



## **RENUKA AGRI FOODS PLC**

**INTERIM REPORT – FOR THE PERIOD ENDED  
30<sup>TH</sup> SEPTEMBER 2016**

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## Operations Review

Renuka Agri Foods PLC is pleased to present the interim financial statement for the period ended 30<sup>th</sup> September 2016.

### Our Performance

#### **Turnover and Profitability**

The group revenue for the period ended 30<sup>th</sup> September 2016 was Rs. 1,261 Mn. The profit attributable to the equity holders for the period ended 30<sup>th</sup> September 2016 was Rs.182 Mn. The Manufacturing sector continued to be the main contributor to revenue for the period under review by achieving a turnover of Rs. 1,254 Mn while the Plantation sector recorded revenue of Rs 7 Mn for the same period.

#### **Net Assets & Earnings Per Share**

The Group Net Asset Value per share recorded at Rs. 4.63 as at 30<sup>th</sup> September 2016 and Earnings per Share stood at Rs 0.32 per share for the period ended 30<sup>th</sup> September 2016.

Sgd.

Shamindra Rajjiah  
Executive Director  
08<sup>th</sup> November 2016

**RENUKA AGRI FOODS PLC**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	CONSOLIDATED				COMPANY			
	Rs.'000'		Rs.'000'		Rs.'000'		Rs.'000'	
	QUARTER ENDED		PERIOD ENDED		QUARTER ENDED		PERIOD ENDED	
	30.09.16	30.09.15	30.09.16	30.09.15	30.09.16	30.09.15	30.09.16	30.09.15
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
Revenue	662,744	691,780	1,260,794	1,179,169	656,483	679,613	1,252,469	1,171,500
Cost of Sales	(504,816)	(545,468)	(966,825)	(941,362)	(487,353)	(540,517)	(950,762)	(942,188)
<b>Gross Profit</b>	<b>157,928</b>	<b>146,312</b>	<b>293,969</b>	<b>237,807</b>	<b>169,130</b>	<b>139,096</b>	<b>301,707</b>	<b>229,312</b>
Other Operating Income	21,059	2,222	27,427	6,213	35,055	2,222	37,105	2,222
Administration Expenses	(44,709)	(35,865)	(84,259)	(69,060)	(39,221)	(22,375)	(67,549)	(44,053)
Selling and Distribution Expenses	(13,583)	(8,943)	(47,048)	(35,223)	(13,583)	(8,976)	(47,048)	(35,083)
<b>Profit from Operations</b>	<b>120,695</b>	<b>103,726</b>	<b>190,089</b>	<b>139,738</b>	<b>151,381</b>	<b>109,966</b>	<b>224,215</b>	<b>152,397</b>
Net Financing Cost	6,776	17,220	7,941	13,772	1,122	10,405	(2,148)	8,513
Share of Profit/(Loss) of Equity Accounted Investee	(790)	1,999	3,941	5,736	-	-	-	-
<b>Profit before Taxation</b>	<b>126,681</b>	<b>122,945</b>	<b>201,971</b>	<b>159,246</b>	<b>152,503</b>	<b>120,372</b>	<b>222,067</b>	<b>160,911</b>
Taxation	(20,050)	(14,882)	(20,050)	(14,984)	(20,000)	(13,918)	(20,000)	(13,918)
<b>Profit for the Period</b>	<b>106,631</b>	<b>108,063</b>	<b>181,921</b>	<b>144,262</b>	<b>132,503</b>	<b>106,454</b>	<b>202,067</b>	<b>146,993</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Period</b>	<b>106,631</b>	<b>108,063</b>	<b>181,921</b>	<b>144,262</b>	<b>132,503</b>	<b>106,454</b>	<b>202,067</b>	<b>146,993</b>
<b>Profit Attributable to :</b>								
Owners of the Company	106,695	108,122	182,227	144,800				
Non Controlling Interest	(63)	(59)	(305)	(538)				
<b>Profit for the Period</b>	<b>106,631</b>	<b>108,063</b>	<b>181,921</b>	<b>144,262</b>				
<b>Total Comprehensive Income attributable to :</b>								
Owners of the Company	106,695	108,122	182,227	144,800				
Non Controlling Interest	(63)	(59)	(305)	(538)				
<b>Total Comprehensive Income for the Period</b>	<b>106,631</b>	<b>108,063</b>	<b>181,921</b>	<b>144,262</b>				
<b>Earnings Per Share</b>	<b>0.19</b>	<b>0.19</b>	<b>0.32</b>	<b>0.26</b>	<b>0.24</b>	<b>0.19</b>	<b>0.36</b>	<b>0.26</b>

