

# Richard Pieris and Company PLC

Interim Financial Statements

Twelve months ended 31st March 2019

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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 Yaddehige - *Chairman/ Managing Director/ CEO*

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

Mr. S.S.G. Liyanage – *Director*

Mr. Shaminda Yaddehige – *Director/COO*

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

Mr. Prasanna Fernando – *Director*

Mr. Joseph Felix Fernandopulle - *Director* – appointed w.e.f. 09<sup>th</sup> October 2018

## 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 31st March	Group	
	2019 Rs. '000	2018 Rs. '000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	20,209,903	19,448,765
Leasehold properties	1,293,527	1,224,428
Investment properties	389,479	216,623
Intangible assets	1,155,155	1,166,434
Biological assets	1,026,885	951,252
Investment in associates	149,089	125,562
Other non-current financial assets	2,316,580	1,771,048
Deferred tax assets	433,396	91,901
	<u>26,974,014</u>	<u>24,996,013</u>
<b>Current assets</b>		
Inventories	6,996,935	6,508,526
Trade and other receivables	10,080,031	8,188,551
Bearer biological assets	26,854	32,686
Loans and advances	13,718,868	10,664,835
Tax receivables	296,518	205,807
Other current financial assets	1,259,746	846,031
Cash and short-term deposits	5,467,209	4,544,044
	<u>37,846,161</u>	<u>30,990,480</u>
<b>Total assets</b>	<u>64,820,175</u>	<u>55,986,493</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Stated capital	1,972,829	1,972,829
Revenue reserves	11,245,314	11,136,984
Statutory reserve fund	76,606	60,204
Other components of equity	(10,142)	109,388
<b>Equity attributable to equity holders of the parent</b>	<u>13,284,607</u>	<u>13,279,405</u>
Non-controlling interests	2,837,869	2,612,630
<b>Total equity</b>	<u>16,122,476</u>	<u>15,892,035</u>
<b>Non-current liabilities</b>		
Interest - bearing loans and borrowings	5,879,463	5,070,978
Net liability to the lessor	558,642	571,393
Insurance provision	1,391,506	1,154,177
Provisions	123,883	112,203
Government grants	526,771	538,368
Deferred tax liabilities	975,041	855,267
Employee benefit liabilities	2,842,773	2,703,938
	<u>12,298,079</u>	<u>11,006,324</u>
<b>Current liabilities</b>		
Trade and other payables	9,933,259	8,888,823
Public Deposits	6,680,387	5,070,357
Current portion of Interest - bearing loans and borrowings	5,190,652	4,052,843
Current portion of net liability to the lessor	12,751	12,261
Income tax payable	351,434	346,534
Short term borrowings	14,231,137	10,717,316
	<u>36,399,620</u>	<u>29,088,134</u>
<b>Total liabilities</b>	<u>48,697,699</u>	<u>40,094,458</u>
<b>Total equity and liabilities</b>	<u>64,820,175</u>	<u>55,986,493</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



Shiron Gooneratne  
Group Chief Financial Officer

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



W J V Perera  
Director



S S G Liyanage  
Director

30th May 2019

## Statement of Financial Position

As at 31st March	Company	
	2019 Rs. '000	2018 Rs. '000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	218,148	188,637
Investment properties	1,221,180	1,225,565
Investment in subsidiaries	3,835,672	3,849,172
Other non-current financial assets	752,159	290,229
	<u>6,027,159</u>	<u>5,553,603</u>
<b>Current assets</b>		
Trade and other receivables	510,636	260,947
Amounts due from subsidiaries	2,656,390	1,492,101
Taxation receivable	6,987	8,984
Cash and short-term deposits	7,880,056	7,278,859
	<u>11,054,069</u>	<u>9,040,891</u>
<b>Total assets</b>	<u>17,081,228</u>	<u>14,594,494</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Stated capital	1,972,829	1,972,829
Revenue reserves	840,371	800,325
Other components of equity	(136,805)	5,768
<b>Total equity</b>	<u>2,676,395</u>	<u>2,778,922</u>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	-	2,143,673
Employee benefit liabilities	70,610	82,471
	<u>70,610</u>	<u>2,226,144</u>
<b>Current liabilities</b>		
Trade and other payables	974,201	408,812
Current portion of Interest bearing loans and borrowings	2,170,944	1,018,013
Amounts due to subsidiaries	2,442	7,369
Short term borrowings	11,186,636	8,155,234
	<u>14,334,223</u>	<u>9,589,428</u>
<b>Total liabilities</b>	<u>14,404,833</u>	<u>11,815,572</u>
<b>Total equity and liabilities</b>	<u>17,081,228</u>	<u>14,594,494</u>

The above figures are subject to audit.

