

Richard Pieris and Company PLC

Interim Financial Statements

Three months ended 30th June 2023

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 Yaddhegige - *Chairman/Managing Director/ CEO*

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

Mr. Shaminda Yaddhegige – *Director/COO*

Dr. Jayatissa De Costa P.C. - *Director*

Mr. Prasanna Fernando – *Director*

Mr. Joseph Felix Fernandopulle - *Director*

Mr. Shiron Gooneratne – *Director*

Mr. Wasantha Rukmal Abeyesirigunawardena- *Director*

Registered Office

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

Telephone : + (94) 114310500

Fax : + (94) 114310777

Website : www.arpico.com

E-mail : cpu@arpico.com

Secretaries

Richard Pieris Group Services (Private) Limited

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

Auditors

Ernst & Young

Chartered Accountants

No. 201, De Saram Place,
Colombo 10,
Sri Lanka.

Consolidated Statement of Financial Position

As at	Unaudited As at 30th June 2023	Unaudited As at 31st March 2023
	Rs. '000	Rs. '000
Assets		
Non-current assets		
Property, plant and equipment	25,637,453	25,591,016
Investment properties	691,290	692,378
Right-of-use Assets	3,061,865	3,226,699
Intangible assets	1,140,000	1,140,983
Consumable Biological assets	1,603,005	1,602,929
Investments in subsidiaries	-	-
Investment in associates	470,146	438,299
Other non-current financial assets	4,805,992	4,525,993
Deferred tax assets	933,750	861,550
	38,343,501	38,079,847
Current assets		
Inventories	14,498,092	15,391,055
Trade and other receivables	10,154,114	10,167,042
Produce on bearer biological assets	65,419	65,419
Loans and advances	12,022,110	11,750,739
Tax receivables	377,803	172,287
Other current financial assets	1,400,346	1,438,520
Cash and short-term deposits	9,358,710	10,560,262
	47,876,594	49,545,324
Total assets	86,220,095	87,625,171
Equity and liabilities		
Equity		
Stated capital	1,972,829	1,972,829
Revenue reserves	22,289,215	23,290,407
Statutory reserve fund	88,438	88,438
Other components of equity	(587,844)	(700,135)
Equity attributable to equity holders of the parent	23,762,638	24,651,539
Non-controlling interests	5,374,580	5,274,163
Total equity	29,137,218	29,925,702
Non-current liabilities		
Interest - bearing loans and borrowings	1,508,407	1,884,346
Lease liabilities on Right-of-use Assets	2,649,266	2,870,402
Insurance provision	2,257,415	2,254,360
Provisions	192,459	200,360
Government grants	476,137	482,394
Employee benefit liabilities	2,291,678	2,279,994
Deferred tax liabilities	2,389,617	2,440,981
	11,764,979	12,412,837
Current liabilities		
Trade and other payables	12,094,038	12,237,174
Public Deposits	9,342,395	8,401,840
Interest - bearing loans and borrowings	3,058,519	3,404,268
Lease liabilities on Right of use assets	1,057,332	1,012,695
Income tax payable	554,766	589,487
Short term borrowings	19,210,848	19,641,168
	45,317,898	45,286,632
Total liabilities	57,082,877	57,699,469
Total equity and liabilities	86,220,095	87,625,171
Net Assets Per Share (Rs.)	11.68	12.11

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



Sudheera Epitakumbura
Deputy Group Chief Financial Officer

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



Wasantha .R. Abeysirigunawardena
Director



W J V P Perera
Director

14 August 2023
Colombo

Company Statement of Financial Position

As at	Unaudited As at 30th June 2023	Unaudited As at 31st March 2023
	Rs. '000	Rs. '000
Assets		
Non-current assets		
Property, plant and equipment	266,831	270,150
Investment properties	2,705,660	2,707,516
Right-of-use Assets	195,041	208,164
Investment in subsidiaries	4,818,971	4,818,971
Other non-current financial assets	1,193,888	1,080,356
Deferred tax assets	10,984	10,984
	9,191,375	9,096,141
Current assets		
Inventory	3,862	4,573
Trade and other receivables	454,150	539,164
Amounts due from subsidiaries	5,265,373	4,781,977
Cash and short-term deposits	947,790	978,801
	6,671,175	6,304,515
Total assets	15,862,550	15,400,656
Equity and liabilities		
Equity		
Stated capital	1,972,829	1,972,829
Revenue reserves	2,022,154	2,669,733
Other components of equity	(825,410)	(938,943)
Total equity	3,169,573	3,703,619
Non-current liabilities		
Lease liabilities on Right-of-use Assets	301,474	301,474
Employee benefit liabilities	52,331	54,227
	353,805	355,701
Current liabilities		
Trade and other payables	1,348,918	509,008
Lease liabilities on Right-of-use Assets	49,634	63,152
Amounts due to subsidiaries	672,906	552,262
Income tax payable	33,820	108,281
Short term borrowings	10,233,894	10,108,633
	12,339,172	11,341,336
Total liabilities	12,692,977	11,697,037
Total equity and liabilities	15,862,550	15,400,656
Net Assets Per Share (Rs.)	1.56	1.82

