

Richard Pieris and Company PLC

Interim Financial Statements

Three months ended 30th June 2013

Corporate Information

Legal Form

A quoted public Company with limited liability, incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 on 11th May 1940. The Company registration number is PQ 138.

Stock Exchange Listing

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

Board of Directors

Dr. Sena Yaddhige - *Chairman/ Managing Director/ CEO*

Mr. J. H. Paul Ratnayake - *Director*

Prof. Lakshman R. Watawala - *Director*

Prof. Susantha D. Pathirana - *Director*

Mr. W. J. Viville P. Perera - *Director*

Mr. S.S.G. Liyanage – *Director*

Dr. S.A.B. Ekanayake – *Director*

Head/Registered Office

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

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Fax : + (94) 114310777

Website : www.arpico.com

E-mail : cpu@arpico.com

Secretaries

Richard Pieris Group Services (Private) Limited
No. 310, High Level Road,
Nawinna, Maharagama,
Sri Lanka.

Auditors

Ernst & Young
Chartered Accountants
No. 201, De Saram Place,
Colombo 10,
Sri Lanka.

Consolidated Statement of Financial Position

As at 30th June	Group		31st March
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000
Assets			
Non-current assets			
Property, plant and equipment	11,877,847	11,078,385	11,768,456
Leasehold properties	555,286	576,231	562,124
Investment properties	140,404	139,668	140,404
Intangible assets	508,468	517,482	508,893
Biological assets	568,037	507,191	568,037
Investment in an associates	25,071	85,343	24,990
Other non-current financial assets	704,552	108,630	590,002
	<u>14,379,665</u>	<u>13,012,930</u>	<u>14,162,906</u>
Current assets			
Inventories	3,732,419	3,714,518	3,745,361
Trade and other receivables	5,476,572	4,068,385	4,526,248
Tax receivables	142,139	174,564	142,680
Other current financial assets	52,331	48,552	47,777
Cash and short-term deposits	3,692,050	3,495,909	4,648,564
	<u>13,095,511</u>	<u>11,501,928</u>	<u>13,110,630</u>
Total assets	<u>27,475,176</u>	<u>24,514,858</u>	<u>27,273,536</u>
Equity and liabilities			
Equity			
Stated capital	1,735,822	1,635,078	1,637,236
Retained earnings	6,431,535	5,027,592	6,234,927
Investment fund reserve	2,396	-	2,222
Other components of equity	87,016	70,660	75,057
Equity attributable to equity holders of the parent	<u>8,256,769</u>	<u>6,733,330</u>	<u>7,949,442</u>
Non-controlling interests	2,174,441	2,067,777	2,217,100
Total equity	<u>10,431,210</u>	<u>8,801,107</u>	<u>10,166,542</u>
Non-current liabilities			
Insurance provision	83,574	10,047	67,575
Interest bearing loans and borrowings	3,258,433	2,406,047	3,368,878
Net liability to the lessor payable after one year	625,434	635,600	628,159
Provisions	119,094	101,219	115,172
Government grants	569,925	575,757	564,992
Deferred tax liabilities	240,980	148,547	227,839
Employee benefit liabilities	1,867,660	1,927,312	1,797,278
	<u>6,765,100</u>	<u>5,804,529</u>	<u>6,769,893</u>
Current liabilities			
Trade and other payables	4,356,278	4,321,962	4,630,882
Interest bearing loans and borrowings	968,208	762,199	962,843
Net liability to the lessor payable during the year	10,292	10,745	10,078
Income tax payable	210,036	138,467	161,504
Short term borrowings	4,734,052	4,675,849	4,571,794
	<u>10,278,866</u>	<u>9,909,222</u>	<u>10,337,101</u>
Total liabilities	<u>17,043,966</u>	<u>15,713,751</u>	<u>17,106,994</u>
Total equity and liabilities	<u>27,475,176</u>	<u>24,514,858</u>	<u>27,273,536</u>

The above figures are subject to audit.

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



Jagath Dissanayake
Group Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.