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Shiron Gooneratne  
Group Chief Financial Officer

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W J V P Perera  
Director



S S G Liyanage  
Director

30th May 2019

## Consolidated Statement of Profit or Loss

	3 months ended			12 months ended		
	31st March			31st March		
	2019	2018	%	2019	2018	%
	Rs. '000	Rs. '000	Variance	Rs. '000	Rs. '000	Variance
<b>Continuing operations</b>						
Revenue from contracts with customers	13,701,000	13,372,304	2%	53,671,187	51,787,173	4%
Revenue from insurance contracts	329,032	346,112	-5%	1,374,171	1,185,700	16%
Cost of sales	<u>(10,813,552)</u>	<u>(10,244,811)</u>	6%	<u>(41,541,595)</u>	<u>(39,716,317)</u>	5%
<b>Gross profit</b>	3,216,480	3,127,493	3%	13,503,763	13,256,556	2%
Other operating income	318,804	410,689	-22%	1,397,260	1,284,686	9%
Selling and distribution expenses	(912,805)	(850,231)	7%	(3,333,587)	(3,196,096)	4%
Administrative expenses	(1,795,265)	(1,395,770)	29%	(6,650,891)	(5,902,776)	13%
Other operating expenses	<u>(14,476)</u>	<u>(6,940)</u>	109%	<u>(37,524)</u>	<u>(45,599)</u>	-18%
<b>Operating profit</b>	812,738	1,285,241	-37%	4,879,021	5,396,771	-10%
Finance costs	(407,574)	(400,741)	2%	(2,109,249)	(1,291,017)	63%
Finance Income	121,900	160,336	-24%	556,240	515,641	8%
Share of profit of an associate	<u>14,996</u>	<u>1,708</u>	778%	<u>27,580</u>	<u>10,157</u>	172%
<b>Profit before tax from continuing operations</b>	542,060	1,046,544	-48%	3,353,592	4,631,552	-28%
Income tax expense	<u>(84,136)</u>	<u>(620,827)</u>	-86%	<u>(1,006,764)</u>	<u>(1,549,776)</u>	-35%
<b>Profit for the period from continuing operations</b>	457,924	425,717	8%	2,346,828	3,081,776	-24%
<b>Discontinued operations</b>						
Loss after tax for the period from discontinued operations	<u>(637)</u>	<u>(1,122)</u>	-43%	<u>(4,561)</u>	<u>(4,380)</u>	4%
<b>Profit for the period</b>	<u>457,287</u>	<u>424,595</u>	8%	<u>2,342,267</u>	<u>3,077,396</u>	-24%
Attributable to:						
Equity holders of the parent	365,704	394,080	-7%	2,009,568	2,686,980	-25%
Non-controlling interests	<u>91,583</u>	<u>30,515</u>	200%	<u>332,699</u>	<u>390,416</u>	-15%
	<u>457,287</u>	<u>424,595</u>		<u>2,342,267</u>	<u>3,077,396</u>	
<b>Earnings per share</b>						
Basic (Rs.)	0.18	0.19		0.99	1.32	
Diluted (Rs.)	0.18	0.19		0.99	1.32	
Dividend per share	0.25	0.60		0.85	1.10	

Figures in brackets indicate deductions.

The above figures are subject to audit.

