



Vision

To become one of the leading Rubber/ Polymer related Product Exporters in the global market.

Mission

Our mission is to be a preferred supplier of Rubber/ Polymer products to the International markets by being close to our customers by assisting them to remain competitive in the global markets by our commitment to innovation, continuous improvement of our products, processes and services along with the development of human resources.

Core Values

Ethics

Conduct our businesses with high standard of honesty and integrity.

Respect

Treat everyone with respect at all times.

Product Quality

Provide our customers with excellent products and Services.

Our People

Provide opportunities to nurture their talents and develop leaders.

Accountability

Holding ourselves responsible for what we promise to deliver.

Innovation

Nurture and encourage our people's ability to innovate.

Annual Report 2014/2015



Richard Pieris Exports PLC

Contents

1 Preamble

- Financial Highlights - 02
- Our Journey - 04
- Our Achievements 2014/2015 - 05



- Chairman's Statement - 06

2 Chairman's Statement

3 Stewardship

- Board of Directors - 12
- Our Management Team - 14
- Report of the Remuneration Committee - 15
- Report of the Audit Committee - 16
- Corporate Governance - 17
- Risk Management - 19

- Our Focus – This Financial Year - 24

- Our Operations - 26
 - Hard Rubber Segment - 28
 - Latex Based Segment - 32
 - Mineral Segment - 34
- Our Products - 35
- Corporate Social Responsibility - 36
- Our People - 38
- Financial Review - 40
- Financial Calendar - 42

4 Review for the Year

5 Financial Reports

- Annual Report of Board of Directors - 44
- Statement of Director's Responsibility - 47
- Independent Auditor's Report - 48
- Statements of Financial Position - 49
- Income Statements - 50
- Statements of Comprehensive Income - 51
- Statements of Changes in Equity - 52
- Statements of Cash Flows - 53
- Notes to the Financial Statements - 54
- Statements of Value Added - 92

- Corporate Structure - 94
- Group Real Estate Portfolio - 95
- Ten Year Summary - 96
- Shareholder Information - 98
- Glossary of Financial Terms - 101
- Notes - 103
- Notice of Meeting - 104
- Form of Proxy - 105
- Corporate Information - 107

6 Annexes

Preamble

- ◇ Financial Highlights - 02
- ◇ Our Journey - 04
- ◇ Our Achievements 2014/2015 - 05

Financial Highlights

Performance Year ended 31st March		Group			Company		
		2015	2014	Varaince %	2015	2014	Varaince %
Turnover	Rs'000	2,498,140	2,393,765	4%	1,014,442	892,812	14%
Foreign Exchange Earnings	US\$'000	19,039	18,341	4%	7,731	6,841	13%
Profit before Taxation	Rs'000	446,601	312,104	43%	206,031	113,203	82%
Tax on Profit	Rs'000	(58,350)	3,836	1621%	(26,648)	(16,169)	65%
Profit after Taxation	Rs'000	388,251	315,940	23%	179,383	97,034	85%
Profit attributable to the Ordinary Shareholders	Rs'000	267,676	192,750	39%	179,383	97,034	85%

Financial Position as at 31st March

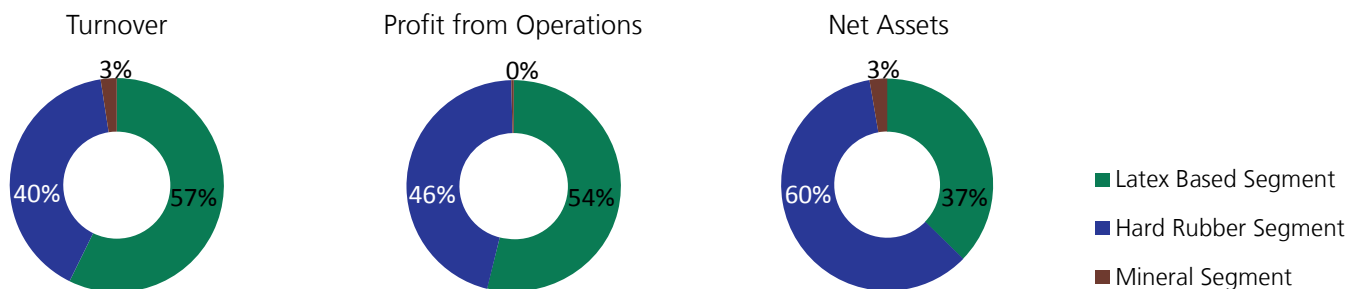
Non Current Assets	Rs'000	638,902	449,367	42%	532,689	534,525	0%
Current Assets	Rs'000	1,094,480	1,043,601	5%	525,896	445,159	18%
Total Assets	Rs'000	1,733,697	1,496,455	16%	1,058,585	979,684	8%
Non Current Liabilities	Rs'000	119,237	148,573	-20%	97,865	125,531	-22%
Current Liabilities	Rs'000	569,795	556,231	2%	273,261	226,614	21%
Shareholders' Funds	Rs'000	435,522	285,036	53%	687,459	627,539	10%

Key Indicators

Earnings per Share	Rs	23.98	17.26	39%	16.07	8.69	85%
Net Assets per Share	Rs	39.01	25.53	53%	61.58	56.22	10%
Dividend per Share	Rs				10.40	5.15	102%
Market Price per Share	Rs				130.30	55.10	136%
Return on Capital Employed	%	60.23	60.20	0%	29.93	5.65	429%
Market Capitalization	Rs. mn				1,455	615	136%
Value Addition	Rs'000	820,371	646,677	27%	375,514	258,484	45%

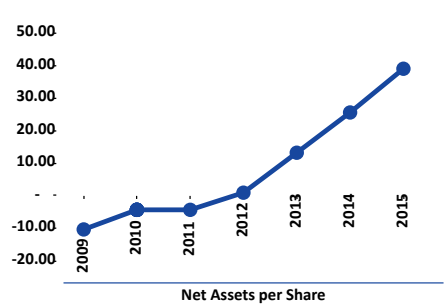
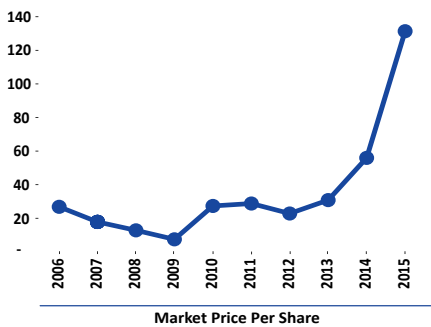
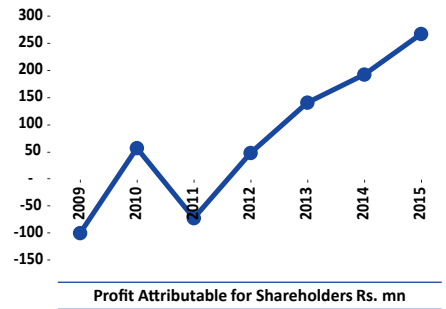
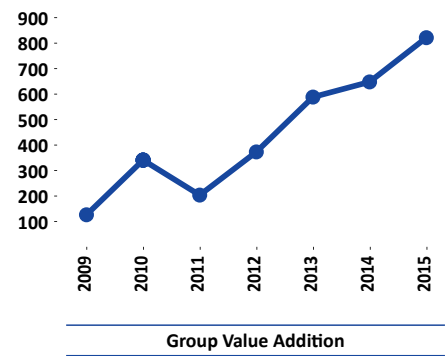
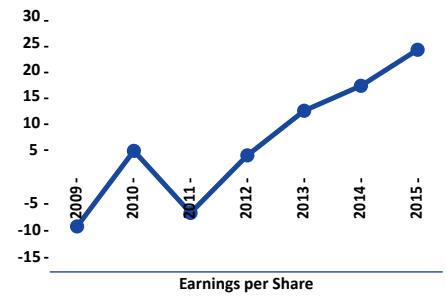
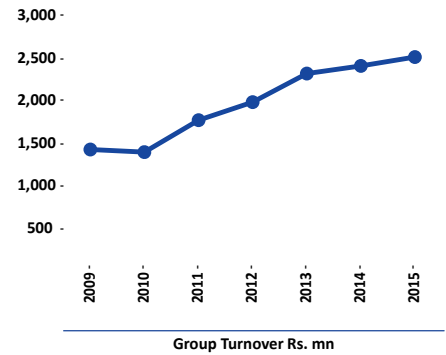
Man Power	nos.	437	415	5%	156	163	-4%
------------------	------	------------	-----	----	------------	-----	-----

"Group recorded a Revenue of Rs. 2,498 Million, and a Gross Profit of Rs.775 Million, While the Group Profit was Rs. 388 Million"



Financial Highlights (Contd)

Turnover	4%
Profit before Taxtion	43%
Profit after Taxation	23%
Profit attributable to Shareholders	39%
Revenue Reserve	659%
Shareholders' Funds	53%
Minority Interest	38%
Current Assets	5%
Current Liabilities	2%
Working Capital	14%
Leasehold Land Prepayments	30%
Property, Plant & Equipment	68%
Long Term Loans	-40%
Deferred Liabilities	20%
Investments	8%
Profitability -Earning per Share	39%
Net profit before Minority Int.to Sales	18%
Dividend	102%
Market Price per Share	136%
Price Earnings Ratio	70%
Net Assets per Share	53%
Current Assets Ratio	2%



Our Journey -walking in harmony with our customers... 1983-2015

Just like our mother company Richard Pieris & Company PLC (RPC) has touched lives of millions of Sri Lankans with their products and services over the life span of 80 years, Richard Pieris Exports PLC (RPE) too can draw a remarkable parallel in their performance over the last 30 years of existence, touching lives of millions of international consumers and livestock !

The enterprise started with a meager share capital of just Rs 75,000 in **1983** and the Company made wise diversifications to achieve remarkable growth and market stability to become a holding Company with two subsidiaries and one Associate company. The pioneering spirit of the RPC Group continued when RPE started the export of few designs of large ring and mats to Europe and USA in **1984**. They had humble beginnings, operating from small factory in a leased out building at Ratmalana. The Presses were fabricated in Hong Kong by a roadside supplier whose quality matched our costs and requirements! The Company's initial range included entrance mats, mats for work stations, gymnasiums, and food service sector. The Company now has become the pioneer producer for numerous specialty types, fire retardant mats, electrical resistive mats and special soft mats for stables and dairy farms going beyond the human race to improve productivity, comfort and well being of the livestock as well.

RPE range was added with the food jar sealing rings for the European market in another pioneering effort **1986**. This product, with food grade quality standards, is very popular with the German and French customers. In Germany the most popular home canning system is the Weck brand for which RPE is the exclusive supplier of sealing rings for over 25 years, RPE confirming to the frequent product standards upgrades done by the regulatory authorities.

The first introduction of the Latexfoam products to the international markets from Sri Lanka too was carried out by the RPE subsidiary Richard Pieris Natural Foams Ltd (RPNF) in **1994**. The advent of organic latex product line has refined RPNF products to the high end discerning user. The company

also adopted the recycling of waste to be civic minded as not to introduce waste materials to the environment.

RPE's concern to protect the environment was highlighted when they installed a state of the art, world renowned Chronos Richardson, computerized automated Carbon black and other ingredient weighing and feeding system for the RPE black compounding facility in **1995**. This again was for first time in Sri Lanka and improved the consistency and the quality of the compounds.

The use of crutches to overcome difficulties in mobility, dates back to prehistoric times- according to drawings that exist from ancient Egypt. RPE added to its pioneering tally when they started exporting Crutch-tips in **1997** which is a vital part of the product to provide comfort and anti-skid facility. Thus RPE became the exclusive supplier of crutch tips a world's leading manufacturer, Kawski from Sweden.

The introduction of resin shoe soling sheets by Arpitalian Compact Soles (Pvt) Ltd, for the exclusive shoe makers in the international markets in **1999** has helped the end user be to in the forefront of the fashion conscious world.

Our company received the Global Commerce Excellence Award for their export performance in **2014**.

RPNF secured two gold medals at the year **2014** National Chamber of Exporters award ceremony for being the most innovative exporter in the country and clinched a gold medal for the best Agricultural value added exporter in Sri Lanka.

A major milestone for RPE was achieved in **2015** when RPNF commissioned the world's first natural rubber continuous sheeting plant at Biyagama FTZ. This is considered as a huge breakthrough for the Latexfoam industry.

During their journey, Richard Peiris Exports group has remained close to their customers achieving consistent growth, resulting from their ability to create successful strategies to satisfy the needs and wants of a group of very discerning and sensitive customers in the international markets.

Our Achievements 2014 / 2015



Global Commerce Excellence Award 2014



Gold Award Most Innovative Exporter in Sri Lanka 2013



Gold Award Agricultural Value Added Exporter in Sri Lanka 2013



Annual Report Award 2014 Certificate of Compliance

Preamble

Chairman's Statement

Stewardship

Review of the Year

Financial Reports

Annexes



“The group was able to record the highest turnover and profit in its history. The profit after tax was Rs. 388mn, reflecting consistent growth, despite adverse global economic conditions.”

Chairman's Statement

Preamble

Chairman's Statement

Stewardship

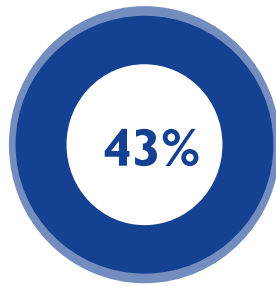
Review of the Year

Financial Reports

Annexes

Chairman's Statement

“I am pleased to report an increase of 43% in your company’s profits during the financial year 2014/15 over the corresponding year. Furthermore, company revenue also increased by 4% YoY to report Rs. 2,498 mn.”



**Growth
In Profitability**



Turnover

Our Valued Shareholders,

It is with great pleasure that I present to you the Annual Report and the Audited Financial Statement of Richard Pieris Exports PLC for the year ended 31st March 2015.

Pioneering culture is something your company has endeavored throughout to sustain its success in the competitive environment and we proudly say that your company has yet again succeeded in overcoming risks and market uncertainties associated with it when pacing its potential in satisfying all stakeholders.

Richard Pieris Group who have been the pioneers in introducing new products and technologies to Sri Lanka since 1950's; Tyre retreading, latexfoam manufacture, Rigid Polystyrene foam (Rigifoam), PVC leather cloth, Polyurathane foam (Arpifoam), Plastic water tanks (Plastishell) and Cold cure tyre retreading (Arpidag) are a few.

During the year, your company invested through its subsidiary Richard Pieris Natural Foams Limited in "World's first natural rubber latex continuous sheeting plant". This I believe is a significant investment made in the history of RPE Group and is expected to usher in a new era of high and consistent quality, less wastage and moving into areas hitherto was the exclusive preserve of the synthetic latex sheet manufacturers. Since being truly an indigenous Sri Lankan Company, it is a great inspiration that we have been able to achieve this breakthrough.

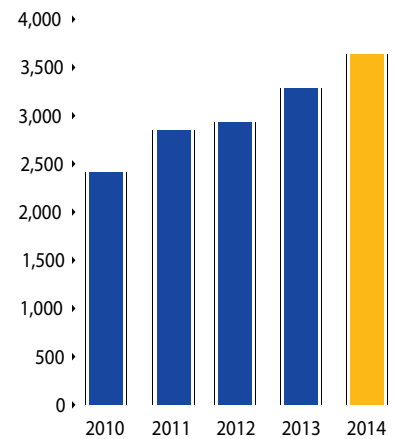
The group was able to record the highest turnover and profit in its history. The profit after tax was Rs 388mn, reflecting consistent growth, despite adverse global economic conditions.

Economic Environment

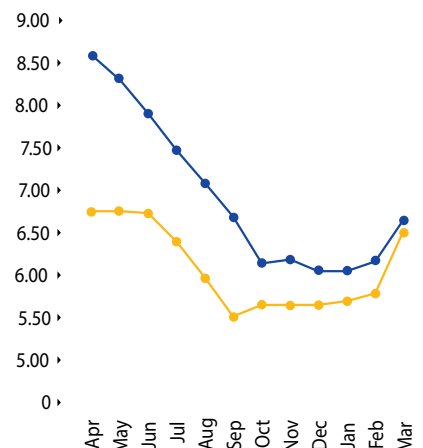
According to the data published by International Monetary Fund (IMF), the global economy has expanded by 3.3% in 2014. Reduced growth in key economies such as China and Russia along with the moderate growth in the Eurozone, Japan, and Brazil triggered the weakening of the world economic activities. However, the global economy is steadily moving towards regaining its growth momentum, as reflected in the economic recovery of the United States to record growth of 2.4% and the upward revision of the growth rates for Mexico and India to 2.1% and 5.8%, respectively.

Looking forward, it is believed that the major boost to the world economy should come from the recovery of the United States, which is expected to grow by 3.6% in 2015 and by 3.3% in 2016. However, factors such as the rapid decline in oil prices, major concerns about the economic and political future of the European Union, along with increased geopolitical uncertainty related to the Russia-Ukraine and Middle Eastern conflicts, present a high risk for the global economic outlook for 2015.

The Sri Lankan economy indicated a robust growth of 7.4% for the year 2014 following a 7.2% growth in year 2013. The industrial sector was the key driver of the Gross Domestic Product (GDP) growth constituting 32.3% to GDP. Inflation stood at 2.5% in March 2015, indicating a decline from the 5.7% level witnessed in March 2014. Per capita income topped the USD 3,625 mark and the country is geared to achieve the target per capita income of USD 4,000 by 2015. Exports showed a robust growth of 7.08% whilst imports increased by 7.85% along with increase in trade volumes, eventually triggered the trade deficit to increase by 8.91%. Furthermore, the increase in worker remittances to USD 6,199 mn

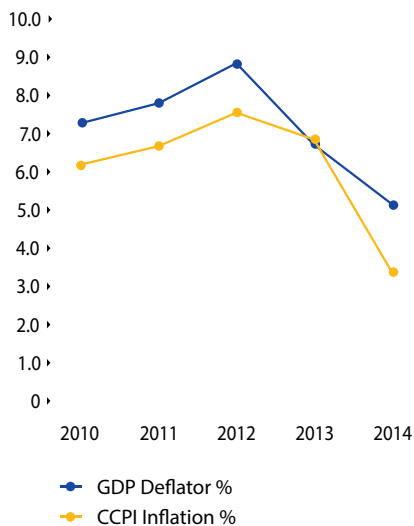


Per Capita Income USD \$

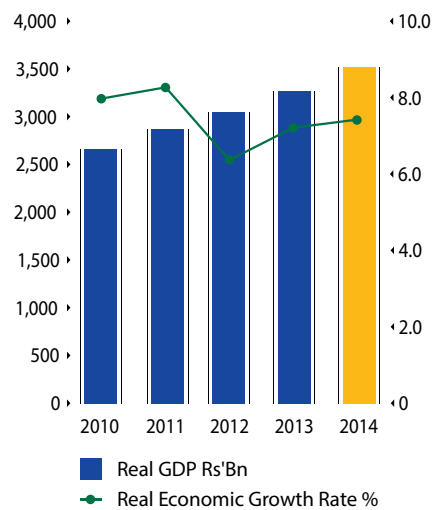


Market Interest Rates

Chairman's Statement (Contd)



CCPI Movement vs GDP Deflator



Real GDP vs. Real Growth Rate vs. Unemployment rate

led to the reduction of the current account deficit to 2.7% of GDP. In terms of exchange rates, the local currency depreciated against the USD by 1.99% to close at Rs 133.33, from Rs 130.72 recorded in the previous year of comparison.

The Central Bank continued with its expansionary monetary policy stance with the objective of providing liquidity to the market in order to prompt business activities, although the interest rates were on an upward trajectory during the latter part of the financial year due to the necessity to meet the government's short term commitments. However, low interest rates prevailed in the market induced the market lending rates to fall by circa 1.57% during the year under review.

We are concerned about the microeconomic policies which affect our competitiveness in the intensely competitive global market place. Although the Petroleum prices have come down considerably, the high energy consuming Rubber and the Ceramic product Exporters have not received any concessions for Furnace oil which is a major component of our production cost. This affects our competitiveness adversely, especially in the troubled economies dealing in Euro.

Performance of the Exports Group

I am pleased to report an increase of 43% in your company's profits during the financial year 2014/15 over the corresponding year. Furthermore, company revenue also increased by 4% YoY to report Rs. 2,498Mn.

Despite various constraints due to the external and internal economic conditions the three companies of the Group, Richard Pieris Exports PLC, Richard Pieris Natural Foam Limited and Arpitalian Compact Soles (Pvt) Limited have been able to achieve or exceed the budgetary targets. It appears that our operational efficiencies and financial fundamentals are now well in place in the sector and the companies are poised to take off to a higher levels of growth and profit generation in the ensuing years. These achievements are the results of numerous initiatives under taken by the management to develop markets and prudent financial management. These effective management enabled the Company to mitigate the adverse effects on the export business due to slow recovery of international markets.

I would like to give special emphasis on the development of the Foam Rubber Industry and are assertive that Richard Pieris Natural Foams will be able to leap forward in the ensuing years by expanding and also extending its range of products.

I as the Group chairman acknowledge the achievements of the companies and the contribution made by the managerial teams and recognize their contribution. I am confident that 2015/16 would be another success story.

Richard Pieris Exports PLC

I am happy to note that Richard Pieris Exports PLC has recorded a turnover of Rs 1 billion, highest ever turnover reported in its history.

The operating profit during 2014/15 exceeds the prior year profits by 82% together with a revenue growth of 14%. Richard Pieris Exports celebrated its 31st Anniversary on 30th June 2014. The Company's range of mats include specialized products for industrial use, entrance, agriculture, gymnasiums and specialty items such as fire retardant mats, electrical safety mats and anti-static mats. Product innovation and fine tuning of systems remain as key areas of continuous improvement process. Research and Development division's major efforts are focused on the product development and innovation. They have been successful in introducing several new products, to capitalize on the market demand in the industrial and the agricultural sectors.

The year under review the Company has shown 14% revenue growth compared to the last financial year mainly due to increase in jar sealing rings exports to Europe. Planned customer visits are a regular feature and constantly being in touch with the overseas customers has been key to resuscitate to dormant markets and initiate new business opportunities. The company has given price advantages to the customers, whenever possible, in order to build good long term relationships based on mutual trust. The Company remains hopeful that the European markets will turnaround to anticipate better sales volumes.

The Company strongly believes that a happy and a contented workforce facilitate the harmonious and a cooperative relationship which is critical for a Company that is competing in a volatile international market. We will give our utmost attention to maintain this status in the future as well.

Richard Pieris Natural Foams Ltd.

Richard Pieris Natural Foams Limited manufactures and markets 100% natural latex foam blocks, sheets, continuous sheets and pillows for the international market at the factory situated at the Biyagama FTZ. The Company has consolidated its position as the leading contributor to the sector performance by achieving steady revenues and profits during the current financial year. The Company recorded its highest sales volumes and operating profit during 2014/15, exceeding previous records. Aggressive market developments, restructuring of distribution channels, has enabled the company to achieve growth in sales volumes together with better margins.

Chairman's Statement (Contd)

The year under review has shown that the sales volumes declined in the Asia Pacific region due to decrease in demand. Nevertheless the Company was able to record 8% volume growth compared to the last financial year mainly due to increase in sales to the European region.

The most significant milestone for the year as well as in the history of the Company was the commissioning of the continuous latex sheeting plant, which is the first such plant for Organic and 100% Natural Latex in the world. It is a source of great pride and inspiration for our Nation as well, beating the technological giants in the International Rubber industry like Malaysia, Thailand and Vietnam.

This plant has also brought in competitive advantages like supplying longer sheets, hitherto was the preserve of the synthetic latex sheet producers. 100% latex sheeting with the Organic Certification is considered a really Green and an Eco-friendly product in the high-end markets in US and Europe. This facility also promotes products with a higher consistency and higher quality. The benefits that have been accrued through the high degree of automation provides cost benefits, where the products can be more competitive in discerning markets.

The company continues to further enhance its dominance in the global market with a vision to become the world's largest 100% Natural latex foam manufacturer.

Arpitalian Compact Soles (Pvt) Limited

Arpitalian Compact Soles specializes in manufacturing shoe soling sheets for the international shoe manufacturers. The Company is a joint venture with Davos SPA, a globally reputed manufacturer for shoe soles.

In the year under review, company was able to record Rs 16.5mn profit which is the highest profit made by the Company in the recent times. Volumes have increased compared to last year's and budget quantities. Company was able to record 17% growth in turnover compared to last year.

The Company is concentrating its efforts to develop new products in line with the latest fashion trends in the shoe industry. Deviating from the past, the Company has taken a strategic decision to concentrate more on the middle and the top end of the market in order to enhance the level of contribution from the business. The Company is also building a new

product line using its excess machine capacity. Arpitalian expects to achieve a better growth in the upcoming financial year, provided the recovery in the western economies in the future is sizeable.

Micro Minerals (Pvt.) Ltd

Micro Minerals (Pvt.) Ltd processes mineral fillers which are considered essential raw materials to the polymer industry. The processing plant is located at Bandaragama, and the Company mainly supplies to Richard Pieris Group of Companies.

The Company's performance was not up to the expectations during the year under review. It is facing an uphill struggle to maintain its market share with the entry of new local competitors with low price offers. Micro Minerals would be focusing on supplies to the Richard Pieris Group and the Company would make every effort to improve its performance in the upcoming year by serving the existing customers more efficiently.

Future Outlook

The present performance seems to be a prelude to aggressive growth over next five years. Our efforts will primarily be focused on penetrating and expanding markets for our existing products, and introducing new products to existing markets as well as to new markets.

In our operations, reducing cost and improving quality will be of paramount importance. We will introduce programs geared towards reducing costs and wastage. The Research and Development function will be strengthened not only to improve product quality, make savings by fine tuning formulations. They will also focus on timely new product development as well.

Dividend

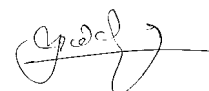
The Company paid an interim dividend of Rs 6.40 in November 2014 and Rs 4.00 in April 2015. These aggregate to Rs 10.40 for the year 2014/15 and this constitutes a dividend yield of 8% as at the year end.

Conclusion

Your Company continues to be committed to maintain a healthy working relationship with all our stakeholders. I am happy to report that a greater part of our success in achieving factory level efficiency has been largely due to the co-operation and support from all employees. Our thanks must go out

to them for the important part they have played in our achievement this year. I wish to thank my colleagues on the Board for their contribution and guidance which has proved so invaluable. My unreserved thanks go out to our buyers and representatives who have remained loyal to us, our banks, suppliers for their valued support and co-operation.

I am confident that by working in harmony, we can make the coming year a resounding success going beyond, this record breaking year of 2014/2015.



