

# Richard Pieris and Company PLC

Interim Financial Statements

Twelve months ended 31<sup>st</sup> March 2013

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## 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 (appointed w.e.f. 01.09.2012)*

### Head/Registered Office

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

Telephone : + (94) 114310500

Fax : + (94) 114310777

Website : [www.arpico.com](http://www.arpico.com)

E-mail : [cpu@arpico.com](mailto: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 March 31	Group	
	2013 Rs. '000	2012 Rs. '000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipments	11,768,456	11,018,012
Leasehold properties	562,124	582,270
Investment properties	140,405	139,628
Intangible assets	508,894	518,494
Biological assets	568,037	507,191
Investment in an associates	24,990	74,143
Other non-current financial assets	590,002	503,922
	<u>14,162,908</u>	<u>13,343,660</u>
<b>Current assets</b>		
Inventories	3,745,361	3,518,621
Trade and other receivables	4,526,248	3,676,637
Tax receivables	142,680	179,618
Other current financial assets	47,777	51,942
Cash and short-term deposits	4,648,564	2,954,814
	<u>13,110,630</u>	<u>10,381,632</u>
<b>Total assets</b>	<u>27,273,538</u>	<u>23,725,292</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Stated capital	1,637,236	1,633,853
Retained earnings	6,234,927	4,603,788
Investment fund reserve	2,222	-
Other components of equity	75,057	68,692
<b>Equity attributable to equity holders of the parent</b>	<u>7,949,442</u>	<u>6,306,333</u>
Non-controlling interests	2,217,100	1,994,660
<b>Total equity</b>	<u>10,166,542</u>	<u>8,300,993</u>
<b>Non-current liabilities</b>		
Insurance provision	67,575	9,390
Interest bearing loans and borrowings	3,368,878	2,177,814
Net liability to the lessor payable after one year	628,159	638,237
Provisions	115,172	92,062
Government grants	564,992	577,609
Deferred tax liabilities	227,839	126,517
Employee benefit liabilities	1,797,278	1,940,629
	<u>6,769,893</u>	<u>5,562,258</u>
<b>Current liabilities</b>		
Trade and other payables	4,630,885	4,630,481
Interest bearing loans and borrowings	962,843	893,957
Net liability to the lessor payable during the year	10,078	12,398
Income tax payable	161,504	133,902
Short term borrowings	4,571,793	4,191,303
	<u>10,337,103</u>	<u>9,862,041</u>
<b>Total liabilities</b>	<u>17,106,996</u>	<u>15,424,299</u>
<b>Total equity and liabilities</b>	<u>27,273,538</u>	<u>23,725,292</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 March 31	Company	
	2013 Rs. '000	2012 Rs. '000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipments	38,384	36,121
Investment properties	690,641	696,097
Investment in subsidiaries	2,906,343	2,696,013
Other non-current financial assets	71,375	71,375
Deferred tax assets	36,953	36,953
	<u>3,743,696</u>	<u>3,536,559</u>
<b>Current assets</b>		
Trade and other receivables	522,185	39,955
Amounts due from subsidiaries	1,763,350	1,761,629
Other current financial assets	47,777	51,942
Cash and short-term deposits	332,280	25,210
	<u>2,665,592</u>	<u>1,878,736</u>
<b>Total assets</b>	<u>6,409,288</u>	<u>5,415,295</u>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the parent</b>		
Stated capital	1,637,236	1,633,853
Retained earnings	517,073	526,625
Other components of equity	26,291	30,456
<b>Total equity</b>	<u>2,180,600</u>	<u>2,190,934</u>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	683,390	220,000
Employee benefit liabilities	54,328	59,674
	<u>737,718</u>	<u>279,674</u>
<b>Current liabilities</b>		
Trade and other payables	279,890	896,754
Interest bearing loans and borrowings	219,960	209,083
Amount due to subsidiaries	436,366	322,008
Income tax payable	1,932	9,654
Short term borrowings	2,552,822	1,507,188
	<u>3,490,970</u>	<u>2,944,687</u>
<b>Total liabilities</b>	<u>4,228,688</u>	<u>3,224,361</u>
<b>Total equity and liabilities</b>	<u>6,409,288</u>	<u>5,415,295</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