Consolidated Statement of Comprehensive Income

	3 months ended			12 months ended		
	31st March		%	31st March		%
	2019	2018		2019	2018	
	Rs. '000	Rs. '000	Variance	Rs. '000	Rs. '000	Variance
<b>Profit for the period</b>	<u>457,287</u>	<u>424,595</u>	8%	<u>2,342,267</u>	<u>3,077,396</u>	-24%
<b>Other comprehensive income/ (loss)</b>						
<b>Other comprehensive income/(loss) to be reclassified to profit or loss;</b>						
Net gain/(loss) on financial assets at FVOCI	(62,308)	(8,306)	-650%	(162,248)	8,539	-2000%
Fair value movement of Fair value reserve of financial assets at FVOCI transferred to life fund	(8,080)	(364)	-2120%	1,604	(18,762)	100%
Exchange differences on translation of foreign operations	<u>(23,025)</u>	<u>8,756</u>	363%	<u>60,259</u>	<u>16,061</u>	275%
<b>Net other comprehensive income/(loss) to be reclassified to profit or loss</b>	<u>(93,413)</u>	<u>86</u>		<u>(100,385)</u>	<u>5,838</u>	
<b>Other comprehensive loss not to be reclassified to profit or loss;</b>						
Loss on actuarial valuation	(75,928)	(185,292)	59%	(75,928)	(185,292)	59%
Income tax effect	<u>9,618</u>	<u>26,284</u>	63%	<u>9,618</u>	<u>26,284</u>	63%
<b>Net other comprehensive loss not to be reclassified to profit or loss</b>	<u>(66,310)</u>	<u>(159,008)</u>		<u>(66,310)</u>	<u>(159,008)</u>	
<b>Other comprehensive loss for the period, net of tax</b>	<u>(159,723)</u>	<u>(158,922)</u>	-1%	<u>(166,695)</u>	<u>(153,170)</u>	-9%
<b>Total comprehensive income for the period, net of tax</b>	<u>297,564</u>	<u>265,673</u>	12%	<u>2,175,572</u>	<u>2,924,226</u>	-26%
<b>Attributable to:</b>						
Equity holders of the parent	217,912	262,882	-17%	1,824,515	2,559,795	-29%
Non-controlling interests	<u>79,652</u>	<u>2,791</u>	2754%	<u>351,057</u>	<u>364,431</u>	-4%
	<u>297,564</u>	<u>265,673</u>		<u>2,175,572</u>	<u>2,924,226</u>	

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

## Company Statement of Profit or Loss

	3 months ended			12 months ended		
	31st March			31st March		
	2019	2018	%	2019	2018	%
	Rs. '000	Rs. '000	Variance	Rs. '000	Rs. '000	Variance
Revenue from contracts with customers	251,835	208,534	21%	848,986	819,356	4%
Dividend Income	523,715	774,097	-32%	2,085,645	1,874,977	11%
Cost of sales	-	-		-	-	
<b>Gross profit</b>	<u>775,550</u>	<u>982,631</u>	-21%	<u>2,934,631</u>	<u>2,694,333</u>	9%
Administrative expenses	(108,643)	(231,842)	53%	(459,304)	(599,004)	23%
<b>Operating profit</b>	<u>666,907</u>	<u>750,789</u>	-11%	<u>2,475,327</u>	<u>2,095,329</u>	18%
Finance costs	(187,162)	(136,840)	-37%	(717,540)	(475,884)	-51%
Finance Income	15,524	4,669	232%	41,035	29,758	38%
<b>Profit before tax</b>	<u>495,269</u>	<u>618,618</u>	-20%	<u>1,798,822</u>	<u>1,649,203</u>	9%
Income tax expense	(5,999)	-	-100%	(5,999)	-	-100%
<b>Profit for the period</b>	<u>489,270</u>	<u>618,618</u>	-21%	<u>1,792,823</u>	<u>1,649,203</u>	9%
<b>Earnings per share</b>						
Basic (Rs.)	0.24	0.30		0.88	0.81	
Diluted (Rs.)	0.24	0.30		0.88	0.81	
Dividend per share	0.25	0.60		0.85	1.10	