W J V P Perera
Director



S S G Liyanage
Director

Statement of Financial Position

As at 30th June	Company		31st March
	2013	2012	2013
	Rs. '000	Rs. '000	Rs. '000
Assets			
Non-current assets			
Property, plant and equipment	33,895	36,295	38,382
Investment properties	688,204	694,969	690,641
Investment in subsidiaries	2,913,342	2,716,413	2,906,343
Other non-current financial assets	71,375	71,375	71,375
Deferred tax assets	36,953	36,953	36,953
	<u>3,743,769</u>	<u>3,556,005</u>	<u>3,743,694</u>
Current assets			
Trade and other receivables	1,094,589	346,971	522,185
Amounts due from subsidiaries	1,664,111	1,576,391	1,763,350
Other current financial assets	47,721	48,553	47,777
Cash and short-term deposits	32,449	40,983	332,280
	<u>2,838,870</u>	<u>2,012,898</u>	<u>2,665,592</u>
Total assets	<u>6,582,639</u>	<u>5,568,903</u>	<u>6,409,286</u>
Equity and liabilities			
Equity attributable to equity holders of the parent			
Stated capital	1,735,822	1,635,078	1,637,236
Retained earnings	573,782	632,388	517,072
Other components of equity	26,236	27,067	26,291
Total equity	<u>2,335,840</u>	<u>2,294,533</u>	<u>2,180,599</u>
Non-current liabilities			
Interest bearing loans and borrowings	628,400	205,000	683,390
Employee benefit liabilities	56,988	62,584	54,328
	<u>685,388</u>	<u>267,584</u>	<u>737,718</u>
Current liabilities			
Trade and other payables	165,731	344,129	279,889
Interest bearing loans and borrowings	219,960	140,333	219,960
Amount due to subsidiaries	492,153	352,547	436,366
Income tax payable	1,932	6,567	1,932
Short term borrowings	2,681,635	2,163,210	2,552,822
	<u>3,561,411</u>	<u>3,006,786</u>	<u>3,490,969</u>
Total liabilities	<u>4,246,799</u>	<u>3,274,370</u>	<u>4,228,687</u>
Total equity and liabilities	<u>6,582,639</u>	<u>5,568,903</u>	<u>6,409,286</u>

The above figures are subject to audit.

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



Jagath Dissanayake
Group Chief Financial Officer

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W J V P Perera
Director



S S G Liyanage
Director

12th Aug 2013

Consolidated Income Statement

For the three months ended 30th June	Yearended 31st March			
	2013 Rs. '000	2012 Rs. '000	% Variance	2013 Rs. '000
Continuing operations				
Revenue	8,236,201	8,148,972	1%	34,690,340
Cost of sales	<u>(6,520,678)</u>	<u>(6,213,080)</u>	5%	<u>(26,216,569)</u>
Gross profit	1,715,523	1,935,892	-11%	8,473,771
Other operating income	122,878	104,435	18%	550,194
Selling and distribution expenses	(388,715)	(340,288)	14%	(1,454,437)
Administrative expenses	(942,230)	(875,248)	8%	(3,783,849)
Other operating expenses	<u>(25,712)</u>	<u>(13,632)</u>	89%	<u>(64,470)</u>
Operating profit	481,744	811,159	-41%	3,721,209
Finance costs	(251,684)	(253,439)	-1%	(1,058,464)
Finance Income	100,652	87,374	15%	328,997
Share of profit of an associate	<u>186</u>	<u>11,200</u>	-98%	<u>63,765</u>
Profit before tax from continuing operations	330,898	656,294	-50%	3,055,507
Income tax expense	<u>(110,686)</u>	<u>(175,138)</u>	-37%	<u>(770,237)</u>
Profit for the period from continuing operations	220,212	481,156	-54%	2,285,270
Discontinued operations				
Profit/(loss) after tax for the period from discontinued operations	<u>(681)</u>	<u>(788)</u>	-14%	<u>(581)</u>
Profit for the period	<u>219,531</u>	<u>480,368</u>	-54%	<u>2,284,689</u>
Attributable to:				
Equity holders of the parent	185,185	422,794	-56%	1,902,724
Non-controlling interests	<u>34,346</u>	<u>57,574</u>	-40%	<u>381,965</u>
	<u>219,531</u>	<u>480,368</u>		<u>2,284,689</u>
Earnings per share				
Basic (Rs.)	0.10	0.21		0.98
Diluted (Rs.)	0.09	0.21		0.95
Dividend Per Share (Rs.)	-	-		0.20