29th May 2013

## Consolidated Income Statement

	3 months ended			12 months ended		
	31st March			31st March		
	2013	2012	%	2013	2012	%
	Rs. '000	Rs. '000	Variance	Rs. '000	Rs. '000	Variance
<b>Continuing operations</b>						
Revenue	8,309,531	8,494,962	-2%	34,690,340	32,005,182	8%
Cost of sales	<u>(6,077,429)</u>	<u>(5,874,912)</u>	3%	<u>(26,216,569)</u>	<u>(24,628,455)</u>	6%
<b>Gross profit</b>	2,232,102	2,620,050	-15%	8,473,771	7,376,727	15%
Other operating income	(49,172)	49,977	-198%	550,194	1,225,105	-55%
Selling and distribution expenses	(601,827)	(582,740)	3%	(1,454,437)	(1,306,746)	11%
Administrative expenses	(1,060,089)	(936,556)	13%	(3,783,849)	(3,249,903)	16%
Other operating expenses	<u>(17,641)</u>	<u>(30,780)</u>	-43%	<u>(64,470)</u>	<u>(92,545)</u>	-30%
<b>Operating profit</b>	503,373	1,119,951	-55%	3,721,209	3,952,638	-6%
Finance costs	(264,689)	(235,214)	13%	(1,058,464)	(798,277)	33%
Finance Income	328,997	301,991	9%	328,997	301,991	9%
Share of profit of an associate	<u>10,527</u>	<u>5,085</u>	107%	<u>63,765</u>	<u>62,436</u>	2%
<b>Profit before tax from continuing operations</b>	578,208	1,191,813	-51%	3,055,507	3,518,788	-13%
Income tax expense	<u>(177,599)</u>	<u>(252,863)</u>	-30%	<u>(770,237)</u>	<u>(644,540)</u>	20%
<b>Profit for the period from continuing operations</b>	400,609	938,950	-57%	2,285,270	2,874,248	-20%
<b>Discontinued operations</b>						
Profit/(loss) after tax for the period from discontinued operations	<u>626</u>	<u>(1,217)</u>	-151%	<u>(581)</u>	<u>(4,374)</u>	-87%
<b>Profit for the period</b>	<u>401,235</u>	<u>937,733</u>	-57%	<u>2,284,689</u>	<u>2,869,874</u>	-20%
Attributable to:						
Equity holders of the parent	330,589	716,279	-54%	1,902,724	2,575,061	-26%
Non-controlling interests	<u>70,646</u>	<u>221,454</u>	-68%	<u>381,965</u>	<u>294,813</u>	30%
	<u>401,235</u>	<u>937,733</u>		<u>2,284,689</u>	<u>2,869,874</u>	
Earnings per share						
Basic (Rs.)	0.17	0.37		0.98	1.33	
Diluted (Rs.)	0.17	0.35		0.95	1.27	
Dividend Per Share (Rs.)	-	-		0.20	0.70	

Figures in brackets indicate deductions.

The above figures are subject to audit.

## Company Income Statement

	3 months ended			12 months ended		
	31st March			31st March		
	2013	2012	%	2013	2012	%
	Rs. '000	Rs. '000	Variance	Rs. '000	Rs. '000	Variance
Revenue	210,351	767,656	-73%	1,164,265	1,542,190	-25%
Cost of sales	-	-		-	-	
Gross profit	<u>210,351</u>	<u>767,656</u>	-73%	<u>1,164,265</u>	<u>1,542,190</u>	-25%
Other operating income	-	(1,857)	-100%	-	515,832	-100%
Administrative expenses	<u>(143,165)</u>	<u>(130,512)</u>	10%	<u>(366,425)</u>	<u>(327,491)</u>	12%
Operating profit	<u>67,186</u>	<u>635,287</u>	-89%	<u>797,840</u>	<u>1,730,531</u>	-54%
Finance costs	(135,913)	(75,128)	81%	(436,705)	(217,202)	101%
Finance Income	28,475	10,730	165%	28,475	10,730	165%
Profit/(Loss) before tax	<u>(40,252)</u>	<u>570,891</u>	-107%	<u>389,610</u>	<u>1,524,059</u>	-74%
Income tax expense	<u>(754)</u>	<u>(39,902)</u>	-98%	<u>(11,314)</u>	<u>(19,683)</u>	-43%
Profit/(Loss) for the period	<u>(41,006)</u>	<u>530,989</u>	-108%	<u>378,296</u>	<u>1,504,376</u>	-75%
Earnings per share						
Basic (Rs.)	-	0.27		0.20	0.78	
Diluted (Rs.)	-	0.26		0.19	0.74	

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

## Statement of Comprehensive Income

For the year ended 31st March	Group		Company	
	2013 Rs.000'	2012 Rs.000'	2013 Rs.000'	2012 Rs.000'
<b>Profit for the year</b>	<u>2,284,689</u>	<u>2,869,874</u>	<u>378,296</u>	<u>1,504,376</u>
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations	(1,190)	22,577	-	-
Net gain/ (loss) on available for sale financial assets	4,403	(11,165)	(4,165)	(11,165)
<b>Other comprehensive income/ (loss) for the year, net of tax</b>	<u>3,213</u>	<u>11,412</u>	<u>(4,165)</u>	<u>(11,165)</u>
<b>Total comprehensive income for the year, net of tax</b>	<u>2,287,902</u>	<u>2,881,286</u>	<u>374,131</u>	<u>1,493,211</u>
Attributable to:				
Equity holders of the parent	1,909,089	2,574,816		
Non-controlling interests	<u>378,813</u>	<u>306,470</u>		
	<u>2,287,902</u>	<u>2,881,286</u>		