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



Sudheera Epitakumbura
Deputy Group Chief Financial Officer

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



Wasantha .R. Abeysirigunawardena
Director



W J V P Perera
Director

14 August 2023
Colombo

Consolidated Statement of Profit or Loss

	Unaudited		Variance %
	03 months ended 30th June 2023 Rs. '000	03 months ended 30th June 2022 Rs. '000	
Continuing operations			
Revenue from contracts with customers	16,514,851	20,744,379	-20%
Revenue from insurance contracts	575,937	509,815	13%
Interest Revenue	632,560	519,425	22%
Total Revenue	17,723,348	21,773,619	
Cost of sales	(13,833,321)	(14,390,452)	-4%
Gross profit	3,890,027	7,383,167	-47%
Other operating income	428,688	1,235,554	-65%
Selling and distribution expenses	(897,669)	(1,204,029)	-25%
Administrative expenses	(2,281,710)	(2,062,422)	11%
Other operating expenses	(129,841)	(136,078)	-5%
Operating profit	1,009,495	5,216,193	-81%
Finance costs	(905,617)	(1,319,390)	-31%
Finance Income	318,218	632,098	-50%
Share of profit of an associate	36,857	55,903	-34%
Profit before tax from continuing operations	458,954	4,584,804	-90%
Income tax expense	(324,122)	(484,907)	-33%
Profit/Loss for the period from continuing operations	134,832	4,099,897	-97%
Discontinued operations			
Loss after tax for the period from discontinued operations	(535)	(511)	5%
Profit/Loss for the period	134,297	4,099,386	-97%
Attributable to:			
Equity holders of the parent	16,586	3,574,399	-100%
Non-controlling interests	117,711	524,987	-78%
	134,297	4,099,386	
Earnings per share			
Basic (Rs.)	0.01	1.76	
Diluted (Rs.)	0.01	1.76	

Figures in brackets indicate deductions.

The above figures are subject to audit

Consolidated Statement of Comprehensive Income

	Unaudited		Variance %
	3 months ended	3 months ended	
	30th June 2023 Rs.'000	30th June 2022 Rs.'000	
Profit for the period	134,297	4,099,386	-97%
Other comprehensive income			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods;			
Net Profit/ loss on financial assets at FVOCI	30,542	3,516	769%
Fair value movement of Fair value reserve of financial assets at FVOCI transferred to life fund	(30,542)	(3,516)	769%
Exchange differences on translation of foreign operations	(48,413)	177,398	-127%
Net other comprehensive income to be reclassified to profit or loss	(48,413)	177,398	
Other comprehensive income/(loss) not to be reclassified to profit or loss;			
Net gain/(loss) on Financial Assets at FVOCI	146,201	(599,767)	-124%
Net other comprehensive income/(loss) not to be reclassified to profit or loss	146,201	(599,767)	
Other comprehensive income/(loss) for the period, net of tax	97,788	(422,369)	-123%
Total comprehensive income for the period, net of tax	232,085	3,677,017	-94%
Attributable to:			
Equity holders of the parent	128,877	3,098,203	-96%
Non-controlling interests	103,208	578,814	-82%
	232,085	3,677,017	

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

Company Statement of Profit or Loss

	Unaudited		
	3 months ended	3 months ended	Variance
	30th June 2023 Rs. '000	30th June 2022 Rs. '000	
Revenue from contracts with customers	841,657	1,576,793	-47%
Other revenue	-	60,614	-100%
Cost of sales	-	-	
Gross profit	841,657	1,637,407	-49%
Other operating income	162,041	209,194	-23%
Administrative expenses	(125,665)	(101,755)	23%
Other operating expenses	(20,341)	-	
Operating profit	857,691	1,744,846	-51%
Finance costs	(547,384)	(470,189)	16%
Finance Income	61,633	69,781	-12%
Profit before tax	371,940	1,344,438	-72%
Income tax expense	(2,000)	30,014	-107%
Profit for the period	369,940	1,374,452	-73%
Earnings/(Loss) per share			
Basic (Rs.)	0.18	0.68	
Diluted (Rs.)	0.18	0.68	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Company Statement of Comprehensive Income