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

Company Statement of Comprehensive Income

	3 months ended			12 months ended		
	31st March		%	31st March		%
	2019	2018		2019	2018	
	Rs. '000	Rs. '000	Variance	Rs. '000	Rs. '000	Variance
<b>Profit for the period</b>	<u>489,270</u>	<u>618,618</u>	-21%	<u>1,792,823</u>	<u>1,649,203</u>	9%
<b>Other comprehensive loss</b>						
<b>Other comprehensive loss to be reclassified to profit or loss;</b>						
Net loss on financial assets at FVOCI	(52,317)	(12,397)	-322%	(142,573)	(10,844)	-1215%
<b>Net other comprehensive loss to be reclassified to profit or loss</b>	<u>(52,317)</u>	<u>(12,397)</u>		<u>(142,573)</u>	<u>(10,844)</u>	
<b>Other comprehensive loss not to be reclassified to profit or loss;</b>						
Loss on actuarial valuation	(22,994)	(10,521)	-119%	(22,994)	(10,521)	-119%
<b>Net other comprehensive loss not to be reclassified to profit or loss</b>	<u>(22,994)</u>	<u>(10,521)</u>		<u>(22,994)</u>	<u>(10,521)</u>	
<b>Other comprehensive loss for the period, net of tax</b>	<u>(75,311)</u>	<u>(22,918)</u>	-229%	<u>(165,567)</u>	<u>(21,365)</u>	-675%
<b>Total comprehensive income for the period, net of tax</b>	<u>413,959</u>	<u>595,700</u>	-31%	<u>1,627,256</u>	<u>1,627,838</u>	0%

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

## Cash Flow Statements

For the Twelve months ended 31st March	Group		Company	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
<b>Cash flows from / (used in) operating activities</b>				
Profit before tax and non controlling interests from continuing operations	3,353,592	4,631,552	1,798,822	1,649,203
Loss after tax from discontinued operation	(4,561)	(4,380)	-	-
Adjustments to reconcile profit before tax to net cash flows	3,857,727	2,585,618	728,762	594,060
<b>Operating profit before working capital changes</b>	<b>7,206,758</b>	<b>7,212,790</b>	<b>2,527,584</b>	<b>2,243,263</b>
Working capital adjustments	(3,125,185)	(299,380)	(973,452)	539,921
<b>Cash generated from operations</b>	<b>4,081,573</b>	<b>6,913,410</b>	<b>1,554,132</b>	<b>2,783,184</b>
Interest paid	(1,987,791)	(1,257,952)	(543,900)	(442,818)
Gratuity paid	(420,892)	(391,933)	(49,139)	(23,706)
Interest received	556,240	515,641	41,035	29,758
Income tax paid	(1,300,623)	(1,102,344)	(4,000)	(3,974)
<b>Net cash from operating activities</b>	<b>928,507</b>	<b>4,676,822</b>	<b>998,128</b>	<b>2,342,444</b>
Net cash flows used in investing activities	(3,349,243)	(4,704,449)	(652,324)	(454,910)
<b>Net cash flows before financing activities</b>	<b>(2,420,736)</b>	<b>(27,627)</b>	<b>345,804</b>	<b>1,887,534</b>
Net cash flows from/(used in) financing activities	4,695,080	(3,204,392)	2,088,991	(2,970,486)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,274,344</b>	<b>(3,232,019)</b>	<b>2,434,795</b>	<b>(1,082,952)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(5,123,272)</b>	<b>(1,891,253)</b>	<b>173,625</b>	<b>1,256,577</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(2,848,928)</b>	<b>(5,123,272)</b>	<b>2,608,420</b>	<b>173,625</b>
<b>Analysis of cash and cash equivalents at the end of the period</b>				
Bank and cash balances	5,467,209	4,544,044	7,880,056	7,278,859
Short term borrowings *	(8,316,137)	(9,667,316)	(5,271,636)	(7,105,234)
	<b>(2,848,928)</b>	<b>(5,123,272)</b>	<b>2,608,420</b>	<b>173,625</b>
<b>* Short term borrowings</b>				
Bank overdraft	(6,401,756)	(4,108,703)	(3,647,636)	(2,245,234)
Other short term borrowings - settled within 90 days	(1,914,381)	(5,558,613)	(1,624,000)	(4,860,000)
	<b>(8,316,137)</b>	<b>(9,667,316)</b>	<b>(5,271,636)</b>	<b>(7,105,234)</b>