## Cash Flow Statements

For the twelve months ended 31st March	Group		Company	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
<b>Cash flows from / (used in) operating activities</b>				
Profit before tax and minority interest from continuing operations	3,055,507	3,518,788	389,610	1,524,059
Loss after tax from discontinued operation	(581)	(4,374)	-	-
Adjustments to reconcile profit before tax to net cash flows	<u>1,624,191</u>	<u>984,329</u>	<u>439,018</u>	<u>(200,338)</u>
<b>Operating profit before working capital changes</b>	<b>4,679,117</b>	<b>4,498,743</b>	<b>828,628</b>	<b>1,323,721</b>
Working capital adjustments	<u>(1,231,757)</u>	<u>(1,011,298)</u>	<u>(986,460)</u>	<u>(592,059)</u>
<b>Cash generated from/(used in) operations</b>	<b>3,447,360</b>	<b>3,487,445</b>	<b>(157,831)</b>	<b>731,662</b>
Interest paid	(1,058,464)	(798,277)	(436,705)	(217,201)
Gratuity Paid	(224,428)	(183,721)	(1,980)	(15,076)
Interest received	328,997	301,991	28,475	10,730
Income tax paid	(604,373)	(828,038)	(19,037)	(15,909)
Warranty claims paid	(852)	-	-	-
<b>Net cash from/(used in) operating activities</b>	<b>1,888,240</b>	<b>1,979,400</b>	<b>(587,078)</b>	<b>494,206</b>
Net cash flows used in investing activities	<u>(1,587,152)</u>	<u>(378,584)</u>	<u>(241,288)</u>	<u>489,602</u>
<b>Net cash inflow/(used in) before financing activities</b>	<b>301,088</b>	<b>1,600,816</b>	<b>(828,366)</b>	<b>983,808</b>
Net cash flows from/(used in) financing activities	<u>1,012,172</u>	<u>(1,595,230)</u>	<u>89,802</u>	<u>(957,803)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,313,260</b>	<b>5,586</b>	<b>(738,564)</b>	<b>26,005</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>(1,236,489)</u></b>	<b><u>(1,242,075)</u></b>	<b><u>(1,481,978)</u></b>	<b><u>(1,507,983)</u></b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>76,771</u></b>	<b><u>(1,236,489)</u></b>	<b><u>(2,220,542)</u></b>	<b><u>(1,481,978)</u></b>
<b>Analysis of cash and cash equivalents at the end of the period</b>				
Bank and cash balances	4,648,564	2,954,814	332,280	25,210
Short term borrowings	<u>(4,571,793)</u>	<u>(4,191,303)</u>	<u>(2,552,822)</u>	<u>(1,507,188)</u>
	<b><u>76,771</u></b>	<b><u>(1,236,489)</u></b>	<b><u>(2,220,542)</u></b>	<b><u>(1,481,978)</u></b>

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	
<b>As at 1st April 2011</b>	1,627,612	3,579,348	41,621	27,314	-	5,275,895	1,934,375	7,210,270
Profit for the period	-	2,575,061	-	-	-	2,575,061	294,813	2,869,874
Other comprehensive income	-	-	(11,165)	10,922	-	(243)	11,657	11,414
Total comprehensive income	-	2,575,061	(11,165)	10,922	-	2,574,818	306,470	2,881,288
Exercise of options	6,241	-	-	-	-	6,241	-	6,241
Dividends paid	-	(1,550,621)	-	-	-	(1,550,621)	-	(1,550,621)
Acquisition of non-controlling interests	-	-	-	-	-	-	(141,151)	(141,151)
Subsidiary dividend to minority shareholders	-	-	-	-	-	-	(105,034)	(105,034)
	-	-	-	-	-	-	-	-
<b>At 31st March 2012</b>	<b>1,633,853</b>	<b>4,603,788</b>	<b>30,456</b>	<b>38,236</b>	<b>-</b>	<b>6,306,333</b>	<b>1,994,660</b>	<b>8,300,993</b>
<b>As at 1st April 2012</b>	1,633,853	4,603,788	30,456	38,236	-	6,306,333	1,994,660	8,300,993
Profit for the period	-	1,902,724	-	-	-	1,902,724	381,965	2,284,689
Other comprehensive income	-	-	4,403	1,962	-	6,365	(3,152)	3,213
Total comprehensive income	-	1,902,724	4,403	1,962	-	1,909,089	378,813	2,287,902
Exercise of options	3,383	-	-	-	-	3,383	-	3,383
Dividends paid	-	(387,848)	-	-	-	(387,848)	-	(387,848)
Adjustments due to changes in holding	-	116,263	-	-	-	116,263	(156,273)	(40,010)
Transfers during the year	-	-	-	-	2,222	2,222	-	2,222
Subsidiary dividend paid	-	-	-	-	-	-	(100)	(100)
	-	-	-	-	-	-	-	-
<b>At 31st March 2013</b>	<b>1,637,236</b>	<b>6,234,927</b>	<b>34,859</b>	<b>40,198</b>	<b>2,222</b>	<b>7,949,442</b>	<b>2,217,100</b>	<b>10,166,542</b>
<b>Company</b>								
<b>As at 1st April 2011</b>	1,627,612	572,870	41,621	-	-	2,242,103	-	2,242,103
Profit for the period	-	1,504,376	-	-	-	1,504,376	-	1,504,376
Other comprehensive income	-	-	(11,165)	-	-	(11,165)	-	(11,165)
Total comprehensive income	-	1,504,376	(11,165)	-	-	1,493,211	-	1,493,211
Exercise of options	6,241	-	-	-	-	6,241	-	6,241
Dividends paid	-	(1,550,621)	-	-	-	(1,550,621)	-	(1,550,621)
	-	-	-	-	-	-	-	-
<b>At 31st March 2012</b>	<b>1,633,853</b>	<b>526,625</b>	<b>30,456</b>	<b>-</b>	<b>-</b>	<b>2,190,934</b>	<b>-</b>	<b>2,190,934</b>
<b>As at 1st April 2012</b>	1,633,853	526,625	30,456	-	-	2,190,934	-	2,190,934
Profit for the period	-	378,296	-	-	-	378,296	-	378,296
Other comprehensive income	-	-	(4,165)	-	-	(4,165)	-	(4,165)
Total comprehensive income	-	378,296	(4,165)	-	-	374,131	-	374,131
Exercise of options	3,383	-	-	-	-	3,383	-	3,383
Dividends paid	-	(387,848)	-	-	-	(387,848)	-	(387,848)
	-	-	-	-	-	-	-	-
<b>At 31st March 2013</b>	<b>1,637,236</b>	<b>517,073</b>	<b>26,291</b>	<b>-</b>	<b>-</b>	<b>2,180,600</b>	<b>-</b>	<b>2,180,600</b>