	Unaudited		Variance %
	3 months ended 30th June 2023 Rs. '000	3 months ended 30th June 2022 Rs. '000	
Profit for the period	369,940	1,374,452	-73%
Other comprehensive Profit/ Loss			
Other comprehensive Profit/Loss not to be reclassified to profit or loss;			
Net gain/(loss) on equity instruments at FVOCI	113,532	(508,820)	-122%
Net other comprehensive gain/(loss) not to be reclassified to profit or loss	113,532	(508,820)	
Other comprehensive gain/(loss) for the period, net of tax	113,532	(508,820)	-122%
Total comprehensive income for the period, net of tax	483,472	865,632	-44%

Figures in brackets indicate deductions.

The above figures are subject to audit.

Statement of Cash Flow

For the Three months ended 30th June	Group		Company	
	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000
Cash flows from/(used in) operating activities				
Profit before tax and non controlling interests from continuing operations	458,954	4,584,803	371,940	1,344,438
Loss after tax from discontinued operation	(535)	(511)	-	-
Adjustments to reconcile profit before tax to net cash flows	416,862	2,151,120	518,166	113,238
Operating profit before working capital changes	875,281	6,735,412	890,106	1,457,676
Working capital adjustments	1,316,286	(6,571,432)	(454,635)	(1,533,081)
Cash generated from/(used in) operations	2,191,567	163,980	435,471	(75,405)
Interest paid	(905,617)	(1,212,030)	(547,384)	(470,189)
Gratuity paid	(148,914)	(53,109)	(4,896)	(3,701)
Interest received	318,218	632,098	61,633	69,781
Income tax paid	(508,146)	(1,022,679)	(76,461)	(20,870)
Net cash from/(used in) operating activities	947,109	(1,491,741)	(131,636)	(500,384)
Net cash flows used in investing activities	(681,631)	746,808	(638)	(52,348)
Net cash flows/(used in) before financing activities	265,478	(744,932)	(132,275)	(552,732)
Net cash flows used in financing activities	(1,036,709)	(2,011,186)	(23,996)	(11,212)
Net increase/(decrease) in cash and cash equivalents	(771,232)	(2,756,118)	(156,271)	(563,944)
Net foreign exchange difference			-	209,194
Cash and cash equivalents at the beginning of the period	(9,080,907)	(4,562,332)	(9,129,833)	(8,546,091)
Cash and cash equivalents at the end of the period	(9,852,138)	(7,318,450)	(9,286,104)	(8,900,837)
Analysis of cash and cash equivalents at the end of the period				
Bank and cash balances	9,358,710	9,909,140	947,790	494,472
Short term borrowings	(19,210,848)	(17,227,590)	(10,233,894)	(9,395,309)
	(9,852,138)	(7,318,450)	(9,286,104)	(8,900,837)

