	<u>272,350</u>	<u>-</u>	<u>-</u>

Lease Commitments

	Group		Group	
	2019 Rs.'000	2019 USD	2018 Rs.'000	2018 USD
Within one year	5,424	29,910	5,469	29,910
After one year but not more than five years	21,697	119,640	21,876	119,640
More than five years	324,179	1,787,585	330,949	1,809,403
	<u>351,300</u>	<u>1,937,135</u>	<u>358,294</u>	<u>1,958,953</u>

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

9 Net asset value per Share

	31st Dec 2019 Rs.	31st Dec 2018 Rs.	31st March 2019 Rs.
Consolidated (in Rs.)	160.98	150.24	140.48
Company (in Rs.)	137.94	134.19	128.03

10 Market Price Per Share

	31st Dec 2019 Rs	31st Dec 2018 Rs	31st March 2019 Rs.
Highest for the Quarter / Year (in Rs.)	295.00	228.00	248.00
Lowest for the Quarter / Year (in Rs.)	215.10	163.50	201.20
Last Traded Price for the Quarter / Year (in Rs.)	259.10	214.90	212.00

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

Shareholder Information

1. Major Shareholders as at 31st December 2019

	<u>As at 31st December 2019</u>		<u>As at 31st March 2019</u>		<u>Change</u>
	No of Shares	Holding %	No of Shares	Holding %	
1 Richard Pieris & Company Plc.	9,366,027	83.90%	9,366,027	83.90%	-
2 Mrs.V.Saraswathi	82,122	0.74%			82,122
3 Mr. P.Vijendran	60,000	0.54%	60,000	0.54%	-
4 Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
5 Mr.K.A.S.R.Nissanka	50,000	0.45%	52,897	0.47%	(2,897)
6 Mr. A.A.A.Noorudin	50,000	0.45%	50,000	0.45%	-
7 Ransiri Enterprises (Pvt) Ltd	42,100	0.38%	42,100	0.38%	-
8 Mr.S.Abishek	41,000	0.37%	40,000	0.36%	1,000
9 Union Investments (Pvt) Ltd	40,600	0.36%	40,600	0.36%	-
10 Mr. A.S.Ratnayake	40,186	0.36%			40,186
11 Dr.A.B.Abeysundara	35,000	0.31%			35,000
12 Mr. M.S.P.Fernando	34,048	0.30%	34,048	0.30%	-
13 Mr.M.N.Hameed	33,177	0.30%			33,177
14 J.B.Cocoshell (Pvt) Ltd	30,335	0.27%			30,335
15 Mr.M.Naizer	30,032	0.27%	28,008	0.25%	2,024
16 Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,000	0.27%	-
17 Mr.R.C.Wijesena	25,000	0.22%			25,000
18 Mr. N.A.Withana	25,000	0.22%	25,000	0.22%	-
19 Mrs M. Y. Amerasinghe	21,998	0.20%	21,998	0.20%	-
20 Mr.K.L. Udayananda	21,658	0.19%			21,658
Total	10,111,682	90.58%	9,844,077	88.18%	267,605

2. Public & Parent Shareholding

As at 31st December 2019, the public held 16.10% (2018: 16.10%) of the stated capital of the company. The share holding of the parent company, Richard Pieris & Company PLC, was 83.90%. (2018-83.90%).

As at 31st December 2019, no of public holders are 1,559 (2018 : 1,565)

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 31st December 2019	No of Shares as at 31st March 2019
Dr. Sena Yaddehige	-	-
Mr. Shaminda Yaddehige	-	-
Mr. Sunil S.G. Liyanage	203	203
Mr. W.J. Viville P Perera	100	100
Mr. Wasantha Rukmal Abeysirigunawardena	-	-
Dr.L.M.K.Tillekeratne	-	-
Mr. Angelo Maharajah Patrick	-	-

CORPORATE INFORMATION

LEGAL FORM

A Quoted Public Company with limited liability
Incorporated in Sri Lanka on 30th June, 1983

PRINCIPAL BUSINESS ACTIVITIES

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

BOARD OF DIRECTORS

Dr. Sena Yaddehige (Chairman)

Shaminda Yaddehige

Sunil S G Liyanage

W.J.Viville P Perera

W R Abeysirigunawardena

Dr.L.M.K.Tillekeratne

Angelo Maharajah Patrick

REGISTERED OFFICE

No. 310, High Level Road, Nawinna,

Maharagama.

T.P. 0114 310500

E-mail : rpe@arpico.com

Web : www.arpicorubber.com

COMPANY SECRETARIES

Richard Pieris Group Services (Private) Limited.

No. 310, High Level Road,

Nawinna,

Maharagama.

T.P. 0114 310500

AUDITORS

M/s Kreston MNS & Company

Chartered Accountants