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Income Statement

For the three months ended 30th June	Company		% Variance	Year ended
	2013 Rs. '000	2012 Rs. '000		31st March Rs. '000
Revenue	259,955	272,088	-4%	1,164,265
Cost of sales	-	-		-
Gross profit	259,955	272,088	-4%	1,164,265
Administrative expenses	(105,687)	(79,706)	33%	(366,425)
Operating profit	154,268	192,382	-20%	797,840
Finance costs	(105,520)	(91,025)	16%	(436,705)
Finance Income	7,962	4,531	76%	28,475
Profit/(Loss) before tax	56,710	105,888	-46%	389,610
Income tax expense	-	(124)	-100%	(11,314)
Profit/(Loss) for the period	56,710	105,764	-46%	378,296
Earnings per share				
Basic (Rs.)	0.03	0.05		0.20
Diluted (Rs.)	0.03	0.05		0.19

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

Statements of Comprehensive Income

Three months ended 30th June	Group		Company	
	2013 Rs.000'	2012 Rs.000'	2013 Rs.000'	2012 Rs.000'
Profit for the year	<u>219,531</u>	<u>480,368</u>	<u>56,710</u>	<u>105,764</u>
Other comprehensive income				
Exchange differences on translation of foreign operations	15,919	5,385	-	-
Net loss on available for sale financial assets	(1,211)	(3,389)	(55)	(3,389)
Other comprehensive income/ (loss) for the year, net of tax	<u>14,708</u>	<u>1,996</u>	<u>(55)</u>	<u>(3,389)</u>
Total comprehensive income for the year, net of tax	<u>234,239</u>	<u>482,364</u>	<u>56,655</u>	<u>102,375</u>
Attributable to:				
Equity holders of the parent	193,034	422,185		
Non-controlling interests	<u>41,205</u>	<u>60,179</u>		
	<u>234,239</u>	<u>482,364</u>		

Cash Flow Statements

For the period ended 30th June	Group		Company	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
Cash flows from / (used in) operating activities				
Profit before tax and minority interest from continuing operations	330,898	656,294	56,710	105,888
Loss after tax from discontinued operation	(681)	(788)	-	-
Adjustments to reconcile profit before tax to net cash flows	479,152	398,633	108,468	97,296
Operating profit before working capital changes	809,369	1,054,139	165,178	203,184
Working capital adjustments	(1,227,168)	(927,640)	(531,536)	(644,067)
Cash generated from/(used in) operations	(417,799)	126,499	(366,357)	(440,883)
Interest paid	(251,684)	(253,439)	(105,520)	(91,025)
Gratuity Paid	(50,740)	(70,044)	(874)	(515)
Interest received	100,652	87,374	7,962	4,531
Income tax paid	(48,472)	(143,488)	-	(3,051)
Net cash from/(used in) operating activities	(668,043)	(253,098)	(464,789)	(530,943)
Net cash flows used in investing activities	(423,388)	196,636	(7,450)	(26,781)
Net cash inflow/(used in) before financing activities	(1,091,431)	(56,462)	(472,239)	(557,724)
Net cash flows from/(used in) financing activities	(27,341)	113,011	43,595	(82,525)
Net increase / (decrease) in cash and cash equivalents	(1,118,772)	56,549	(428,644)	(640,249)
Cash and cash equivalents at the beginning of the period	76,770	(1,236,489)	(2,220,542)	(1,481,978)
Cash and cash equivalents at the end of the period	(1,042,002)	(1,179,940)	(2,649,186)	(2,122,227)
Analysis of cash and cash equivalents at the end of the period				
Bank and cash balances	3,692,050	3,495,909	32,449	40,983
Short term borrowings	(4,734,052)	(4,675,849)	(2,681,635)	(2,163,210)
	(1,042,002)	(1,179,940)	(2,649,186)	(2,122,227)

Figures in brackets indicate deductions.

The above figures are subject to audit.

