



RENUKA AGRI FOODS PLC

INTERIM REPORT – FOR THE PERIOD ENDED

30th June 2018

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Operations Review

Renuka Agri Foods PLC is pleased to present the Interim Financial Statements for the period ended 30th June 2018.

Our Performance

Turnover and Profitability

The group revenue for the period ended 30th June was Rs 738 Mn. The profit attributable to the equity holders for the period ended 30th June 2018 was Rs 34Mn. The prevailing high coconut prices in the first quarter of the year increased the cost of raw materials, thereby eroding our Gross Profit margin in comparison to last year first quarter, However there are signs of improvement with the prices of raw material reducing towards the end of the first quarter. The Manufacturing sector continued to be the main contributor to revenue for the period under review by achieving a turnover of Rs 736Mn while the Plantation sector recorded revenue of Rs 2Mn for the period.

Net Assets & Earnings Per Share

The Group Net Asset Value per share recorded at Rs 4.79 as at 30th June 2018 (Rs 4.73 as at 31st March 2018) and Earnings per Share stood at 0.06 cents per share for the period ended 30th June 2018 (Cents 0.09 per share as at 30th June 2017)

Shamindra Rajiyah
Managing Director
13th August 2018

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	
	30.06.18	30.06.17	30.06.18	30.06.17	30.06.18	30.06.17	30.06.18	30.06.17
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
Revenue	737,707	717,164	737,707	717,164	734,379	712,994	734,379	712,994
Cost of Sales	(648,607)	(604,134)	(648,607)	(604,134)	(651,867)	(606,871)	(651,867)	(606,871)
Gross Profit	89,100	113,030	89,100	113,030	82,512	106,123	82,512	106,123
Other Operating Income	837	12,787	837	12,787	374	1,483	374	1,483
Administration Expenses	(46,546)	(52,919)	(46,546)	(52,919)	(36,362)	(40,043)	(36,362)	(40,043)
Selling and Distribution Expenses	(8,576)	(24,193)	(8,576)	(24,193)	(8,576)	(24,193)	(8,576)	(24,193)
Profit from Operations	34,815	48,705	34,815	48,705	37,948	43,370	37,948	43,370
Net Financing Cost	(5,103)	(1,754)	(5,103)	(1,754)	(5,057)	(3,778)	(5,057)	(3,778)
Share of Profit of Equity Accounted Investee	9,736	3,908	9,736	3,908	-	-	-	-
Profit before Taxation	39,448	50,859	39,448	50,859	32,891	39,592	32,891	39,592
Taxation	(5,143)	-	(5,143)	-	(4,605)	-	(4,605)	-
Profit for the Period	34,305	50,859	34,305	50,859	28,286	39,592	28,286	39,592
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	34,305	50,859	34,305	50,859	28,286	39,592	28,286	39,592
Profit Attributable to :								
Owners of the Company	34,401	51,925	34,401	51,925				
Non Controlling Interest	(96)	(1,066)	(96)	(1,066)				
Profit for the Period	34,305	50,859	34,305	50,859				
Total Comprehensive Income attributable to :								
Owners of the Company	34,401	51,925	34,401	51,925				
Non Controlling Interest	(96)	(1,066)	(96)	(1,066)				
Total Comprehensive Income for the Period	34,305	50,859	34,305	50,859				
Earnings Per Share	0.06	0.09	0.06	0.09	0.05	0.07	0.05	0.07