Dr. Sena Yaddhegige
Chairman
28th May 2015

Stewardship

- ◇ Board of Directors - 12
- ◇ Our Management Team - 14
- ◇ Report of the Remuneration Committee - 15
- ◇ Report of the Audit Committee - 16
- ◇ Corporate Governance - 17
- ◇ Risk Management - 19

Board of Directors



Dr. Sena Yaddhige

Chairman

Dr. Sena Yaddhige is a Sri Lankan born British Scientist/Engineer and a Swiss based industrialist. He is the Managing Director of an European Company, which was part of a group involved in the development of high technology, automated manufacturing, and export of automotive components and systems to Europe, China and the United States. He is also the Chairman CEO of a US company supplying automotive markets.

He holds a large number of worldwide patents on radiation processing, contactless sensors and drive by wire systems along with a Sri Lankan patent for slow release fertilizer. He is Founder, Chairman and Director of numerous companies in Sri Lanka and abroad.

Dr. Yaddhige is the Chairman of the Richard Pieris Group of Companies comprising 5 Listed Companies, including three plantation companies and over 50 companies wholly or majority owned by Richard Pieris and Company PLC. He was appointed to the Board of Directors of National Development Bank PLC in December 2007 and was in the directorate until his resignation from the Bank in November 2010. Dr. Yaddhige was conferred with Doctor of Science (D.Sc.) in consideration of his original research work in the fields of Radiation, Radiation processing, Electromechanical Sensor technology, non contact sensor technology and automotive pedal systems along with numerous patents in the above fields.



Mr. Paul Ratnayake

Director

Mr. Paul Ratnayake is a Senior Corporate Lawyer who is also the Senior Partner of Paul Ratnayake Associates, a leading law firm in Sri Lanka which he founded in 1987 handling all areas of law and international legal consultancy work.

Mr. Ratnayake is a Solicitor of the Supreme Court of England and Wales and an Attorney - at - Law of the Supreme Court of Sri Lanka. He holds a bachelors degree in law with honors and has been awarded a Masters Degree in Law by the University of London.

Currently Mr. Ratnayake holds directorships in several companies of which some are public quoted companies. He has also been elected/appointed as Chairman/ Deputy Chairman to several of these companies.

At Paul Ratnayake Associates, he specializes in corporate and commercial areas of law, and also in the fields of aviation, insurance and maritime law.



Mr. Shaminda Yaddhige

Director

Mr. Shaminda Yaddhige was educated in the UK and graduated in Chemical Engineering from the University College London.

He worked as a Management Consultant for Price Waterhouse UK. Since then he has moved in to International Marketing and has built a strong marketing network, in the UK, France, Germany and other European Countries.

products in Polymer category and has the honour of being the first person to commercialise flexible polyurethane foam in this country in the form of mattresses, cushions and sheets.

Currently, Mr. Liyanage heads the Local Manufacturing and Distribution Sector of the Richard Pieris Group as the Managing Director. He is also a Director of Richard Pieris Distributors Ltd and Arpico Interiors [Pvt.] Ltd. He is also a Director in the main Board of Directors of Richard Pieris & Co. PLC.



Mr. Sunil Liyanage

Director

Mr. Sunil Liyanage is a Fellow of the Plastics and Rubber Institute of Sri Lanka (FPRI) and holds Diploma in Polymer Technology (Singapore), the Diploma of the Plastics Institute (LOND.) and a Licentiate of the Institute of Rubber Industry (LOND.).

He has over 37 year's of management experience in the field of Rubber & Plastics. He is a past Chairman of the Ceylon National Chamber of Industries (CNCI) and a past President of the Plastics and Rubber Institute of Sri Lanka (PRISL). Mr. Liyanage is also a visionary business leader who has been instrumental in launching many innovative

Board of Directors (Contd)



Mr. Viville Perera
Director

Mr. Viville Perera is a Science graduate from Kelaniya University with Second Class Honours and a Fellow Member of the Chartered Institute of Management Accountants and Associate Member of the Chartered Institute of Marketing in United Kingdom. Mr. Perera has over 32 years experience in senior managerial capacity in leading business organisations such as Associated Newspapers of Ceylon Limited, Middleway Ltd (Ceylinco

Group) and Amico Group of Companies and Alliance Finance Co. PLC. He has served as Treasurer and Vice President of Sri Lanka Institute of Packaging. He is also on the Board of Directors of Several Companies of Richard Pieris Group.



Mr. Wasantha Abeysirigunawardena
Director

Mr. Wasantha Abeysirigunawardena is a Rubber Technologist holding a Masters in Polymer Science & Technology with over 33 years' experience in rubber products manufacturing industry. His long associations with the Richard Pieris Group counts over 25 years and his contributions to product development have been highly acclaimed. He currently heads the Rubber Sector at the Research and Development Center of Richard Pieris Group and also manages the entire operations of Richard

Pieris Exports PLC. He is an Associate Member of The Institute of Materials & also a Member of The Institute of Incorporated Engineers Sri Lanka. He has been also conferred with a Graduateship in Mechanical Engineering from The City and Guilds institute London.



Mr. Kumar Abeysinghe
Director

Mr. Kumar Abeysinghe, a graduate from University of Ceylon Peradeniya, holds a degree in economics, specializing in Money and Banking. He obtained his MBA from PIM (Sip) and Diploma in Communication from the State University of Philippines. He has undergone short term study programs at several international universities including Sussex in UK, Cornell university in USA. He Joined The Sri Lanka Administrative service in 1970 as a divisional revenue officer and served for nearly 45 years holding several key positions in the public sector in Sri Lanka. To mention a few, he served as the Government Agent in Nuwra Eliya District for more than seven years. He held

the position of Chairmanship in Sri Lanka Rupavahini corp, Sri Lanka Broadcasting corp, National film Corp, Lake House, and the Sri Lanka Telecommunication Regulatory Authority and Milco Pvt Ltd. At the ministerial level he served as the State Secretary to the Ministry of Home affairs, State secretary to the Ministry of Health, and in the year 2001 he was assigned the position of Secretary to the cabinet Ministry of Mass Communication which encompassed Postal Tele Communication and Media. During a critical time of the country he also served as the Food Commissioner for Sri Lanka. He has represented the country at many international forums.



Dr. L.M.K Tillekeratne
Director

Dr. L. M. K. Tillekeratne, passed out from the University of Colombo in 1970 as a BSc Chemistry Special graduate, and joined RRI Sri Lanka as a research assistant in 1971. In 1973 he obtained a MSc degree from the Aston University in Birmingham UK, and continued his research for a PhD in Polymer Chemistry and Technology in the same University. The PhD was completed in 1977 and continued to do research at the RRI Sri Lanka in the capacity of a Research Officer. In 1990, he became the Executive Director of the RRI until his retirement in 2006. While working as the Director RRI, he was appointed as the Commissioner of

the Inventors Commission. He was awarded the Institute of Chemistry Gold Medal in 1985 and the first prize of the Presidential Award for developing a Water Soluble Bleaching Chemical for making latex crepe rubber. He has several publications in refereed international journals for his credit and six patents including a European patent. He is a fellow of the Institute of Chemistry (Ceylon) and Plastics and Rubber Institute (London). After retiring from the RRI he joined the University of SJP as Professor of Polymer chemistry. Now he is working as an Expert in Rubber Processing and Testing to UNIDO.



Mr. Angelo M. Patrick
Director

Mr. Angelo M. Patrick holds an MBA from the University of Colombo and is a Fellow Member of the Chartered Institute of Management Accountants (UK) and a Member of the Institute of Marketing (UK). He has held Directorates and Senior Management positions over the past 40 years in Sri Lanka, Indonesia and Canada.

He was the President of the Chartered Institute of Management Accountants, Sri Lanka Division in 1993-94 and represented Sri Lanka on the Global Council

of CIMA in the United Kingdom for 3 years. He is a Lecturer and Examiner for the Postgraduate Diploma in Manufacturing Management at the University of Colombo. He was a Member of the Sri Lanka Accounting Standards Committee and the Corporate Governance Committee of The Institute of Chartered Accountants of Sri Lanka.

He is a Group Director of the Capital Maharaja Organisation Ltd and Non Executive, Independent Director AMW Capital Leasing & Finance PLC.

Our Management Team

Richard Pieris Exports PLC



Wasantha Abeysirigunawardena
Director/CEO



Palika Chandrajeewa
Sector Finance Manager



Dammika Wijeratne
Marketing Manager



Alaka Ubayasena
Factory Manager



Prabath Priyankara
Assistant Marketing Manager



Shanika Karunadasa
Accountant

Hemantha Kumarasinghe
Karunasiri Loggama
Punya Ranaweera
Palika Dias

- Production Executive
- Production Executive
- Quality Assurance Executive
- Quality Assurance Executive

Asela Jayaratne
Thushan Jayasekera
Sadaruwan Pushpakumara
Indira Dissanayake

- Exports Executive
- Research & Development Executive
- Accounts Executive
- Administrative Executive

Richard Pieris Natural Foams Limited



Januka Jayanga
CEO



Thushara Samaraweera
Factory Manager



Eranda Rubasinghe
Engineer



Nuwan Weerasinghe
Manager Accounts & Administration



Adrian Bogahawatte
Marketing Manager



Dilantha Kumara
Quality Assurance Manager

Nawarathne Bandara
Nishaman Wikramarachchi
Windana Weerasinghe
Manoj Gunawardana
Prabath Ratnayake
Isuru Yaddehige

- Shipping Executive
- HR Executive
- Assistant Accountant
- Marketing Executive
- Purchasing Executive
- Marketing Executive

Anuradha Kumara
Ravindra Jayatissa
Bhasura Katugampola
Mahesh Anyawansa
Parami Natasha

- QA Executive
- Production Executive
- Planning Executive
- Marketing Executive
- CEO - Personal Assistant

Arpitalian Compact Soles (Pvt) Limited



Fabio Piccolo
Director/CEO



Ranjith Wittachchi
Factory Manager



Sanath Elkaduwa
Assistant Marketing Manager

Deeptha Rajapaksha
Vijitha Padmakanthi

- Assistant Accountant
- Accounts Executive

Micro Minerals (Pvt) Limited

Nilantha Jayathilake

- Marketing Executive

Report of the Remuneration Committee

The Remuneration Committee of the parent company acted as the Remuneration Committee of Richard Pieris Exports PLC. The Remuneration Committee, consists of three independent Non Executive Directors Prof. Lakshman R Watawala, Prof. Susantha Pathirana and Dr . Anura Ekanayaka. The Committee is chaired by Prof. Lakshman R Watawala. The Committee met on several occasions during the financial year. Prof. Susantha Pathirana resigned from the company w.e.f. 31st March 2015.

The Remuneration Committee has reviewed and recommended the following to the Board of Directors:

- ◇ Policy on remuneration of the Executive Staff
- ◇ Specific remuneration package for the Executive Directors

In a highly competitive environment attracting and retaining high caliber executives is a key challenge faced by the Group. In this context, the Committee took into account, competition, market information and performance evaluated methodology in declaring the overall remuneration policy.



Prof. Lakshman R Watawala

Chairman

28th May 2015

Report of the Audit Committee

The purpose of the Audit Committee is to :

- ◆ Assist the Board of directors in fulfilling its overall responsibilities for the financial reporting process.
- ◆ Review the system of internal control and risk management.
- ◆ Monitor the effectiveness of the internal audit function.
- ◆ Review the Company's process for monitoring compliance with laws and regulations.
- ◆ Review the independence and performance of the external auditors
- ◆ To make recommendations to the board on the appointment of external auditors and recommend their remuneration and terms of engagement.

The Audit Committee of the parent company acted as the Audit Committee of Richard Pieris Exports PLC. The Audit Committee consisted of three independent and Non Executive Directors, namely Prof. Lakshman R. Watawala, Prof. Susantha Pathirana and Dr. Anura Ekanayaka. The Chairman of the Committee is a Senior Chartered Accountant. The Company Secretary functions as Secretary to the Audit Committee. Prof. Susantha Pathirana resigned from the company w.e.f. 31st March 2015.

The principal activities of the Committee during the year are detailed below.

Meetings

The Audit Committee held 5 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 and significant issues, if any, arising from the audit.

Internal Audit and Risk Management

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

The Chief Internal Auditor was invited to be present at all Audit Committee deliberations. He presented a summary of the salient findings of all internal audits and investigations carried out by his department for the period. The responses from the Managing Directors of the SBUs to the internal audit findings were reviewed and where necessary corrective action was recommended and implementation monitored.

The Committee also had the responsibility to review the loss making SBU's of the Group and strategies for turning round these Companies and recommending suitable corrective action.

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 month end highlighting all 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. It also reviewed the adequacy of disclosure in 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 Committee reviewed the Management Letters issued by the External Auditors and the Management response thereto.

The Audit Committee has recommended to the Board of Directors that Messrs Kreston MNS & Co be re-appointed as Auditors for the financial year ending 31st March, 2016 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, but not absolute assurance that the financial position of the Group is satisfactory and that systems are in place to minimize the impact of identifiable risks and that the Listing Rules of the Colombo Stock Exchange have been met.



Prof. Lakshman R Watawala
Audit Committee Chairman
28th May 2015

Corporate Governance

The Group is committed towards proper Corporate Governance...”

The Board of Directors of Richard Pieris Exports PLC is committed and takes responsibility to maintain highest standards of Corporate Governance.

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 recognises 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 of 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.

The Board comprises nine Directors, of which 5 are Non-Executive Directors, 2 are Executive Directors and 2 independent Directors. Profiles of the Directors are set out on page 12 and 13. The board has assessed independence of the non-executive Directors

During the year the Board met on several 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

Name of Director	Executive	Non-Executive	Independent
Dr. S. Yaddhegige		✓	
Mr. Shaminda Yaddhegige		✓	
Mr. J. H. P. Ratnayake		✓	
Mr. S. S. G. Liyanage		✓	
Mr.W.J.V P.Perera		✓	
Mr. W. R. Abeyasingunawardena	✓		
Mr. K. Abeyasinghe	✓		
Dr. L.M.K.Tillekeratne			✓
Mr.A.M.Patrick			✓

is provided on statutory payments at each Board Meeting.

The main functions of the Board:

- ◆ Directs the business and affairs of the Company.
- ◆ Formulates the long and short term strategies as the basis to develop operational plans.
- ◆ Reports on their stewardship to the shareholders.
- ◆ Identifies the principal risks of businesses and periodically reviews the risk management systems in place.
- ◆ Approves the annual capital and operating budgets and reviews performance against the budgets.
- ◆ Approving the interim and the final financial statements of the Group.
- ◆ Determining and recommending the interim and final dividends for the approval of the shareholders.
- ◆ Sanctions all material contracts, acquisitions or disposals of assets and approving capital projects.

Audit Committee and Remuneration Committee

The Audit Committee and the Remunerations Committee of Richard Pieris & Company PLC, the parent Company functions as the Audit Committee & Remuneration committee of this Group.

Relationship with Shareholders

The Board maintains healthy relationships with its key shareholders (individual and institutional) while maintaining dialogue with potential shareholders as well. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Apart from this, its principle methods of communication include the corporate website, the annual report, quarterly financial statements and press releases.

Internal Controls

The Board is responsible for instituting effective Group's 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 page 19-22.

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

Corporate Governance (Contd)

been set out for the evaluation of the capital projects and new investments.

The Internal Audit Division of the Richard Pieris & Company PLC, the parent company regularly evaluates the internal control system across the organisation and its findings are reviewed first by the Audit Committee and significant issues are thereafter reported to the Board. The Board had 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 the quarterly newsletter, emails, memos and circulars.

The Board also ensures that the Group policies and practices are in line with the Company's values and social responsibility. The group promotes protection of environment and health and safety standards of its employees and others within the organisation. The relevant measures taken are given in detail in the Corporate Social Responsibility section on page 36.

Compliance

The Board places significant emphasis on strong internal compliance procedures. The financial statements of the Group are prepared with strict compliance of the guidelines of the Sri Lanka Accounting Standards 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 up 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 in operation for the foreseeable future.

SEC Rules on Corporate Governance – Section 6

Colombo Stock Exchange Criteria	Status of Richard Pieris Exports PLC
Non Executive Directors	In Compliance
Independent Directors	In Compliance
Remuneration Committee	In Compliance
Audit Committee	In Compliance

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 & Cash Management	<ul style="list-style-type: none"> ◇ To ensure faster response to market opportunities by ensuring instant funding ability. ◇ To maintain a "sufficient" liquidity position at all times. 	<ul style="list-style-type: none"> ◇ 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. ◇ Sourcing of funding requirements through many financial institutions.
2. Interest Rate Risk	<ul style="list-style-type: none"> ◇ To minimise adverse effects of interest rate volatility. ◇ To ensure cost of borrowing is at the optimum level. 	<ul style="list-style-type: none"> ◇ Structuring the loan portfolio to combine foreign currency and Local currency denominated borrowings. ◇ Using of fixed and variable rate borrowings to strike a balance. ◇ Accessing the group treasury of Richard Pieris and Company PLC to shown funding requirement at more competitive rates. ◇ Practising effective hedging techniques such as interest rate swaps.
3. Currency Risk	<ul style="list-style-type: none"> ◇ To minimise risk associated with the fluctuation in foreign currency rates in relation to export proceeds, import payments and foreign currency debt transactions. 	<ul style="list-style-type: none"> ◇ Export proceeds exceeding the import payments and foreign currency debt payments act as a natural hedge.

Risk Management (Contd)

Risk Exposure	Group Objectives	Risk Minimisation Strategies
Business Risk Management		
1. Credit Risk	<ul style="list-style-type: none"> ◇ To minimise risks associated with debtor defaults. 	<ul style="list-style-type: none"> ◇ Obtaining insurance covers for export debtors. ◇ Following stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit. ◇ Closely monitoring the debtor balances, laying action plans and determining the same are under control.
2. Asset Risk	<ul style="list-style-type: none"> ◇ To minimise risk from fire, theft and machinery & equipment breakdown. 	<ul style="list-style-type: none"> ◇ 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.
3. Internal Controls	<ul style="list-style-type: none"> ◇ To maintain a sound system of internal control to safeguard shareholders' wealth and Group assets. 	<ul style="list-style-type: none"> ◇ Carrying out of system audits and other control mechanisms such as Inventory counts and cash counts throughout the Group by the Richard Pieris Group internal audit department.
4. Reputation Risk	<ul style="list-style-type: none"> ◇ To prevent the causes that damage our reputation. 	<ul style="list-style-type: none"> ◇ Having in place a budgetary process & a budgetary control mechanism on a monthly basis to ensure that the Group's performance is continuously in line with its targets. ◇ 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.

Risk Management (Contd)

Risk Exposure	Group Objectives	Risk Minimisation Strategies
		<ul style="list-style-type: none"> ◇ Ensuring effective communication with various stakeholders such as 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 the service standards as well as to educate the staff on the importance of customer service.
5. Human Capital & Labour Risk	<ul style="list-style-type: none"> ◇ To ensure a smooth flow of operations without any undue disruptions. ◇ To project ourself as a human employer being successful in motivating, developing, retaining and attracting the best of human capital. 	<ul style="list-style-type: none"> ◇ Maintaining relationships with trade unions through regular dialogue. ◇ Improving employee benefits by way of financial 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 programmes.
6. Technological Risk	<ul style="list-style-type: none"> ◇ To keep pace with the current technological developments and safe guard against obsolescence. 	<ul style="list-style-type: none"> ◇ The continuous investment in new machines. ◇ Investing in R&D activities throughout the year. ◇ Investing in hardware and developing software in house.
7. Procurement Risk	<ul style="list-style-type: none"> ◇ To minimise risk associated with price and availability. 	<ul style="list-style-type: none"> ◇ Developing of new products to improve quality and manage costs. ◇ Sourcing all procurements through the central purchasing unit of Richard Pieris Group and gaining access to the large database of global and local suppliers to obtain competitive rates.

Risk Management (Contd)

Risk Exposure	Group Objectives	Risk Minimisation Strategies
		<ul style="list-style-type: none"> ◇ Adoption of backward integration strategies. ◇ Expanding the centralised purchasing division which has enabled us to create a reliable network of global suppliers. ◇ Entering into forward contracts for raw material purchases.
8. Inventory	<ul style="list-style-type: none"> ◇ To reduce stock obsolescence and manage stock holding costs. ◇ Reducing the risk associated with theft & shrinkage. 	<ul style="list-style-type: none"> ◇ Adopting a monthly declaration policy. ◇ Identifying slow-moving stocks and effectively laying out a channel for these to be sold off.
9. Risk of Competition	<ul style="list-style-type: none"> ◇ To maximise our market share and maintain market leadership in the respective industries. 	<ul style="list-style-type: none"> ◇ Ensuring high standards of quality in the eyes of the customer. ◇ Increasing productivity and efficiency in order to ensure our prices remain competitive despite increasing wage, energy and transportation costs. ◇ Carrying out R&D activities to identify needs.
10. Information Systems Risk	<ul style="list-style-type: none"> ◇ To minimise risk associated with Data Security, Hardware & Communication and Software. 	<ul style="list-style-type: none"> ◇ 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.
11. Environmental, Political & Regulatory Risk	<ul style="list-style-type: none"> ◇ To minimise the negative impact from the changes in the external environment which are beyond our control. 	<ul style="list-style-type: none"> ◇ Compliance with statutory requirements for all Tax payments etc.

Review for the Year

- ◇ Our Focus – This Financial Year - 24
- ◇ Our Operations - 26
 - Hard Rubber Segment - 28
 - Latex Based Segment - 32
 - Mineral Segment - 34
- ◇ Our Products - 35
- ◇ Corporate Social Responsibility - 36
- ◇ Our People- 38
- ◇ Financial Review - 40
- ◇ Financial Calendar - 42

Our Focus – This Financial Year

Imagine and Improve

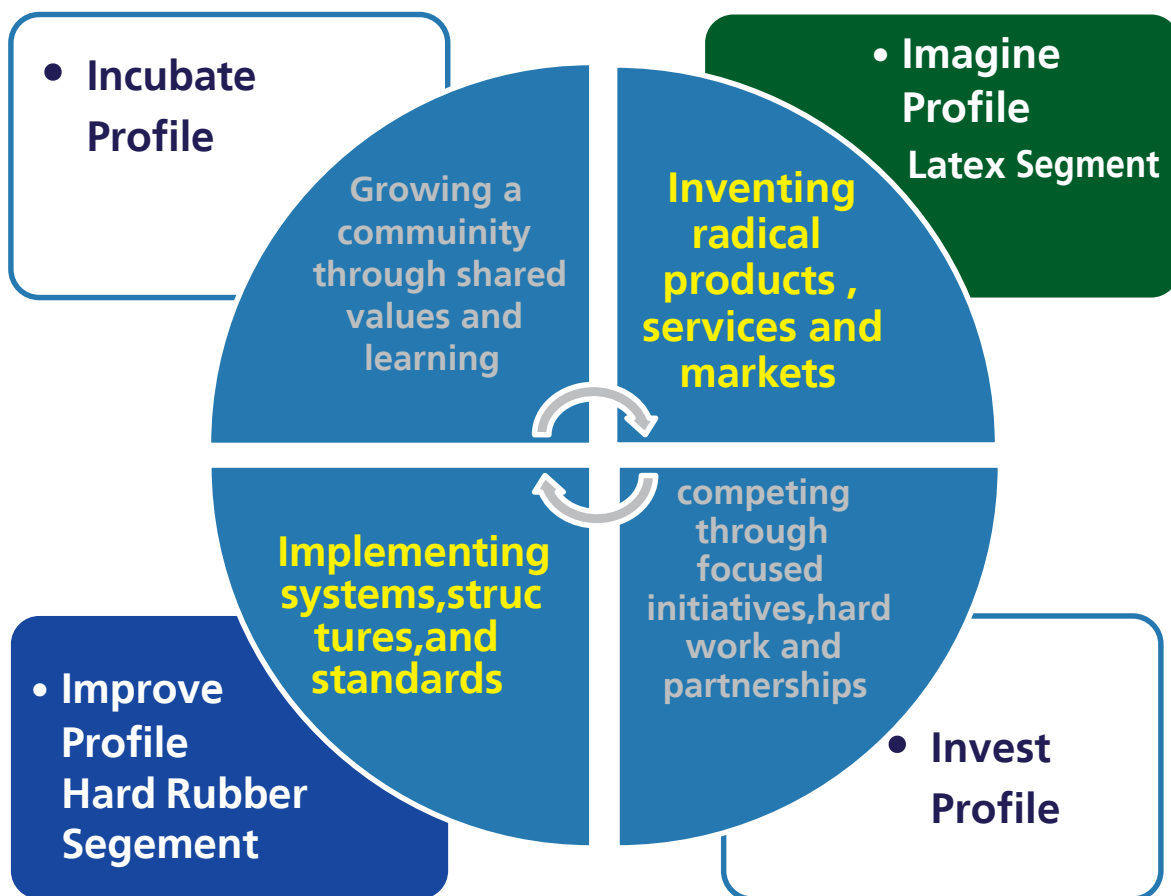
Achieving Continuous Improvement through Creativity and Innovation

Creativity and innovation are essential for any organization to make progress and create value for stakeholders.

Last year we decided to take a leaf out of "Creativity at Work" by world renowned

authors, Jeff De Graff and Katherine A Lawrence, published by University of Michigan Business School, 2002. It states that there are four important profiles of creativity; Incubate, Imagine, Improve and

Invest. It also states that there is no one-size-fits-all or what may work for one company may not work for another! Hence selecting the most appropriate profile for a company is the cornerstone of success.



Our success last year could be attributed to the diligent application of the most appropriate profiles, Imagine and improve for our

companies as shown in the above figure. We are happy to record the **highest turnover and profit in the history of the Group**

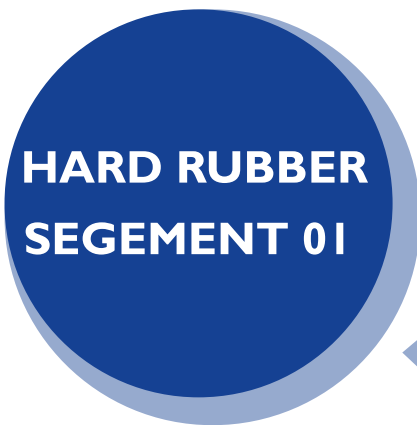
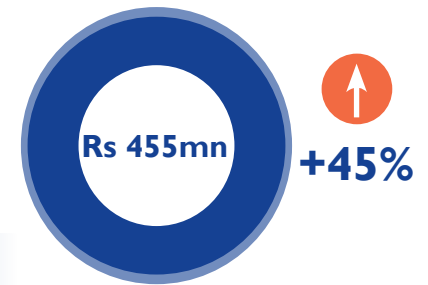
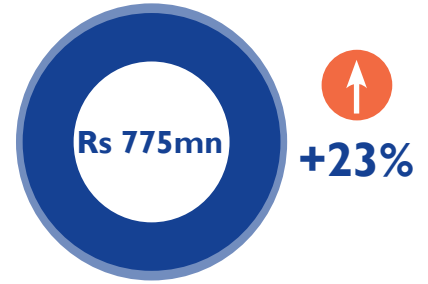
with the diligent application of the most appropriate principles for our companies as recommended in the above diagram.