RENUKA AGRI FOODS PLC

STATEMENTS OF FINANCIAL POSITION

AS AT	CONSOLIDATED		COMPANY	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
	Unaudited	Audited	Unaudited	Audited
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	1,117,470	1,148,709	988,783	1,016,026
Biological Assets	51,476	51,476	-	-
Intangible Assets	-	13,789	-	194
Immovable Estate Assets on Lease	45,375	46,750	-	-
Premium Paid Leasehold Premises	7,400	7,400	7,400	7,400
Investment In Subsidiaries	-	-	1,144,275	1,144,275
Investment In Equity Accounted Investees	622,672	618,731	-	-
Investment in Available for Sale Financial Assets	386,063	378,761	-	-
Deferred Tax Assets	409	409	-	-
	<b>2,230,865</b>	<b>2,266,025</b>	<b>2,140,458</b>	<b>2,167,895</b>
<b>Current Assets</b>				
Inventory	456,171	450,367	442,186	431,874
Trade and Other Receivables	277,045	229,584	262,656	225,675
Tax Recoverable	5,527	16,892	498	10,477
Amounts Due from Related Companies	95,625	21,864	99,745	23,131
Cash and Cash Equivalents	225,105	163,453	158,114	76,750
	<b>1,059,473</b>	<b>882,160</b>	<b>963,199</b>	<b>767,907</b>
<b>Total Assets</b>	<b>3,290,338</b>	<b>3,148,185</b>	<b>3,103,657</b>	<b>2,935,802</b>
<b>Equity and Liabilities</b>				
<b>Capital and Reserves</b>				
Stated Capital	1,194,453	1,194,453	1,194,453	1,194,453
Revaluation Reserve	97,770	97,770	92,743	92,743
Accumulated Profits	1,306,041	1,188,009	1,240,639	1,102,767
Equity attributable to Parent Company's Shareholders	<b>2,598,264</b>	<b>2,480,232</b>	<b>2,527,835</b>	<b>2,389,963</b>
Non Controlling Interest	42,912	43,395	-	-
<b>Total Equity</b>	<b>2,641,175</b>	<b>2,523,627</b>		
<b>Non Current Liabilities</b>				
Retirement Benefit Obligations	28,063	25,713	24,245	21,785
Loans and Borrowings	5,282	4,094	-	-
Finance Lease Obligation	53,750	55,000	-	-
Deferred Tax Liability	93,830	93,830	89,024	89,024
	<b>180,925</b>	<b>178,637</b>	<b>113,269</b>	<b>110,809</b>
<b>Current Liabilities</b>				
Loans and Borrowings	159,261	185,266	159,159	183,219
Finance Lease Obligation	2,500	2,500	-	-
Trade and Other Payables	242,353	199,770	241,287	195,551
Amounts Due to Related Companies	36	3,849	-	3,849
Dividend Payable	22,659	4,613	21,309	3,264
Income Tax Payable	17,475	10,309	17,827	10,261
Bank Overdraft	23,954	39,612	22,971	38,886
	<b>468,238</b>	<b>445,920</b>	<b>462,553</b>	<b>435,030</b>
<b>Total Liabilities</b>	<b>649,163</b>	<b>624,558</b>	<b>575,822</b>	<b>545,839</b>
<b>Total Equity &amp; Liabilities</b>	<b>3,290,338</b>	<b>3,148,185</b>	<b>3,103,657</b>	<b>2,935,802</b>
<b>Net Assets per share</b>	<b>4.63</b>	<b>4.42</b>	<b>4.50</b>	<b>4.25</b>