Statement of Changes in Equity

Group	Attributable to equity holders of the parent							Total equity
	Stated capital	Revenue reserves	Available -for-sale reserve	Foreign currency translation reserve	Investment fund reserve	Total	Non controlling interest	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
As at 1st April 2012	1,633,853	4,603,788	30,456	38,236	-	6,306,333	1,994,660	8,300,993
Profit for the period	-	422,794	-	-	-	422,794	57,574	480,368
Other comprehensive income	-	-	(3,389)	5,357	-	1,968	28	1,996
Total comprehensive income	-	422,794	(3,389)	5,357	-	424,762	57,602	482,364
Exercise of options	1,225	-	-	-	-	1,225	-	1,225
Dividends paid	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-
Subsidiary dividend to minority shareholders	-	-	-	-	-	-	-	-
Adjustments due to changes in holding	-	1,010	-	-	-	1,010	15,515	16,525
At 30th June 2012	1,635,078	5,027,592	27,067	43,593	-	6,733,330	2,067,777	8,801,107
As at 1st April 2013	1,637,236	6,234,927	34,859	40,198	2,222	7,949,442	2,217,100	10,166,542
Profit for the period	-	185,185	-	-	-	185,185	34,346	219,531
Other comprehensive income	-	-	(1,211)	13,170	-	11,959	2,749	14,708
Total comprehensive income	-	185,185	(1,211)	13,170	-	197,144	37,095	234,239
Exercise of options	98,586	-	-	-	-	98,586	-	98,586
Dividends paid	-	-	-	-	-	-	-	-
Adjustments due to changes in holding	-	11,423	-	-	-	11,423	(79,754)	(68,331)
Transfers during the year	-	-	-	-	174	174	-	174
Subsidiary dividend paid	-	-	-	-	-	-	-	-
At 30th June 2013	1,735,822	6,431,535	33,648	53,368	2,396	8,256,769	2,174,441	10,431,210
Company								
As at 1st April 2012	1,633,853	526,624	30,456	-	-	2,190,933	-	2,190,933
Profit for the period	-	105,764	-	-	-	105,764	-	105,764
Other comprehensive income	-	-	(3,389)	-	-	(3,389)	-	(3,389)
Total comprehensive income	-	105,764	(3,389)	-	-	102,375	-	102,375
Exercise of options	1,225	-	-	-	-	1,225	-	1,225
Dividends paid	-	-	-	-	-	-	-	-
At 30th June 2012	1,635,078	632,388	27,067	-	-	2,294,533	-	2,294,533
As at 1st April 2013	1,637,236	517,072	26,291	-	-	2,180,599	-	2,180,599
Profit for the period	-	56,710	-	-	-	56,710	-	56,710
Other comprehensive income	-	-	(55)	-	-	(55)	-	(55)
Total comprehensive income	-	56,710	(55)	-	-	56,655	-	56,655
Exercise of options	98,586	-	-	-	-	3,383	-	3,383
Dividends paid	-	-	-	-	-	(387,848)	-	(387,848)
At 30th June 2013	1,735,822	573,782	26,236	-	-	1,852,789	-	1,852,789

Figures in brackets indicate deductions.

The above figures are subject to audit.

Segmental Results

30th June	Gross Revenue		Inter segmental		Intra segmental		Revenue from external customers		Operating profits		Assets	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
Rubber	726,277	704,633	(23,425)	(23,070)	(462)	-	702,390	681,563	79,120	83,184	2,320,776	2,437,715
Tyre	981,374	1,030,505	(3,973)	(13,497)	(302,047)	(330,487)	675,354	686,521	83,151	81,568	1,936,306	1,884,387
Plastics	1,349,306	2,060,130	(104,031)	(125,663)	(122,757)	(635,592)	1,122,518	1,298,875	143,577	152,194	4,097,161	3,885,811
Retail	3,889,270	3,740,064	-	-	(57,433)	(57,433)	3,831,837	3,682,631	196,928	272,448	6,909,503	6,743,755
Finacial services	81,333	59,873	-	-	-	-	81,333	59,873	(10,889)	(24,843)	1,521,658	802,940
Other Services	325,789	317,988	(275,168)	(273,891)	(41,427)	(42,398)	9,194	1,699	(74,539)	(53,701)	7,334,128	6,331,292
Plantations	2,041,667	2,067,021	(171,692)	(246,248)	(56,400)	(82,963)	1,813,575	1,737,810	64,396	300,309	15,420,201	13,777,030
Inter segment eliminations	-	-	-	-	-	-	-	-	-	-	(12,089,628)	(11,433,415)
Group	9,395,016	9,980,214	(578,289)	(682,369)	(580,526)	(1,148,873)	8,236,201	8,148,972	481,744	811,159	27,450,105	24,429,515

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

Reconciliation of Total Comprehensive Income for the quarter ended 30th June 2012