Imagine and Improve

Our Operations

“Richard Pieris Exports sector reached its highest ever turnover and profitability in the history by exceeding the last year’s turnover by 4% and the profit by 43%. It is important to note that these heights were reached despite certain periodical adverse conditions in the international market.

The outlook for the global economy was bleak due to the unsettled conditions in the European and USA markets and the slow growth in the Asia Pacific and the Latin American countries. Attractive local rubber prices was instrumental to tide over the adverse conditions mentioned earlier. Stable US Dollar rate also helped to reduce the exposure to risk in the imports of chemicals...”



Richard Pieris Exports PLC
Highest Turnover and Profit in the history of the Company

Arpitalian Compact Soles (Pvt) Ltd
Records Profit after four years of losses



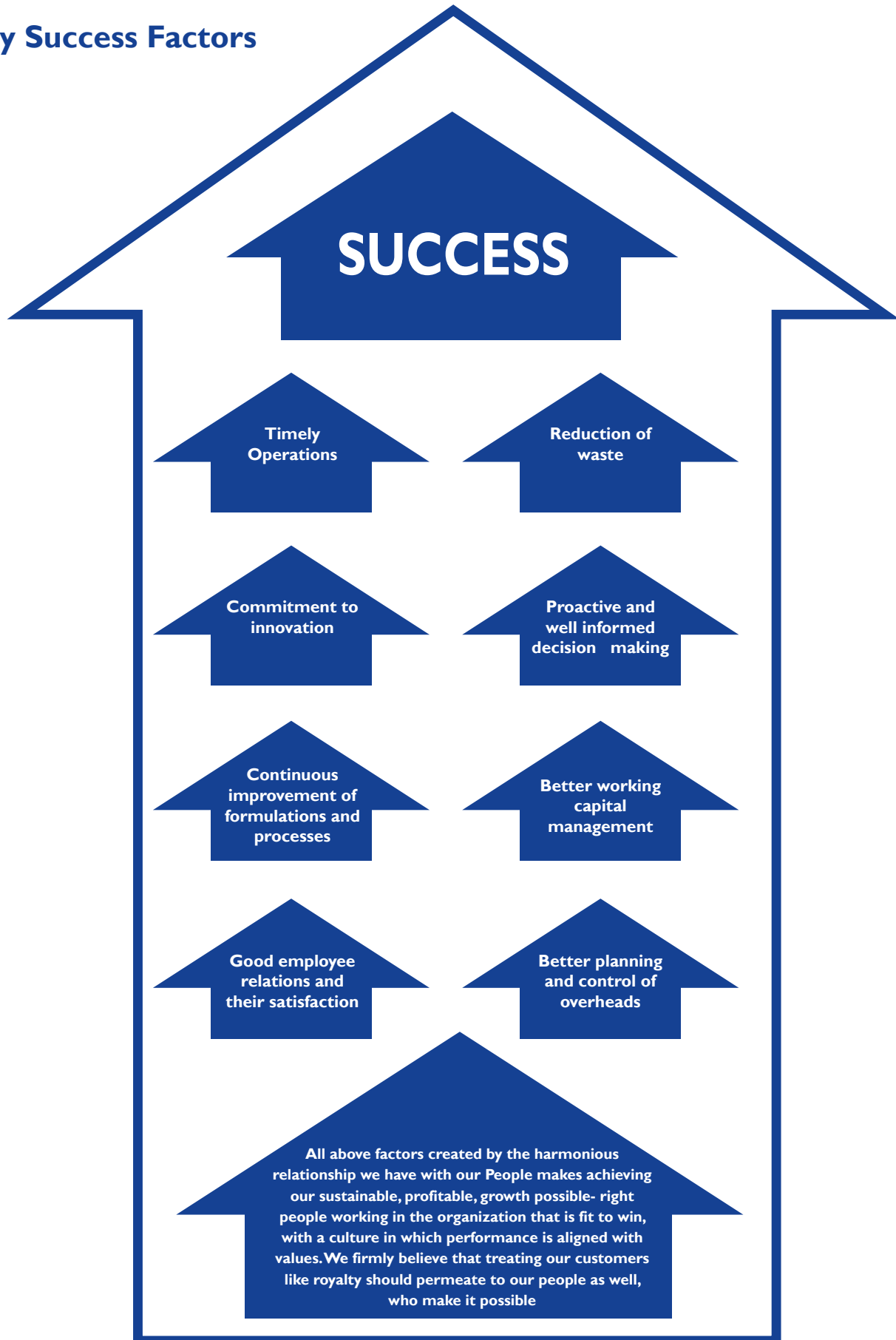
Richard Pieris Natural Foams Ltd
Highest Profit and the commissioning of the World's first continuous NR Latex sheeting plant



Micro Minerals (Pvt) Ltd
Facing immense challenges due to competition.

Our Operations (Contd)

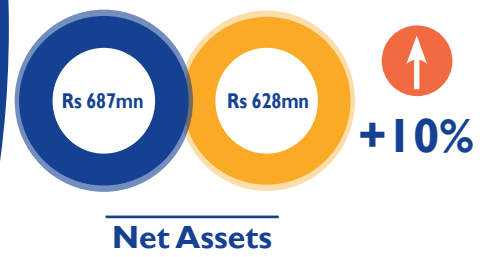
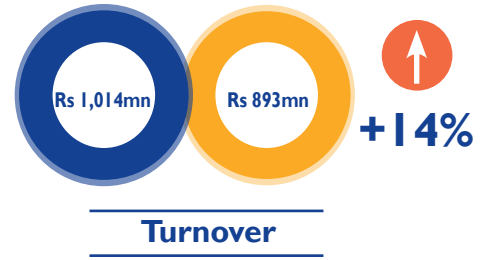
Key Success Factors



Our Operations (Contd)

01 Hard Rubber Segment

2014/15 2013/14



Preamble

Chairman's Statement

Stewardship

Review for the Year

Financial Reports

Annexes



Our Operations (Contd)

Richard Pieris Exports PLC

“The remarkable financial achievement under difficult conditions, the Company showcases the resilience and the ability to bounce back using different strategies”



The Company which was established 31 years ago, as a subsidiary of the Richard Pieris & Company PLC, as the Group's first fully exports oriented Company has achieved remarkable growth, to become a holding company with two subsidiaries and one associate company.

Pioneering the manufacture of Rubber flooring for numerous applications and food grade jar sealing rings and specialized products for the US, European and the Asia Pacific markets were considered a real breakthrough for the Sri Lankan Rubber product export sector at that time.

Technically specified safety mats like anti-fatigue mats, fire retardant mats, anti-static mats for electrical applications and gymnasium mats are produced with stringent quality standards, are produced for the discerning international markets

RPE is a major supplier of export quality mats to the Sri Lankan market to fulfill the needs of domestic customers through the island wide chain of Arpico Supercenters.

The total volume of sales during the year, increased by 13%, which was mainly due to the increase in number of Food jar ring containers shipped. The

total turnover in the ring sector increased by 14%. This was achieved by planning the production in a very scientific manner in close consultation with the customer to reduce the inventory levels and lead times to a minimum. The sales of mats were adversely affected by the decline in demand to European Continent by 9%. Yet it is a remarkable achievement for RPE to achieve the best performance ever despite these setbacks.

The remarkable financial achievement under difficult conditions, the Company showcases the resilience and the ability to bounce back using different strategies. The strategies that have really paid off are being close to the customer by regular visits, offering price advantages when it creates win-win situations for both parties and handling complaints in an amicable manner. All these, could be only be built on the excellent quality of the products which attracted our customers to us.

Preparing the annual budgets according to the forecasted sales information from our major customers has helped the Company immensely to fine tune

the production plans, reduce inventories of raw materials and products, improve the economies of scale to be ahead of the competitors. We have also been able to build a great amount of trust and understanding with our major customers over the years, which is one of our key strengths.

In this very competitive market environment the Company has always focused on key areas like innovation and new product development. Though the launching of revolutionary products have been very few over the last decades in the international markets, much headway has been made in product differentiation and incremental improvements to the processes and procedures resulting in benefits to the customers and the Company. Cost savings generated by the reduction of off-grade products and fine tuning of compound formulations have boosted our bottom line considerably.

The introduction of specialized Mats, like super soft, anti-fatigue mats and soft cow mats produced under stringent quality standards and supervision are fast making a name in the Australian and New Zealand markets.

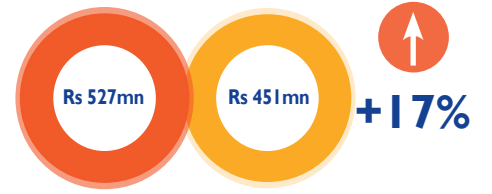
Being an industry which has very high power consumption, the need to be energy efficient is another critical indicator in our performance. The Company has carried out number of energy audits and taken suitable corrective action as well as continuous monitoring programmes.

Highlighting the importance of our most valued resource-the human resource, the Company introduced novel interactive discussion Programmes under employee training on the theme "Achieve success in life through a proper understanding about how to face and enjoy life"- (philosophy of life). This provided employees with a "window" to share their experiences and ideas and learn from others as well. This programme was well received as it gave everyone some feeling of importance and recognition.



Our Operations (Contd) Associate Company

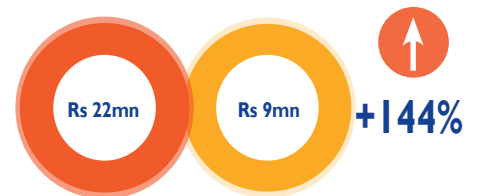
2014/15 2013/14



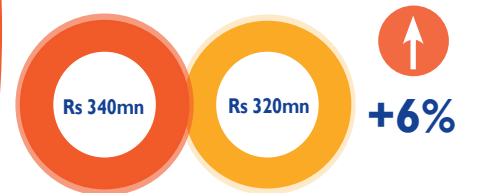
Revenue



Gross Profit



Operational Profit



Net Assets



Manpower



Our Operations (Contd)

Arpitalian Compact Soles (Pvt) Ltd

“The Company strongly believes that it is paramount to maintain the high quality, speedy introduction of new designs. Continuous improvement in all aspects of production can lead to cost benefits to make the products more competitive.”



The Company is a Joint Venture with Davos SPA a globally reputed Italian manufacturer of shoe soles and soling sheets

The Company has been faced with an uphill struggle from the start to compete with low quality and low priced products from Chinese and Asian manufacturers. The strategy of the Arpitalian for the last several years has been to focus on being a high quality component supplier to the high-end market without competing in the mass market. By adapting

this strategy even lower sales at higher margins are more advantageous to the Company.

The Company strongly believes that it is paramount to maintain the high quality, speedy introduction of new designs. Continuous improvement in all aspects of production can lead to cost benefits to make the products more competitive. The fine tuning of compound formulations to gain cost benefits and economies of scale and also better planning to optimize production are being followed.

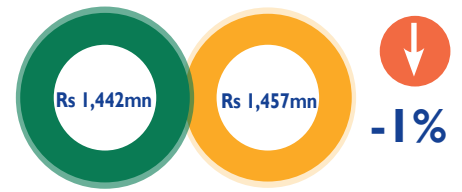
Differentiation from the competitor products and building a strong brand image would be the other key factors. Intense marketing efforts to increase market share in Vietnam, Bangladesh, West Asia, North and South India have been undertaken to increase volumes in the future. The joint venture partner Davos SPA has initiated plans to seek entry to the Chinese market, to supply from the Arpitalian Factory. This move is expected to volume of exports considerably.



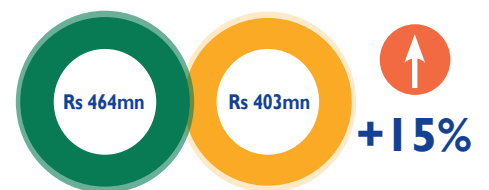
Our Operations (Contd)

02 Latex Based Segment

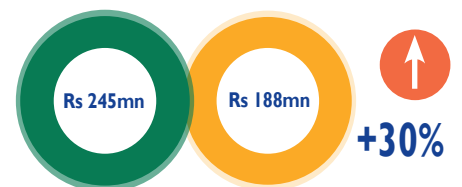
2014/15 2013/14



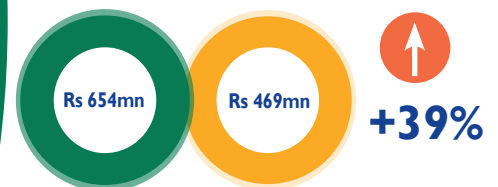
Revenue



Gross Profit



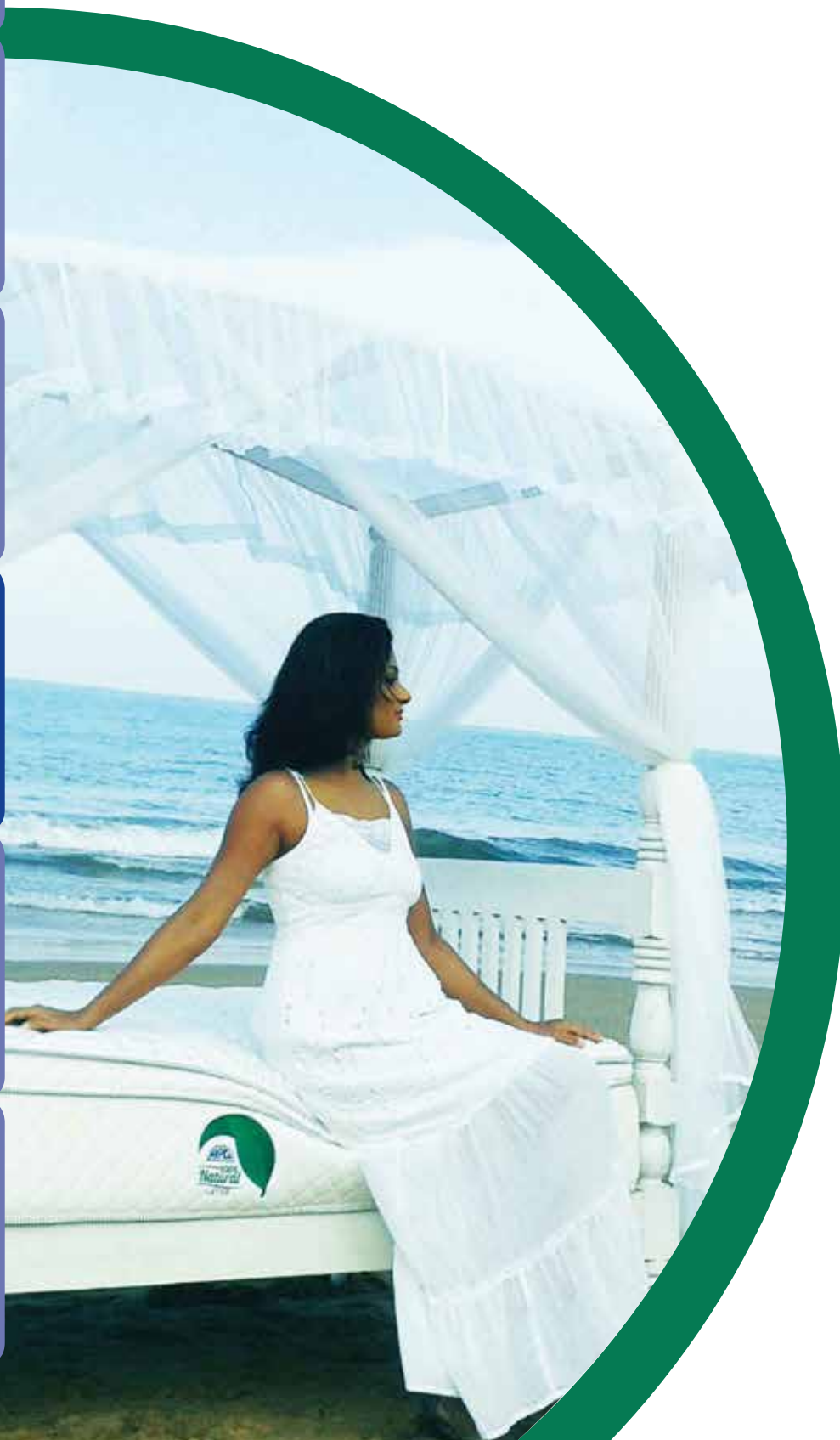
Operational Profit



Net Assets



Manpower



Preamble

Chairman's Statement

Stewardship

Review for the Year

Financial Reports

Annexes

Our Operations (Contd)

Richard Pieris Natural Foams Ltd

The most significant milestone for the year as well as in the history of the Company was the commissioning of the continuous latex sheeting plant, which is the first such plant for Natural Latex in the world. It is a source of great pride and inspiration for our Nation as well, beating the technological giants in the International Rubber industry like Malaysia, Thailand and Vietnam. This plant has also brought in competitive advantages like supplying longer sheets, hitherto was the preserve of the synthetic latex sheet producers. 100% latex sheeting with the Organic Certification is considered a really Green and an Eco-friendly product in the high end markets in US and Europe. This facility also promotes products with a higher quality and consistency



The Company manufactures latex foam blocks, sheets and pillows with 100% natural rubber latex for the international markets. During the year under review the Company recorded its highest operating profit and net profit in the history. Slowdown in the global markets compared to the previous year had its setbacks on the Company's performance, yet a commendable performance was observed during the year under review. The Company secured two gold medals at the year 2014 National Chamber of Exporters award ceremony for being the most innovative exporter in the country and clinched a gold medal for the best Agricultural value added exporter in Sri Lanka.

The proactive strategies like aggressive marketing globally and venturing into North America and Asia has paid handsome dividends. The restructuring of distribution

channels, relationship marketing were the other key factors that contributed to the successful performance.

In the production operations the reduction of waste, optimizing the consumption of energy, improved quality standards, the reduction of overhead costs and achieving economies of scale supported this successful performance. Other key developments in the environmental front is the use of Organic latex, certified by the Global Organic Latex Standards (GOLS), use bio-mass to reduce costs of energy and our Carbon footprint. Enhancing the effluent treatment of the plant also highlights our commitment to preserve the environment.

Continuous improvements in the Research and Development and the value addition processes will be prioritized during the coming year to provide the customers with innovative premium quality products.

The Company intends to launch a Product Diversification Programme in 2015 which would help to increase the sales volumes while optimizing the capacity whilst improving the cost and energy efficiency. The Company's vision is to become the leading 100% latex foam manufacturer in the International market.



Richard Pieris Natural Foams Ltd.

Our Operations (Contd)

03 Mineral Segment

Micro Minerals (Pvt) Ltd

The Company was established according to a plan towards backward integration to the production facilities of the Group at a time when the prices of white fillers were escalating in the open market. Presently it supplies fillers to the Companies in the Richard Pieris Group.

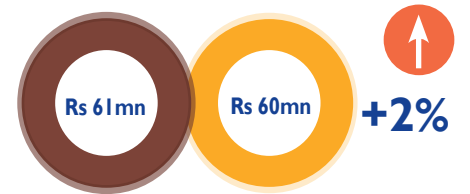
The Company has faced immense competition from the local competitors

due the scale of operation, facilities and the scarcity of the raw materials required. The performance did not reach the expected levels during the year under review.

The Group has planned to expand its product base with additional facilities and whilst retaining the customers offering better services.



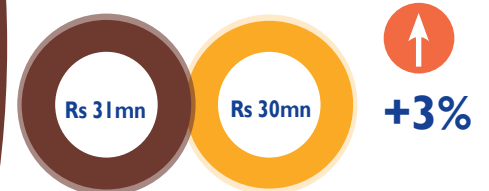
2014/15 2013/14



Revenue



Gross Profit



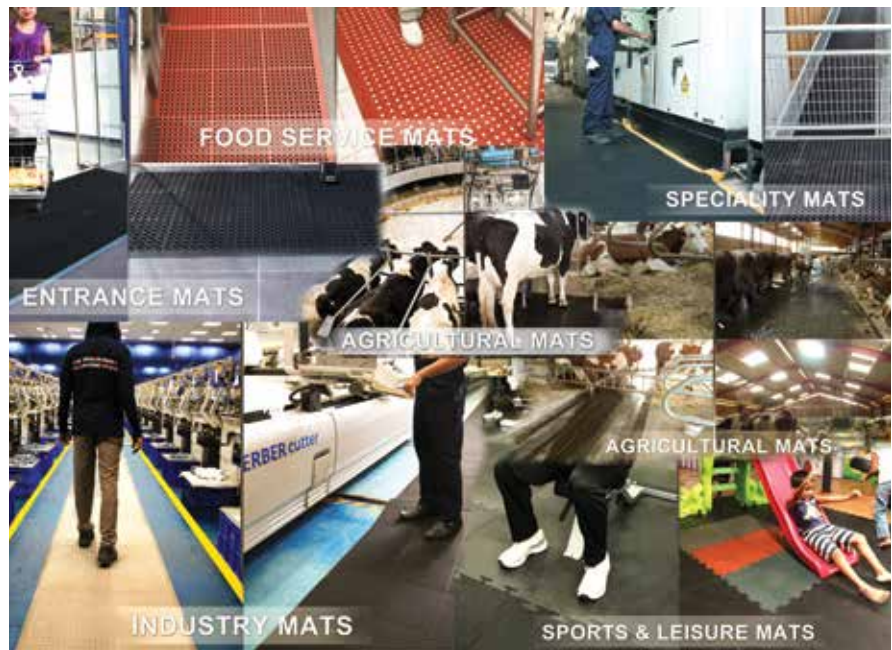
Net Assets



Manpower

Our Products

Richard Pieris Exports PLC was established as the first fully export oriented subsidiary of the diversified blue-chip corporate Richard Pieris & Company PLC in 1984 and is considered the pioneer Sri Lankan exporter of industrial rubber mats, jar sealing rings and crutch tips to the international markets in natural and synthetic rubber. Richard Pieris Exports major markets are in Europe, US and Asia Pacific Regions and the Company conforms to ISO standards.



Richard Pieris Natural Forms Ltd is a fully owned subsidiary of RP Group and produces latex foam products like mattresses, sheets, cushions which are extensively used in the high end international bedding and furnishing industry, using state of the art manufacturing facilities. The high quality raw material-natural rubber latex is obtained from RP Groups own plantations. Their products are certified by globally recognized certifying bodies for ECO LGA, Oeko Tex, GOLS, STROKE, ABC and SATRA. RPNF product line also complies with GOLS (Global Organic Latex Standards) by the Control Union.



The Associate Company Arpitalian Compact Soles (Pvt) Limited, a joint venture between the RP Group, pioneers in rubber industry in Sri Lanka and DAVOS Spa, reputed shoe sole manufacturer from Italy. DAVOS has provided the technical expertise to set up Arpitalian's manufacturing facility, which is one of the most modern soling sheet manufacturing and varnishing plants in South Asia.

The subsidiary company, **Micro Minerals (Pvt) Ltd** was established as a backward integration arm of the Group to produce powdered mineral fillers which are considered as essential raw materials in the Rubber industry. The processing plant is located at Bandaragama,

Corporate Social Responsibility

“ We honor our commitment to Society and the Environment. Our Board and top management has been committed to the “Triple bottom line” concept concerning Profit, People and Planet to sustain our business over 32 years.”



The challenges the world faces nowadays go beyond the financial statements. We believe that business we handle has an obligation, to address issues that impact the society as a whole. Our Company has a proud heritage that is driven by strong principles, like quality, value and integrity at the heart of our business strategy. That actively engages in a number of economic, social and environmental support initiatives to contribute towards its responsibilities to its all stakeholders. We have a proud history of running our business in a socially responsible manner providing benefits to the communities we serve. We aspire to grow beyond boundaries, though we have achieved many milestones in our business, Our commitment towards fulfilling our corporate social responsibility continues to strengthen year after year. We have

learned that looking at our customers from a sustainability perspective opens a world of new opportunities. We aim to engage positively with all stakeholders, responding to them swiftly and efficiently whilst continuing to welcome their views.

Customers

Our greatest pride and the most important strength lies in our valuable customer base and the strong and lasting relationships we have forged with them. The Company has mobilized its competencies, energy, and resources to build a high performing customers service , treating their needs and wants as our main priority. The Company guarantees the promised quality in their products and services. We have gained international and national quality certifications and always strive to provide

the optimal level of convenience, service, and value to our customers.

Fair and Competitive Trading Practices

Our policy is to be fair, honest and forthright in our dealings and being accessible and committed to deliver what we promise.

Employees

Employees' Health and Safety

Our Company considers the employees as key stakeholders whose contribution is vital for the sustained success of the Company and our Nation. The health and safety of our employees is a key priority which is ensured in all factories and workplaces by having machinery and equipment that will ensure high safety standards. Training programs

Corporate Social Responsibility (Contd)

are conducted to educate employees on health and safety measures in the workplace. Medical facilities are provided to all employees.

CSR Initiatives Welfare Activities

The Group also made number of donations of rubber mats to places of religious worship, schools, elders homes and public institutions.

The employees of Richard Pieris Natural Foams Ltd and the Welfare Society joined together to carry out the meritorious deed of building a house for their employee Thilina whose house was destroyed by a fire few months ago.

Another RPNF employee Leelarathna who met with an accident at home and suffered a serious leg injury was supported by the employees contributions and the Welfare Society. They donated Rs.125,000 towards the cost of implanting of a metal plate involving major surgery.

Supporting Health Care

The Group, always strives towards providing a safe and healthy environment for their employees. The Company medical Officer visits the factories regularly to provide consultations and treatment.

Building lasting partnerships with our suppliers

The Group believes in "supply chain partnering" concept to obtain the required raw material inputs and services at optimal prices from our suppliers in a mutually beneficial manner. Taking into account the large number of suppliers locally and globally, associated with the Group, it is always conscious of the duties towards their regular suppliers. The Group is also alive to the responsibility of guiding and developing small and medium scale suppliers on the use of appropriate technology for manufacturing to make their businesses sustainable.

Concern towards environment

The Group recognizes and firmly believes that being a good corporate citizen and lessening the impact of it creates the environment by the operations to a minimum is their responsibility. In this regard the Group is very happy to state that reducing our carbon footprint, toxic emissions, in addition to saving energy, increasing transport efficiency and reduction of waste in any form and recycling of waste has been looked at seriously.

The Group's endeavor to switch from fossil fuel based to bio-mass generated steam has greatly reduced the carbon emissions as well as saving valuable foreign exchange spent on the imports of petroleum based products. The clean and green steam produced using renewable resources is indeed a blessing for the Group and provides a barrier against the adverse impact created by price variations in petroleum products in the global market.



Our People

“Providing a great place for our employees to work in our journey towards success”

The financial year 2014/15 was an excellent year for the Group with the recording of its highest ever profit, and we recognize that each and every member of our work force have contributed towards this remarkable achievement. Preserving the heritage of three decades, the Group has further enhanced its family bonds by encouraging and rewarding their creativity and innovation, recognizing their talents and skills to stimulate the performance of the Group.