Notes:

The above figures are subject to audit

I certify that the Interim Financial Statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

**K.A.Nimalasiri**  
Financial Controller

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

**Dr.S.R. Rajiyah**  
Director  
08.11.2016

**S.V. Rajiyah**  
Director

**RENUKA AGRI FOODS PLC**  
**STATEMENTS OF CHANGES IN EQUITY**

For the Period ended	Equity Attributable to Owners			Non Controlling	Total
	Stated Capital	Revaluation Reserve	Retained Earnings	Interest	
	RS.000	RS.000	RS.000	RS.000	
<b>Company</b>					
Balance as at 1st April 2015	1,194,453	92,743	996,858	-	2,284,054
Profit for the Period	-	-	146,993	-	146,993
Dividend Paid	-	-	(67,410)	-	(67,410)
<b>Balance as at 30th September 2015</b>	<b>1,194,453</b>	<b>92,743</b>	<b>1,076,441</b>	<b>-</b>	<b>2,363,637</b>
<b>Balance as at 1st April 2016</b>					
Balance as at 1st April 2016	1,194,453	92,743	1,102,767	-	2,389,963
Profit for the Period	-	-	202,067	-	202,067
Dividend Paid	-	-	(64,195)	-	(64,195)
<b>Balance as at 30th September 2016</b>	<b>1,194,453</b>	<b>92,743</b>	<b>1,240,639</b>	<b>-</b>	<b>2,527,835</b>
<b>Group</b>					
Balance as at 1st April 2015	1,194,453	92,743	1,062,649	43,148	2,392,993
Profit for the Period	-	-	144,800	(538)	144,262
Dividend Paid	-	-	(67,410)	(202)	(67,612)
<b>Balance as at 30th September 2015</b>	<b>1,194,453</b>	<b>92,743</b>	<b>1,140,040</b>	<b>42,407</b>	<b>2,469,643</b>
<b>Balance as at 1st April 2016</b>					
Balance as at 1st April 2016	1,194,453	97,770	1,188,009	43,395	2,523,627
Profit for the Period	-	-	182,227	(305)	181,921
Dividend Paid	-	-	(64,195)	(178)	(64,373)
<b>Balance as at 30th September 2016</b>	<b>1,194,453</b>	<b>97,770</b>	<b>1,306,041</b>	<b>42,912</b>	<b>2,641,175</b>