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

## Segmental Results

31st March	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	2,773,151	2,493,187	(104,560)	(65,363)	(2,360)	(198)	2,666,231	2,427,626	312,928	59,288	2,281,242	2,350,194
Tyre	4,188,262	4,450,055	(26,488)	(47,905)	(1,324,325)	(1,486,999)	2,837,449	2,915,151	377,613	305,460	1,872,483	1,825,616
Plastics	8,686,998	7,674,862	(494,253)	(460,040)	(2,291,674)	(2,097,882)	5,901,072	5,116,940	793,836	674,812	4,260,946	3,568,616
Retail	16,188,993	14,256,916	(23,957)	(26,159)	(461,605)	(204,367)	15,703,432	14,026,390	964,560	1,490,586	7,246,634	6,611,360
Finacial services	180,086	94,439	-	-	-	-	180,086	94,439	(158,008)	446	1,305,776	5,825,415
Services	1,368,803	1,722,521	(1,358,150)	(1,713,093)	-	-	10,652	9,428	423,155	1,372,580	6,840,146	798,580
Plantations	8,612,621	8,520,558	(874,043)	(783,085)	(347,160)	(322,265)	7,391,418	7,415,208	1,676,879	1,266,489	15,612,131	13,551,878
Inter segment eliminations	-	-	-	-	-	-	-	-	(669,754)	(1,217,023)	(12,170,811)	(10,880,510)
<b>Group</b>	<b>41,998,915</b>	<b>39,212,538</b>	<b>(2,881,451)</b>	<b>(3,095,645)</b>	<b>(4,427,124)</b>	<b>(4,111,711)</b>	<b>34,690,340</b>	<b>32,005,182</b>	<b>3,721,209</b>	<b>3,952,638</b>	<b>27,248,548</b>	<b>23,651,149</b>