Employee Relations

The Group continued to practice its open door policy in addressing issues concerning employees, and always believes that the principles of industrial democracy is the best tool for good industrial relations. The Sound family traditions, of our Directors and Managers, enhanced by experience and training, and they are willing to give a patient ear to the grievances of employees which are

not only work related but also concerning their personal lives, to find viable solutions. Whilst adopting an open and welcoming approach and collective bargaining, the company is committed to strengthen its relations with employees.

Human Resource Development

Without a doubt customer satisfaction and meeting expectations of valued customers have been the key to our successful existence of the Company over the last 32 years. The ability of the group to attract and retain customers to become a top Sri Lankan Exporter has been due to the commitment of the employees to be innovative and provide high quality products and services, exceeding stakeholder expectations. The Group has invested considerably on human capital development by training and retraining all levels of employees. Structured skills development programs in line with Group's Training Policy are conducted regularly.

Recreation & Employee Motivation

The Group recognizes the significance of maintaining a steady balance between work

and personal life of employees. Hence to maintain, a relaxed mind in a healthy body always enhances employee performance and also stimulates innovative thinking. The Group organizes recreational activities to increase employee satisfaction by providing them opportunities of wholesome enjoyment with their family members. Recreational activities include staff outings, sporting events and festivals, cultural shows, competitions. The Company also organizes staff health camps recognizing the importance of maintaining a healthy and a balanced life. Motivation of employees plays a pivotal role in our strategic human resource management. The Group practices a performance based reward and recognition scheme, after following a comprehensive employee performance evaluation to enhance performance, productivity, quality, innovativeness, which enables the Group to achieve its objectives and targets. The process begins with a predetermined, set of goals, objectives and targets agreed between the team leaders and the team members at the beginning of each financial year and followed by subsequent periodical evaluations, resulting in very attractive rewards and benefits at the end of the financial year.



Our People (Contd)

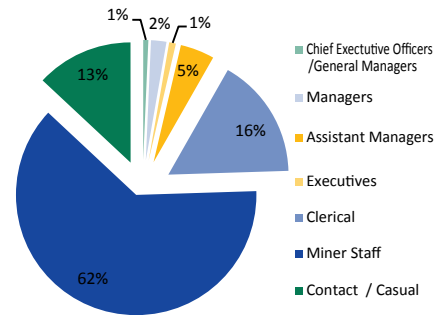


a) Grader wise Analysis of Employees

	Female	Male
Chief Executive Officers /General Managers	-	1
Managers	1	2
Assistant Managers	1	1
Executives	3	5
Clerical	6	19
Miner Staff	7	86
Contact / Casual	1	23
Total	19	137

Company		Female	Male
Chief Executive Officers /General Managers		-	1
Managers		1	2
Assistant Managers		1	1
Executives		3	5
Clerical		6	19
Miner Staff		7	86
Contact / Casual		1	23
Total		19	137

Group		Female	Male
Chief Executive Officers /General Managers		-	3
Managers		1	8
Assistant Managers		1	3
Executives		5	15
Clerical		12	59
Miner Staff		7	266
Contact / Casual		8	49
Total		34	403

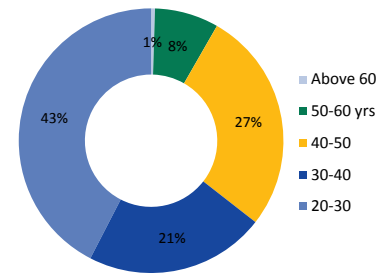


b) Age-wise Analysis of Employees

Age	Female	Male
Above 60	-	-
50-60 yrs	4	15
40-50	8	55
30-40	1	28
20-30	6	39
Total	19	137

Company		Female	Male
Above 60		-	-
50-60 yrs		4	15
40-50		8	55
30-40		1	28
20-30		6	39
Total		19	137

Group		Female	Male
Above 60		3	2
50-60 yrs		7	29
40-50		10	107
30-40		1	92
20-30		13	173
Total		34	403

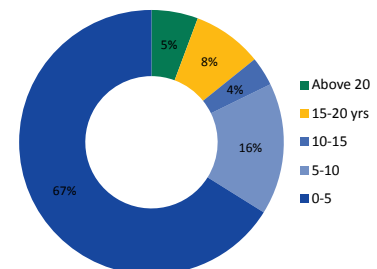


c) Year of service of Employees

Age	Female	Male
Above 20	8	15
15-20 yrs	1	6
10-15	-	1
5-10	3	32
0-5	7	83
Total	19	137

Company		Female	Male
Above 20		8	15
15-20 yrs		1	6
10-15		-	1
5-10		3	32
0-5		7	83
Total		19	137

Group		Female	Male
Above 20		8	16
15-20 yrs		1	35
10-15		1	15
5-10		7	65
0-5		17	272
Total		34	403



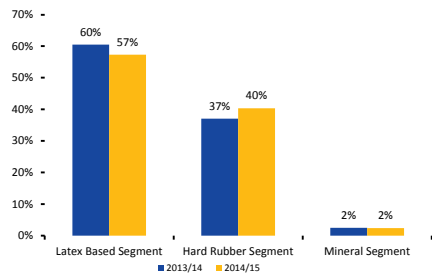
Financial Review

Overall Exports Group Performance

The financial year 2014/15 proved to be an excellent year for the Group, recording its highest turnover of Rs. 2,498 mn at a growth of 4% and highest profit of Rs. 447 mn at a growth of 43% over the previous financial year. Gross profit growth is 23% from Rs 631mn to Rs. 775 mn. Gross profit margin recorded for the year is 31% , this is 5% improvement from 26% last year. The reduction in the group finance cost by 7% from Rs. 17 mn to Rs 15mn but decrease in finance income by 14% from Rs. 24 mn to Rs. 21mn. Group profit before tax amounted to Rs. 447 mn as compared to profit of Rs. 312 mn last year. Group profit after tax grew by 23% to Rs. 388 mn during the year under review.

Turnover

Group turnover grew by 4% from Rs. 2,394 mn to 2,498 mn. The latex segment made the largest contribution, recording a turnover of 1,442 mn which is 57% of group turnover. This segment turnover decrease by 1% during the year. Turnover of the Hard Rubber segment grew by 14% from Rs. 893mn to Rs. 1,014 mn. Turnover of the Minerals segment increased from Rs. 60 mn to Rs. 61mn recording marginal growth in turnover.

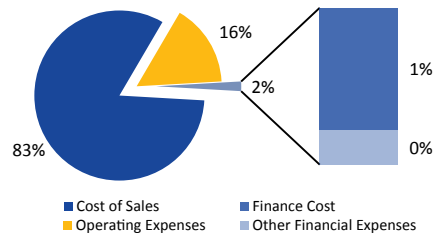


Segmental Turnover Composition

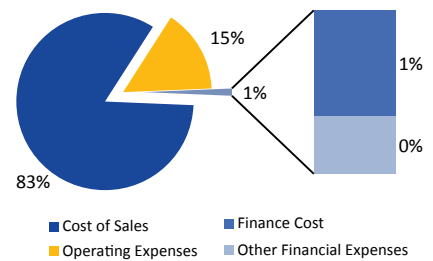
Cost of sales and Operating Expenses

Cost of Sales was Rs. 1,724 mn a decrease of 2% compared to the previous financial year. Even though there is an increased in

turnover by 4% , group was able to recorded 2% decrease in cost of sales .Benefit from local rubber prices decreases compared to last year, process development and effective utilization of energy are contributed for the positive result. In cumulative terms , the Administration , Distribution Costs along with the Cost of Sales constituted 83% of Group turnover during the current financial year, having recorded same level in the previous year.



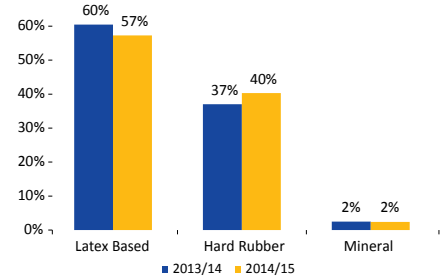
Expenses Analysis 2014/15



Expenses Analysis 2013/14

Operating Profit

The group generated an operating profit of Rs. 455mn , an growth of 45%, as a result of all core businesses performing better than last year. Latex segment continued to be the biggest contributor to the Group's operating profit. Latex segment profit increase from Rs. 188 mn to 245 mn. The hard rubber segment made s positive contribution of Rs 209mn to the group as compared to Rs. 123 mn in the previous year. This growth was achieved due to growth in sales specially in ring business of



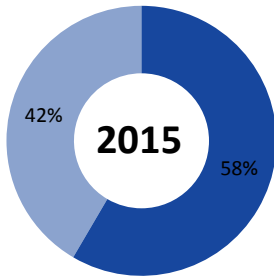
Segmental Profit Composition

hard rubber segment, strong working capital management, cost controls, improvement in product quality and enhancement of yield .The Minerals Segment contributed Rs. 1.7 mn to the group operational profit and decrease in 19% from the previous year.

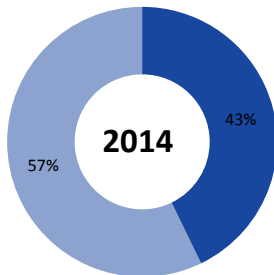
Finance Cost

The Group was able to maintain it's borrowing with marginal increase compared to last year after investing Rs. 223 mn on Latex business expansions, Investment in Fixed deposit by Rs. 180 mn, Dividend payment of Rs. 116 mn and making restructuring fee to RPC Group of Rs. 60 mn. Recorded finance cost decrease for the period under review is 7% from Rs. 17 mn to Rs. 15 mn. During the year under review the group made impairment provision of Rs. 12 mn for doubtful debtors at latex operation which classified under fiancé costs. Interest cover ratio of the Group improved significantly from 19.74 to 29.71. The group categorises Finance income under other operating income instead of setting it off against the Finance Cost. Finance income of the Group was recorded at Rs. 21 mn for the year , while the same was recorded at Rs. 24 mn in the previous year.

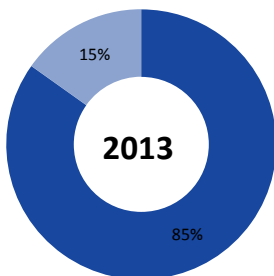
Financial Review (Contd)



■ Finance Cost
■ Finance Income



■ Finance Cost
■ Finance Income



■ Finance Cost
■ Finance Income

Composition of Finance Income and Finance Cost

Profit / (Loss) on Discontinued Operation

Play Craft Lanka (Pvt) ceased operations since 2000/01 and it is under liquidation. Arpico Natural Latex Foams (Pvt) Ltd ceased their operations since 2006/07. The profit from discontinued operations were Rs. 0.092 mn

Non Controlling Interest

Non Controlling Interest of the Group increased by Rs. 105 mn from 277 mn to 382 mn due to significant improvement in profitability during the year under review.

Investments

The Group invested Rs. 230 mn during the year on Property, plant and equipment compared to the Rs. 31 mn in the previous financial year.

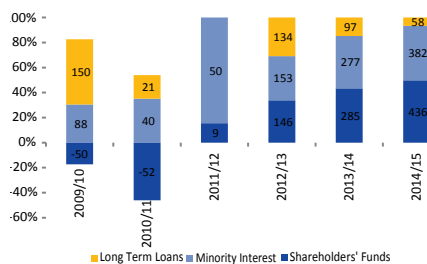
Overall Exports Group Financial Position and Liquidity

Non Current Assets

The Non Current Assets of the Group increased by 42% from Rs. 449 mn to Rs. 639 mn.

Working Capital

Current Liabilities increased by 3% from Rs. 556 mn to Rs. 570 mn. Accordingly, by the year-end, the total current assets of the Group accounted for 63% of its total assets



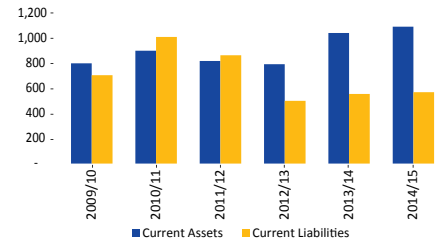
Capital Structure - Rs. mn

while total current liabilities accounted for 33% of total assets.

Cash Flows

During the year the Group recorded an Operational Cash Profit of Rs. 399 mn and decreased its cash and cash equivalents by Rs. 250 mn. Cash out flows in investing activities

were Rs. 398 mn. Interim dividend paid is Rs. 116 mn, dividend paid by subsidiary company Richard Pieris Natural Foams limited to outside shareholders were Rs. 14 mn.



Current Assets Vs Current Liabilities

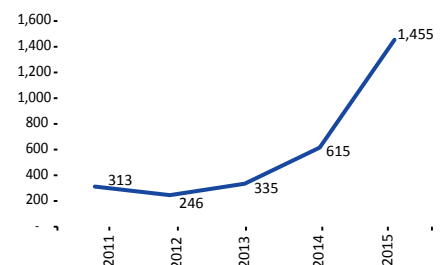
Capital Structure

The Company's stated Capital is Rs. 220 mn consisting of 11,163,745 ordinary shares. Total shareholders funds amounted to Rs. 687 mn compared to the last year figure of Rs. 628 mn.

The security offered on the long term debt is listed out in note no 37 to the financial statements.

Market Capitalisation

The Company share price at the end of the financial year was Rs. 130.30 as compared to the Rs. 55.10 in the preceding year. The highest price and the lowest price for the year under review were Rs 184 and Rs. 54 respectively. The market capitalization of the Company as at 31st March 2015 was Rs. 1,455 mn, preceding year was Rs. 615 mn.



Market Capitalization - Rs. mn Last 05 Years

Financial Calender

	2014/2015	2013/2014
Interim Reports		
Quarter ended 30th June	13th August 2014	13th August 2013
Quarter ended 30th September	13th November 2014	12th November 2013
Quarter ended 31st December	13th February 2015	12th February 2014
Annual Report	27th May 2015	29th May 2014
31st Annual General Meeting		30th June 2014
32nd Annual General Meeting	30th June 2015	

Financial Reports

- ◇ Annual Report of Board of Directors - 44
- ◇ Statement of Director's Responsibility - 47
- ◇ Independent Auditor's Report - 48
- ◇ Statements of Financial Position - 49
- ◇ Income Statements - 50
- ◇ Statements of Comprehensive Income - 51
- ◇ Statements of Changes in Equity - 52
- ◇ Statements of Cash Flows - 53
- ◇ Notes to the Financial Statements - 54
- ◇ Statements of Value Added - 92

Annual Report of Board of Directors

The Directors of Richard Pieris Exports PLC have pleasure in presenting their report together with the audited Financial Statements for the year ended 31st March 2015, which was approved by the directors on the 28th May 2015. The details set out herein provide pertinent information required by the Companies Act, No. 7 of 2007, the Colombo Stock Exchange Listing rules and are guided by recommended best accounting practices.

The Principal Activities and Operational Review

The main activities of the Group are the manufacture and export of rubber-based products and the supplying of fillers to the rubber industry. The details of the Group Structure are set out on page 94. There was no significant change in the nature of the activities of the Group during the year.

The Chairman's Statement and Financial Review, Group Operation Review, together with the Financial Statements highlight the Group's performance for the period under review and the state of affairs as at 31st March 2015.

Future Development

The Group will focus on improving production efficiencies, enhancing quality and improving yield while exploring possibilities of introducing new products. It will continue carry out aggressive international Marketing.

Financial Statements

The Financial Statements of the Group and the company which are duly certified by the sector finance manager and approved by the two directors in complying with the requirements of the Companies Act No 07 of 2007 are given on pages 48 to 91 of this annual report.

Auditor's Report

The Company Auditors, Messers Kreston MNS & Co preformed the Audit on the Financial Statements of the Company and the Consolidated Financial Statements for the year ended 31st March 2015 and the Auditor's Report issued thereon is given on page 48 of this annual report as required by the Companies act No 07 of 2007.

Accounting Policies and Changes in Accounting Policies

The accounting policies adopted in the preparation of Financial Statements of the Group and the Company are given on pages 54 to 66 of the Annual Report as required by the Companies Act. The changes in accounting policies are disclosed in note 2.3 of the financial statements.

Turnover

The Group's turnover, excluding Inter-Company sales, was Rs. 2,498 million compared to Rs. 2,394 million in the previous year. Further information on Group turnover is detailed in Note 22 to the Financial Statements.

Taxation

Under Section 52 of the Inland Revenue Act No. 10 of 2006 the export profits of the

	2014/2015 Rs. 000	2013/2014 Rs. 000
Turnover by Segment		
Hard Rubber	1,014,442	892,812
Latex-Based	1,441,656	1,456,878
Minerals	61,006	59,843
	2,517,104	2,409,533
Less : Inter-Company Sales	(18,964)	(15,768)
	2,498,140	2,393,765

	2014/2015 Rs. 000	2013/2014 Rs. 000
Group Profit		
Group profit for the year, after payment of all expences, making provision for all known liabilities and depreciation on Property, Plant & Equipment	446,601	312,104
Tax on Group Profits	(58,350)	3,836
Profit/(Loss) for the year from discontinued operations (after tax)	92	(30)
Group Profit after Taxation	388,343	315,910
Share of Non Controlling interest	120,667	123,160
Profit attributable to Shareholders of Richard Pieris Exports PLC	267,676	192,750
Other Comprehensive income attributable to Shareholders of Richard Pieris Exports PLC	(4,352)	(1,035)
Accumulated Profit / (Loss) brought forward	22,342	(111,880)
Profit before Appropriations	285,666	79,835
Appropriations :		
1st Interim Dividend paid	(71,448)	(4,465)
2nd Interim Dividend paid	(44,655)	(53,028)
Accumulated Profit carried forward	169,563	22,342

Annual Report of Board of Directors (Contd)

Company will be taxed at the rate of 12% (15% up to 2010/11) for a period of 20 years, commencing from the year of assessment 1995/1996. Interest income is liable at the normal tax rate of 28%.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively at the Balance Sheet date.

The Group's exposure to tax, along with policies adopted by the Company, is disclosed in Note 2.3.7 to the Financial Statements.

Stated Capital

The Stated Capital of the Company as at 31st March 2015 was Rs. 220,262,000/- consisting of 11,163,745 ordinary shares. The details of the Stated Capital are given in note 13 to the Financial Statements on page 76 of this Annual Report.

Reserves

Total Reserves of the Company as at 31st March 2015 were amounted to Rs.467 mn/- (2013/2014 -Rs. 407 mn). And the Group reserve as at 31st March 2015 were amounted to Rs. 170 mn (2013/2014- Rs. 22 mn). The movement of reserves is shown in the Statement of Changes in Equity on page 52.

Dividend

The Directors recommended and paid a cash dividend amounting Rs.116mn to all shareholders at the rate of Rs. 6.40 per ordinary share as first interim dividend for 2014/15 dated 18th November 2014 and Rs. 4.00 per ordinary share as second interim dated 21st April 2015 .

Share Information

Information pertaining to earnings, dividends, net assets and market value per share is given in the Financial Summary for the last decade on page 96 and 97.

Substantial shareholdings

The list of top twenty shareholders and the percentage held by each one and public holding percentage are given in the share information of the page 99 and 100 of this Annual Report.

Property Plant & Equipment and Investments

Capital expenditure on property, plant , equipment incurred year under review is Rs. 230 mn (Rs. 30.7 mn in 2013/2014) Information related to this is given under note No 4 to the Financial Statement of the page No 69 of this Annual Report. Directors are of the opinion that the value of Property stated in the Financial Statements is not in excess of the current Market Value.

Freehold Property

A detail description of the Property owned by the Group is shown under the Group Real Estate portfolio on page 95 to this Annual Report.

Directorate

The names of the Directors who served during the year are given under Corporate information appearing on page 107.

Mr. Shaminda Yaddehige, shall retire by rotation at the Annual General Meeting in terms of Article 48 of Articles of Association of the Company and be eligible for re-election.

Mr. Wasantha Abeysirigunawardena, shall retire by rotation at the Annual General Meeting in terms of Article 48 of Articles of Association of the Company and be eligible for re-election.

Mr. Sunil Liyanage, shall retire by rotation at the Annual General Meeting in terms of Article 48 of Articles of Association of the Company and be eligible for re-election

The Directors interest in shares is given in the page 100 under shareholder information of this Annual Report.

Directors' Interests in Contracts

The director's interest in contracts with the Company are disclosed on note 38 on page 87 and 88 in the Financial Statement. The Directors have no other direct or indirect interests in any other contracts or proposed contracts with the Company.

Interest Register

The Company maintains an interest register as required by the Companies Act No. 07 of 2007. The information pertaining to director's interest in contract, their remuneration and their share ownership are disclosed in the interest register.

Directors' Remuneration and Other Benefits

Directors' Remuneration in respect of the Company for the financial year ended 31st March 2015 is given in Note 38 to the Financial Statements.

Corporate Donations

There were no donations made to charitable organizations during the year. (2013/ 2014- Nil).

Social and Environmental Responsibility

As a reasonable corporate body, the Group has taken all necessary steps and precautions to minimize any adverse impact of the Group's activities on the environment. When introducing new businesses, products, methods, and machines, care is taken to ensure that these conform with accepted environmental and safety regulations and standards.

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 to date.

Corporate Governance

The practices adopted by the Company in relation to Corporate Governance and Internal Controls are set out in page 17 and 18 of the Annual Report .

The Board Committee

The Audit committee and Remuneration committee of the parent company function as the Audit committee and Remuneration committee of the company .Their compositions and their respective reports are given on page 15 and 16 of this Annual Report.

Annual Report of Board of Directors (Contd)

Going Concern

The Board of Directors is satisfied that the Company has adequate resources to continue its operations into the foreseeable future. Accordingly the Financial Statements are prepared based on the concept of Going Concern.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

By order of the Board.

Events after the Reporting Date

In the opinion of the Directors; no item, transaction or event of an unusual nature has taken place between the financial year end and the date of this report that would materially affect the results of the Company or Group for the financial year in respect of which this Report is made.



Mrs. R.J. Siriweera
Company Secretary
Richard Pieris Group Services (Pvt) Ltd.
28th May 2015

Contingent Liabilities

The Contingent Liabilities as at 31st March 2015 are set out in Note 34 of the Financial Statements.



J.H.P. Ratnayeke
Director

The Directors Responsibility for Financial Statements

The statement of Directors responsibility for financial reporting of the company and the group is set out in Page 47 of the report.



W.J. Viville P Perera
Director

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 30th June 2015. The notice of the Annual General Meeting is on page 104.

Auditors

The Financial Statements for the year ended 31st March 2015 have been audited by Messrs. Kreston MNS & Co., Chartered Accountants, who express their willingness to continue in office. In accordance with the Companies Act No. 7 of 2007, a resolution relating to their re-appointment and authorizing the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The Auditors Messrs. Kreston MNS & Co, were paid Rs. 1,601,000/- (2013/2014- Rs. 1,451,000/-) as audit fees by the Group Companies. In addition they were paid Rs.468,000/- (2013/14- Rs. 560,000/-) by the Group Companies for non-audit related work.

Statement of Directors' Responsibility

In keeping with the provisions under the Companies Act No. 7 of 2007, the Directors of Richard Pieris Exports 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. Kreston MNS & Co, Chartered Accountants which are set out in their report, appearing on page 48 of this report.

The financial statements of the Company and its subsidiaries for the year ended 31st March 2015 included in this report, have been prepared and presented in accordance with the Sri Lanka Accounting Standards, 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 49 to 91 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 responsible 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 2015, and that of the profit for the year then ended.

The overall responsibility for the Company's internal control system 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 responsible 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 responsible period of time.

The Director's are of the view of 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 Director's have provided the Auditors M/s. Kreston MNS & Co. Chartered Accountants with every opportunity to carry out reviews and tests that 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 by them on page 48 of this reports.

By Order of the Board,



Mrs.R.J.Siriweera
Company Secretary
Richard Pieris Group Services (Pvt) Limited
Secretaries
310, High Level Road, Nawinna, Maharagama

28th May 2015

Kreston MNS & Co

Chartered Accountants
P.O. Box 210
50/2, Sir James Peiris Mawatha,
Colombo 02, Sri Lanka.
T +94 (0) 11 2323571
F +94 (0) 11 2433388
E audit@kreston.lk
www: webasia.com/kreston

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RICHARD PIERIS EXPORTS PLC

Report on the Financial Statements

We have audited the accompanying Financial Statements of RICHARD PIERIS EXPORTS PLC, ("the Company"), and the consolidated Financial Statements of the Company and its subsidiary ("the Group"), which comprise the Statement of Financial Position as at 31st March 2015, and the Statement of Income, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory notes, exhibited on pages 54 to 91.

Board's Responsibility for the Financial Statements

The Board of Directors ("the Board") is responsible for the preparation of these Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the - Financial Statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position of the Group as at 31st March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion:
 - ◆ 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.
 - ◆ The Financial Statements of the Company give a true and fair view of its financial position as at 31st March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.
 - ◆ The Financial Statements of the Company and the Group, comply with the requirements of Section 151 and 153 of the Companies Act No. 07 of 2007.

Kreston MNS & Co.

**CHARTERED ACCOUNTANTS
COLOMBO
28TH MAY 2015**

Partners:

Ms Y Shirani de Silva, FCA, FCMA
Ms Sivaselvi Balachandran, FCA, FCMA
S Rajanathan, FCA, FCMA (UK)
N K Atukorala, FCA, ACMA
Ms H D S C A Tillekeratne, FCA, ACMA
K I Skandadasan, BSc (Madras), FCA, ACMA
R L R Balasingham, FCA, ACMA

Kreston MNS & Co

City Office at 18-1/2A, First Floor, State Bank of India Building, Colombo 01. T +94 (0) 11 2327444
Branches in Anuradhapura, Badulla, Batticaloa, Hatton, Jaffna, Kandy, Kurunegala, Matara, Negombo, Nuwara Eliya, Trincomalee
Correspondent firm within Grant Thornton International Ltd (Grant Thornton International).
Grant Thornton International and the member and correspondent firms are not a worldwide partnership.

STATEMENTS OF FINANCIAL POSITION

AS AT	Note	Group		Company	
		31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4	474,162	282,054	69,666	71,502
Long Term Investments	5	135,213	125,065	463,023	463,023
Leasehold Land Prepayment	6	6,007	4,633	-	-
Deferred Tax Assets	17	23,520	37,615	-	-
		638,902	449,367	532,689	534,525
Assets of Arpico Natural Latex Foams (Pvt) Ltd.	7	315	3,487	-	-
Current Assets					
Inventories	8	302,077	264,297	123,198	109,930
Trade and Other Receivables	9	505,445	501,890	241,409	220,225
Short Term Investment	10	192,668	3,592	83,836	-
Leasehold Land Prepayment	6	76	59	-	-
Amounts Due from Related Parties	11	62,825	62,794	62,555	67,688
Cash and Bank Balances	12	31,389	210,969	14,898	47,316
		1,094,480	1,043,601	525,896	445,159
Total Assets		1,733,697	1,496,455	1,058,585	979,684
EQUITY AND LIABILITIES					
Equity attributable to Equity Holders of the Parent					
Stated Capital	13	220,262	220,262	220,262	220,262
Revenue Reserves	14	169,563	22,342	467,197	407,277
Foreign Currency Translation	15	45,697	42,432	-	-
		435,522	285,036	687,459	627,539
Non Controlling Interest	5	382,298	276,507	-	-
Total Equity		817,820	561,543	687,459	627,539
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	16	57,979	97,379	49,110	82,141
Deferred Tax Liability	17	1,913	3,013	638	1,763
Retirement Benefit Obligation	18	59,345	48,181	48,117	41,627
		119,237	148,573	97,865	125,531
Liabilities of Arpico Natural Latex Foams (Pvt) Ltd.	7	226,845	230,108	-	-
Current Liabilities					
Trade and Other Payables	19	263,488	279,419	89,740	87,968
Income Tax Payable	20	18,066	8,163	16,248	7,125
Amounts Due to Related Parties	21	40,914	65,096	42,870	13,003
Interest Bearing Loans and Borrowings	16	247,327	203,553	124,403	118,518
		569,795	556,231	273,261	226,614
Total Equity and Liabilities		1,733,697	1,496,455	1,058,585	979,684


The Accounting Policies and Notes on pages 54 to 91 form an integral part of these Financial Statements.