RENUKA AGRI FOODS PLC

STATEMENTS OF FINANCIAL POSITION

AS AT

	CONSOLIDATED		COMPANY	
	30.06.2018 Rs.'000' Unaudited	31.03.2018 Rs.'000' Audited	30.06.2018 Rs.'000' Unaudited	31.03.2018 Rs.'000' Audited
Assets				
Non-Current Assets				
Property, Plant and Equipment	1,324,974	1,316,873	982,700	976,777
Biological Assets	57,685	57,685	-	-
Intangible Assets	10,102	10,102	-	-
Immovable Estate Assets on Lease	41,250	41,250	-	-
Premium Paid Leasehold Premises	7,050	7,050	7,050	7,050
Investment In Subsidiaries	-	-	1,451,886	1,451,886
Investment In Equity Accounted Investees	631,234	621,498	-	-
Investment in Available for Sale Financial Assets	436,350	436,350	-	-
Deferred Tax Assets	5,498	4,998	-	-
	2,514,143	2,496,806	2,441,636	2,436,713
Current Assets				
Inventory	400,272	418,084	394,693	391,509
Trade and Other Receivables	341,319	343,165	329,117	337,252
Tax Recoverable	21,833	21,833	17,092	17,092
Amounts Due from Related Companies	145,067	73,125	144,317	73,153
Cash and Cash Equivalents	131,970	228,908	80,678	172,860
	1,040,461	1,085,115	965,897	991,866
Total Assets	3,554,604	3,580,921	3,407,533	3,427,579
Equity and Liabilities				
Capital and Reserves				
Stated Capital	1,194,453	1,194,453	1,194,453	1,194,453
Revaluation Reserve	97,060	97,060	92,743	92,743
Accumulated Profits	1,398,112	1,363,711	1,360,749	1,332,463
Equity attributable to Parent Company's Shareholders	2,689,625	2,655,224	2,647,945	2,619,659
Non Controlling Interest	37,169	37,265		
Total Equity	2,726,794	2,692,489		
Non Current Liabilities				
Retirement Benefit Obligations	41,380	40,102	36,877	35,599
Finance Lease Obligation	48,625	50,000	-	-
Deferred Tax Liability	110,872	108,991	100,011	98,130
	200,877	199,093	136,888	133,729
Current Liabilities				
Loans and Borrowings	419,780	466,173	418,549	464,082
Finance Lease Obligation	2,500	2,500	-	-
Trade and Other Payables	179,485	163,011	176,675	156,143
Amounts Due to Related Companies	1,719	1,877	6,963	1,877
Dividend Payable	5,536	5,536	4,186	4,186
Income Tax Payable	15,167	11,905	14,622	11,898
Bank Overdraft	2,746	38,337	1,705	36,005
	626,933	689,339	622,700	674,191
Total Liabilities	827,810	888,432	759,588	807,920
Total Equity & Liabilities	3,554,604	3,580,921	3,407,533	3,427,579
Net Assets per share	4.79	4.73	4.71	4.66

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.


Sunanda Pieries
CFO

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


Dr. S.R. Rajiyah
Director
13th August 2018


S.V. Rajiyah
Director

RENUKA AGRI FOODS PLC
STATEMENTS OF CHANGES IN EQUITY

For the Period ended	Equity Attributable to Owners			Non Controlling	Total
	<u>Stated</u>	<u>Revaluation</u>	<u>Retained</u>	<u>Interest</u>	
	<u>Capital</u>	<u>Reserve</u>	<u>Earnings</u>		
	RS.000	RS.000	RS.000	RS.000	RS.000
<u>Company</u>					
Balance as at 1st April 2017	1,194,453	92,743	1,367,946	-	2,655,142
Profit for the Period	-	-	39,592	-	39,592
Balance as at 30th June 2017	1,194,453	92,743	1,407,538	-	2,694,734
Balance as at 1st April 2018	1,194,453	92,743	1,332,463	-	2,619,659
Profit for the Period	-	-	28,286	-	28,286
Balance as at 30th June 2018	1,194,453	92,743	1,360,749	-	2,647,945
<u>Group</u>					
Balance as at 1st April 2017	1,194,453	97,776	1,440,185	96,594	2,829,008
Profit for the Period	-	-	51,925	(1,066)	50,859
Acquisition of Subsidiary	-	-	-	(231)	(231)
Changes in ownership interest that do not result in loss of control	-	-	(4,761)	(47,739)	(52,500)
Balance as at 30th June 2017	1,194,453	97,776	1,487,349	47,558	2,827,136
Balance as at 1st April 2018	1,194,453	97,060	1,363,711	37,265	2,692,489
Profit for the Period	-	-	34,401	(96)	34,305
Balance as at 30th June 2018	1,194,453	97,060	1,398,112	37,169	2,726,794