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

Reconciliation of Total Comprehensive Income for the year ended 31st March 2012

	Notes	Group			Company		
		SLAS for the year ended 31.03.2012	Re-measurements	SLFRS for the year ended 31.03.2012	SLAS for the year ended 31.03.2012	Re-measurements	SLFRS for the year ended 31.03.2012
		Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'
<b>Continuing operations</b>							
Revenue	A	31,497,914	507,268	<b>32,005,182</b>	1,542,190	-	<b>1,542,190</b>
Cost of sales	B	(24,617,471)	(10,984)	<b>(24,628,455)</b>	-	-	-
<b>Gross profit</b>		<b>6,880,443</b>	<b>496,284</b>	<b>7,376,727</b>	<b>1,542,190</b>	<b>-</b>	<b>1,542,190</b>
Other operating income	C	1,481,016	(255,911)	<b>1,225,105</b>	515,832	-	<b>515,832</b>
Selling and distribution expenses	D	(1,063,422)	(243,324)	<b>(1,306,746)</b>	-	-	-
Administrative expenses	E	(3,190,562)	(59,341)	<b>(3,249,903)</b>	(327,974)	483	<b>(327,491)</b>
Other operating expenses	F	(103,710)	11,165	<b>(92,545)</b>	(11,165)	11,165	-
<b>Operating profit</b>		<b>4,003,765</b>	<b>(51,127)</b>	<b>3,952,638</b>	<b>1,718,883</b>	<b>11,648</b>	<b>1,730,531</b>
Finance costs	G	(794,264)	(4,013)	<b>(798,277)</b>	(206,472)	(10,730)	<b>(217,202)</b>
Finance Income	G	-	301,991	<b>301,991</b>	-	10,730	<b>10,730</b>
Share of profit of an associate		62,436	-	<b>62,436</b>	-	-	-
<b>Profit before tax from continuing operations</b>		<b>3,271,937</b>	<b>246,851</b>	<b>3,518,788</b>	<b>1,512,411</b>	<b>11,648</b>	<b>1,524,059</b>
Income tax expense	H	(706,128)	61,588	<b>(644,540)</b>	(19,683)	-	<b>(19,683)</b>
<b>Profit for the year from continuing operations</b>		<b>2,565,809</b>	<b>308,439</b>	<b>2,874,248</b>	<b>1,492,728</b>	<b>11,648</b>	<b>1,504,376</b>
<b>Discontinued operations</b>							
Loss after tax for the year from discontinued operations		(4,374)	-	<b>(4,374)</b>	-	-	-
<b>Profit for the year</b>		<b>2,561,435</b>	<b>308,439</b>	<b>2,869,874</b>	<b>1,492,728</b>	<b>11,648</b>	<b>1,504,376</b>
Attributable to:							
Equity holders of the parent		2,339,854	235,207	<b>2,575,061</b>			
Non-controlling interests		221,581	73,232	<b>294,813</b>			
		<b>2,561,435</b>	<b>308,439</b>	<b>2,869,874</b>			
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	C	-	22,577	<b>22,577</b>	-	-	-
Net loss on available for sale financial assets	F	-	(11,165)	<b>(11,165)</b>	-	(11,165)	<b>(11,165)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>11,412</b>	<b>11,412</b>	<b>-</b>	<b>(11,165)</b>	<b>(11,165)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>2,561,435</b>	<b>319,851</b>	<b>2,881,286</b>	<b>1,492,728</b>	<b>483</b>	<b>1,493,211</b>
Attributable to:							
Equity holders of the parent		2,339,854	234,962	<b>2,574,816</b>			
Non-controlling interests		221,581	84,889	<b>306,470</b>			
		<b>2,561,435</b>	<b>319,851</b>	<b>2,881,286</b>			

Reconciliation of Equity as at 1st April 2011 (date of transition to SLFRS)