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 28th May 2015 in Colombo.


 J.H.P Ratnayake
 Director


 W J Viville P Perera
 Director

INCOME STATEMENTS

FOR THE YEAR ENDED 31ST MARCH	Note	Group		Company	
		2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Continuing Operations					
Revenue	22	2,498,140	2,393,765	1,014,442	892,812
Cost of Sales		(1,723,506)	(1,762,799)	(713,825)	(675,430)
Gross Profit		774,634	630,966	300,617	217,382
Other Operating Income	23	8,003	4,921	6,400	3,205
Distribution Costs		(162,903)	(150,437)	(42,124)	(41,178)
Administrative Expenses		(158,562)	(166,464)	(50,695)	(50,525)
Other Operating Expenses		(5,709)	(5,400)	(5,659)	(5,400)
Profit from Operations	24	455,463	313,586	208,539	123,484
Finance Income	25	20,942	24,344	17,428	7,679
Finance Cost	26	(29,444)	(18,222)	(12,306)	(13,145)
Other Financial Items	27	(8,442)	(9,991)	(7,630)	(4,815)
Share of Profit of Associate	28	8,082	2,387	-	-
Profit before Tax		446,601	312,104	206,031	113,203
Taxation	29	(58,350)	3,836	(26,648)	(16,169)
Profit for the year from continuing operations		388,251	315,940	179,383	97,034
Discontinued Operations					
Profit/(Loss) after Tax for the year from discontinued operations	31	92	(30)	-	-
Profit for the year		388,343	315,910	179,383	97,034
Attributable to					
Equity Holder of the Parent Company		267,676	192,750	179,383	97,034
Non Controlling Interest		120,667	123,160	-	-
Profit for the year		388,343	315,910	179,383	97,034
		Rs.	Rs.	Rs.	Rs.
Earnings per Share	32	23.98	17.26	16.07	8.69
Earnings per Share from Continuing Operations	32	23.97	17.27	16.07	8.69
Dividend per Share	33	10.40	5.15	10.40	5.15

The Accounting Policies and Notes on pages 54 to 91 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH	Note	Group		Company	
		2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Profit for the year		388,343	315,910	179,383	97,034
Other Comprehensive Income/(Expenses) not to be reclassified to profit or loss in subsequent periods.					
Actuarial gains / (losses) on defined benefit plans	18	(6,393)	(761)	(3,818)	(892)
Deferred Tax effect on actuarial gains / (losses) on defined benefit plans	17	770	91	458	107
Other Comprehensive Income/(Expenses) to be reclassified to profit or loss in subsequent periods					
Share of Other Comprehensive Income of Associate					
Actuarial gains / (losses) on defined benefit plans		(4)	(306)	-	-
Translation of Associate using foreign functional currency	15	3,265	4,584	-	-
Other Comprehensive Income for the year		(2,362)	3,608	(3,360)	(785)
Total Comprehensive Income for the year		385,981	319,518	176,023	96,249
Attributable to					
Equity Holder of the Parent Company		266,589	196,300	176,023	96,249
Non Controlling Interest	5.1(C)	119,392	123,219	-	-
		385,981	319,518	176,023	96,249

The Accounting Policies and Notes on pages 54 to 91 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENTS OF CHANGES IN EQUITY

Group

	Note	Stated Capital Rs.'000	Revenue Reserves		Foreign Currency Translation Rs.'000	Non Controlling Interest Rs.'000	Total Rs.'000
			General Reserve Rs.'000	Accumulated Profit/(Loss) Rs.'000			
Balance as at 31st March 2013		220,262	219,250	(331,130)	37,848	153,288	299,518
Profit for the year		-	-	192,750	-	123,160	315,910
Other Comprehensive Income		-	-	(1,035)	4,584	59	3,608
Total Comprehensive Income		-	-	191,715	4,584	123,219	319,518
1st Interim dividend	33	-	-	(4,465)	-	-	(4,465)
2nd Interim dividend	33	-	-	(53,028)	-	-	(53,028)
		-	-	(57,493)	-	-	(57,493)
Balance as at 31st March 2014		220,262	219,250	(196,908)	42,432	276,507	561,543
Profit for the year		-	-	267,676	-	120,667	388,343
Other Comprehensive Income		-	-	(4,352)	3,265	(1,275)	(2,362)
Total Comprehensive Income		-	-	263,324	3,265	119,392	385,981
1st Interim dividend	33	-	-	(71,448)	-	-	(71,448)
2nd Interim dividend	33	-	-	(44,655)	-	-	(44,655)
		-	-	(116,103)	-	-	(116,103)
Dividend paid by Subsidiary companies to outside shareholders		-	-	-	-	(13,601)	(13,601)
Balance as at 31st March 2015		220,262	219,250	(49,687)	45,697	382,298	817,820

Company

	Note	Stated Capital Rs.'000	Revenue Reserves		Total Rs.'000
			General Reserve Rs.'000	Accumulated Profit/(Loss) Rs.'000	
Balance as at 31st March 2013		220,262	219,250	149,271	588,783
Profit for the year		-	-	97,034	97,034
Other Comprehensive Income		-	-	(785)	(785)
Total Comprehensive Income		-	-	96,249	96,249
1st Interim dividend	33	-	-	(4,465)	(4,465)
2nd Interim dividend	33	-	-	(53,028)	(53,028)
		-	-	(57,493)	(57,493)
Balance as at 31st March 2014		220,262	219,250	188,027	627,539
Profit for the year		-	-	179,383	179,383
Other Comprehensive Income		-	-	(3,360)	(3,360)
Total Comprehensive Income		-	-	176,023	176,023
1st Interim dividend	33	-	-	(71,448)	(71,448)
2nd Interim dividend	33	-	-	(44,655)	(44,655)
		-	-	(116,103)	(116,103)
Balance as at 31st March 2015		220,262	219,250	247,947	687,459

The Accounting Policies and Notes on pages 54 to 91 form an integral part of these Financial Statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH	Note	Group		Company	
		2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Cash Flows from / (used in) Operating Activities					
Group Profit before Tax and Non Controlling Interest from Continuing Operations		446,601	312,104	206,031	113,203
Profit/(Loss) from discontinued operations	31	92	(30)	-	-
Adjustments for :					
Share of Profit of Associate Company	28	(8,082)	(2,387)	-	-
Exchange Loss on Loan	16.2 / 16.4	4,965	9,581	3,422	7,498
Provision for Slow Moving Stocks / (Reversal)	8.1	(326)	3,500	-	3,500
Stocks written off against the provision	8.1	-	(36,143)	-	(2,973)
Amortisation of Leasehold Land	24	76	59	-	-
Depreciation	4.1 / 4.4	37,839	36,073	8,570	8,566
Provision for Retiring Gratuity	24	9,516	8,285	7,275	6,700
Finance Cost	26	29,444	18,222	12,306	13,145
Finance Income	25	(20,942)	(24,344)	(17,428)	(7,679)
Provision for impairment - Advances	24	5,709	1,900	5,659	1,900
Reversal of impairment provision - Advances	23	(1,186)	-	(682)	-
Profit on disposal of Property, Plant & Equipment	23	(1,898)	-	(1,898)	-
Operating Profit before Working Capital Changes		501,808	326,820	223,255	143,860
(Increase)/ Decrease in Inventories	8	(37,454)	34,420	(13,268)	(2,662)
(Increase)/ Decrease in Trade and Other Receivables	9	(21,967)	(134,236)	(28,046)	(32,720)
(Increase)/Decrease in Amounts due from Related Parties	11	(31)	(1,283)	4,790	(5,805)
Increase/(Decrease) in Trade and Other Payables	7.2 / 19	(19,194)	33,159	1,772	14,879
Increase/(Decrease) in Amounts due to Related Parties	7.3 / 21	(24,182)	(12,695)	30,210	(4,223)
Cash Generated from Operations		398,980	246,185	218,713	113,329
Interest Paid	16.1/16.3/26	(15,599)	(16,478)	(10,328)	(11,427)
Income Tax Paid	20	(33,459)	(39,087)	(18,192)	(15,680)
WHTax Paid	20	(28)	(34)	-	-
Gratuity Paid	18	(4,745)	(1,049)	(4,603)	(1,049)
Net Cash Flows from Operating Activities		345,149	189,537	185,590	85,173
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	4.1 / 4.4	(229,947)	(30,732)	(6,734)	(2,689)
Sales Proceeds from Disposal of Property Plant & Equipment		1,898	-	1,898	-
Leasehold Land Prepayment	6	(1,467)	-	-	-
Short Term Investment - Fixed Deposit	10	(180,317)	(393)	(80,000)	-
Finance Income	10/25	12,183	23,178	13,592	6,479
Net Cash Flows from / (used in) Investing Activities		(397,650)	(7,947)	(71,244)	3,790
Cash Flows from Financing Activities					
Interim Dividend Paid	33	(116,103)	(57,493)	(116,103)	(57,493)
Dividend Paid by subsidiary Companies to Outside Shareholders		(13,601)	-	-	-
Proceeds from Interest Bearing Borrowings	16.2 / 16.4	581,214	479,647	258,295	242,799
Repayment of Interest Bearing Borrowings	16.2 / 16.4	(648,697)	(482,719)	(304,793)	(244,844)
Net Cash used in Financing Activities		(197,187)	(60,565)	(162,601)	(59,538)
Net Increase / (Decrease) in Cash and Cash Equivalents		(249,688)	121,025	(48,255)	29,425
Cash and Cash Equivalents at the beginning of the year	12	178,065	57,040	47,316	17,891
Cash and Cash Equivalents at the end of the year	12	(71,623)	178,065	(939)	47,316

The Accounting Policies and Notes on pages 54 to 91 form an integral part of these Financial Statements.

Notes to the Financial Statements

1 CORPORATE INFORMATION

1.1 General

Richard Pieris Exports PLC ("Company") is a Public Quoted Limited Liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at 310, Highlevel Road, Nawinna, Maharagama and the principal place of business is situated at No. 10, Raja Mawatha, Ekala, Ja-Ela. The Company was incorporated on 30th June 1983.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company, subsidiaries and the associate Company were as follows.

Company	Activities
Richard Pieris Exports PLC	Manufacture and export of moulded and extruded rubber based products.
Richard Pieris Natural Foams Ltd.	Manufacture and export of foam rubber products.
Micro Minerals (Pvt) Ltd.	Manufacture of minerals for the Rubber Industry.
Arpico Natural Latexfoams (Pvt) Ltd.	Manufacture of latex foam rubber mattress and pillows for export. The operation of the Company ceased as from 16th October 2006.
Arpitalian Compact Soles (Pvt) Ltd.	Manufacture and export of resin rubber shoe soling sheets.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking and ultimate parent enterprise is Richard Pieris & Company PLC, a quoted Company incorporated in Sri Lanka. The holding of Richard Pieris & Co. PLC in Richard Pieris Exports PLC as at 31.3.2015 is 80.26% (31.3.2014 - 80.26%)

1.4 Date of Authorisation for issue

The consolidated financial statements of Richard Pieris Exports PLC and its subsidiaries (collectively, "Group") for the year ended 31st March 2015 were authorised for issue in accordance with a resolution of the directors on 28th May 2015

1.5 Number of Employees

The number of employees in the Company at the end of the year was 156 (2014 - 163). Group 437 (2014 - 415).

2 STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards.

2.1 Basis of preparation

These financial statements for the year ended 31st March 2015 are prepared in accordance with Sri Lanka Accounting Standards (SLFRS & LKAS) effective for the periods beginning on or after 01st January 2012.

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

The preparation and presentation of these Financial Statements is in compliance with the Companies Act No. 07 of 2007.

The consolidated financial statements are presented in Sri Lankan Rupees (Rs.) and all values are rounded to the nearest thousand (Rs.000), except where otherwise indicated.

Notes to the Financial Statements (Contd)

2.2 Basis of consolidation

The consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiaries as at 31 March 2015.

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 it 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 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 power over an investee, including:
 - The contractual arrangement with the other vote holders of the investee;
 - Rights arising from other contractual arrangements; and
 - 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.

The Financial Statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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 derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value. The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Consolidated statement of financial position. Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Consolidated income statement and statement of comprehensive income and as a component of equity in the Consolidated statement of financial position, separately from equity attributable to the shareholders of the parent. The Consolidated statement of cash flows includes the cash flows of the Company and its subsidiaries.

A list of subsidiaries within the Group together with contingent liabilities of subsidiaries is set out in Note 5.1 and 34.1(a) to the financial statements. Although the direct shareholdings in some of these Group Companies are below 50% of the equity, the accounts of such Companies are consolidated in recognition of the effective management control exercised by the Parent Company.

The details of non-controlling interests are given in Note 5.1(c) to the financial statements.

Notes to the Financial Statements (Contd)

2.3 Summary of Significant Accounting Policies Applied

Changes in Accounting Policies

The accounting policies adopted by the Group are consistent with those used in the previous year except for the following SLFRSs / LKAS with effect from current year.

- Consolidated Financial Statements (SLFRS 10),
- Disclosure of Interests in Other Entities (SLFRS 12),
- Fair Value Measurement (SLFRS 13),
- Amendments to LKAS 1 – Presentation of Financial Statements.

Comparative Information

The presentation and classification of the financial statements of the previous year has been amended, where relevant for better presentation and to be comparable with those of the current year.

The following are the significant accounting policies applied by the Group in preparing its Consolidated Financial Statements:

2.3.1 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 measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

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.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability that is a financial instrument and within the scope of LKAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value either in profit or loss or as a change to Other Comprehensive Income (OCI). If the contingent consideration is not within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is measured at fair value with changes in fair value either in a profit or loss or as a change to the Other Comprehensive Income (OCI). If the contingent consideration is not within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest 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 gain is recognized in 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 each of the Group's cash generating units that are expected to benefit from the combination.

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

Notes to the Financial Statements (Contd)

2.3.2 Investment in an associate

The Group investment in associates is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of associate since acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Income Statement reflects the Group's share of results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of an associate is shown on the face of the Income Statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The Financial Statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in 'share of losses of an associate in the Income Statement.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

A listing of the Group's Associates together with their fair values and the Group's share of contingent liabilities of such Associates are set out in Notes 5.2 and 34.1(b) to the Financial Statements.

Summarised financial information of the Associate of the Company together with the Company's interests is given in Note 5.2 & 28 to the Financial Statements.

2.3.3 Foreign currencies

The Group's consolidated financial statements are presented in Sri Lankan Rupees, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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 measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

Group Companies

The assets and liabilities of foreign operations are translated into Sri Lankan Rupees at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

The original Financial Statements of Arpitalian Compact Soles (Pvt) Ltd were prepared in U.S.Dollars, that being the functional currency of the Company were translated in to Sri Lankan Rupees for consolidation purpose in accordance with LKAS 21.

Notes to the Financial Statements (Contd)

2.3.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes collected on behalf of third parties.

The following specific recognition criteria must also be met before revenue is recognised.

a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

b) Rendering of services

Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed.

c) Interest income

For all financial instruments measured at amortised cost, 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 income statement.

d) Dividends

Dividend is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

e) 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 Income Statement, 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 aggregated, reported and presented on a net basis

f) Other income

Other income is recognized on an accrual basis.

2.3.5 Expenditure Recognition

a) Operating Expenses

All expenditure incurred in running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year. For the purpose of presentation of Income Statement, the Directors are of the opinion that function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to revenue in the year in which the expenditure is incurred.

b) Finance Cost

Finance cost comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available for sale financial assets, impairment losses recognised on financial assets.

c) Other Financial Items

Foreign currency gains and losses are reported on a net basis under other financial items.

Notes to the Financial Statements (Contd)

2.3.6 Grants & 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 profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

When loans or similar assistance are provided with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a grant.

2.3.7 Taxes

Income Tax

The provision for Income Tax of the Company is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act in the following manner:

Under Section 52 of the Inland Revenue Act No. 10 of 2006, the rate of tax applicable on export profits of the Company was 15% up to year of Assessment (Y/A) 2010/11 & 12% from year of Assessment 2011/12. Interest income is liable at the normal tax rate of 28%.

The Export profit of Richard Pieris Natural Foams Ltd is liable to tax at the rate of 12% from year of Assessment 2011/12 and 15% up to year of Assessment 2010/11.

Arpico Natural Latexfoams (Pvt) Limited is a BOI approved undertaking and is exempted from income tax for a period of 5 years, from the year in which the Company commences to make profit or any year of assessment not later than two years reckoned from the date of commencement of commercial operation whichever year is earlier. Accordingly the 5 year tax holiday commenced from year of assessment 2004 / 2005 and ended in 2008/2009. The Company was liable to tax at 10% for the year of Assessment 2009/10 & 2010/11. The rate applicable from year of Assessment 2011/12 is 12%.

Micro Minerals (Pvt) Limited, is a BOI approved Company and is taxed at the rate of 15% for a period of 20 years, commencing from the first year of commercial production. The Company commenced its commercial production in September 1996.

Arpitalian Compact Soles (Pvt) Limited is a BOI approved undertaking and its 10 year tax holiday prevailed up to Y/A 2007/08. From Y/A 2008/09 to Y/A 2010/11, the profit is taxed at the rate of 15% & 12% from year of Assessment 2011/12.

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 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.

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 relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in 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.

Notes to the Financial Statements (Contd)

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.

2.3.8 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 income statement.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

2.3.9 Property, Plant and Equipment

Property, plant and equipment is 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.

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

Building on Leasehold Land	Over the period of lease
Building on Freehold Land	Over 25-35 years
Plant & Machinery, Electrical Equipment	Over 10-20 years
Furniture and Fittings	Over 04-05 years
Tools & Office Equipment	Over 04-05 years
Motor Vehicles	Over 04-05 years
Computers	Over 03-05 years
Roads and Other Infrastructure	Over 20 years
Tube Well	Over 10 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 derecognised 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 income statement when the asset is derecognised.

2.3.10 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements (Contd)

2.3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.3.12 Financial instruments-initial recognition and subsequent measurement

2.3.12.1 Financial assets

Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets other than those classified as fair value through profit or loss are recognised initially at fair value plus transaction costs.

The Group's financial assets are disclosed in Note 3.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement.

The Group has not designated any financial assets upon initial recognition as at fair value through profit or loss.

The Group evaluates its financial assets held-for-trading, to determine whether the intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held-to-maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. 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 in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

(c) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. 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 in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

(d) Available-for-sale financial investments

An Available-for-sale financial investment held at the reporting date consists of equity securities. Equity investments classified as available-for-sale are those, neither classified as held-for-trading nor designated at fair value through profit or loss.

Notes to the Financial Statements (Contd)

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the income statement in finance costs and removed from the available-for-sale reserve.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either (a) the Group/Company has transferred substantially all the risks and rewards of the asset, or (b) the Group/Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Group's continuing involvement in it.

In such case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.3.12.2 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. The assets are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

b) Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Significant is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair values has been below its original cost.

Notes to the Financial Statements (Contd)

Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement-is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairments are recognised directly in other comprehensive income.

2.3.12.3 Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Group's financial liabilities are disclosed in Note 3.

Subsequent measurement of Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (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 in finance costs in the income statement.

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 a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

2.3.12.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.3.13 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 materials

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

b) Finished Goods & Work-in-progress

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

c) Consumables and Spares

At actual cost on weighted average cost.

Notes to the Financial Statements (Contd)

2.3.14 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 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 higher of 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 groups 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 income statement 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 the increased amount can not 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 income statement.

2.3.15 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 cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.3.16 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.

2.3.17 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, 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 income statement net of any reimbursement.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer.

Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.3.18 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 as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

2.3.19 Post Employment Benefits

Defined Benefit Plan - Gratuity

Provision is made in the accounts for retirement gratuities payable under the Payment of Gratuity Act No. 12 of 1983 for employees from the time of employment by the Group. The method of providing for retiring gratuity was changed to an actuarial basis, using the Projected Unit Credit (PUC) method from 1st April 1998. The Group's liability has been valued by a Qualified Actuary as at 31st March 2015. Due to the complex nature of the actuarial calculation and the high cost of such calculation, an actuarial valuation will be performed every three years or at a date decided by the Management, depending on the variation in the assumptions which was based for the valuation.

Notes to the Financial Statements (Contd)

This item is grouped under Retirement Benefit Obligations. No separate fund is being maintained for this purpose.

The Group recognises the total actuarial gains and losses that arises in calculating the Group's obligation with respect to the Defined Benefit Plan – Gratuity in Other Comprehensive Income during the period in which it occurs.

Commencing from 1st April 1998 the basis of payment of retiring gratuity was revised as follows:

Length of Service (Years)	No. of months salary for each completed year of service
0 – 4	0
5 – 10	$\frac{1}{2}$
11 – 20	$\frac{3}{4}$
21 – 30	1
31 & above	$\frac{1}{4}$

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.

Defined Contribution Plans

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions, in line with respective statute and regulations. The Group contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and Employee' Trust Fund respectively.

2.3.20 Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The results of the business segments are described in Note 22.2 to the Financial Statements.

2.4 Significant Accounting Judgements, Estimates And Assumptions

The preparation of the Group consolidated financial statements requires management to make judgements, estimates and assumptions that 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.

2.4.1 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 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.

Deferred Tax

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 judgement 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.

Notes to the Financial Statements (Contd)

Impairment of Receivables

The Group reviews at each reporting date all receivables to assess whether an allowance should be recorded in the Income Statement. The management uses judgement 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.

2.4.2 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

An 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 binding sales transactions, 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.

Defined Benefit Plans - Gratuity

The cost of gratuity is 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.

2.5 New Accounting Standards issued but not effective as at Reporting Date

The following SLFRSs have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future and have not been applied in preparing these Financial Statements. Those SLFRS will have an effect on the accounting policies currently adopted by the Group and may have an impact on the future Financial Statements.

Sri Lanka Accounting Standard (SLFRS 9) –“Financial Instruments: Classification and Measurement”

In December 2014, the CA Sri Lanka issued the final version of SLFRS 9 Financial Instruments which reflects all phases of the Financial Instruments project and replaces LKAS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. SLFRS 9 is effective for annual periods beginning on or after 1st January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

Sri Lanka Accounting Standard (SLFRS 15) –“Revenue from Contracts with Customers”

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including Sri Lanka Accounting Standard (LKAS 18) -“Revenue”, Sri Lanka Accounting Standard (LKAS 11) - “Construction Contracts” and IFRIC 13 – “Customer Loyalty Programmes”. This standard is effective for the annual periods beginning on or after 01 January 2017.

The Group will adopt these standards when they become effective. Pending the completion of detailed review, the financial impact is not reasonably estimable as at the date of publication of these Financial Statements.

Notes to the Financial Statements (Contd)

3 ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

3.1 Group

		Held to Maturity at amortised cost Rs.'000	Loans & Receivables at amortised cost Rs.'000	Total Rs.'000
31st March 2015				
Financial Assets				
Trade & Other Receivables	7.1 / 9	-	449,443	449,443
Short Term Investment	10	192,668	-	192,668
Amounts due from Related Parties	11	-	62,825	62,825
Cash and Bank Balances	12	-	31,704	31,704
		192,668	543,972	736,640
Other Financial Liabilities at amortised cost				
			Rs.'000	Total Rs.'000
Financial Liabilities				
Trade & Other Payables	7.2 / 19		282,888	282,888
Amounts due to Related Parties	7.3 / 21		243,391	243,391
Interest Bearing Loans and Borrowings	16		305,306	305,306
			831,585	831,585
31st March 2014				
Financial Assets				
Trade & Other Receivables	7.1 / 9	-	428,116	428,116
Short Term Investment	10	3,592	-	3,592
Amounts due from Related Parties	11	-	62,794	62,794
Cash and Bank Balances	12	-	214,456	214,456
		3,592	705,366	708,958
Other Financial Liabilities at amortised cost				
			Rs.'000	Total Rs.'000
Financial Liabilities				
Trade & Other Payables	7.2 / 19		305,002	305,002
Amounts due to Related Parties	7.3 / 21		267,573	267,573
Interest Bearing Loans and Borrowings	16		300,932	300,932
			873,507	873,507

A description of the Group's Financial Instrument risks, including risk management objectives and policies is given in Note 39.

Notes to the Financial Statements (Contd)

3 ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (CONTD.)