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	Fair Value Reserve of Financial Assets at FVOCI	Foreign	Statutory Reserve Fund	Total	Non Controlling Interest	
				Currency Translation Reserve				
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
As at 1st April 2022	1,972,829	19,825,052	(807,127)	380,543	89,282	21,460,579	4,300,291	25,760,871
Profit for the period	-	5,102,988	-	-	-	5,102,988	1,246,744	6,349,732
Other comprehensive income	-	(123,823)	(325,106)	51,555	-	(397,374)	(17,094)	(414,469)
Total comprehensive income	-	4,979,165	(325,106)	51,555	-	4,705,614	1,229,650	5,935,264
Amount transferred due to changes in holdings	-	(22,656)	-	-	-	(22,656)	(48,975)	(71,631)
Dividends	-	(1,424,527)	-	-	-	(1,424,527)	-	(1,424,527)
Subsidiary dividend paid to minority shareholders	-	(67,471)	-	-	-	(67,471)	(206,804)	(274,274)
Transfers during the year	-	844	-	-	(844)	-	-	-
As at 31st March 2023	1,972,829	23,290,407	(1,132,233)	432,098	88,438	24,651,539	5,274,161	29,925,702
As at 1st April 2023	1,972,829	23,290,407	(1,132,233)	432,098	88,438	24,651,539	5,274,161	29,925,702
Profit for the period	-	16,586	-	-	-	16,586	117,711	134,299
Other comprehensive income	-	-	140,939	(28,648)	-	112,291	(14,503)	97,788
Total comprehensive income	-	16,586	140,939	(28,648)	-	128,878	103,209	232,087
Amount transferred due to changes in holdings	-	(260)	-	-	-	(260)	(2,790)	(3,050)
Dividends	-	(1,017,519)	-	-	-	(1,017,519)	-	(1,017,519)
Subsidiary dividend paid to minority shareholders	-	-	-	-	-	-	-	-
Transfers during the year	-	-	-	-	-	-	-	-
As at 30th June 2023	1,972,829	22,289,215	(991,294)	403,450	88,438	23,762,638	5,374,580	29,137,218
Company								
As at 1st April 2022	1,972,829	2,463,458	(670,434)	-	-	3,765,853	-	3,765,853
Profit for the period	-	1,622,994	-	-	-	1,622,994	-	1,622,994
Other comprehensive income	-	7,808	(268,509)	-	-	(260,701)	-	(260,701)
Total comprehensive income	-	1,630,802	(268,509)	-	-	1,362,293	-	1,362,293
Dividends	-	(1,424,527)	-	-	-	(1,424,527)	-	(1,424,527)
As at 31st March 2023	1,972,829	2,669,733	(938,943)	-	-	3,703,619	-	3,703,619
As at 1st April 2023	1,972,829	2,669,733	(938,943)	-	-	3,703,619	-	3,703,619
Profit for the period	-	369,940	-	-	-	369,940	-	369,940
Other comprehensive income	-	-	113,532	-	-	113,532	-	113,532
Total comprehensive income	-	369,940	113,532	-	-	483,472	-	483,472
Dividends	-	(1,017,519)	-	-	-	(1,017,519)	-	(1,017,519)
As at 30th June 2023	1,972,829	2,022,154	(825,410)	-	-	3,169,572	-	3,169,573

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

Notes to the Financial Statements

Operating Segment Information

	For the Three months ended 30th June										As at 30th June	As at 31st March
	Gross Revenue		Inter segmental		Intra segmental		Revenue from external customers		Operating profit/(Loss)		Assets	
	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000
Rubber	1,573,535	2,879,394	(41,227)	(65,067)	(802)	(962)	1,531,506	2,813,365	(216,549)	1,137,105	9,225,358	9,905,449
Tyre	1,649,869	2,023,983	(72,779)	(330,961)	(308,747)	(327,765)	1,268,343	1,365,257	228,823	167,975	3,326,125	3,625,726
Plastic, Furniture and Electronics	1,785,819	3,879,222	(287,890)	(406,545)	(85,080)	(752,952)	1,412,849	2,719,725	62,575	973,960	13,846,353	18,762,398
Retail	8,947,866	10,184,282	(7,796)	(9,985)	(57,701)	(55,959)	8,882,369	10,118,338	417,688	1,195,412	19,695,448	19,843,292
Financial services	1,211,363	1,033,579	-	-	-	-	1,211,363	1,033,579	(248,379)	(107,618)	21,295,944	21,212,688
Other services	917,278	1,799,197	(891,112)	(1,670,298)	-	-	26,166	128,899	595,529	1,566,013	16,375,177	16,455,800
Plantations	3,839,342	4,620,498	(331,283)	(763,885)	(117,307)	(262,159)	3,390,752	3,594,455	761,363	1,547,565	28,119,388	24,582,487
Inter segment eliminations	-	-	-	-	-	-	-	-	(591,558)	(1,264,220)	(26,133,850)	(24,947,603)
Group	19,925,072	26,420,156	(1,632,087)	(3,246,740)	(569,636)	(1,399,797)	17,723,348	21,773,619	1,009,495	5,216,192	85,749,944	89,440,236

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

Notes to the Financial Statements

1. Corporate Information

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

2. Basis of Preparation

The Interim consolidated Financial Statements for the Three months ended 30th June 2023 have been prepared in accordance with LKAS 34, Interim Financial Reporting. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the previous year.

3. Related Party Transactions

The nature of Related Party Transactions in the period under review is similar to those reported in the Financial Statement for the year 2022/23.

4. Share Information

4.1. Stated Capital

Stated capital is represented by the number of shares in issue as given below

As at	No of Shares '000	Value of Shares Rs.'000
Ordinary Shares	2,035,038	1,972,829

4.2. Market Price Per Share

For the quarter ended 30 June	2023	2022
Highest	21.30	15.90
Lowest	17.00	11.00
Last Traded	20.10	13.40
Market Capitalization (Rs. '000)	40,904,269	27,269,513
Price Earning Ratio - Annualized (times)	616.53	1.91

4.3 Public Share Holding

The percentage of shares held by the public and the number of public shareholders as follows,

As at	30-06-2023	31-03-2023
Number of Shareholders	9,038	9,194
Public shareholding (%)	42.31%	41.31%
Float - Adjusted Market Capitalization	17,305,151	17,433,451

The Company complies with option 1 of the Listing rules 7.13.1 (a) - Rs 10Bn - Float Adjusted Market capitalization which requires 500 minimum public shareholders.