	Notes	Group			Company				
		SLAS as at	Reclassification	Remeasurements	SLFRS as at	SLAS as at	Reclassification	Remeasurements	SLFRS as at
		1st April 2011			1st April 2011	1st April 2011			
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
<b>Assets</b>									
<b>Non-current assets</b>									
Property, plant and equipment	I	10,001,325	(169,816)	417,270	10,248,779	46,404	-	-	46,404
Leasehold Properties		605,934	-	-	605,934	-	-	-	-
Investment properties	I	-	139,628	-	139,628	691,393	-	7,395	698,788
Intangible assets	J	497,279	-	(27,792)	469,487	-	-	-	-
Biological Assets	J/K	-	30,188	422,573	452,761	-	-	-	-
Investment in subsidiaries		-	-	-	-	2,560,917	-	-	2,560,917
Investment in an associates		456,186	-	-	456,186	159,756	-	-	159,756
Other non-current financial assets	L	-	24,000	-	24,000	-	89,750	-	89,750
Other Investments	L	24,000	(24,000)	-	-	89,750	(89,750)	-	-
Deferred tax assets		-	-	-	-	36,953	-	-	36,953
		<u>11,584,724</u>	<u>-</u>	<u>812,051</u>	<u>12,396,775</u>	<u>3,585,173</u>	<u>-</u>	<u>7,395</u>	<u>3,592,568</u>
<b>Current assets</b>									
Inventories	M	3,341,884	-	(242,848)	3,099,036	-	-	-	-
Trade and other receivables	N	2,908,800	-	1,624	2,910,424	52,706	-	-	52,706
Tax Receivables	O	180,650	(8,289)	-	172,361	-	-	-	-
Amount due from subsidiaries		-	-	-	-	984,541	-	-	984,541
Other current financial assets	P	-	59,540	-	59,540	-	59,540	-	59,540
Short term investments	P	59,540	(59,540)	-	-	59,540	(59,540)	-	-
Cash and short-term deposits		<u>2,563,859</u>	<u>-</u>	<u>-</u>	<u>2,563,859</u>	<u>63,349</u>	<u>-</u>	<u>-</u>	<u>63,349</u>
		<u>9,054,733</u>	<u>(8,289)</u>	<u>(241,224)</u>	<u>8,805,220</u>	<u>1,160,136</u>	<u>-</u>	<u>-</u>	<u>1,160,136</u>
<b>Total assets</b>		<u>20,639,457</u>	<u>(8,289)</u>	<u>570,827</u>	<u>21,201,995</u>	<u>4,745,309</u>	<u>-</u>	<u>7,395</u>	<u>4,752,704</u>
<b>Equity and liabilities</b>									
<b>Equity</b>									
Stated capital		1,627,612	-	-	1,627,612	1,627,612	-	-	1,627,612
Capital reserves	Q	126,901	(126,901)	-	-	10,574	(10,574)	-	-
Revenue reserves	R	3,221,102	85,280	272,966	3,579,348	617,905	(31,047)	(13,988)	572,870
Foreign currency translation	S	27,314	(27,314)	-	-	-	-	-	-
Other components of equity	S	-	68,935	-	68,935	-	41,621	-	41,621
<b>Equity attributable to equity holders of the parent</b>		<u>5,002,929</u>	<u>-</u>	<u>272,966</u>	<u>5,275,895</u>	<u>2,256,091</u>	<u>-</u>	<u>(13,988)</u>	<u>2,242,103</u>
Non-controlling interests		1,860,693	-	73,682	1,934,375	-	-	-	-
<b>Total equity</b>		<u>6,863,622</u>	<u>-</u>	<u>346,648</u>	<u>7,210,270</u>	<u>2,256,091</u>	<u>-</u>	<u>(13,988)</u>	<u>2,242,103</u>
<b>Non-current liabilities</b>									
Interest-bearing loans and borrowings		1,998,291	-	-	1,998,291	149,084	-	-	149,084
Net liability to the lessor payable after one year		650,980	-	-	650,980	-	-	-	-
Provisions	T/V	-	42,286	-	42,286	-	-	-	-
Government grants		584,763	-	-	584,763	-	-	-	-
Deferred tax liabilities	U	10,589	-	124,413	135,002	-	-	-	-
Employee benefit liabilities		<u>1,662,131</u>	<u>-</u>	<u>-</u>	<u>1,662,131</u>	<u>48,578</u>	<u>-</u>	<u>-</u>	<u>48,578</u>
		<u>4,906,754</u>	<u>42,286</u>	<u>124,413</u>	<u>5,073,453</u>	<u>197,662</u>	<u>-</u>	<u>-</u>	<u>197,662</u>
<b>Current liabilities</b>									
Trade and other payables	V	3,653,146	(39,448)	99,766	3,713,464	258,991	2,838	21,383	283,212
Current portion of interest-bearing loans and borrowings		1,075,241	-	-	1,075,241	275,000	-	-	275,000
Current portion of net liability to the lessor		21,978	-	-	21,978	-	-	-	-
Deposits	V	2,838	(2,838)	-	-	2,838	(2,838)	-	-
Income tax payable	O	309,944	(8,289)	-	301,655	5,880	-	-	5,880
Amount due to subsidiaries		-	-	-	-	177,515	-	-	177,515
Short Term Borrowings		<u>3,805,934</u>	<u>-</u>	<u>-</u>	<u>3,805,934</u>	<u>1,571,332</u>	<u>-</u>	<u>-</u>	<u>1,571,332</u>
		<u>8,869,081</u>	<u>(50,575)</u>	<u>99,766</u>	<u>8,918,272</u>	<u>2,291,556</u>	<u>-</u>	<u>21,383</u>	<u>2,312,939</u>
<b>Total liabilities</b>		<u>13,775,835</u>	<u>(8,289)</u>	<u>224,179</u>	<u>13,991,725</u>	<u>2,489,218</u>	<u>-</u>	<u>21,383</u>	<u>2,510,601</u>
<b>Total equity and liabilities</b>		<u>20,639,457</u>	<u>(8,289)</u>	<u>570,827</u>	<u>21,201,995</u>	<u>4,745,309</u>	<u>-</u>	<u>7,395</u>	<u>4,752,704</u>