3.2 Company

		Loans & Receivables at amortised cost	Total
	Note	Rs.'000	Rs.'000
31st March 2015			
Financial Assets			
Trade & Other Receivables	9	206,644	206,644
Short Term Investment	10	83,836	83,836
Amounts due from Related Parties	11	62,555	62,555
Cash and Bank Balances	12	14,898	14,898
		367,933	367,933
Other Financial Liabilities at amortised cost			
		Rs.'000	Total Rs.'000
Financial Liabilities			
Trade & Other Payables	19	89,072	89,072
Amounts due to Related Parties	21	42,870	42,870
Interest Bearing Loans and Borrowings	16	173,513	173,513
		305,455	305,455
31st March 2014			
Financial Assets			
Trade & Other Receivables	9	190,209	190,209
Amounts due from Related Parties	11	67,688	67,688
Cash and Bank Balances	12	47,316	47,316
		305,213	305,213
Other Financial Liabilities at amortised cost			
		Rs.'000	Total Rs.'000
Financial Liabilities			
Trade & Other Payables	19	87,308	87,308
Amounts due to Related Parties	21	13,003	13,003
Interest Bearing Loans and Borrowings	16	200,659	200,659
		300,970	300,970

Notes to the Financial Statements (Contd)

4 PROPERTY, PLANT & EQUIPMENT

4.1 Group	Freehold Land and Buildings Rs.'000	Building on Leasehold Land Rs.'000	Plant and Machinery, Electrical Equipment Rs.'000	Tools and Office Equipment Rs.'000	Furniture and Fittings Rs.'000	Motor Vehicles Rs.'000	Computers Rs.'000	Roads and Other Infrastructure Rs.'000	Tube Well Rs.'000	Capital Work in Progress Rs.'000	Total Rs.'000
Gross carrying amount - at cost											
As at 1st April 2014	60,686	106,365	758,455	22,909	5,515	12,525	15,817	7,439	180	325	990,216
Additions	292	78,743	138,538	6,307	2,727	-	1,224	2,441	-	-	230,272
Capitalised during the year	-	-	-	-	-	-	-	-	-	(325)	(325)
Disposals	-	-	-	-	-	(803)	-	-	-	-	(803)
Written off during the year	-	-	(71,093)	-	-	-	-	-	-	-	(71,093)
As at 31st March 2015	60,978	185,108	825,900	29,216	8,242	11,722	17,041	9,880	180	-	1,148,267
Depreciation and Impairment											
As at 1st April 2014	20,579	17,441	612,100	21,358	5,220	12,525	13,734	5,025	180	-	708,162
Charge for the year	1,312	2,159	32,609	557	94	-	736	372	-	-	37,839
On Disposals	-	-	-	-	-	(803)	-	-	-	-	(803)
Written off during the year	-	-	(71,093)	-	-	-	-	-	-	-	(71,093)
As at 31st March 2015	21,891	19,600	573,616	21,915	5,314	11,722	14,470	5,397	180	-	674,105
Net Book Value											
As at 31st March 2014	40,107	88,924	146,355	1,551	295	-	2,083	2,414	-	325	282,054
As at 31st March 2015	39,087	165,508	252,284	7,301	2,928	-	2,571	4,483	-	-	474,162

4.2 Property, Plant & Equipment includes fully depreciated assets the cost of which amounts to Rs. 313,064,000/-

4.3 Impairment of Property, Plant & Equipment

Name of the Company	Balance as at 01.04.2014		Impairment charge for the year		Balance as at 31.03.2015	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Richard Pieris Natural Forms Ltd.	71,093	-	-	(71,093)	-	-

Notes to the Financial Statements (Contd)

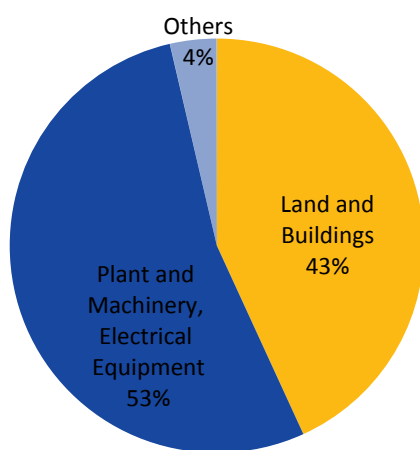
4 PROPERTY, PLANT & EQUIPMENT (Contd)

4.4 Company

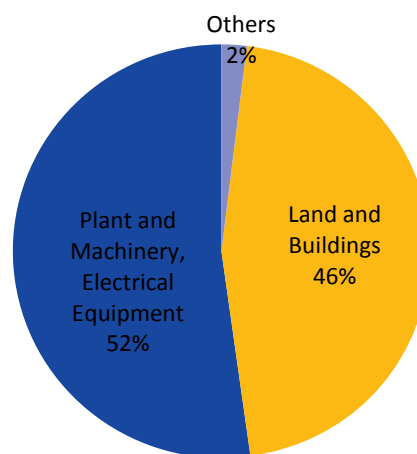
	Freehold Land and Buildings Rs.'000	Plant and Machinery Rs.'000	Tools and Office Equipment Rs.'000	Furniture and Fittings Rs.'000	Motor Vehicles Rs.'000	Computers Rs.'000	Total Rs.'000
Gross carrying amount - at cost							
As at 1st April 2014	51,163	353,295	19,637	3,392	6,735	10,065	444,287
Additions	292	5,567	875	-	-	-	6,734
Disposals	-	-	-	-	(803)	-	(803)
As at 31st March 2015	51,455	358,862	20,512	3,392	5,932	10,065	450,218
Depreciation							
As at 1st April 2014	18,612	315,218	19,221	3,207	6,735	9,792	372,785
Charge for the year	1,143	7,068	147	39	-	173	8,570
On Disposals	-	-	-	-	(803)	-	(803)
As at 31st March 2015	19,755	322,286	19,368	3,246	5,932	9,965	380,552
Net Book Value							
As at 31st March 2014	32,551	38,077	416	185	-	273	71,502
As at 31st March 2015	31,700	36,576	1,144	146	-	100	69,666

4.5 Property, Plant & Equipment includes fully depreciated assets the cost of which amounts to Rs. 299,947,000/-

4.6 Composition of Property, Plant & Equipment of Group.



Composition of PPE - WDV
As at 31st March 2015



Composition of PPE - WDV
As at 31st March 2014

Notes to the Financial Statements (Contd)

5 LONG TERM INVESTMENTS

	Group		Company	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Summary :				
Investments in Subsidiaries(5.1(a) & 5.1(b))	-	-	291,094	291,094
Investments in Associate (5.2)	135,213	125,065	171,929	171,929
Total Investments	135,213	125,065	463,023	463,023

The fair value of these investments cannot be reliably measured. Therefore these investments have been stated at cost less impairment.

5.1(a) Company Investment in Subsidiaries

	Holding		Number of Shares as at		Value of Shares as at		Directors' Valuation as at
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015
	%	%			Rs.'000	Rs.'000	Rs.'000
Richard Pieris Natural Foams Ltd.	43.00	43.00	27,560,001	27,560,001	284,820	284,820	284,820
Micro Minerals (Pvt) Ltd.	68.75	68.75	627,400	627,400	6,274	6,274	6,274
Arpico Natural Latexfoams (Pvt) Ltd.	44.44	44.44	3,999,999	3,999,999	40,000	40,000	-
					331,094	331,094	291,094
Provision for Impairment					(40,000)	(40,000)	-
					291,094	291,094	291,094

Arpico Natural Latexfoams (Pvt) Ltd, had ceased its operations during the financial year 2006/2007. Full provision has been made for the impairment of this investment since recoverability is doubtful.

5.1(b) Group Investment in Subsidiaries

	Holding		No. of Shares		Value of Shares	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	%	%			Rs.'000	Rs.'000
Investor						
Richard Pieris Natural Foams Ltd.						
Investee						
Arpico Natural Latexfoams (Pvt) Ltd.	55.55%	55.55%	5,000,000	5,000,000	50,000	50,000
					50,000	50,000
Provision for impairment					(50,000)	(50,000)
					-	-

5.1(c) Non Controlling Interests (NCI) in Subsidiaries

Subsidiary	Percentage of Ownership Interest held by NCI	Percentage of Voting Rights held by NCI	Share of Total Comprehensive Income of NCI for the year ended 31st March		NCI as at 31st March		Dividends Paid to NCI	
			2015	2014	2015	2014	2015	2014
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Richard Pieris Natural Foams Ltd	57%	57%	118,885	122,769	372,701	267,331	13,515	-
Micro Minerals (Pvt) Ltd	31.25%	31.25%	478	460	9,636	9,243	86	-
Arpico Natural Latex Foams (Pvt) Ltd	32%	32%	29	(10)	(39)	(68)	-	-
			119,392	123,219	382,298	276,507	13,601	-

Notes to the Financial Statements (Contd)

5 LONG TERM INVESTMENTS (CONTD.)

5.1(d) Summarised Financial Information of Subsidiaries

	Richard Pieris Natural Foams Ltd		Micro Minerals (Pvt) Ltd		Arpico Natural Latex Foams (Pvt) Ltd	
	31st March 2015 Rs.'000	31st March 2014 Rs.'000	31st March 2015 Rs.'000	31st March 2014 Rs.'000	31st March 2015 Rs.'000	31st March 2014 Rs.'000
Assets	967,183	828,049	47,664	48,168	315	3,487
Liabilities	313,320	359,047	16,828	18,591	226,845	230,108
Equity	653,863	469,002	30,836	29,577	(226,530)	(226,621)
For the year ended 31st March	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Revenue	1,441,656	1,456,878	61,006	59,843	-	-
Profit after tax	210,774	215,294	1,592	1,446	92	(30)
Total Comprehensive income	208,570	215,385	1,532	1,470	92	(30)

Principal Place of Business	Sri Lanka	Sri Lanka	Sri Lanka
-----------------------------	-----------	-----------	-----------

5.2 Investment in Associate Group

	Holding		As at 01.04.2014 Rs.'000	Share of Profit Rs.'000	Taxation Rs.'000	Share of Other Comprehensive Income Rs.'000	As at 31.03.2015 Rs.'000
	% 31.03.2015	% 31.03.2014					
Non-Quoted							
Arpitalian Compact Soles (Pvt) Limited	48.93	48.93	125,065	8,082	(1,195)	3,261	135,213
			125,065	8,082	(1,195)	3,261	135,213

Company

	Holding		No of Shares as at 31.03.2015	As at 01.04.2014 Rs.'000	Value of Shares Additions / (Disposals) Rs.'000	As at 31.03.2015 Rs.'000	Directors' Valuation as at 31.03.2015 Rs.'000
	% 31.03.2015	% 31.03.2014					
Arpitalian Compact Soles (Pvt) Limited	48.93	48.93	29,587,667	171,929	-	171,929	171,929
			29,587,667	171,929	-	171,929	171,929

The carrying value at year end is stated after the deduction of a sum of Rs. 55,976,000/- from the cost of Rs 227,905,000/- being the provision for impairment determined by the management.

Notes to the Financial Statements (Contd)

6 LEASEHOLD LAND PREPAYMENT

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
At the beginning of the year	4,692	4,751	-	-
Amount paid during the year	1,467	-	-	-
Amount charged to Income Statement during the year	(76)	(59)	-	-
At the end of the year	6,083	4,692	-	-
Amount chargeable to Income Statement within one year	76	59	-	-
Amount chargeable to Income Statement after one year	6,007	4,633	-	-
	6,083	4,692	-	-

7 ASSETS / LIABILITIES OF SUBSIDIARY WHICH IS NOT CONSIDERED AS GOING CONCERN (DISCONTINUED OPERATIONS)

Arpico Natural Latex Foams (Pvt) Ltd.

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Assets				
Trade & Other Receivables (7.1)	-	-	-	-
Cash and Bank Balances	315	3,487	-	-
	315	3,487	-	-
Liabilities				
Trade & Other Payables (7.2)	24,368	27,631	-	-
Amounts due to Related Parties (7.3)	202,477	202,477	-	-
	226,845	230,108	-	-

Subsidiary - Arpico Natural Latex Foams (Pvt) Ltd is not considered as going concern. Hence, assets and liabilities are stated separately.

Notes to the Financial Statements (Contd)

7 ASSETS / LIABILITIES OF SUBSIDIARY WHICH IS NOT CONSIDERED AS GOING CONCERN (DISCONTINUED OPERATIONS) (CONTD.)

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
7.1 Trade & Other Receivables				
Trade Debtors	25,645	25,645	-	-
Other Receivables	5,304	5,304	-	-
Less : Provision for Impairment	(30,949)	(30,949)	-	-
	-	-	-	-
7.2 Trade & Other Payables				
Trade Creditors - Related Party - RPC Logistics Ltd.	3,856	3,856	-	-
- Others	188	188	-	-
Sundry Creditors including Accrued Expenses	20,324	23,587	-	-
	24,368	27,631	-	-
7.3 Amounts due to Related Parties				
Richard Pieris & Co. PLC	170,200	170,200	-	-
Richard Pieris Rubber Compounds Ltd.	156	156	-	-
Kegalle Plantations PLC	32,055	32,055	-	-
Arpitalian Compact Soles (Pvt) Ltd.	66	66	-	-
	202,477	202,477	-	-

8 INVENTORIES

Raw Materials	143,322	139,740	56,949	60,486
Work in Progress	23,704	20,845	17,439	16,225
Finished Goods	123,894	95,781	44,692	30,762
Consumables and Spares	24,421	21,522	16,931	15,270
Provision for Slow moving Stocks / Stock Loss (8.1)	(13,265)	(13,591)	(12,813)	(12,813)
	302,077	264,297	123,198	109,930

8.1 - PROVISION FOR SLOW MOVING STOCKS / STOCK LOSS

At the beginning of the year	13,591	46,234	12,813	12,286
Provision made during the year/ (Reversal)	(326)	3,500	-	3,500
	13,265	49,734	12,813	15,786
Stocks Written off against the provision	-	(36,143)	-	(2,973)
At the end of the year	13,265	13,591	12,813	12,813

Notes to the Financial Statements (Contd)

9 TRADE AND OTHER RECEIVABLES

9.1 Summary

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Financial Assets				
Trade Debtors - Related Parties (9.2)	37,877	25,800	8,768	7,043
- Others	496,006	475,030	223,454	210,805
Less : Provision for Impairment (9.3)	(97,937)	(85,040)	(34,976)	(34,976)
	435,946	415,790	197,246	182,872
Other Debtors	23,830	20,981	18,744	15,005
Less : Provision for Impairment	(14,468)	(12,555)	(11,580)	(9,667)
	9,362	8,426	7,164	5,338
Refundable Deposits	4,595	4,360	2,694	2,459
Less : Provision for Impairment	(460)	(460)	(460)	(460)
	4,135	3,900	2,234	1,999
Total Financial Assets	449,443	428,116	206,644	190,209
Non Financial Assets				
Advances & Prepayments - Related Party - RPC Construction (Pvt) Ltd	-	25,759	-	-
- Others	71,239	58,718	46,791	37,065
Less : Provision for Impairment	(15,237)	(10,703)	(12,026)	(7,049)
Total Non Financial Assets	56,002	73,774	34,765	30,016
	505,445	501,890	241,409	220,225

9.2 Trade Dues Receivables from Related Parties

	Relationship	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Richard Pieris Distributors Ltd	Related Company	26,579	20,695	5,411	4,495
Richard Pieris Rubber Products Ltd	Related Company	3,186	1,285	2,100	769
Arpitalian Compact Soles (Pvt) Ltd	Associate Company	1,028	1,184	-	4
Richard Pieris Rubber Compounds Ltd	Related Company	34	552	-	552
Arpico Interiors (Pvt) Ltd	Related Company	1,023	1,223	1,023	1,223
Richard Pieris Tyre Company Ltd	Related Company	-	214	-	-
Arpitech (Pvt) Ltd	Related Company	6,027	647	234	-
		37,877	25,800	8,768	7,043

9.3 Provision for Impairment

Balance at the beginning of the year	85,040	83,158	34,976	34,411
Provision made during the year	12,004	565	-	565
	97,044	83,723	34,976	34,976
Effect of foreign exchange translation	893	1,317	-	-
Balance at the end of the year	97,937	85,040	34,976	34,976

9.4 As at 31st March, the ageing analysis of trade debtors 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
2015	533,883	396,556	29,648	3,247	627	103,805
2014	500,830	394,065	8,840	3,146	1,611	93,168

Notes to the Financial Statements (Contd)

10 SHORT TERM INVESTMENT

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Fixed Deposits				
Balance at the beginning of the year	3,448	3,055	-	-
Investment made during the year	180,317	393	80,000	-
	183,765	3,448	80,000	-
Interest receivable at the end of the year	8,903	144	3,836	-
Balance at the end of the year	192,668	3,592	83,836	-

11 AMOUNTS DUE FROM RELATED PARTIES

Relationship	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Arpitalian Compact Soles (Pvt) Ltd	62,555	62,504	62,555	62,128
Micro Minerals (Pvt) Ltd.	-	-	-	631
Richard Pieris Distributors Ltd.	128	290	-	-
Arpitech (Pvt) Ltd	142	-	-	-
Richard Pieris & Co. PLC	-	-	-	4,929
	62,825	62,794	62,555	67,688

12 CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENTS

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
12.1 Favourable Cash and Cash Equivalents Balances				
Cash & Bank Balances - Continuing Operations	31,389	210,969	14,898	47,316
Cash & Bank Balances - Discontinued Operations - Note 7	315	3,487	-	-
	31,704	214,456	14,898	47,316
12.2 Unfavourable Cash and Cash Equivalents Balances				
Bank Overdrafts - Note 16.1 / 16.3	(103,327)	(36,391)	(15,837)	-
Total Cash and Cash Equivalents for the purpose of Cash Flow Statements	(71,623)	178,065	(939)	47,316

13 STATED CAPITAL

	At the beginning of the year 01.04.2014 Number '000	Issued for Cash during the year Number '000	At the end of the year 31.03.2015 Number '000
	Rs.'000	Rs.'000	Rs.'000
Issued and Fully Paid Number of Shares (Ordinary Shares)	11,164	-	11,164
	11,164	-	11,164
Stated Capital	220,262	-	220,262
	220,262	-	220,262

13.1 Rights, Preference Restrictions of Classes of Capital

The holders of ordinary shares confer their right to receive dividends as declared from time to time and are entitled to one vote per share at a meeting of the Company.

All shares rank equally with regard to the Company's residual assets.

Notes to the Financial Statements (Contd)

14 REVENUE RESERVES

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
14.1 General Reserve				
At the beginning of the year	219,250	219,250	219,250	219,250
Transfer from Income Statement	-	-	-	-
At the end of the year	219,250	219,250	219,250	219,250
14.2 Accumulated Profit / (Loss)				
At the beginning of the year	(196,908)	(331,130)	188,027	149,271
Profit for the year attributable to Equity Holder of the Parent Company	267,676	192,750	179,383	97,034
Other comprehensive income attributable to Equity Holder of the Parent Company	(4,352)	(1,035)	(3,360)	(785)
1st Interim dividend	(71,448)	(4,465)	(71,448)	(4,465)
2nd Interim dividend	(44,655)	(53,028)	(44,655)	(53,028)
At the end of the year	(49,687)	(196,908)	247,947	188,027
Total Revenue Reserves	169,563	22,342	467,197	407,277

15 FOREIGN CURRENCY TRANSLATION

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
At the beginning of the year	42,432	37,848	-	-
Exchange translation difference for the year	3,265	4,584	-	-
At the end of the year	45,697	42,432	-	-

Foreign Currency translation relates to the resulting exchange difference on translation of Arpitalian Compact Soles (Pvt) Ltd's accounts maintained in US dollars, into Sri Lankan rupees.

16 INTEREST BEARING LIABILITIES

16.1 - INTEREST BEARING LIABILITIES - GROUP

	31.03.2015 Amount Repayable Within 1 Year Rs.'000	31.03.2015 Amount Repayable After 1 Year Rs.'000	31.03.2015 Total Rs.'000	31.03.2014 Amount Repayable Within 1 Year Rs.'000	31.03.2014 Amount Repayable After 1 Year Rs.'000	31.03.2014 Total Rs.'000
	Bank Loans - 1 & 2	41,337	57,979	99,316	40,532	97,379
Bills Discounted	28,729	-	28,729	41,932	-	41,932
Packing Credit Loan	73,255	-	73,255	83,975	-	83,975
Interest Payable	679	-	679	723	-	723
	144,000	57,979	201,979	167,162	97,379	264,541
Bank Overdraft (12.2)	103,327	-	103,327	36,391	-	36,391
	247,327	57,979	305,306	203,553	97,379	300,932

16.2 - BANK LOANS, BILLS DISCOUNTED AND PACKING CREDIT LOAN - MOVEMENTS

	As at 01.04.2014 Rs.'000	Obtained during the year Rs.'000	Payment during the year Rs.'000	Exchange Loss / (Gain) Rs.'000	As at 31.03.2015 Rs.'000
Bank Loan - 1	116,131	-	(34,171)	1,815	83,775
Bank Loan - 2	21,780	-	(6,576)	337	15,541
Bills Discounted	41,932	322,919	(337,328)	1,206	28,729
Backing Credit Loan	83,975	258,295	(270,622)	1,607	73,255
	263,818	581,214	(648,697)	4,965	201,300

Notes to the Financial Statements (Contd)

16 INTEREST BEARING LIABILITIES (Contd)

16.3 - INTEREST BEARING LIABILITIES - COMPANY

	31.03.2015 Amount Repayable Within 1 Year Rs.'000	31.03.2015 Amount Repayable After 1 Year Rs.'000	31.03.2015 Total Rs.'000	31.03.2014 Amount Repayable Within 1 Year Rs.'000	31.03.2014 Amount Repayable After 1 Year Rs.'000	31.03.2014 Total Rs.'000
Bank Loan	34,665	49,110	83,775	33,990	82,141	116,131
Packing Credit Loan	73,255	-	73,255	83,975	-	83,975
Interest Payable	646	-	646	553	-	553
	108,566	49,110	157,676	118,518	82,141	200,659
Bank Overdraft (12.2)	15,837	-	15,837	-	-	-
	124,403	49,110	173,513	118,518	82,141	200,659

16.4 BANK LOAN AND PACKING CREDIT LOAN - MOVEMENTS

	As at 01.04.2014 Rs.'000	Obtained during the year Rs.'000	Payment during the year Rs.'000	Exchange Loss / (Gain) Rs.'000	As at 31.03.2015 Rs.'000
Bank Loan - I	116,131	-	(34,171)	1,815	83,775
Packing Credit Loan	83,975	258,295	(270,622)	1,607	73,255
	200,106	258,295	(304,793)	3,422	157,030

17 DEFERRED TAX LIABILITY / (ASSET)

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Balance at the beginning of the year	(34,602)	3,227	1,763	2,303
Deferred Tax Charged / (Reversed) to the Income Statement	13,765	(37,738)	(667)	(433)
Deferred Tax Charged / (Reversed) to the Statement of Other Comprehensive Income	(770)	(91)	(458)	(107)
Balance at the end of the year	(21,607)	(34,602)	638	1,763
Deferred tax asset	23,520	37,615	-	-
Deferred tax liability	1,913	3,013	638	1,763
Deferred tax asset, liability relates to the following				
Deferred tax liability				
Accelerated depreciation for tax purposes	27,243	20,848	6,412	6,758
Deferred tax assets				
Unutilised tax losses	(41,702)	(49,648)	-	-
Retirement benefit obligations	(7,148)	(5,802)	(5,774)	(4,995)
Net deferred tax liability / (asset)	(21,607)	(34,602)	638	1,763

18 RETIREMENT BENEFIT OBLIGATION

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Movement in the present value of the Retirement Benefit Obligation are as follows.				
Balance at the beginning of the year	48,181	40,184	41,627	35,084
Current Service Cost	4,216	3,865	2,696	2,841
Interest Cost	5,300	4,420	4,579	3,859
(Gain) / Loss due to changes in assumptions	6,393	761	3,818	892
Benefits paid	(4,745)	(1,049)	(4,603)	(1,049)
Balance at the end of the year	59,345	48,181	48,117	41,627

Notes to the Financial Statements (Contd)

18 RETIREMENT BENEFIT OBLIGATION (Contd)

18.1 - NET BENEFIT EXPENSES CATEGORIZED UNDER STAFF COST

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Current Service Cost	4,216	3,865	2,696	2,841
Interest Cost	5,300	4,420	4,579	3,859
	9,516	8,285	7,275	6,700

18.2 Actuarial & Management Consultants (Pvt) Limited, Actuaries, carried out an actuarial valuation of the defined benefit plan on 31.03.2015 and 31.03.2014. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principle assumptions used were as follows.

Staff Turnover Rates

Age Group	20	25	30	35	40	45	50
Executives	0.17	0.21	0.12	0.07	0.10	0.08	0.11
Non Executives	0.21	0.21	0.11	0.08	0.05	0.04	0.00

Demographic assumptions

	2014 / 2015	2013 / 2014
Retiring age	55 or 60	55 or 60
Mortality in Service	A 67/70 mortality table issued by the Institute of Actuaries London	A 67/70 mortality table issued by the Institute of Actuaries London

Financial assumptions

Rate of Salary Increment	8%	8%
Rate of Discount	9.5%	11%

18.3 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. Simulations made for retirement benefit obligation show that an increase or decrease by 1% of salary escalation rate and discount rate has the following effect on the retirement benefit obligation.

		Revised Defined Benefit Obligation	
		Group Rs. '000	Company Rs. '000
Salary escalation Rate	Discount Rate		
One point increase	As given in Report - 9.5%	62,804	50,563
One point decrease	As given in Report - 9.5%	56,172	45,836
As given in Report - 8%	One point increase	56,475	46,087
As given in Report - 8%	One point decrease	62,522	50,327

18.4 Maturity Profile

Maturity profile of the defined benefit obligation as at 31st March 2015 is as follows.