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

**Statement of Changes in Equity**

	Attributable to equity holders of the parent							
	Stated capital	Revenue reserves	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Statutory reserve fund	Total	Non controlling interest	Total equity
Group	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>As at 1st April 2017</b>	1,972,829	10,807,381	17,218	87,751	46,024	12,931,203	2,614,195	15,545,398
Profit for the period	-	2,686,980	-	-	-	2,686,980	390,416	3,077,396
Other comprehensive income / (loss)	-	(131,604)	(10,236)	14,655	-	(127,185)	(25,985)	(153,170)
Total comprehensive income / (loss)	-	2,555,376	(10,236)	14,655	-	2,559,795	364,431	2,924,226
Dividends	-	(2,238,542)	-	-	-	(2,238,542)	-	(2,238,542)
Adjustments due to changes in holding	-	(60,787)	-	-	-	(60,787)	(108,174)	(168,961)
Adjustments	-	90,648	-	-	(2,912)	87,736	(90,782)	(3,046)
Transfers during the period	-	(17,092)	-	-	17,092	-	-	-
Subsidiary dividend to minority shareholders	-	-	-	-	-	-	(167,040)	(167,040)
<b>As at 31st March 2018</b>	<b>1,972,829</b>	<b>11,136,984</b>	<b>6,982</b>	<b>102,406</b>	<b>60,204</b>	<b>13,279,405</b>	<b>2,612,630</b>	<b>15,892,035</b>
<b>As at 1st April 2018</b>	1,972,829	11,136,984	6,982	102,406	60,204	13,279,405	2,612,630	15,892,035
Profit for the period	-	2,009,568	-	-	-	2,009,568	332,699	2,342,267
Other comprehensive income/ (loss)	-	(62,614)	(157,735)	38,205	-	(182,144)	18,358	(163,786)
Total comprehensive income/ (loss)	-	1,946,954	(157,735)	38,205	-	1,827,424	351,057	2,178,481
Dividends	-	(1,729,783)	-	-	-	(1,729,783)	-	(1,729,783)
Adjustments due to changes in SLFRSs	-	(153,076)	-	-	-	(153,076)	(3,268)	(156,344)
Transfers during the period	-	(16,402)	-	-	16,402	-	(2,909)	(2,909)
Subsidiary dividend to minority shareholders	-	60,637	-	-	-	60,637	(119,641)	(59,004)
<b>As at 31st March 2019</b>	<b>1,972,829</b>	<b>11,245,314</b>	<b>(150,753)</b>	<b>140,611</b>	<b>76,606</b>	<b>13,284,607</b>	<b>2,837,869</b>	<b>16,122,476</b>
<b>Company</b>								
<b>As at 1st April 2017</b>	1,972,829	1,400,185	16,612	-	-	3,389,626	-	3,389,626
Profit for the period	-	1,649,203	-	-	-	1,649,203	-	1,649,203
Other comprehensive loss	-	(10,521)	(10,844)	-	-	(21,365)	-	(21,365)
Total comprehensive income / (loss)	-	1,638,682	(10,844)	-	-	1,627,838	-	1,627,838
Dividends	-	(2,238,542)	-	-	-	(2,238,542)	-	(2,238,542)
<b>As at 31st March 2018</b>	<b>1,972,829</b>	<b>800,325</b>	<b>5,768</b>	<b>-</b>	<b>-</b>	<b>2,778,922</b>	<b>-</b>	<b>2,778,922</b>
<b>As at 1st April 2018</b>	1,972,829	800,325	5,768	-	-	2,778,922	-	2,778,922
Profit for the period	-	1,792,823	-	-	-	1,792,823	-	1,792,823
Other comprehensive loss	-	(22,994)	(142,573)	-	-	(165,567)	-	(165,567)
Total comprehensive income/(loss)	-	1,769,829	(142,573)	-	-	1,627,256	-	1,627,256
Dividends	-	(1,729,783)	-	-	-	(1,729,783)	-	(1,729,783)
<b>As at 31st March 2019</b>	<b>1,972,829</b>	<b>840,371</b>	<b>(136,805)</b>	<b>-</b>	<b>-</b>	<b>2,676,395</b>	<b>-</b>	<b>2,676,395</b>