	Notes	Group			Company		
		SLAS for the period ended 30.06.2012	Re-measurements	SLFRS for the period ended 30.06.2012	SLAS for the period ended 30.06.2012	Re-measurements	SLFRS for the period ended 30.06.2012
		Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'
Continuing operations							
Revenue	A	8,113,963	35,009	8,148,972	272,088	-	272,088
Cost of sales	B	(6,253,317)	40,237	(6,213,080)	-	-	-
Gross profit		<u>1,860,646</u>	<u>75,246</u>	<u>1,935,892</u>	<u>272,088</u>	<u>-</u>	<u>272,088</u>
Other operating income	C	208,713	(104,278)	104,435	-	-	-
Selling and distribution expenses	D	(277,183)	(63,105)	(340,288)	-	-	-
Administrative expenses	E	(856,020)	(19,228)	(875,248)	(75,438)	(4,268)	(79,706)
Other operating expenses	F	(15,904)	2,272	(13,632)	(3,389)	3,389	-
Operating profit		<u>920,252</u>	<u>(109,093)</u>	<u>811,159</u>	<u>193,261</u>	<u>(879)</u>	<u>192,382</u>
Finance costs	G	(248,594)	(4,845)	(253,439)	(86,494)	(4,531)	(91,025)
Finance Income	G	-	87,374	87,374	-	4,531	4,531
Share of profit of an associate		11,200	-	11,200	-	-	-
Profit before tax from continuing operations		<u>682,858</u>	<u>(26,564)</u>	<u>656,294</u>	<u>106,767</u>	<u>(879)</u>	<u>105,888</u>
Income tax expense	H	(171,770)	(3,368)	(175,138)	(124)	-	(124)
Profit for the year from continuing operations		<u>511,088</u>	<u>(29,932)</u>	<u>481,156</u>	<u>106,643</u>	<u>(879)</u>	<u>105,764</u>
					-	-	-
Discontinued operations							
Loss after tax for the year from discontinued operations		(788)	-	(788)	-	-	-
Profit for the year		<u>510,300</u>	<u>(29,932)</u>	<u>480,368</u>	<u>106,643</u>	<u>(879)</u>	<u>105,764</u>
Attributable to:							
Equity holders of the parent		445,541	(22,747)	422,794			
Non-controlling interests		64,759	(7,185)	57,574			
		<u>510,300</u>	<u>(29,932)</u>	<u>480,368</u>			
Other comprehensive income							
Exchange differences on translation of foreign operations	C	-	-	-	-	-	-
Net loss on available for sale financial assets	F	-	(3,389)	(3,389)	-	(3,389)	(3,389)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>(3,389)</u>	<u>(3,389)</u>	<u>-</u>	<u>(3,389)</u>	<u>(3,389)</u>
Total comprehensive income for the year, net of tax		<u>510,300</u>	<u>(33,321)</u>	<u>476,979</u>	<u>106,643</u>	<u>(4,268)</u>	<u>102,375</u>