	Defined Benefit Obligation	
	Group Rs. '000	Company Rs. '000
Future Working Life Time		
Within the next 12 Months	5,791	4,517
Between 1-5 years	35,207	32,086
Beyond 5 years	18,347	11,514
	59,345	48,117

Notes to the Financial Statements (Contd)

19 TRADE AND OTHER PAYABLES

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Financial Liabilities				
Trade Creditors - Related Parties (19.1)	115,057	149,777	20,518	23,230
- Others	76,870	68,824	17,036	22,654
Other Payables	66,593	58,770	51,518	41,424
Total Financial Liabilities	258,520	277,371	89,072	87,308
Non Financial Liabilities				
Other Payables	4,968	2,048	668	660
Total Non Financial Liabilities	4,968	2,048	668	660
Balance at the end of the year	263,488	279,419	89,740	87,968

19.1 Trade dues Payable to Related Parties

	Relationship	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Kegalle Plantations PLC.	Related Company	96,038	136,378	13,616	12,478
Arpitalian Compact Soles (Pvt) Ltd	Associate Company	127	189	127	127
Richard Pieris Rubber Products Ltd	Related Company	235	390	204	345
Richard Pieris Distributors Ltd	Related Company	573	237	81	156
Richard Pieris Rubber Compounds Ltd	Related Company	1,902	1,422	1,902	1,422
Richard Pieris Tyre Company Ltd.	Related Company	1,480	589	-	-
RPC Logistics Ltd.	Related Company	7,041	9,068	2,170	2,054
Arpitech (Pvt) Ltd.	Related Company	2,245	1,177	45	5
Maskeliya Plantations PLC	Related Company	8	8	8	8
Micro Minerals (Pvt) Ltd	Subsidiary Company	-	-	2,028	6,340
RPC Polymers (Pvt) Ltd	Related Company	359	258	258	258
Maskeliya Tea Gardens (Ceylon) Pvt Ltd	Related Company	107	37	78	37
Arpico Durables (Pvt) Limited	Related Company	70	24	-	-
RPC Construction (Pvt) Ltd	Related Company	4,872	-	-	-
		115,057	149,777	20,518	23,230

20 INCOMETAX PAYABLE

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Balance on 1st April	8,163	13,604	7,125	6,203
Provision for the year	41,567	30,777	26,532	16,500
Additional Tax agreed for previous years	-	4,599	-	-
(Over) / under provision in respect of previous year	787	(1,696)	783	102
	50,517	47,284	34,440	22,805
Payments made during the year	(32,423)	(39,087)	(18,192)	(15,680)
WHTax Paid	(28)	(34)	-	-
Balance on 31st March	18,066	8,163	16,248	7,125

21 AMOUNTS DUE TO RELATED PARTIES

	Relationship	Group		Company	
		31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Richard Pieris & Co. PLC.	Parent Company	40,914	65,096	32,663	-
Richard Pieris Natural Foams Ltd.	Subsidiary Company	-	-	-	12,958
Micro Minerals (Pvt) Ltd	Subsidiary Company	-	-	10,000	-
Richard Pieris Distributors Ltd	Related Company	-	-	207	45
		40,914	65,096	42,870	13,003

Notes to the Financial Statements (Contd)

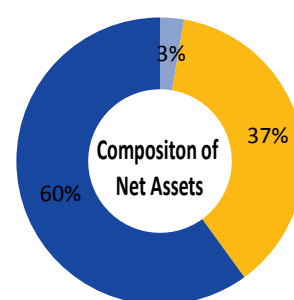
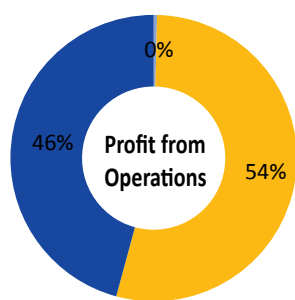
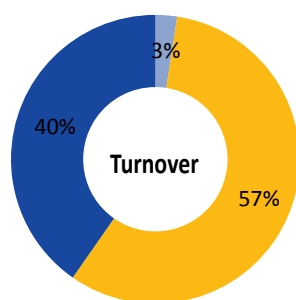
22 TURNOVER

22.1 Summary

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Export Sales	2,214,344	2,125,416	979,208	863,414
Indirect Exports	28,968	71,454	-	-
Local Sales (Gross)	309,504	246,782	39,462	32,922
	2,552,816	2,443,652	1,018,670	896,336
VAT	(35,712)	(34,119)	(4,228)	(3,524)
	2,517,104	2,409,533	1,014,442	892,812
Less : Inter Group Sales	(18,964)	(15,768)	-	-
	2,498,140	2,393,765	1,014,442	892,812

22.2 Group Segmental Information

	Turnover		Profit From Operations		Net Assets	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Minerals	61,006	59,843	1,748	2,155	30,836	29,577
Latex Based	1,441,656	1,456,878	245,176	187,947	427,333	242,381
Hard Rubber	1,014,442	892,812	208,539	123,484	687,459	627,539
	2,517,104	2,409,533	455,463	313,586	1,145,628	899,497
Adjustments for Inter Group Transactions	(18,964)	(15,768)	-	-	(710,106)	(614,461)
	2,498,140	2,393,765	455,463	313,586	435,522	285,036



■ Mineral Segment ■ Latex Based Segment ■ Hard Rubber Segment

23 OTHER OPERATING INCOME

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Scrap Sales (23.1)	4,593	4,921	3,820	3,205
Reversal of provision for slow moving stocks	326	-	-	-
Profit on disposal of Property, Plant & Equipment	1,898	-	1,898	-
Reversal of impairment provision - Advances	1,186	-	682	-
	8,003	4,921	6,400	3,205

23.1 Summary

Scrap Sales (Gross)	5,149	5,499	4,283	3,590
VAT	(556)	(578)	(463)	(385)
	4,593	4,921	3,820	3,205

Notes to the Financial Statements (Contd)

24 PROFIT FROM OPERATIONS

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
is stated after Charging				
Depreciation	37,839	36,073	8,570	8,566
Directors' Remuneration and Fees	3,530	3,468	3,530	3,468
Auditors' Remuneration - Audit Fees	1,601	1,451	832	770
- Non-Audit Fees	468	560	468	560
Personnel Costs includes				
Defined Benefit Plan Costs - Gratuity	9,516	8,285	7,275	6,700
Other Staff Costs including EPF & ETF	254,700	226,119	126,355	106,230
Provision for Slow Moving Stocks	-	3,500	-	3,500
Provision for Impairment - Advances	5,709	1,900	5,659	1,900
Corporate Restructuring Expenses	60,000	60,000	-	-
Amortisation of Leasehold Land Prepayment	76	59	-	-

25 FINANCE INCOME

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Interest Income from non Related Parties	17,107	23,144	4,246	6,479
Dividend Income	-	-	9,347	-
Interest income on Fixed Deposit	3,836	-	3,836	-
	20,942	23,144	17,428	6,479
Reversal of Impairment Provision - Other Debtors	-	1,200	-	1,200
	-	1,200	-	1,200
	20,942	24,344	17,428	7,679

26 FINANCE COSTS

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Interest on long term loans - Related Party	-	-	262	-
- Others	6,947	11,502	5,864	7,880
	6,947	11,502	6,127	7,880
Interest on short term loans - Related Party	-	-	-	-
- Others	8,607	5,155	4,294	3,700
	8,607	5,155	4,294	3,700
Provision for Impairment - Trade Debtors	12,004	565	-	565
- Other Debtors	1,885	1,000	1,885	1,000
	13,889	1,565	1,885	1,565
	29,444	18,222	12,306	13,145

27 OTHER FINANCIAL ITEMS

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Net foreign exchange transaction loss / (gain)	8,442	9,991	7,630	4,815

Notes to the Financial Statements (Contd)

28 SHARE OF PROFIT OF ASSOCIATE

	31.03.2015	31.03.2014
	Rs:'000	Rs:'000
Group's Share of Profit before Tax of Arpitalian Compact Soles (Pvt) Ltd	8,082	2,387
The Revenue, Profit, Other Comprehensive Income, total assets and total liabilities of the associate is given below.		
Revenue	526,725	450,911
Profit	14,077	4,426
Other Comprehensive Income	6,664	8,743
Total Assets	576,756	537,325
Total Liabilities	236,366	217,676
Equity	340,390	319,648

29 TAXATION

	Group		Company	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	Rs:'000	Rs:'000	Rs:'000	Rs:'000
Income tax on current year profits	41,567	30,777	26,532	16,500
(Over) / Under Provision in respect of previous year	787	(1,696)	783	102
Additional Tax agreed for previous years	-	4,599	-	-
Deferred Taxation charge / (Reversal) - 29.2	13,765	(37,738)	(667)	(433)
Dividend Tax paid by subsidiaris	1,036	-	-	-
Charge of Income Tax and Deferred Tax of the Associate Company	1,195	222	-	-
	58,350	(3,836)	26,648	16,169

29.1 - SUPER GAIN TAX

As per Finance Bill issued on March 30, 2015, where the aggregate profits (as per audited financial statements) of subsidiaries and the holding company, within a group of Companies, exceed Rs 2Bn for the Year of assessment 2013/14, each company of such group is liable to pay a levy known as Super Gains Tax which is 25% of the taxable income of such company for the Year of assessment 2013/14. The Bill is yet to be enacted.

However pending further confirmation of the applicability of this tax, no provision has been made for this tax which amounts to Rs. 59.09 Mn for the Richard Pieris Exports PLC group & Rs. 29.46Mn for the Company.

29.2 - DEFERRED TAXATION CHARGE / (REVERSAL)

	Group		Company	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	Rs:'000	Rs:'000	Rs:'000	Rs:'000
Accelerated depreciation for tax purpose	6,395	2,904	(346)	245
Retirement benefit obligations	(576)	(872)	(321)	(678)
Un utilised tax losses	7,946	(39,770)	-	-
	13,765	(37,738)	(667)	(433)

Notes to the Financial Statements (Contd)

30 NUMERICAL RECONCILIATION BETWEEN TAX EXPENSE / (INCOME) AND THE PRODUCT OF ACCOUNTING PROFIT / (LOSS) MULTIPLIED BY THE APPLICABLE TAX RATES

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Profit / (Loss) before Tax from continuing operations	446,601	312,104	206,031	113,203
Add: Profit / (Loss) before Tax from discontinued operations	92	(30)	-	-
Less: (Profit) / Loss from Associate Company	(8,082)	(2,387)	-	-
	438,611	309,687	206,031	113,203
Tax at the applicable rates - 12% & 15%	53,813	37,227	24,724	13,584
Tax effect of net expenses not deductible for tax purpose	1,300	1,356	920	846
Tax effect of income not subject to tax	(1,156)	-	(1,156)	-
Tax effect of Profits taxed at higher rate	2,325	1,913	2,325	1,630
Tax effect of unutilised Tax losses	-	4	-	-
Over/ (Under) Provision of Tax - Current year	(1,070)	7	(1,068)	7
Under / (Over) Provision of tax - Previous year	907	(1,696)	903	102
Tax effect of Tax losses claimed	-	(7,698)	-	-
Additional Tax agreed for previous years	-	4,599	-	-
Dividend Tax paid by subsidiaries	1,036	-	-	-
Tax effect of Tax losses carried forward	-	(39,770)	-	-
Charge of Income Tax and Deferred Tax of the Associate Company	1,195	222	-	-
Taxation	58,350	(3,836)	26,648	16,169

31 DISCONTINUED OPERATIONS

Arpico Natural Latexfoams (Pvt) Ltd had ceased its operations during the financial year 2006/2007. Therefore, this company has not been considered as going concern. Further, the results of this company has been presented separately in these Financial Statements in accordance with SLFRS 05 "Non Current Assets held for sale and Discontinued Operations".

The results of discontinued operation is given below :

	Group	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Revenue	-	-
Cost of Sales	-	-
Gross Profit	-	-
Other Operating Income (Unclaimed payables written back)	199	-
Expenses - 31.1	(107)	(30)
Profit / (Loss) from discontinued operations	92	(30)
Finance Cost	-	-
Profit / (Loss) before Tax from discontinued operations	92	(30)
Taxation	-	-
Profit / (Loss) for the year from discontinued operations	92	(30)
Attributable to		
Equity Holders of the Parent Company	63	(20)
Non Controlling Interest	29	(10)
	92	(30)
Earnings / (Loss) per Share - Basic	0.008	(0.003)
31.1 Expenses includes		
Auditors' Remuneration	30	30
Operating and Investing Cash Flow for the year are presented below :		
Net Cash Flows from Operating Activities	(3,172)	(40)
Net Cash Flows from Investing Activities	-	-

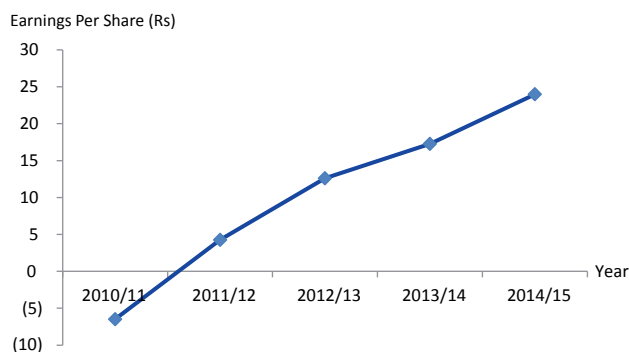
Notes to the Financial Statements (Contd)

32 EARNINGS PER SHARE

32.1 Basic Earnings per Share is calculated by dividing the Profit / (Loss) for the year attributable to ordinary shareholders 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, without a corresponding change in the resources such as a bonus issue.

32.2 The following reflects the income and shares data used in the basic Earnings per Share computation.

	Group		Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000	31.03.2015 Rs.'000	31.03.2014 Rs.'000
Amount Used as the Numerator				
Profit Attributable to Equityholders of the Parent from continuing Operations	267,613	192,770	179,383	97,034
Profit/(Loss) Attributable to Equityholders of the Parent from discontinuing Operations	63	(20)	-	-
Profit Attributable to Equityholders of the Parent	267,676	192,750	179,383	97,034
Number of Ordinary Shares used as Denominator	000	000	000	000
Weighted Average number of Ordinary Shares in issue applicable to basic Earnings Per Share	11,164	11,164	11,164	11,164
	Rs.	Rs.	Rs.	Rs.
Earnings Per Share	23.98	17.26	16.07	8.69
Earnings per Share from continuing operations	23.97	17.27	16.07	8.69



33 DIVIDEND PER SHARE

	Company	
	31.03.2015 Rs.'000	31.03.2014 Rs.'000
1st Interim dividend	71,448	4,465
2nd Interim dividend	44,655	53,028
	116,103	57,493
No of shares in issue in '000	11,164	11,164
Dividend per share - (Rs)	10.40	5.15

2014/2015

- The 1st interim dividend of Rs.6.40 per share was declared on 29th October 2014 and was paid on 18th November 2014.
- The 2nd interim dividend of Rs.4.00 per share was declared on 31st March 2015 and was paid on 21st April 2015.

2013/2014

- The 1st interim dividend of Rs. 0.40 per share was declared on 15th July 2013 and was paid on 2nd August 2013.
- The 2nd interim dividend of Rs. 4.75 per share was declared on 4th March 2014 and was paid on 20th March 2014.

Notes to the Financial Statements (Contd)

34 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March 2015 except for the following :

Following a strike which the Company considered as unjustifiable, the services of 160 workers were terminated on 28th December 2007. Since negotiations failed, the matter has been referred to Arbitration by the Minister of Labour. Thereafter the Company has contested the appointment of the Arbitrator before the court of appeal and the Court of Appeal held in favour of the Company. Accordingly a new Arbitrator was appointed and the case is now being heard before him. The initial amount demanded by the Union on behalf of the workers is Rs. 136 Million, which demand the Company has rejected as it feels that its case is strong. Further, the lawyers of the Company are unable to predict the final outcome of this case at this stage, as it is the practice in any court case. But the Company is rigorously contesting it. Therefore, no provision has been made in the accounts.

34.1 - CONTINGENT LIABILITIES OF SUBSIDIARIES AND ASSOCIATES

34.1(a) - Contingent Liabilities of Subsidiaries

The subsidiaries of the Group do not have any contingent liabilities as at the Reporting date

34.1(b) - Contingent Liabilities of Associates

The Associate of the Group does not have any contingent liabilities as at the Reporting date.

35 CAPITAL AND LEASE COMMITMENTS

The Capital Commitments for Property, Plant and Equipment incidental to the ordinary course of business as at 31.03.2015, approved by the board are as follows.

	Group		Company	
	2015 Rs.'000	2014 Rs.'000	2015 Rs.'000	2014 Rs.'000
Contracted but not provided for	-	105,680	-	-
Approved but not contracted for	-	92,722	-	-
	-	198,402	-	-

35.1 - LEASE COMMITMENTS

	Group			
	2015 Rs.'000	2015 Rs.'000	2014 Rs.'000	2014 Rs.'000
Within one year	2,772	20,790	2,358	18,034
After one year but not more than five years	11,087	83,158	9,430	72,136
More than five years	196,021	1,470,194	172,104	1,316,482
	209,880	1,574,142	183,892	1,406,652

36 EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen which would require adjustments to or disclosure in these Financial Statements.

Notes to the Financial Statements (Contd)

37 SECURITIES GIVEN FOR BANKING FACILITIES

Name of the Company	Lender	Facility	Nature of Security
37.1 Richard Pieris Exports PLC.	DFCC Bank	Term Loan	Primary Mortgage over an allotment of Land depicted as Lot A depicted in Plan No. 4803 dated 27th November 2011 made by K.V.M.W Samaranyake bearing Assessment No. 10 Raja Mawatha Ekala, Ja Ela and containing in extent A4 RO PO together with building and Fixed Machinery.
	Hatton National Bank PLC	Packing Credit Loan	Demand Promissory Notes for Rs. 60 Mn and Rs. 5.0 Mn. Hypothecation of Stocks procured and receipt / confirmed export orders
37.2 Richard Pieris Natural Foams Ltd	Hongkong & Shanghai Banking Corporation	Overdraft (US\$) - 0.20 Mn Combined Import/Export Line US\$ 0.55 Mn	Letter of Awareness from Richard Pieris & Company PLC dated 26.04.1996 Letter of Undertaking from Richard Pieris & Co PLC to support the company's indebtedness to the bank for USD 475,000 Coporate guarantee dated 29th January 2013 for USD 450,000 from Kegalle Plantattions PLC together with supporting board resolution
		Commercial Bank of Ceylon PLC	Overdraft (US\$) 250,000
		Term Loan (US\$) 250,00	On demand Pro-note dated 25.03.1996 for USD 300,000/- executed by the Company.
		Export bills purchase (US\$) 50,000	General Terms & Conditions relating to Overdrafts for USD 250,000/- executed on 28.06.2012. General Terms & Conditions relating to Loan for USD 250,000 executed on 28.06.2012 Lien over documents of title to goods under Export. Bills purchase indemnity dated 27.09.2001

38 RELATED PARTY TRANSACTIONS

38.1 Transactions with Key Managerial Persons

38.1.1 Key Managerial Persons include members of the Board of Directors of the Company and its Subsidiary Companies.

38.1.2 Transactions with Key Managerial Persons and their close family members are given below.

As at 31 March	Group		Company	
	2015 Rs. Mn.	2014 Rs. Mn.	2015 Rs. Mn.	2014 Rs. Mn.
Remuneration to Key Managerial Persons	3.53	3.47	3.53	3.47

Notes to the Financial Statements (Contd)

38.2 RELATED PARTY TRANSACTIONS (CONTD.)

38.2 Transactions with related parties by the Company

Name of the Related Party	2014/2015			2013/2014		
	Sales	Purchases	Services	Sales	Purchases	Services
Richard Pieris & Co, PLC	-	-	10,861,085	-	-	12,867,434
Richard Pieris Natural Foams Ltd	21,094	-	-	-	462,532	-
Apitalian Compact Soles (Pvt) Ltd	-	-	-	3,917	-	-
Micro Minerals (Pvt) Ltd	18,942,724	-	-	15,305,480	-	-
Richard Pieris Distributors Ltd	14,751,205	454,829	-	12,657,061	385,629	-
Richard Pieris Rubber Products Ltd	6,178,640	610,938	-	6,384,178	538,143	-
Richard Pieris Rubber Compounds Ltd	-	6,846,323	-	-	5,071,679	-
Apico Interiors (Pvt) Ltd	3,446,509	-	-	2,847,345	123,115	-
Kegalle Plantations PLC	-	151,622,399	-	-	157,299,414	-
RPC Logistics Ltd	-	-	12,762,562	-	-	13,530,970
Apidag International (Pvt) Ltd	3,907	-	-	7,139	-	-
Richard Pieris Tyre Company Ltd	-	-	-	-	73,750	-
Asian Alliance Insurance PLC	-	-	278,072	-	-	784,608
Apitech (Pvt) Ltd	263,285	170,589	-	1,252,200	40,871	-
Apico Insurance Ltd	-	-	1,846,638	-	-	1,593,679
Maskeliya Tea Gardens (Ceylon) Ltd	-	450,396	-	-	114,266	-
RPC Polymers (Pvt) Ltd	-	453,605	-	-	41,3795	-

38.3 Transactions with related parties by the subsidiaries of the Group

Name of the Related Party	2014/2015			2013/2014		
	Sales	Purchases	Services	Sales	Purchases	Services
Richard Pieris & Co, PLC	-	-	65,723,365	-	-	65,033,718
Apitalian Compact Soles (Pvt) Ltd	6,835,986	-	-	7,067,269	-	-
Richard Pieris Distributors Ltd	90,033,397	684,315	-	66,343,482	989,260	-
Richard Pieris Rubber Products Ltd	3,696,167	31,930	-	3,491,571	55,549	-
Kegalle Plantations PLC	-	466,823,077	-	-	592,340,604	-
RPC Logistics Ltd	-	-	39,871,655	-	-	41,892,233
Apitech (Pvt) Ltd	-	4,510,508	-	2,507,522	2,388,291	-
Richard Pieris Tyre Company Ltd	34,286	6,315,911	-	222,857	8,125,722	-
Apico Durables (Pvt) Ltd	-	-	1,010,381	-	100,085	-
Apico Insurance Ltd	-	-	541,471	-	-	748,455
Asian Alliance Insurance PLC	-	-	-	-	-	940,606
Richard Pieris Rubber Compounds Ltd	205,102	-	-	-	-	-
Maskeliya Tea Gardens (Ceylon) Ltd	-	76,925	-	-	-	-
RPC Construction (Pvt) Ltd	-	-	56,385,577	-	-	-

38.4 Terms and Conditions

Transactions with related parties are carried out in the ordinary course of business. Outstanding balances at the year end are unsecured and net settlement occurs in cash. The amounts due from / due to related Companies are disclosed in Notes 9, 11, 19 & 21 to the Financial Statements.

38.5 Some of the Directors of the Company are also Directors of the following Companies

Name of the Directors	Richard Pieris																			
	Richard Pieris & Co PLC	Richard Pieris Natural Foams Ltd	Apitalian Compact Soles (Pvt) Ltd	Micro Minerals (Pvt) Ltd	Richard Pieris Distributors Ltd	Richard Pieris Rubber Products Ltd	Richard Pieris Rubber Compounds Ltd	Apico Interiors (Pvt) Ltd	Kegalle Plantations PLC	RPC Logistics Ltd	Richard Pieris Tyre Co. Ltd	Apidag International (Pvt) Ltd	Richard Pieris Services (Pvt) Ltd	Apico Natural Latex Foams (Pvt) Ltd	Apitech (Pvt) Ltd	Maskeliya Plantations PLC	Maskeliya Tea Gardens (Ceylon) Ltd	RPC Polymers (Pvt) Ltd	Asian Alliance Insurance PLC	Apico Insurance Ltd
Dr. Sena Yaddhegige	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Shaminda Yaddhegige	-	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J.H.P. Ratnayake	x	x	x	-	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Sunil S G Liyanage	x	-	-	-	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
W.R.Abeysingunawardena	-	-	-	x	-	x	x	-	-	-	-	-	-	-	-	-	-	-	-	-
W.J.V. Perera	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kumar Abeysinghe	-	-	x	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

x - Indicates director of the relevant Company.

Notes to the Financial Statements (Contd)

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans & borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's 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 agree 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, while optimizing the return.

Interest rate risk

Interest rate risk is the risk that the company is exposed due to change in absolute level of market interest rates. Country's yield curve reflecting public borrowings in the domestic market, monetary policy & the policy rates, market liquidity, reforms in fiscal policies, imposition of possible credit ceilings on lending, average deposit rates, cost of utilizing funds etc are considered to be main determining factors on the quoted interest rates for short term & long term lending facilities. These external factors stresses on the market lending rates inserting pressure on the finance cost of the group in turn having a down beating affect on the profit attributable to shareholders.

Following measures and actions will be taken in order to manage interest rate risk of the group

- ◇ Based on the studies & 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. I.e. 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 turnover 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 Treasury function 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 currency, Singapore Dollars (SGD) and Pound Sterling (GBP) especially with regard to trade related transactions.

The Group hedges its exposure to fluctuations on the translation of its foreign operations by holding net borrowings in foreign currencies and by using forwards contracts & options when it is deemed necessary.

Foreign currency sensitivity

It is anticipated rupee to depreciate by 3% to 5% per annum on average. The imported materials are mainly billed in USD, EUR, SGD GBP & other main currencies. Group treasury division continuously traces the exchange rate movement of the above currencies.

Notes to the Financial Statements (Contd)

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Following measures and actions will be taken in order to manage exchange rate risk of the group.

- ◆ 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, swap and options contracts etc as and when the market rates are on favorable terms.

Commodity price risk

The Group is affected by the volatility of certain commodities. The volatility in prices of rubber etc in the auctions would trigger greater uncertainty in the contribution towards group turnover. Due to the significantly increased volatility of the price of the underlying, the Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading towards negative effect towards group profitability. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Group has continuously monitored the receivables through segregating the duty of controlling the receivables through SBU credit controllers. It is the responsibility of the person to continuously monitor the receivables and the receipts & recoveries are done promptly according to the credit period. Furthermore age analysis is carried out along with monthly provisioning to smooth out the irrecoverable debtor balances across the period.

The following table shows the credit quality of the financial instruments by class of financial assets

As at 31st March 2015	Neither past due nor impaired Rs. '000	Past due but not impaired Rs. '000	Individually impaired Rs. '000	Total Rs. '000
Assets				
Trade & Other Receivables	400,128	49,315	112,865	562,308
Short Term Investment	192,668	-	-	192,668
Amounts due from Related Parties	62,825	-	-	62,825
Cash and Bank Balances	31,704	-	-	31,704
	687,325	49,315	112,865	849,505

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 maintain 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.

Notes to the Financial Statements (Contd)

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The maturity analysis of the Group's Financial Liabilities are given below.