**RENUKA AGRI FOODS PLC**  
**STATEMENT OF CASH FLOWS**

FOR THE PERIOD ENDED 30th SEPTEMBER

	GROUP		COMPANY	
	2016 Rs.'000 UNAUDITED	2015 Rs.'000 UNAUDITED	2016 Rs.'000 UNAUDITED	2015 Rs.'000 UNAUDITED
<b>Cash Flow from Operating Activities</b>				
Profit/(Loss) Before Tax	201,971	159,246	222,067	160,911
<b>Adjustments for</b>				
Depreciation	51,949	47,608	47,863	44,921
Amortization of Intangible asset	13,789	-	194	1,325
Share of Profit of Equity Accounted Investee	(3,941)	(5,736)	-	-
Provision for Retirement Benefit Obligation	2,725	1,670	2,799	1,604
Net Finance Cost	(7,941)	3,448	2,148	(8,513)
<b>Operating Profit Before Working Capital Changes</b>	<b>259,927</b>	<b>207,936</b>	<b>275,071</b>	<b>200,248</b>
<b>Working Capital Changes</b>				
(Increase)/Decrease in Inventories	(5,804)	(14,534)	(10,312)	(7,958)
(Increase)/Decrease in Trade and Other Receivables	(36,096)	12,617	(27,002)	20,302
(Increase)/Decrease in Dues from Related Parties	(73,761)	(25,301)	(76,614)	(30,921)
Increase/(Decrease) in Trade and Other Payables	67,795	27,323	63,781	55,581
Increase/(Decrease) in Dues to Related Parties	(3,813)	(1,191)	(3,849)	1,177
<b>Cash Generated from Operations</b>	<b>208,248</b>	<b>206,850</b>	<b>221,075</b>	<b>238,429</b>
Interest Paid	(3,130)	(1,537)	(2,882)	(4,127)
Tax Paid	(20,050)	(10,114)	(12,434)	(9,048)
Payment of Retirement Benefit Obligation	(375)	(1,178)	(339)	(1,052)
<b>Net Cash Flows Generated from /(Used in) Operating Activities</b>	<b>184,693</b>	<b>194,021</b>	<b>205,420</b>	<b>224,202</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Property, Plant and Equipment	(20,710)	(98,820)	(20,620)	(78,001)
(Investment)/ Maturity in Unit Trust/Short Term Investment	(7,302)	365,208	-	300,000
Acquisition of Subsidiaries Net of Cash Acquired	-	-	-	(252,000)
Dividend Paid	(64,373)	-	(64,195)	-
Interest Received	11,071	15,310	734	12,640
<b>Net Cash (Generated from) / Used in Investing Activities</b>	<b>(81,315)</b>	<b>74,198</b>	<b>(84,081)</b>	<b>(17,362)</b>
<b>Cash Flows from Financing Activities</b>				
Loans and Borrowings obtained during the period	(63)	-	-	-
Repayment of Loans and Borrowings	(26,005)	(193,536)	(24,060)	(130,617)
<b>Net Cash Flows Generated From/(Used) in Financing Activities</b>	<b>(26,069)</b>	<b>(261,148)</b>	<b>(24,060)</b>	<b>(198,028)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>77,310</b>	<b>(10,150)</b>	<b>97,279</b>	<b>8,812</b>
<b>Cash and Cash Equivalents at the beginning of the Period</b>	<b>123,841</b>	<b>239,480</b>	<b>37,864</b>	<b>165,434</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>201,151</b>	<b>229,330</b>	<b>135,143</b>	<b>174,246</b>

**RENUKA AGRI FOODS PLC**  
**SEGMENT INFORMATION**

	MANUFACTURING		PLANTATION		GROUP TOTAL	
	2016	2015	2016	2015	2016	2015
<b>For the Period Ended 30th September</b>						
Revenue	1,254,269	1,171,500	26,028	29,403	<b>1,280,297</b>	1,200,903
Intra Group	-	-	(19,503)	(21,734)	<b>(19,503)</b>	(21,734)
<b>Segment Revenue</b>	<b>1,254,269</b>	<b>1,171,500</b>	<b>6,525</b>	<b>7,669</b>	<b>1,260,794</b>	1,179,169
Share of Profit of Equity Accounted Investee	3,941	5,736	-	-	3,941	5,736
<b>Segment Profit from Operations</b>	<b>206,874</b>	<b>157,716</b>	<b>(12,844)</b>	<b>(12,242)</b>	<b>194,030</b>	145,474
Segment Net Finance Cost	(1,209)	7,519	9,150	6,253	7,941	13,772
<b>Profit Before Tax</b>	<b>205,665</b>	<b>165,235</b>	<b>(3,694)</b>	<b>(5,989)</b>	<b>201,971</b>	159,246
Taxation	(20,050)	(13,918)	-	(1,066)	<b>(20,050)</b>	(14,984)
<b>Profit for the Year</b>	<b>185,615</b>	<b>151,317</b>	<b>(3,694)</b>	<b>(7,055)</b>	<b>181,921</b>	144,262
<b>TOTAL ASSETS</b>	<b>2,900,157</b>	<b>2,654,637</b>	<b>390,181</b>	<b>443,468</b>	<b>3,290,338</b>	<b>3,098,105</b>
<b>TOTAL LIABILITIES</b>	<b>571,604</b>	<b>550,421</b>	<b>77,559</b>	<b>78,041</b>	<b>649,163</b>	<b>628,462</b>

Note: 1 The above figures are subject to the audit.