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

## Segmental Results

	For the twelve months ended 31st March										As at 31st March	
	Gross Revenue		Inter segmental		Intra segmental		Revenue from external customers		Operating profit/(Loss)		Assets	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
Rubber	5,579,732	4,726,445	(180,197)	(172,735)	(28,726)	(24,212)	5,370,809	4,529,499	1,168,298	813,744	4,838,746	4,175,658
Tyre	4,477,373	4,511,064	(20,975)	(17,743)	(1,690,207)	(1,714,979)	2,766,191	2,778,342	328,290	348,323	2,510,865	2,431,865
Plastic, Furniture and Electronics	7,588,429	7,671,267	(897,165)	(862,196)	(172,031)	(187,839)	6,519,233	6,621,232	386,508	501,620	10,232,346	9,410,935
Retail	27,984,936	26,633,043	(18,320)	(21,935)	(247,392)	(247,393)	27,719,224	26,363,715	1,897,784	1,873,910	12,472,636	11,573,925
Financial services	4,217,674	3,350,374	-	-	-	-	4,217,674	3,350,374	481,274	495,846	22,422,964	16,507,575
Other services	3,182,219	3,036,402	(3,137,730)	(2,991,177)	-	-	44,489	45,225	2,030,060	1,666,012	10,334,874	8,666,847
Plantations	9,437,542	10,412,031	(854,262)	(822,518)	(175,541)	(305,026)	8,407,738	9,284,486	672,452	1,572,293	20,024,963	19,075,809
Inter segment eliminations	-	-	-	-	-	-	-	-	(2,085,645)	(1,874,977)	(18,166,308)	(15,981,683)
<b>Group</b>	<b>62,467,905</b>	<b>60,340,626</b>	<b>(5,108,649)</b>	<b>(4,888,304)</b>	<b>(2,313,897)</b>	<b>(2,479,449)</b>	<b>55,045,358</b>	<b>52,972,873</b>	<b>4,879,021</b>	<b>5,396,771</b>	<b>64,671,086</b>	<b>55,860,931</b>

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

## Notes to the Financial Statements

For the Twelve months ended 31st March	2019 Rs.	2018 Rs.
1. Net asset value per share - Group	6.53	6.53
Net asset value per share - Company	1.32	1.40
<b>Market price per share</b>		
Highest	10.60	14.10
Lowest	9.00	8.20
Last traded	9.20	12.80
<b>Market Capitalization &amp; ratios</b>		
Market Capitalization (Rs. '000)	18,722,352	26,048,486
Price Earning Ratio (times)	9.14	9.69

2. Stated capital of Richard Pieris and Company PLC amounts to Rs.1,972,829,182 represented by 2,035,038,275 ordinary shares.

3. The Interim condensed Financial Statements for the twelve months ended 31st March 2019 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 2018, except for the adoption of new standards effective as of 1st April 2018.

### **New standards, interpretations and amendments.**

The accounting standard SLFRS 15 and SLFRS 9 came in to effect from 1st January 2019 and consequently the Group has adopted these standards for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

#### **SLFRS 15 Revenue from Contracts with Customers**

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations. It applies to all revenue arising from contracts with its customers unless those contracts are in the scope of other standards. SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

SLFRS 15 requires entities to exercise judgments, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Group adopted SLFRS 15 using the modified retrospective method. SLFRS 15 does not have a significant impact on the Group.

#### **SLFRS 15 Financial Instruments**

SLFRS 9 Financial Instruments replaces LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1st January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group adopted SLFRS 9 using the modified retrospective method with the initial application date of 1st April 2018.

#### **Classification and measurement**

Under SLFRS 9, debt instruments are subsequently measured at amortized cost, fair value through profit or loss or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The classification and measurement requirements of SLFRS 9 did not have a significant impact on the group.

#### **Impairment**

The Group's accounting treatment for impairment losses for financial assets got changed from incurred loss approach (LKAS 39) to forward-looking expected credit loss (ECL) approach as per SLFRS 9. SLFRS 9 requires the Group to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Impairment losses were evaluated based on ECLs for debt instruments of the Group which are held to maturity. Impairment losses for Loans & advances of Richard Pieris Finance Ltd were accounted based on the modified retrospective method without restating the comparatives. Other companies in the Group did not have a significant impact on Group which required adjustment in the Financial Statements.