RENUKA AGRI FOODS PLC
STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30TH JUNE

Cash Flow from Operating Activities

Profit/(Loss) Before Tax

Adjustments for

Depreciation

Share of Profit of Equity Accounted Investee

Provision for Retirement Benefit Obligation

Finance Income

Finance Expense

Operating Profit Before Working Capital Changes

Working Capital Changes

(Increase)/Decrease in Inventories

(Increase)/Decrease in Trade and Other Receivables

(Increase)/Decrease in Dues from Related Parties

Increase/(Decrease) in Trade and Other Payables

Increase/(Decrease) in Dues to Related Parties

Cash Generated from Operations

Interest Paid

Tax Paid

Payment of Retirement Benefit Obligation

Net Cash Flows Generated from /(Used in) Operating Activities

Cash Flows from Investing Activities

Acquisition of Property, Plant and Equipment

(Acquisition) / Disposal of Investments

Interest Received

Net Cash (Generated from) / Used in Investing Activities

Cash Flows from Financing Activities

Loans and Borrowings obtained / (paid) during the period

Repayment of Lease Obligations

Net Cash Flows Generated From/(Used) in Financing Activities

Net Increase/ (Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents at the beginning of the Period

Cash and Cash Equivalents at the End of the Period

	GROUP		COMPANY	
	2018 Rs.'000 UNAUDITED	2017 Rs.'000 UNAUDITED	2018 Rs.'000 UNAUDITED	2017 Rs.'000 UNAUDITED
Cash Flow from Operating Activities				
Profit/(Loss) Before Tax	39,448	50,589	32,891	39,592
Adjustments for				
Depreciation	26,441	24,038	23,975	21,752
Share of Profit of Equity Accounted Investee	(9,736)	(3,908)	-	-
Provision for Retirement Benefit Obligation	1,750	2,449	1,750	2,500
Finance Income	(771)	(2,008)	(531)	(173)
Finance Expense	6,966	4,878	6,685	4,837
Operating Profit Before Working Capital Changes	64,098	76,038	64,770	68,508
Working Capital Changes				
(Increase)/Decrease in Inventories	17,812	(42,836)	(3,184)	(43,738)
(Increase)/Decrease in Trade and Other Receivables	1,346	127,410	8,135	142,760
(Increase)/Decrease in Dues from Related Parties	(71,942)	(94,264)	(71,164)	(82,616)
Increase/(Decrease) in Trade and Other Payables	16,638	(59,629)	20,532	(60,235)
Increase/(Decrease) in Dues to Related Parties	(158)	(26,354)	5,086	(44,346)
Cash Generated from Operations	27,794	(19,635)	24,174	(19,667)
Interest Paid	(6,966)	(4,878)	(6,685)	(4,837)
Tax Paid	(164)	(50)	-	-
Payment of Retirement Benefit Obligation	(472)	(269)	(472)	(246)
Net Cash Flows Generated from /(Used in) Operating Activities	20,192	(24,832)	17,018	(24,750)
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment	(34,542)	(69,067)	(29,898)	(10,990)
(Acquisition) / Disposal of Investments	-	(52,731)	-	-
Interest Received	771	2,008	531	173
Net Cash (Generated from) / Used in Investing Activities	(33,771)	(119,788)	(29,367)	(10,817)
Cash Flows from Financing Activities				
Loans and Borrowings obtained / (paid) during the period	(46,393)	26,139	(45,533)	27,039
Repayment of Lease Obligations	(1,375)	(625)	-	-
Net Cash Flows Generated From/(Used) in Financing Activities	(47,768)	25,514	(45,533)	27,039
Net Increase/ (Decrease) in Cash and Cash Equivalents	(61,347)	(119,107)	(57,882)	(8,528)
Cash and Cash Equivalents at the beginning of the Period	190,571	337,266	136,855	62,141
Cash and Cash Equivalents at the End of the Period	129,224	218,159	78,973	53,613