Reconciliation of Equity as at 30th June 2012

	Notes	Group			Company			SLFRS as at 30th June 2012 Rs.000'	
		SLAS as at 30th June 2012 Rs.000'	Reclassification Rs.000'	Remeasurements Rs.000'	SLFRS as at 30th June 2012 Rs.000'	SLAS as at 30th June 2012 Rs.000'	Reclassification Rs.000'		Remeasurements Rs.000'
Assets									
Non-current assets									
Property, plant and equipment	I	10,777,615	(178,000)	478,770	11,078,385	36,295	-	-	36,295
Leasehold Properties		576,231	-	-	576,231	-	-	-	-
Investment properties	I	-	139,628	40	139,668	687,290	-	7,679	694,969
Intangible assets	J	540,633	-	(23,151)	517,482	-	-	-	-
Biological Assets	I/K	-	38,372	468,819	507,191	-	-	-	-
Investment in subsidiaries		-	-	-	-	2,716,413	-	-	2,716,413
Investment in an associates		85,343	-	-	85,343	-	-	-	-
Other non-current financial assets	L	-	108,630	-	108,630	-	71,375	-	71,375
Other Investments	L	108,530	(108,530)	-	-	71,375	(71,375)	-	-
Deferred tax assets		-	-	-	-	36,953	-	-	36,953
		<u>12,088,352</u>	<u>100</u>	<u>924,478</u>	<u>13,012,930</u>	<u>3,548,326</u>	<u>-</u>	<u>7,679</u>	<u>3,556,005</u>
Current assets									
Inventories	M	3,842,559	-	(128,041)	3,714,518	-	-	-	-
Trade and other receivables	N	4,062,058	(100)	6,427	4,068,385	346,971	-	-	346,971
Tax Receivables	O	174,930	-	(366)	174,564	-	-	-	-
Amount due from subsidiaries		-	-	-	-	1,576,391	-	-	1,576,391
Other current financial assets	P	-	48,552	-	48,552	-	48,553	-	48,553
Short term investments	P	48,552	(48,552)	-	-	48,553	(48,553)	-	-
Cash and short-term deposits		3,495,909	-	-	3,495,909	40,983	-	-	40,983
		<u>11,624,008</u>	<u>(100)</u>	<u>(121,980)</u>	<u>11,501,928</u>	<u>2,012,898</u>	<u>-</u>	<u>-</u>	<u>2,012,898</u>
Total assets		<u>23,712,360</u>	<u>-</u>	<u>802,498</u>	<u>24,514,858</u>	<u>5,561,224</u>	<u>-</u>	<u>7,679</u>	<u>5,568,903</u>
Equity and liabilities									
Equity									
Stated capital		1,635,078	-	-	1,635,078	1,635,078	-	-	1,635,078
Capital reserves	Q	126,901	(126,901)	-	-	10,574	(10,574)	-	-
Revenue reserves	R	4,456,886	99,834	470,872	5,027,592	666,654	(16,493)	(17,773)	632,388
Foreign currency translation	S	43,593	(43,593)	-	-	-	-	-	-
Other components of equity	S	-	70,660	-	70,660	-	27,067	-	27,067
Equity attributable to equity holders of the parent		<u>6,262,458</u>	<u>-</u>	<u>470,872</u>	<u>6,733,330</u>	<u>2,312,306</u>	<u>-</u>	<u>(17,773)</u>	<u>2,294,533</u>
Non-controlling interests		1,928,048	-	139,729	2,067,777	-	-	-	-
Total equity		<u>8,190,506</u>	<u>-</u>	<u>610,601</u>	<u>8,801,107</u>	<u>2,312,306</u>	<u>-</u>	<u>(17,773)</u>	<u>2,294,533</u>
Non-current liabilities									
Insurance Provision		10,047	-	-	10,047	-	-	-	-
Interest bearing loans and borrowings		2,406,047	-	-	2,406,047	205,000	-	-	205,000
Net liability to the lessor payable after one year		635,600	-	-	635,600	-	-	-	-
Provisions	T/V	-	101,219	-	101,219	-	-	-	-
Government grants		575,757	-	-	575,757	-	-	-	-
Deferred tax liabilities	U	86,819	-	61,728	148,547	-	-	-	-
Employee benefit liabilities		1,927,312	-	-	1,927,312	62,584	-	-	62,584
		<u>5,641,582</u>	<u>101,219</u>	<u>61,728</u>	<u>5,804,529</u>	<u>267,584</u>	<u>-</u>	<u>-</u>	<u>267,584</u>
Current liabilities									
Trade and other payables	V	4,290,542	(98,749)	130,169	4,321,962	316,207	2,470	25,452	344,129
Current portion of interest bearing loans and borrowings		762,199	-	-	762,199	140,333	-	-	140,333
Current portion of net liability to the lessor		10,745	-	-	10,745	-	-	-	-
Deposits	V	2,470	(2,470)	-	-	2,470	(2,470)	-	-
Amounts due to subsidiaries		-	-	-	-	352,547	-	-	352,547
Income tax payable		138,467	-	-	138,467	6,567	-	-	6,567
Short Term Borrowings		4,675,849	-	-	4,675,849	2,163,210	-	-	2,163,210
		<u>9,880,272</u>	<u>(101,219)</u>	<u>130,169</u>	<u>9,909,222</u>	<u>2,981,334</u>	<u>-</u>	<u>25,452</u>	<u>3,006,786</u>
Total liabilities		<u>15,521,854</u>	<u>-</u>	<u>191,897</u>	<u>15,713,751</u>	<u>3,248,918</u>	<u>-</u>	<u>25,452</u>	<u>3,274,370</u>
Total equity and liabilities		<u>23,712,360</u>	<u>-</u>	<u>802,498</u>	<u>24,514,858</u>	<u>5,561,224</u>	<u>-</u>	<u>7,679</u>	<u>5,568,903</u>

Notes to the Financial Statements

For the three months ended 30th June	2013 Rs.	2012 Rs.
<hr/>		
1. Net asset value per share - Group	4.22	3.47
Net asset value per share - Company	1.19	1.18
Market price per share		
Highest	7.80	7.60
Lowest	6.50	5.50
Last traded	6.90	6.70

2. Stated capital of Richard Pieris and Company PLC amounts to Rs.1,735,821,182 represented by 1,958,087,630 ordinary shares.