2 Figures in brackets indicates deductions



## Explanatory notes

### 1. Basis of preparation

The interim financial statements of Renuka Agri Foods PLC have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 -Interim Financial Reporting. These interim financial statements are to be read in conjunction with the annual financial statements for the year ended 31st March 2016.

### 2. Comparative figures

The presentation and classification of figures for the corresponding period of the previous year have been rearranged where relevant, to be comparable with those for the current period.

For management purposes, the group is organized in to business units based on their products and services and performance reported under two segments (i.e. Manufacturing and Plantation) during the period under review.

### 3. Stated Capital

The stated capital of the company consists of 561,750,000 shares issued as at 30th September 2016.

### 4. Contingent liabilities

There is no change in the nature of the contingent liabilities as at 30th September 2016 as compared to the contingent liabilities which were disclosed in the accounts for the year ended 31st March 2016.

### 5. Market price per share

Market prices for the quarter ended 30th September were:

	2016	2015
Lowest	2.90	4.00
Highest	3.50	4.50
Last traded	3.00	4.40

### 6. Public shareholding

The percentage of shares held by the public as at 30th September 2016 amounts to 30.65% (31st March 2016 – 32.86%) of the stated capital. The number of shareholders representing the public holding was 3,760 as at 30th September 2016.

### 7. Directors' shareholding

The directors' shareholdings are as follows:

Directors Name	As at 30th September 2016	As at 30th June 2016
Dr. S.R. Rajiyah	-	-
Mrs. I.R. Rajiyah	-	-
Dr. S.R. Rajiyah (Jointly with Mrs. I.R. Rajiyah)	22,880,509	22,404,654
Mr. S.V. Rajiyah	1,404,375	1,404,375
Ms. A.L. Rajiyah	1,219,483	1,219,483
Mr. S. Vasanthakumara (Mr. V. Sanmugam)	1,010	1,010
Mr. L.M. Abeywickrama	28,000	28,000
Mr. S. Nagarajah	-	-
Mr. M. Terfloth	-	-
Mr. D.S. Arangala	-	-
Mr. K. Liyanagamage	-	-





## 8. Significant Events and Transactions

There are no significant events and transactions that have taken place subsequent to 30<sup>th</sup> September 2016 which require disclosure or adjustments to the financial statements.

## 9. Post Balance Sheet Events

There are no material events that have taken place subsequent to 30<sup>th</sup> September 2016 which require disclosures or adjustments to the financial statements.

## 10. Earnings per share

Earnings per share have been calculated by dividing profit attributable to ordinary equity holders by the number of ordinary shares as given in the LKAS 33.