	Note	On demand Rs.'000	Less than 3 Months Rs.'000	3 to 12 Months Rs.'000	1 to 5 Years Rs.'000	Total Rs.'000
Year ended 31st March 2015						
Interest bearing Loans and Borrowings	16	103,327	112,997	31,004	57,978	305,306
Trade and Other Payables	7.2 / 19	139,425	143,463	-	-	282,888
Amounts due to Related Companies	7.3 / 21	243,391	-	-	-	243,391
		486,143	256,460	31,004	57,978	831,585

	Note	On demand Rs.'000	Less than 3 Months Rs.'000	3 to 12 Months Rs.'000	1 to 5 Years Rs.'000	Total Rs.'000
Year ended 31st March 2014						
Interest bearing Loans and Borrowings	16	36,391	136,219	30,943	97,379	300,932
Trade and Other Payables	7.2 / 19	177,408	127,594	-	-	305,002
Amounts due to Related Companies	7.3 / 21	267,573	-	-	-	267,573
		481,372	263,813	30,943	97,379	873,507

Statements Of Value Added

	2014/2015	2013/2014
	Rs.000	Rs.000
Group		
Value Added :		
Gross Turnover	2,552,816	2,443,652
Less: Inter Group Sales	(18,964)	(15,768)
	2,533,852	2,427,884
Cost of Material and Service Purchased	(1,751,064)	(1,813,437)
	782,788	614,447
Other Income	8,559	5,499
Finance Income	20,942	24,344
Share of Profit of Associate	8,082	2,387
Total Value Added	820,371	646,677
Distribution of Value Added :		
To Employees as remuneration and Welfare	274,143	238,939
To the Government as Taxation	97,217	78,415
To Shareholders as Dividend	116,103	57,493
To Lenders of Capital		
- As Interest on Borrowing	15,555	16,657
- To Minority Interest	119,392	123,219
Retained within the Business		
- As Depreciation & Impairment of Property Plant & Equipment	37,839	36,073
- As Deferred Tax	12,901	(38,342)
- As Foreign Currency Translation	(3,265)	(4,584)
- As Profits Retained	150,486	138,807
	820,371	646,677
Company		
Value Added :		
Gross Turnover	1,018,670	896,336
Cost of Material and Service Purchased	(667,447)	(649,121)
	351,223	247,215
Other Income	6,863	3,590
Finance Income	17,428	7,679
Total Value Added	375,514	258,484
Distribution of Value Added :		
To Employees as remuneration and Welfare	140,978	117,290
To the Government as Taxation	40,647	25,339
To Shareholders as Dividend	116,103	57,493
To Lenders of Capital		
- As Interest on Borrowing	10,421	11,580
- To Minority Interest	-	-
Retained within the Business		
- As Depreciation	8,570	8,566
- As Deferred Tax	(1,125)	(540)
- As Profits Retained	59,920	38,756
	375,514	258,484

Annexes

- ◇ Corporate Structure - 94
- ◇ Group Real Estate Portfolio - 95
- ◇ Ten Year Summary - 96
- ◇ Shareholder Information - 98
- ◇ Glossary of Financial Terms - 101
- ◇ Notes - 103
- ◇ Notice of Meeting - 104
- ◇ Form of Proxy - 105
- ◇ Corporate Information - 107

Corporate Structure

RICHARD PIERIS NATURAL FOAMS LIMITED

Business Activity	Manufacture and export of foam rubber products
Dr. Sena Yaddehige	Chairman
Paul Ratnayeke	Director
Shaminda Yaddehige	Director
Sunil Poholiyadde	Director
Stated Capital	Rs. 640,822,600 Represented by 64,082,260 shares
Group Holding	43%

MICRO MINERALS (PRIVATE) LIMITED

Business Activity	Manufacture of rubber fillers
Dr. Sena Yaddehige	Chairman
Wasantha Abeyirigunawardene	Director
B L P Jayawardana	Director
Stated Capital	Rs. 9,126,000 Represented by 912,600 shares
Group Holding	68.75%

ARPICO NATURAL LATEXFOAMS (PRIVATE) LIMITED (Discontinued Business)

Business Activity	Manufacture and export of foam rubber products
Dr. Sena Yaddehige	Chairman
Shaminda Yaddehige	Director
Viville Perera	Director
Stated Capital	Rs. 90,000,000 Represented by 9,000,000 shares
Group Holding	68%

ARPITALIAN COMPACT SOLES (PRIVATE) LIMITED

Business Activity	Manufacture and export of resin rubber shoe soling sheets
Dr. Sena Yaddehige	Chairman
Fabio Piccolo	Director
Lino Piccolo	Director
Paul Ratnayeke	Director
Kumar Abeyasinghe	Director
Stated Capital	Rs. 542,371,659 Represented by 60,471,501 ordinary shares and 6,404,500 preferential shares.
Group Holding	48.93%

Subsidiary Companies

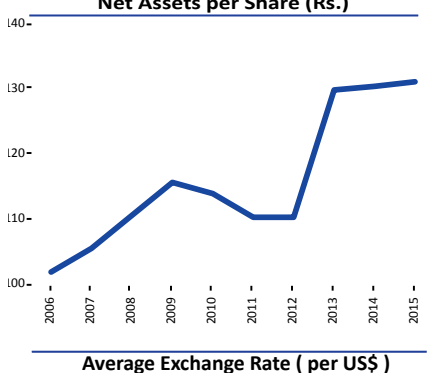
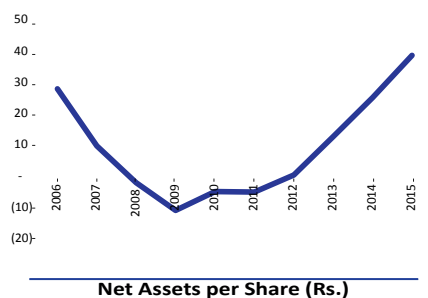
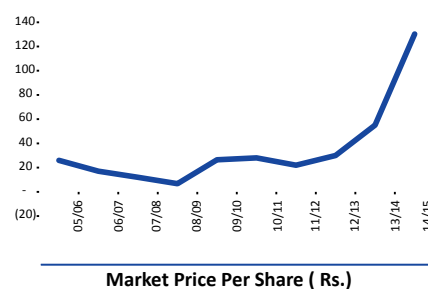
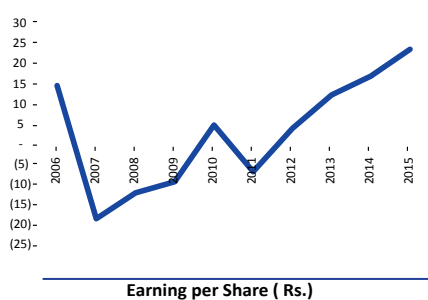
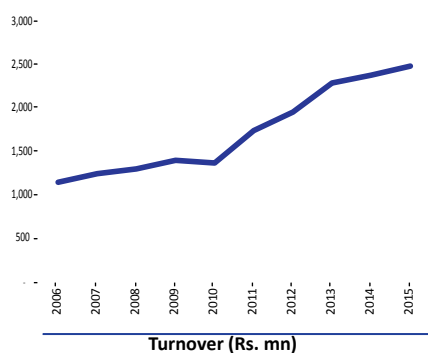
Associate Company

Group Real Estate Portfolio

Freehold Land and Buildings

	Location	Land Perches	Building in Sq.Ft.	Market Value in Rs. mn
◇ Richard Pieris Exports PLC	Ja- Ela	640	73190	206
◇ Micro Mineral (pvt) Ltd	Bandaragama	320	16800	36
◇ Leasehold Land and Building				
◇ Richard Pieris Natural Foams Ltd	Biyagama	785	92940	
◇ Arpitalian Compact Soles (Pvt) Ltd	Biyagama	851	36884	

Ten Year Summary



	2014/15	2013/14	2012/13	2011/12
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Income Statement				
Turnover	2,498,140	2,393,765	2,303,135	1,967,145
Profit before taxation	446,601	312,104	273,457	69,091
Taxation	(58,350)	3,836	(29,398)	(11,235)
Profit after taxation	388,344	315,911	244,059	57,856
Minority Interest	(120,667)	(123,160)	(103,296)	(10,147)
Profit attributable to shareholders	267,677	192,751	140,722	47,567

Balance Sheets

Capital and Reserves				
Stated Capital	220,262	220,262	220,262	220,262
Revenue Reserve	169,563	22,342	(74,032)	(211,201)
Shareholders' Funds	435,522	285,036	146,230	9,061
Minority Interest	382,298	276,507	153,288	49,697
Capital Employed	817,820	561,543	299,518	58,758

Assets Employed

Assets of Discontinued operations	315	3,487	3,527	3,610
Current Assets	1,094,480	1,043,601	793,684	819,992
Liabilities of Discontinued operations	(226,845)	(230,119)	(230,119)	(230,160)
Current Liabilities	(569,795)	(556,231)	(501,002)	(865,766)
Working Capital	298,155	260,738	66,090	(272,324)
Intangible Assets	-	-	-	-
Leasehold Land Prepayments	6,007	4,633	4,692	4,751
Property, Plant & Equipment	474,162	282,054	287,395	309,624
Long Term Loans	(57,979)	(97,379)	(133,870)	-
Deferred Liabilities	(61,258)	(51,194)	(43,411)	(36,044)
Investments	135,213	125,065	118,622	52,751
Total Assets less Liabilities	817,820	561,543	299,518	58,758

Financial Ratios

Profitability

Earning per Share (Rs.)	23.98	17.27	12.61	4.27
Net profit/(Loss) before Minority Int. to sales (%)	15.55	13.19	10.59	2.93

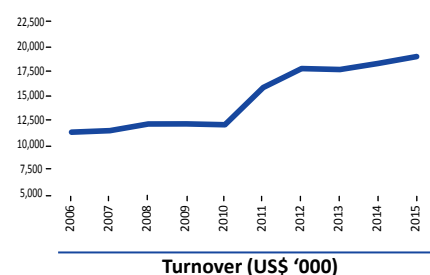
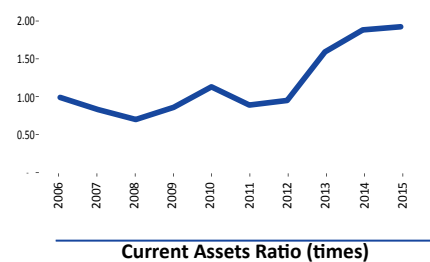
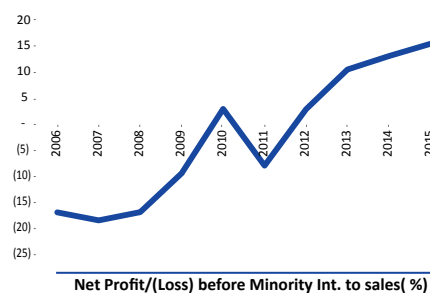
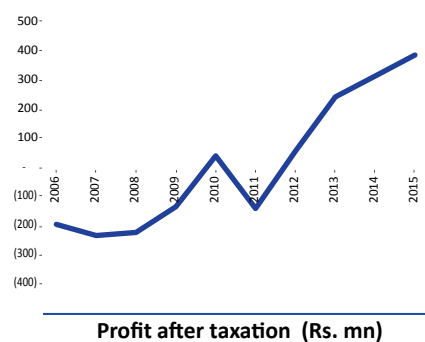
Dividends

Dividend (Rs.)	116,103	57,493	-	-
----------------	----------------	--------	---	---

Others

Market Price per Share (Rs.)	130	55.10	30.00	22.00
Price Earnings Ratio (times)	5.43	3.19	2.43	5.16
Net Assets per Share (Rs.)	39.01	25.53	13.10	0.81
Annual Sales Growth (%)	4.36	3.93	0.17	0.12
Current Assets Ratio (times)	1.92	1.88	1.59	0.95
Fixed Asset Turnover Ratio (times)	5.27	5.33	8.01	6.35
Average Exchange Rate (per US\$)	131.21	130.51	129.95	110.39
Turnover (US\$ '000)	19,039	18,342	17,723	17,820

2010/2011	2009/2010	2008/2009	2007/2008	2006/2007	2005/2006
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
1,754,323	1,379,529	1,410,757	1,311,833	1,256,595	1,157,353
(131,911)	52,710	(118,273)	(216,959)	(230,273)	(197,432)
72	(8,019)	(14,912)	(5,056)	(2,216)	3,359
(139,377)	41,420	(133,185)	(222,015)	(232,489)	(194,073)
66,875	15,570	32,700	90,768	29,125	27,782
(72,502)	56,990	(100,485)	(131,247)	(203,364)	(166,291)
220,262	220,262	220,262	220,262	220,262	220,262
(272,237)	(270,370)	(337,384)	(238,606)	(107,359)	96,005
(51,975)	(50,108)	(117,122)	(18,344)	112,903	316,267
39,630	88,159	4,189	37,196	3,000	32,125
(12,345)	38,051	(112,933)	18,852	115,903	348,392
3,917	9,877	96,372	-	-	-
902,225	800,848	764,679	880,594	1,082,139	1,015,186
(230,325)	(228,929)	(312,383)	-	-	-
(1,011,524)	(706,347)	(889,241)	(1,256,283)	(1,314,095)	(1,025,680)
(335,707)	(124,551)	(340,573)	(375,689)	(231,956)	(10,494)
-	-	-	-	-	14,456
4,810	4,869	4,928	11,833	12,124	-
316,321	335,781	386,912	450,447	482,160	543,183
(21,264)	(150,249)	(138,046)	(68,313)	(203,550)	(259,016)
(33,091)	(27,798)	(26,554)	(26,806)	(37,439)	(39,983)
56,586	-	400	27,380	94,564	100,246
(12,345)	38,051	(112,933)	18,852	115,903	348,392
(6.49)	5.10	(9.00)	(11.76)	(18.21)	14.94
(7.94)	3.00	(9.44)	(16.92)	(18.50)	(16.96)
-	11,164	-	-	-	-
28.00	26.50	6.75	12.00	17.00	26.00
(4.31)	5.20	(0.75)	(1.02)	(0.93)	(1.74)
(4.66)	(4.48)	(10.49)	(1.64)	10.11	28.32
0.27	(0.02)	7.50	4.40	8.50	(9.07)
0.89	1.13	0.86	0.70	0.83	0.99
7.04	4.11	3.65	2.91	2.60	2.13
110.39	114.03	115.75	110.70	105.62	101.99
15,892	12,098	12,188	12,175	11,502	11,348



Shareholder Information

1 General

Stated Capital	Rs. 220,262,000
No of Shares Issued as at 31.03.2015	Nos 11,163,745

2 Stock Exchange Listing

The issued ordinary shares of Richard Pieris Exports PLC are listed on the Colombo Stock Exchange. The audited income statement for the year ended 31st March 2015 and the audited Balance sheet of the company and the group as at that date have been submitted to Colombo Stock Exchange within two months of the Balance sheet date.

3 Date of Listing

The Company was listed on 11th October 1993.

4 Share Trading

	2014/15	2013/14	Increased by	%
No of transactions	5,874	3,828	2,046	3%
No of shares traded	3,892,476	5,058,214	(1,165,738)	(23%)
Share turnover (Rs.)	460,621,316	211,993,122	248,628,194	117%

5 Market Capitalization

The Market capitalization of the Company which is the number of Ordinary Shares issued multiplied by the market value of a share was Rs. 1,454,635,974 (11,163,745 x 130.30) at 31st March 2015 (As at 31st March 2014:Rs. 615.1mn).

6 Market Value of Shares

	2014/15	Date	2013/14	Date
Highest Price (Rs.)	184.00	14.11.2014	60.80	12.03.2014
Lowest Price (Rs.)	54.00	07.04.2014	30.00	10.04.2013
Year end Price (Rs.)	130.30	31.03.2015	55.10	31.03.2014

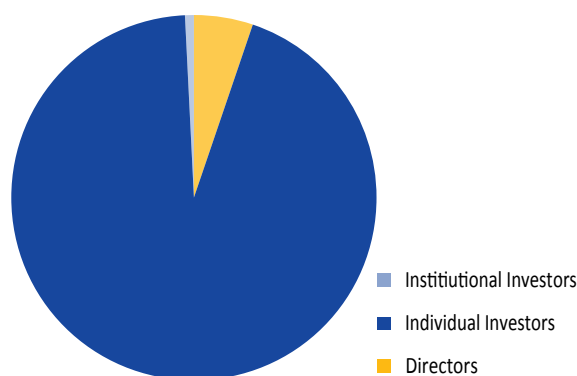
7 Distribution of Shareholders

Range of Shareholding	As at 31/03/2015			As at 31/03/2014		
	No of Shareholders	No of Shares	% of Shareholding	No of Shareholders	No of Shares	% of Shareholding
1 - 500	1179	138,347	1.24%	1,208	138,438	1.24%
501 - 5,000	205	359,112	3.22%	182	302,475	2.71%
5,001 - 10,000	25	179,373	1.61%	22	144,524	1.29%
10,001 - 20,000	14	186,766	1.67%	14	190,217	1.70%
20,001 - 30,000	8	200,585	1.80%	6	156,954	1.41%
30,001 - 40,000	4	131,029	1.17%	1	30,095	0.27%
40,001 - 50,000	4	176,171	1.58%	1	41,572	0.37%
50,001 - 100,000	3	188,326	1.69%	3	162,121	1.45%
100,001 - 1,000,000	3	644,039	5.77%	5	1,037,352	9.29%
1,000,001 & above	1	8,959,997	80.26%	1	8,959,997	80.26%
Total	1446	11,163,745	100%	1,443	11,163,745	100%

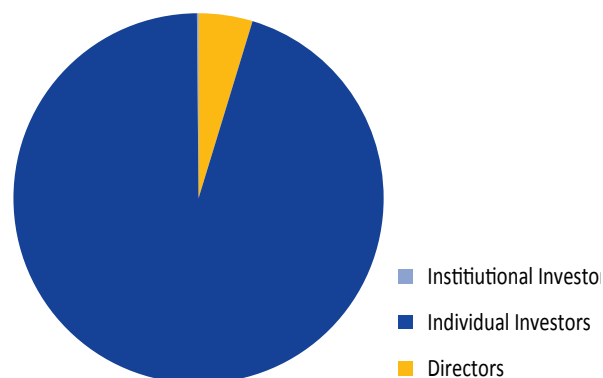
Shareholder Information (Contd)

8 Composition of Shareholding

Category	2015			2014		
	No of Shareholders	No of Shares	% of Shareholding	No of Shareholders	No of Shares	% of Shareholding
Institutional Investors	76	9,860,184	88.32%	68	9,953,917	89.16%
Individual Investors	1368	1,303,258	11.68%	1,373	1,209,525	10.84%
Directors	2	303	0.00%	2	303	0.00%
Total	1446	11,163,745	100%	1,443	11,163,745	100%



Composition of Shareholding % - 2015



Composition of Shareholding % - 2014

9 Major Shareholders

As at 31st March		2015		2014		Change
		No of Shares	Holding %	No of Shares	Holding %	
1	Richard Pieris & Company Plc.	8,959,997	80.26%	8,959,997	80.26%	-
2	T R L Holdings(Pvt) Ltd	275,977	2.47%	220,000	1.97%	55,977
3	Mr.T.R.L.Perera	189,478	1.70%	190,000	1.70%	(522)
4	Mr. D.F.G.Dalpethado	164,439	1.47%	186,924	1.67%	(22,485)
5	Timex Garments (Pvt) Ltd.	66,326	0.59%			66,326
6	Mr. M.M.Fuad	62,001	0.56%	58,689	0.53%	3,312
7	Kalday Private Limited	53,399	0.48%	53,399	0.48%	-
8	E-Tech Corporation (Pvt) Limited	48,396	0.43%			48,396
9	Askold (Private) Ltd	45,000	0.40%	17,908	0.16%	27,092
10	Ransiri Enterprises (Pvt) Ltd	41,572	0.37%	41,572	0.37%	-
11	Trading Partners (Pvt) Ltd	41,203	0.37%	317,119	2.84%	(275,916)
12	Mr. S.Abishek	35,000	0.31%			35,000
13	Mr. S.H.Jayasuriya	34,983	0.31%			34,983
14	Nagoya Ceylon Trading (Pvt) Ltd	33,286	0.30%			33,286
15	Mr.H.A. Pieris	30,932	0.28%	50,033	0.45%	(19,101)
16	Wintech Holdings (Pvt) Ltd	30,113	0.27%			30,113
17	Corporate Holdings (Pvt) Ltd	30,000	0.27%	30,095	0.27%	(95)
18	Union Investments Ltd	27,800	0.25%	27,800	0.25%	-
19	Mr. N.A.Withana	25,000	0.22%			25,000
20	Mr. M.Duraisingam	24,457	0.22%	23,000	0.21%	1,457
21	Mrs .F.F.Haniffa	23,871	0.21%			23,871
22	Freudenberg Shipping Agencies Limited	22,321	0.20%			22,321
23	Hi -Line Trading (Pvt) Ltd	20,543	0.18%	30,000	0.27%	(9,457)
24	Mr. Murtaza Ali	20,000	0.18%			20,000
25	Hi -Line Towers (Pvt) Ltd	17,250	0.15%			17,250
Total		10,323,344	92.47%	10,206,536	91.43%	116,808

Shareholder Information (Contd)

10 Public & Parent Shareholding

As at 31st March 2015, the public held 19.74% (2014 : 19.74%) of the share capital of the company. The shareholding of the parent company, Richard Pieris & company Plc, was 80.26%. (2014-80.26%)

11 Directors Shareholding

As at 31st March	2015	2014
Name Of the Director	No of Shares	No of Shares
Dr. Sena Yaddehige	-	-
Mr. Saminda Yaddehige	-	-
Mr.Paul .Ratnayeke	-	-
Mr. Sunil Liyanage	203	203
Mr. Viville Perera	100	100
Mr. Wasantha Abeyasingunawardena	-	-
Mr. Kumar Abeyasinghe	-	-
Dr.Keerthi Tillekeratne	-	-
Mr. Angelo Patrick	-	-

Glossary of Financial Terms

A

Associate Company

A company other than a subsidiary in which a holding company has a participating interest and exercises significant influence over its operating and financial policies.

Annual Sales Growth

Percentage change over previous year's Gross turnover.

Average Capital Employed

Mean of two consecutive year's capital employed.

C

Capital Employed

Shareholders' funds plus Minority interest plus long term interest bearing loans & borrowings.

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Current Ratio

Current assets divided by Current Liabilities. A measure of short term liquidity.

Corporate Governance

A system by which companies are directed and controlled by the management in the best interest of the stakeholders ensuring greater transparency through better and timely financial reporting.

D

Deferred Taxation

Sum set aside for tax in the Financial Statement that will become payable in a Financial Year other than the current financial year.

Debt to Equity Ratio

Total interest bearing borrowings as a percentage of netassets.

Dividend Cover

Profit attributable to ordinary shareholders over 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 issued at the year end.

Dividend Rate

Gross Dividend declared as a percentage of issued Share Capital.

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)

Profit attributable ordinary shareholders divided by the weighted average number of ordinary shares in issue.

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 and amortisation.

Effective Tax Rate

Income tax expenses divided by profit before tax.

G

Gearing Ratio

Proportion of net interest bearing liabilities to total capital employed net of cash and cash equivalents.

Gross Dividend

Portion of Profits inclusive of tax withheld, distributed to shareholders during the year.

I

Interest Cover

Profit before finance cost and tax (PBIT) over net finance cost. Measure of entity's debt service ability.

M

Market Capitalization

Number of shares in issue multiplied by the market value per share at the reported date.

N

Net Assets

Total assets after deducting current liabilities, long term liabilities and non-controlling interest.

Net Asset per share

Total shareholders' fund divided by total number of ordinary shares outstanding for the period. A basis of relative share valuation.

Non-Controlling Interest

An outside ownership interest in a subsidiary that is consolidated with the parent for financial reporting purposes.

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.

Public Shareholding

Shares of a listed entity held by any person other than those directly or indirectly held by:

- Its parent, subsidiary or associate companies or any subsidiaries or associates of its parent company; and
- Its directors who are holding office as directors of the entity, their spouses and children under 18 years of age; and
- Chief Executive Officer, his/her spouse and children under 18 years of age; and
- Any single shareholder who holds 10% or more of the shares.

R

Return on Total Capital Employed

Profit before finance cost & tax (PBIT) divided by average total capital employed for the period.

Revenue Reserves

Reserves considered as being available for the distribution and investments.

Related parties

Parties who could control or significantly influence the financial and operating policies of the business.

Return on Equity

Profit after tax expressed as a percentage of average ordinary shareholders' fund for the period.

Glossary of Financial Terms (Contd)

S

Segment

Constituent business units grouped in terms of the nature and similarity of operations.

Shareholders' Funds

Stated capital plus revenue reserves.

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

A company is a subsidiary of another company if the parent company holds more than 50% of the voting rights or controls the composition of its Board of Directors

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

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Second Annual General Meeting of Richard Pieris Exports PLC will be held at the Registered Office of the Company, No. 310, High Level Road, Nawinna, Maharagama on Tuesday, 30th June, 2015 at 3.00 p.m. and the business to be brought before the meeting will be as follows;

1. To receive and consider the Report of the Directors and the Financial Statements for the year ended 31st March 2015 with the Report of the Auditors thereon.
2. To re-elect Mr. Shaminda Yaddehige , who retires by rotation in terms of Article 48 as a Director
3. To re- elect Mr. Wasantha Abeysirigunawardena, who retires by rotation in terms of Article 48 as a Director
4. To re- elect Mr. Sunil Liyanage, who retires by rotation in terms of Article 48 as a Director
5. To re-appoint M/s. Kreston MNS & Co. Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.
6. To authorize the Directors to determine contributions to charities
7. To consider any other business of which due notice has been given.

By Order of the Board
(Sgd.)

Richard Pieris Group Services (Private) Limited
Secretaries

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

28th May 2015

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.

Form of Proxy

I/We* (in block letters)of
 being a member/members of the RICHARD PIERIS EXPORTS PLC,
 hereby appoint of

whom failing DR. SENA YADDEHIGE whom failing SHAMINDA YADDEHIGE whom failing JAMES HENRY PAUL RATNAYEKE whom failing SUNIL SHANTHA GOTABHAYA LIYANAGE whom failing WARNAKULAPATABENDIGE JOSEPH VIVILLE PRAXIDUS PERERA whom failing KUMAR ABEYSINGHE whom failing WASANTHA RUKMAL ABEYSIRIGUNAWARDENA whom failing DR. LIYANAARACHCHIGE MAHASSEN KEERTHI TILLEKERATNE whom failing ANGELO MAHARAJAH PATRICK * as my/our proxy to represent me/us and to vote on my/our behalf at the 32ND ANNUAL GENERAL MEETING of the Company to be held on 30th June 2015 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

	In favour	Against
1. To receive and consider the Report of the Directors and the Financial Statements for the year ended 31st March 2015 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr. Shaminda Yaddehige, who retires by rotation in terms of Article 48 as a Director	<input type="checkbox"/>	<input type="checkbox"/>
3. To re- elect Mr. Wasantha Abysirigunawardena , who retires by rotation in terms of Article 48 as a Director	<input type="checkbox"/>	<input type="checkbox"/>
4. To re - elect Mr. Sunil Liyanage, who retires by rotation in terms of Article 48 as a Director	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint M/s Kreston M N S & Company, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
6. To authorise the Directors to determine contributions to charities	<input type="checkbox"/>	<input type="checkbox"/>
7. To consider any other business of which due notice has been given	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2015

.....
 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.

Form of Proxy (Contd)

INSTRUCTIONS AS TO COMPLETION OF PROXY FORM

The instrument appointing a proxy shall in the case of an individual be signed by the appointor or by his/her attorney.

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.

In the case of a proxy signed by an Attorney, the Power of Attorney must be deposited at the Registered Office for registration, if such Power of Attorney has not already been registered with the Company.

The full name and address of the proxy and of the shareholder appointing the proxy should be entered legibly in the Form of Proxy.

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.

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 Sunday, 28th June 2015.

Corporate Information

Name of the Company

- Richard Pieris Exports PLC

Legal Form

- A quoted limited liability Public Company, incorporated in Sri Lanka under the Companies Act No. 17 of 1982 on 30th June, 1983.

Principal line of Business

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

Stock Exchange Listing

- The Ordinary shares of the Company were listed in the Colombo Stock Exchange of Sri Lanka.

Board of Directors

- Dr. Sena Yaddhige – Chairman/CEO
- Mr. Shaminda Yaddhige
- Mr. J H P Ratnayake
- Mr. S S G Liyanage
- Mr. Viville P Perera
- Mr. W R Abeyasingunawardena
- Mr. Kumar Abeyasinghe
- Dr. L.M.K.Tillekeratne
- Mr. A.M. Patrick

Registered Office

- No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Telephone. +94 114 310500
E-mail: rpe@arpico.com
Web: www.arpicorubber.com

Registration Number

- Re-registration Number of Company PQ 147

Stated Capital

- Rs. 220,262,000. Represented by 11,163,745 shares

Parent Company

- Richard Pieris and Company PLC (80.26%)

Secretaries

- Richard Pieris Group Services (Private) Limited
No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Telephone. +94 114 310500

Auditors

- Ms. Kreston MNS & Co.
Chartered Accountants
50/2, Sir James Pieris Mawatha,
Colombo 02.
Sri Lanka .

Legal Advisors

- Ms. Paul Ratnayake Associates
International Legal Consultants,
Solicitors and Attorneys-at-Law
No.59, Gregory's Road,
Colombo 07.
Sri Lanka .

Bankers

- Hongkong & Shanghai Banking Corporation PLC.
- Hatton National Bank PLC.
- DFCC Bank PLC.
- Sampath Bank PLC
- NDB Bank PLC
- Bank of Ceylon PLC
- People's Bank PLC