4.4 Net Asset Per Share

As at	30-06-2023	31-03-2023
Group	11.68	12.11
Company	1.56	1.82

4.5 Directors' share holdings

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

As at	30-06-2023	31-03-2023
1 Dr. Sena Yaddehige - Chairman/Managing Director/CEO	104,375,732	104,375,732
2 Mr. W J V P Perera	4,500	4,500
3 Mr. Shaminda Yaddehige	-	-
4 Dr. Jayatissa De Costa P.C.	-	-
5 Mr. Prasanna Fernando	-	-
6 Mr. Joseph Felix Fernandopulle	107,623	107,623
7 Mr. Shiron Gooneratne	-	-
8 Mr. Wasantha Abesirigunawardena	-	-

Notes to the Financial Statements

4.6. Twenty largest shareholders

Twenty largest shareholders of the company are as follows:

As at	30-06-2023		31-03-2023	
	Number of shares	%	Number of shares	%
1 Skyworld Overseas Holdings Limited	516,388,590	25.37%	516,388,590	25.37%
2 Camille Consulting Corp.	347,464,924	17.07%	347,412,919	17.07%
3 Deutsche Bank AG Singapore A/C 2 (DCS CLT ACC)	224,553,207	11.03%	224,553,207	11.03%
4 Sezeka Limited	203,196,647	9.98%	203,196,647	9.98%
5 Employees Provident Fund	169,899,520	8.35%	169,899,520	8.35%
6 Rockport Limited	114,806,383	5.64%	114,665,573	5.63%
7 Dr. Sena Yaddehige	104,375,732	5.13%	104,375,732	5.13%
8 Dhanasiri Recreation (Pvt) Ltd.	34,009,920	1.67%	34,009,920	1.67%
9 J.B. Cocoshell (Pvt) Ltd.	25,625,162	1.26%	24,713,784	1.21%
10 The Executor of the Estate of Late Mrs L.B. S. Pieris	22,782,045	1.12%	22,782,045	1.12%
11 Investment Resources Company (Private) Limited	20,000,000	0.98%	20,000,000	0.98%
12 Kalday (Pvt) Ltd.	12,126,030	0.60%	12,126,030	0.60%
13 Employees Trust Fund Board	9,471,620	0.47%	9,471,620	0.47%
14 Mr.P.M.Rutnam	8,586,500	0.42%	8,586,500	0.42%
15 Mr. D.W.R. Rutnam	7,000,000	0.34%	7,000,000	0.34%
16 Ms. J.F. Rutnam	7,000,000	0.34%	7,000,000	0.34%
17 Dr C.M. Fernando	6,660,570	0.33%	6,660,570	0.33%
18 Sri Lanka Insurance Corporation Ltd - Life Fund	6,275,000	0.31%	6,275,000	0.31%
19 SSBT- Sunsuper Pty. Ltd. As Trustee For Sunsuper	5,621,070	0.28%	5,621,070	0.28%
20 Citibank Hong Kong S/A Hostplus Pooled	5,502,621	0.27%	4,890,621	0.24%
	1,851,345,541	90.96%	1,849,629,348	90.88%

4.6. Dividend Payments

Interim dividend of Rs 0.50 per share for the year 2023/2024 paid on 24/07/2023

5. Comparative Information

The presentation and classification of the Financial Statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

6. Discontinue Operation

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

7. Fair value measurement

The fair values of the financial assets and financial liabilities recognized during the period were not materially different from the transaction prices at the date of initial recognition. There were neither transfers between different levels of fair value hierarchy nor changes to assets classes classified under recurring and non-recurring basis. Valuation techniques or significant unobservable inputs used for measuring level 2 and level 3 fair values remains unchanged.

8. Events After the Reporting Period

No circumstances have arisen since the reporting date, which would require adjustment to or disclosure in the Financial Statements

9. Ratios - Company

	30-06-2023	31-03-2023
Debt/Equity Ratio	3.34	2.83
Quick Asset Ratio	0.54	0.56
Interest Cover	1.77	1.81

10. All values included in these Financial Statements are in Rs. '000s unless otherwise stated.