### RENUKA AGRI FOODS PLC - TOP 20 MAJOR SHAREHOLDERS

<u>No</u>	<u>Name</u>	<u>Voting as at 30.09.2016</u>		<u>Voting as at 30.06.2016</u>	
		<u>Number of shares</u>	<u>%</u>	<u>Number of shares</u>	<u>%</u>
1	RENUKA FOODS PLC	328,079,363	58.40%	316,155,555	56.28%
2	GREVEN HOLDINGS LTD	34,735,743	6.18%	34,735,743	6.18%
3	DR S R RAJIYAH & MRS I R RAJIYAH (JT)	22,880,509	4.07%	22,404,654	3.99%
4	MRS A T T T ALNAKIB	14,855,280	2.64%	14,855,280	2.64%
5	MR T T T ALNAKIB	9,230,000	1.64%	12,950,000	2.31%
6	DEUTSCHE BANK AG AS NATIONAL EQUITY FUND	8,955,580	1.59%	8,955,580	1.59%
7	DEUTSCHE BANK AG AS TRUSTEE FOR NAMAL ACUITY VALUE FUND	8,220,240	1.46%	8,220,240	1.46%
8	INSITE HOLDINGS (PVT) LTD	7,000,000	1.25%	5,000,000	0.89%
8	MR W DUSFORD	7,000,000	1.25%	7,000,000	1.25%
10	MR. H A PIERIS	5,103,454	0.91%	5,103,454	0.91%
11	PEOPLES BANK	4,557,361	0.81%	4,557,361	0.81%
12	MR. K C VIGNARAJAH	4,220,340	0.75%	4,220,340	0.75%
13	DISTILLERIES COMPANY OF SRI LANKA PLC A/C NO. 02	3,668,560	0.65%	3,668,560	0.65%
14	MR I RAHEEL & MR A RAHEEL (JT)	3,479,500	0.62%	3,479,500	0.62%
15	MR. H A H ALGHARABALLY	3,168,237	0.56%	3,168,237	0.56%
16	STANDARD CHARTERED BANK SINGAPORE S/A HL BANK SINGAPORE	3,000,000	0.53%	3,000,000	0.53%
17	MR. A M T T ALGHANIM & MRS. A.T.T.T. ALNAQUIB (JT)	2,078,000	0.37%	2,078,000	0.37%
18	MR. N PERERA	2,025,105	0.36%	2,025,105	0.36%
19	MRS. S E FERNANDO & MR K K R FERNANDO (JT)	1,900,000	0.34%	1,900,000	0.34%
20	MR S S FONSEKA	1,640,000	0.29%	1,640,000	0.29%
		<b>475,797,272</b>	<b>84.70%</b>	<b>465,117,609</b>	<b>82.80%</b>



## CORPORATE INFORMATION

**Name of Company**

Renuka Agri Foods PLC

**Registration No.**

PB 1108/PQ

**Legal Form**

Quoted Public Company with Limited Liability

**Principal Activity**

Agri Business

**Subsidiaries**

Renuka Organics (Pvt) Ltd

Kandy Plantations Ltd

Ceylon Forestry (Pvt) Ltd

Ceylon Botanicals (Pvt) Ltd

Coco Lanka (Pvt) Ltd

**Board of Directors**

Dr. S.R.Rajiyah-Chairman

Mrs I.R.Rajiyah

Mr S.V.Rajiyah

Mr L.M.Abeywickrama

Mr M.Terfloth

Mr V. Sanmugam

Mrs A.L.Rajiyah

Mr S. Nagarajah

Mr. D. S. Arangala

Mr. K. Liyanagamage

**Audit Committee**

Mr S. Nagarajah - Chairman

Mr. D. S. Arangala

Mr. K. Liyanagamage

**Related Party Transaction Review Committee**

**(Represented by ultimate parent company)**

Mr. T.K.Bandaranayake-Chairman

Mr J.M.Swaminathan

Mr M.S.Dominic

**Remuneration Committee**

**(Represented by ultimate parent company)**

Mr M.S.Dominic - Chairman

Mr. T.K.Bandaranayake

Mr. L.M.Abeywickrama

**Company Secretaries**

Renuka Enterprises (Pvt) Ltd

69 Sri Jinaratana Road,

Colombo 2

**Registrars**

S S P Corporate Services (Pvt) Ltd

546 Galle Road,

Colombo 3

**Parent Company**

Renuka Foods PLC

**Registered Office**

"Renuka House"

69 Sri Jinaratana Road,

Colombo 2

Telephone: 00941-11-2314750-5

Email: info@renukagroup.com

Fax: 00941 11-2445549

**Postal Address**

P.O.Box 961, Colombo

**Stock Exchange Listing**

Colombo Stock Exchange

**Auditors**

KPMG Chartered Accountants

**Legal Consultants**

Nithya Partners – Attorneys- at-Law

**Bankers**

National Development Bank PLC

Hong Kong & Shanghai Banking Corporation

Ltd

Commercial Bank of Ceylon PLC

DFCC Bank PLC

Hatton National Bank PLC