## Notes to the Financial Statements

4. An interim dividend of Rs 0.60 per share for the financial year ended 31st March 2019 was declared on 08th October 2018 and paid on 26th October 2018. A second interim dividend of Rs 0.25 per share for the financial year ended 31st March 2019 was declared on 15th March 2019 and paid on 29th March 2019.
5. 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. 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 2018.
7. Discontinued operations comprise the results of subsidiaries of the Group whose commercial operations have been discontinued.
8. There have been no material events occurring after the reporting date that require adjustments or disclosure in the Financial Statements.
9. The percentage of shares held by the public as at 31st March 2019 was 42.14% represented by 8,455 public shareholders. (Public shareholding as at 31st March 2018 was 42.15% represented by 7,864 public shareholders )  
Float-adjusted market capitalization (Rs) 7,890,475 as of 31st March 2019.  
The Company complies with option 2 of the Listing rules 7.13.1 (a) - Rs 7.5Bn - Float Adjusted Market capitalization which requires 500 minimum public shareholders and 5% minimum Public shareholding percentage.
10. **Listed Debentures;**  
Details regarding the listed debentures are as follows;  
Three types of Rated Unsecured Redeemable Debentures were issued on 7th May 2014 and subsequently listed on 23rd May 2014. The Type A debentures were redeemed on 16th May 2017 and Type B debentures were redeemed on 16th May 2018. The details of outstanding debentures are as follows;

Type of Debenture	Interest Rate	Frequency of Interest Payment	Redemption Date	Interest Rate of Government Security*
Type C	11.25%	Semi-annual	16th May 2019	9.47%

\*Interest rate of comparable government securities are net of tax as of 31st March 2019.

### Debenture trading from 1st of April 2018 to 31st March 2019

From 1st April 2018 to 31st March 2019 period, 72,000 Type C debentures were traded, The last trading statistics is as 3,000 debentures at a price of Rs. 99.00 on 01st February 2019.

### Ratios

	31-03-2019	31-03-2018
Debt/Equity Ratio	4.99	4.07
Quick Asset Ratio	0.77	0.94
Interest Cover	3.66	4.83

## Notes to the Financial Statements (Contd.)

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

As at	31-03-2019	31-03-2018
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. S S G Liyanage	3,942,825	3,942,825
4 Mr. Shaminda Yaddehige	-	-
5 Dr. Jayatissa De Costa P.C.	-	-
6 Mr. Prasanna Fernando	-	-
7 Mr. Joseph Felix Fernandopulle (appointed w.e.f. 09th October 2018)	107,623	95,275

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

As at	31-03-2019	%	31-03-2018	%
	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.	327,704,846	16.10%	327,704,846	16.10%
3 HSBC International Nominees Ltd-SSBT- Deutsche Bank	224,853,787	11.05%	224,853,787	11.05%
4 Sezeka Limited	197,981,846	9.73%	183,585,152	9.02%
5 Employees Provident Fund	169,899,520	8.35%	169,899,520	8.35%
6 Rockport Limited	108,660,116	5.34%	108,660,116	5.34%
7 Dr. Sena Yaddehige	104,375,732	5.13%	104,375,732	5.13%
8 Dhanasiri Recreation Pvt Ltd	33,655,437	1.65%	33,655,437	1.65%
9 J.B. Cocoshell (Pvt) Ltd	32,901,164	1.62%	32,125,746	1.58%
10 Mr. D.W.R. Rutnam	25,759,500	1.27%	25,759,500	1.27%
11 The Executor of the Estate of Late Mrs L.B. S. Pieris	22,782,045	1.12%	22,782,045	1.12%
12 Investment Resource Company (Private) Limited	20,000,000	0.98%	20,000,000	0.98%
13 Kalday (Pvt) Ltd.	12,126,030	0.60%	8,753,190	0.43%
14 Seylan Bank PLC/Channa Nalin Rajahmoney	11,991,550	0.59%	12,126,030	0.60%
15 Northern Trust Company S/A Hosking Global Fund	10,293,194	0.51%	11,988,508	0.59%
16 Bank of Ceylon No. 1 Account	6,889,225	0.34%	6,889,225	0.34%
17 Dr C.M. Fernando	6,660,570	0.33%	6,660,570	0.33%
18 National Savings Bank	6,463,907	0.32%	6,463,907	0.32%
19 The Incorporated Trustees of the Church of Ceylon	4,868,795	0.24%	4,868,795	0.24%
20 Mrs. D.M. Sinnnetamby Devayani Maheshwari	3,989,877	0.20%	4,086,877	0.20%
	<b>1,848,245,731</b>	<b>90.82%</b>	<b>1,831,627,573</b>	<b>90.00%</b>

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