3. Application of new Sri Lanka Accounting standards (SLFRS/LKAS)

The Group adopted Sri Lanka Accounting Standards comprising LKAS and SLFRS effective from 01st January 2012. Accordingly the Interim Financial Statements of the group for the period ended 30th June 2013 have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS.

Prior to the adoption of SLFRS, the Group prepared the Interim Financial Statements in accordance with previous Sri Lanka Accounting Standards and where necessary, comparative figures have been re-stated to confirm with SLFRS/ LKAS.

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

5. There has been no significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2013.

6. Discontinued operations comprise the results of subsidiaries of the Group whose commercial operations have been discontinued.

7. There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements.

8. The percentage of shares held by the public as at 30th June 2013 was 45.56 % (31st March 2013 - 45.03%)

Notes to the Financial Statements

9. The number of shares held by the Board of Directors are as follows:

As at	30-6-2013	31-3-2013
1 Dr. Sena Yaddehige - Chairman/Managing Director/CEO	18,850,005	-
2 Mr. J H Paul Ratnayeke	3,250,005	3,250,005
3 Prof. Lakshman R Watawala	40,000	40,000
4 Prof. Susantha D Pathirana	-	-
5 Mr. W J V P Perera	4,500	4,500
6 Mr. S S G Liyanage	529,740	3,942,825
7 Dr. S A B Ekanayake	-	-

10. Twenty largest shareholders of the Company are as follows:

As at	30-6-2013	%	31-3-2013	%
	Number of shares		Number of shares	
1 Skyworld Overseas Holdings Limited	516,388,590	26.37%	516,388,590	26.63%
2 Camille Consulting Corp.	316,935,120	16.19%	316,935,120	16.34%
3 HSBC International Nominees Ltd-SSBT- Deutsche Bank	225,353,787	11.51%	225,353,787	11.62%
4 Sezeka Limited	174,447,000	8.91%	174,447,000	9.00%
5 Employees Provident Fund	137,181,379	7.01%	137,181,379	7.07%
6 Rockport Limited	99,506,865	5.08%	99,506,865	5.13%
7 Mr. D.W.R.Rutnam	25,759,500	1.32%	25,759,500	1.33%
8 The Executor of the Estate of Late Mrs L.B. S. Pieris	22,782,045	1.16%	22,782,045	1.17%
9 Mr. H.A. Pieris	20,751,015	1.06%	20,751,015	1.07%
10 Dhanasiri Recreation Pvt Ltd	20,209,699	1.03%	20,209,699	1.04%
11 Dr. Sena Yaddehige	18,850,005	0.96%	-	N/A
12 Mercantile Investments and Finance PLC	15,785,995	0.81%	15,785,995	0.81%
13 Kalday (Pvt) Ltd.	12,126,030	0.62%	12,126,030	0.63%
14 Mr. K. R. Dharmendra	7,641,900	0.39%	7,576,900	0.39%
15 Mr. R.C. Peries	7,168,780	0.37%	7,188,780	0.37%
16 Seylan Bank PLC - Account No: 03	7,000,000	0.36%	7,000,000	0.36%
17 Dr C.M. Fernando	6,660,570	0.34%	6,660,570	0.34%
18 Employees Trust Fund Board	6,419,095	0.33%	6,419,095	0.33%
19 Mr. M.M. Udeshi	6,003,600	0.31%	6,003,600	0.31%
20 National Savings Bank	5,323,900	0.27%	5,323,900	0.27%
	1,652,294,875	84.38%	1,633,399,870	84.23%

11 All values included in these financial statements are in Rs.'000s unless otherwise stated.

12. Notes to the reconciliation of equity as at 30th June 2012 and total comprehensive income for the year ended 30th June 2012

The Group adopted Sri Lanka Accounting Standards comprising LKAS and SLFRS effective from 01st January 2012. Accordingly the Interim Financial Statements of the Group for period ended 30th June 2013 have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS.

Prior to the adoption of SLFRS, the Group prepared the Interim Financial Statements in accordance with previous Sri Lanka Accounting Standards and where necessary, comparative figures have been re-stated to conform with SLFRS/LKAS. The resulting adjustments are described below.

A Revenue

As per SLFRS/LKAS the Group recorded Nation Building Tax (NBT) on a gross basis from the date of transition which was set off against Revenue under SLAS.