Reconciliation of Equity as at 31st March 2012

Notes	Group				Company			
	SLAS as at	Reclassification	Remeasurements	SLFRS as at	SLAS as at	Reclassification	Remeasurements	SLFRS as at
	31st March 2012			31st March 2012	31st March 2012			31st March 2012
Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'	Rs.000'	
<b>Assets</b>								
<b>Non-current assets</b>								
Property, plant and equipment	I	10,731,588	(178,000)	464,424	11,018,012	36,121	-	36,121
Leasehold Properties		582,270	-	-	582,270	-	-	-
Investment properties	I	-	139,628	-	139,628	688,458	-	696,097
Intangible assets	J	542,758	-	(24,264)	518,494	-	7,639	-
Biological Assets	I/K	-	38,372	468,819	507,191	-	-	-
Investment in subsidiaries		-	-	-	-	2,696,013	-	2,696,013
Investment in an associates		74,143	-	-	74,143	-	-	-
Other non-current financial assets	L	-	503,922	-	503,922	-	71,375	71,375
Other Investments	L	5,625	(5,625)	-	-	71,375	(71,375)	-
Deferred tax assets		-	-	-	-	36,953	-	36,953
		<u>11,936,384</u>	<u>498,297</u>	<u>908,979</u>	<u>13,343,660</u>	<u>3,528,920</u>	<u>7,639</u>	<u>3,536,559</u>
<b>Current assets</b>								
Inventories	M	3,609,378	-	(90,757)	3,518,621	-	-	-
Trade and other receivables	N	3,675,232	(7,124)	8,529	3,676,637	39,955	-	39,955
Tax Receivables	O	184,309	(4,691)	-	179,618	-	-	-
Amount due from subsidiaries		-	-	-	-	1,761,629	-	1,761,629
Other current financial assets	P	-	51,942	-	51,942	-	51,942	51,942
Short term investments	P	51,942	(51,942)	-	-	51,942	(51,942)	-
Cash and short-term deposits		3,445,988	(491,174)	-	2,954,814	25,210	-	25,210
		<u>10,966,849</u>	<u>(502,989)</u>	<u>(82,228)</u>	<u>10,381,632</u>	<u>1,878,736</u>	<u>-</u>	<u>1,878,736</u>
<b>Total assets</b>		<u>22,903,233</u>	<u>(4,692)</u>	<u>826,751</u>	<u>23,725,292</u>	<u>5,407,656</u>	<u>7,639</u>	<u>5,415,295</u>
<b>Equity and liabilities</b>								
<b>Equity</b>								
Stated capital		1,633,853	-	-	1,633,853	1,633,853	-	1,633,853
Capital reserves	Q	126,901	(126,901)	-	-	10,574	(10,574)	-
Revenue reserves	R	4,010,335	96,445	497,008	4,603,788	560,011	(19,882)	526,624
Foreign currency translation	S	38,236	(38,236)	-	-	-	-	-
Other components of equity	S	-	68,692	-	68,692	-	30,456	30,456
<b>Equity attributable to equity holders of the parent</b>		<u>5,809,325</u>	<u>-</u>	<u>497,008</u>	<u>6,306,333</u>	<u>2,204,438</u>	<u>(13,505)</u>	<u>2,190,933</u>
Non-controlling interests		1,847,746	-	146,914	1,994,660	-	-	-
<b>Total equity</b>		<u>7,657,071</u>	<u>-</u>	<u>643,922</u>	<u>8,300,993</u>	<u>2,204,438</u>	<u>(13,505)</u>	<u>2,190,933</u>
<b>Non-current liabilities</b>								
Insurance Provision		9,390	-	-	9,390	-	-	-
Interest bearing loans and borrowings		2,177,814	-	-	2,177,814	220,000	-	220,000
Net liability to the lessor payable after one year		638,237	-	-	638,237	-	-	-
Provisions	T/V	-	92,062	-	92,062	-	-	-
Government grants		577,609	-	-	577,609	-	-	-
Deferred tax liabilities	U	63,692	-	62,825	126,517	-	-	-
Employee benefit liabilities		1,940,629	-	-	1,940,629	59,674	-	59,674
		<u>5,407,371</u>	<u>92,062</u>	<u>62,825</u>	<u>5,562,258</u>	<u>279,674</u>	<u>-</u>	<u>279,674</u>
<b>Current liabilities</b>								
Trade and other payables	V	4,600,058	(89,581)	120,004	4,630,481	873,129	2,482	896,755
Current portion of interest bearing loans and borrowings		893,957	-	-	893,957	209,083	-	209,083
Current portion of net liability to the lessor		12,398	-	-	12,398	-	-	-
Deposits	V	2,482	(2,482)	-	-	2,482	(2,482)	-
Amounts due to subsidiaries		-	-	-	-	322,008	-	322,008
Income tax payable	O	138,593	(4,691)	-	133,902	9,654	-	9,654
Short Term Borrowings		4,191,303	-	-	4,191,303	1,507,188	-	1,507,188
		<u>9,838,791</u>	<u>(96,754)</u>	<u>120,004</u>	<u>9,862,041</u>	<u>2,923,544</u>	<u>21,144</u>	<u>2,944,688</u>
<b>Total liabilities</b>		<u>15,246,162</u>	<u>(4,692)</u>	<u>182,829</u>	<u>15,424,299</u>	<u>3,203,218</u>	<u>21,144</u>	<u>3,224,362</u>
<b>Total equity and liabilities</b>		<u>22,903,233</u>	<u>(4,692)</u>	<u>826,751</u>	<u>23,725,292</u>	<u>5,407,656</u>	<u>7,639</u>	<u>5,415,295</u>

## Notes to the Financial Statements

For the twelve months ended 31st March	2013 Rs.	2012 Rs.
1. Net asset value per share - Group	5.24	4.28
Net asset value per share - Company	1.12	1.13

### Market price per share

Highest	9.10	14.00
Lowest	5.50	6.50
Last traded	6.60	7.50

2. Stated capital of Richard Pieris and Company PLC amounts to Rs.1,637,236 represented by 1,939,236,825 ordinary shares.
3. A first interim dividend of Rs. 0.20 per share for the financial year ended 31st March 2013 was declared on 24th January 2013 and was paid on 15th February 2013.
- 4 Application of new/revised Sri Lanka Financial Reporting standards (SLFRS/LKAS)
 

The condensed interim financial statements of Richard Pieris and Company PLC for the twelve months ended 31st March 2013 have been prepared in accordance with LKAS 34, Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2012.