As per SLAS 32 the Profit & Loss of the perennial crop has been recognized in the financial period of harvesting, thus the unsold stock were treated as part of revenue. In terms of LKAS 18, the scope of revenue recognition was changed, therefore the revenue is recognized based on the date of auction where the recognition criterion are met and the quantity sold at auction is treated as sales.

B Cost of Sales

According to SLFRS/LKAS the recognition of Cost of Sales changed concurrently to the changes in revenue recognition. Thus, cost of sales consists of costs that are directly attributable to goods sold

C Other Operating Income

As per SLAS, the Group was permitted to recognize foreign exchange gains under Other Operating Income. However, under SLFRS/LKAS the Group is required to treat this under Other Comprehensive Income. According to LKAS 41 the Group has recorded the fair value gain of Biological Assets for the year ended 31st March 2012.

As per SLAS Finance Income has been classified under Other Operating Income. Under SLFRS/LKAS the Group is required to classify Finance Income separately.

D Selling & Distribution Expenses

According to SLFRS/LKAS the Group recognized NBT under Selling & Distribution Expenses for the year ended 31st March 2012.

E Administrative Expenses

The Group has elected to reassess useful life of certain items of Property Plant & Equipments (PPE) as at the date of transition. The impact of depreciation due to review of useful lives of assets were recognized under Administrative Expenses.

F Other Operating Expenses

As per SLAS the Group recognized fair value losses of mark to market adjustment of Available for Sale Investments (AFS) under Other Operating Expenses. However as per SLFRS/LKAS the Group is required to treat such losses under Other Comprehensive Income.

G Finance Cost/ Finance Income

Under SLAS the Group has set off certain components of Finance Income against Finance Cost. As per SLFRS/LKAS the Group reclassified the Finance Income separately.

H Income Tax

A Deferred Tax effect arose due to the increase of the Taxable temporary difference as a result of reassessment of the useful life of PPE and Fair valuation of Biological Assets which was remeasured under SLFRS/LKAS.

I Property Plant & Equipment - PPE

As per SLFRS/LKAS the Group reclassified certain items of Investment Properties and Biological Assets which were previously presented under PPE.

Further, the Group elected to reassess certain items of PPE as at the date of transition and the carrying values were adjusted accordingly.

J Intangible Assets

With the adoption of SLFRS/LKAS the Group has written off intangible Assets which did not meet the definition criterion for Intangible Assets under LKAS 38.

K Biological Assets

According to LKAS 41 managed agricultural activities were recorded at Fair Value, which was ascertained by a Professionally Qualified Valuer.

L Other non current financial assets

Other Investments of the company were reclassified as other non current financial assets as per the requirement of SLFRS/LKAS.

M Inventories

As per SLAS produce stocks were valued at its estimated selling price. However under SLFRS/LKAS inventories measured at the lower of cost or NRV which remeasured accordingly.

N Trade and Other Receivables

According to SLFRS/LKAS certain components of bad debt provision were remeasured.

O Tax Receivables

With the implementation of SLFRS/LKAS, the presentation of tax receivable was reclassified and set off against Tax Payable

P Other Current Financial Assets

With the implementation of SLFRS/LKAS, the Group reclassified its Short term Investments as Other Current Financial assets which were previously presented under Short term Investments.

Q Capital Reserves

According to SLFRS/LKAS the Group identified Capital Reserves which are of a revenue nature and reclassified under Revenue Reserves

R Revenue Reserves

Certain components of Capital Reserves were reclassified as Revenue Reserves and Fair value gain of mark to market adjustment of Available for Sale Investments was reclassified from Revenue Reserves to Other component of equity. Further, as per SLFRS/LKAS the Group has assessed the useful lives of PPE and accounted under deemed cost through retained earnings accordingly.

S Other Components of Equity

This includes Available for Sale Investments reserve and Foreign currency translation reserve which were reclassified with adoption of SLFRS/LKAS.

T Provisions

As per SLFRS/LKAS Warranty provisions presented under Trade Payables reclassified separately.

U Deferred Tax Liability

The deferred tax effects arose due to increase of the taxable temporary differences as a result of reassessment of useful life of Property Plant & Equipment and Fair valuation of Biological assets were adjusted accordingly.

V Trade Payables

As per SLFRS/LKAS Warranty Provisions and Deposits were reclassified accordingly. Further the impact of straightlining of rental payables were adjusted as per requirements of SLFRS/LKAS.