For all periods up to and including the year ended 31st March 2012, the group prepared its financial statements in accordance with Sri Lanka Accounting Standards - SLAS which were effective up to 31st March 2012. The interim financial statements for the quarter ended 31st March 2013 are the first financial statements prepared and presented in accordance with new Sri Lanka Accounting Standards (SLFRS/LKAS) immediately effective from 01st April 2012.

The interim condensed financial statements have been prepared on a historical cost basis, except for biological assets and financial instruments.
- 5 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.
- 6 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 2012.
- 7 Discontinued operations comprise the results of subsidiaries of the Group whose commercial operations have been discontinued.
- 8 The Group incorporated Richard Pieris Arpico Finance Limited in August 2012 (A new Finance Company was established under the "Arpico" brand) with a stated capital of Rs.400 mn .
- 8 There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements.
- 9 The percentage of shares held by the public as at 31st March 2013 was 45.03% (31st March 2012 - 44.91%)

## Notes to the Financial Statements

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

As at	31-3-2013	31-3-2012
1 Dr. Sena Yaddehige - Chairman/Managing Director/CEO	-	-
2 Mr. J H Paul Ratnayake	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	3,942,825	3,708,505
7 Dr. S A B Ekanayake (Appointed w.e.f 01/09/2012)	-	-

11 Twenty largest shareholders of the Company are as follows:

As at	31-3-2013 Number of shares	%	31-3-2012 Number of shares	%
1 Skyworld Overseas Holdings Limited	516,388,590	26.63%	516,388,590	26.64%
2 Camille Consulting Corp.	316,935,120	16.34%	316,935,120	16.35%
3 HSBC International Nominees Ltd-SSBT- Deutsche Bank	225,353,787	11.62%	225,375,570	11.63%
4 Sezeka Limited	174,447,000	9.00%	174,447,000	9.00%
5 Employees Provident Fund	137,181,379	7.07%	130,983,643	6.76%
6 Rockport Limited	99,506,865	5.13%	99,506,865	5.13%
7 Mr. D.W.R.Rutnam	25,759,500	1.33%	25,759,500	1.33%
8 The Executor of the Estate of Late Mrs L.B. S. Pieris	22,782,045	1.17%	22,782,045	1.18%
9 Mr. H.A. Pieris	20,751,015	1.07%	20,458,015	1.06%
10 Dhanasiri Recreation (Pvt) Ltd	20,209,699	1.04%	12,401,015	0.64%
11 Mercantile Investments and Finance PLC	15,785,995	0.81%	15,785,995	0.81%
12 Kalday (Pvt) Ltd.	12,126,030	0.63%	12,126,030	0.63%
13 Mr. K. R. Dharmendra	7,576,900	0.39%	7,576,900	0.39%
14 Mr. R.C. Peries	7,188,780	0.37%	7,188,780	0.37%
15 Seylan Bank PLC - Account No: 03	7,000,000	0.36%	7,000,000	0.36%
16 Dr C.M. Fernando	6,660,570	0.34%	6,660,570	0.34%
17 Employees Trust Fund Board	6,419,095	0.33%	6,419,095	0.33%
18 Mr. M.M. Udeshi	6,003,600	0.31%	6,003,600	0.31%
19 National Savings Bank	5,323,900	0.27%	5,323,900	0.27%
20 The Incorporated Trustees of the Church of Ceylon	4,868,795	0.25%	N/A	N/A
	<b>1,638,268,665</b>	<b>84.48%</b>	<b>1,619,122,233</b>	<b>83.52%</b>

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

**13. Notes to the reconciliation of equity as at 1st April 2011, 31st March 2012 and total comprehensive income for the year ended 31st March 2012**

The Group adopted Sri Lanka Accounting Standards comprising LKAS and SLFRS effective 01st January 2012. Prior to the adoption of SLFRS, the Group prepared its consolidated Financial Statements in accordance with previous Sri Lanka Accounting Standards. The Group prepared its opening SLFRS Consolidated Financial Statements as at 1st April 2011, the date of transition to SLFRS which forms the starting point for the Group's financial reporting under SLFRS. These Consolidated Financial Statements have been prepared in accordance with the accounting policies described in Note 4.

In preparing these Consolidated Financial Statements, the Group has applied the requirements of SLFRS 1 - First-time adoption of Sri Lanka Accounting Standards, including retrospective application of SLFRS effective for the Group on adoption, unless otherwise indicated. 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 Investment 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 Component 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.