RENUKA AGRI FOODS PLC
SEGMENT INFORMATION

Rs.000

	MANUFACTURING		PLANTATION		GROUP TOTAL	
	2018	2017	2018	2017	2018	2017
For the Period Ended 30th June						
Revenue	736,179	714,794	17,487	12,896	753,666	727,690
Intra Group	-	-	(15,959)	(10,526)	(15,959)	(10,526)
Segment Revenue	736,179	714,794	1,528	2,370	737,707	717,164
Segment Profit / (Loss) from Operations	35,965	53,851	(1,150)	(5,146)	34,815	48,705
Share of Profit of Equity Accounted Investee	9,736	3,908	-	-	9,736	3,908
Segment Net Finance Income / (Cost)	(5,038)	(3,477)	(65)	1,723	(5,103)	(1,754)
Profit / (Loss) for the Period	36,058	54,282	(1,753)	(3,423)	34,305	50,859
TOTAL ASSETS	3,119,782	3,195,346	434,822	436,719	3,554,604	3,632,065
TOTAL LIABILITIES	763,849	731,357	63,961	73,572	827,810	804,929

Note: 1 The above figures are subject to 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 2018.

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 year under review.

3. Stated Capital

The stated capital of the company consists of 561,750,000 shares issued as at 30th June 2018.

4. Contingent liabilities

There is no change in the nature of the contingent liabilities as at 30th June 2018 as compared to the contingent liabilities which were disclosed in the accounts for the year ended 31st March 2018.

5. Market price per share

Market prices for the quarter ended 30th June were:

	2018	2017
Lowest	1.90	2.80
Highest	2.40	3.20
Last traded	2.10	2.90

6. Public shareholding

The percentage of shares held by the public as at 30th June 2018 amounts to 26.77% (31st March 2018 – 28.02%) of the stated capital. The number of shareholders representing the public holding was 3,703 as at 30th June 2018 (31st March 2018 – 3706)

7. Directors' shareholding

The directors' shareholdings are as follows:

Directors Name	As at 30th June 2018	As at 31st March 2018
Dr. S.R. Rajiyah	-	-
Mrs. I.R. Rajiyah	-	-
Dr. S.R. Rajiyah (Jointly with Mrs I R Rajiyah)	28,090,337	28,090,337
Mr. S.V. Rajiyah	2,054,984	2,054,984
Mr. S. Vasanthakumara (Mr. V. Sanmugam)	1,010	1,010
Ms. A.L. Rajiyah	1,219,483	1,219,483
Mr. S. Nagarajah	-	-
Mr. M. Terfloth (Resigned with effect from 11 July 2018)	-	-
Mr. D.S. Arangala	-	-
Mr. K. Liyanagamage	-	-
Mrs R.T.S.E Wijesuriya (Appointed with effect 1 August 2018)	-	-
Total	31,365,814	31,365,814

8. Significant Events and Transactions

There were no significant events and transactions that have taken place during the period 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 30th June 2018 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 30.06.2018</u>		<u>Voting as at 31.03.2018</u>	
	<u>No of Shares</u>	<u>%</u>	<u>No of Shares</u>	<u>%</u>
1 RENUKA FOODS PLC	371,770,686	66.18%	337,034,943	60.00%
2 DR.S R RAJIYAH & MRS I R RAJIYAH (JT)	28,090,337	5.00%	28,090,337	5.00%
3 MRS. A T T T ALNAKIB	14,855,280	2.64%	14,855,280	2.64%
4 DEUTSCHE BANK AG AS TRUSTEE FOR NAMAL ACUITY VALUE FUND	8,220,240	1.46%	8,220,240	1.46%
5 INSITE HOLDINGS (PVT) LTD	7,000,000	1.25%	7,000,000	1.25%
5 RENUKA CAPITAL PLC	7,000,000	1.25%	-	-
7 MR. H A PIERIS	5,103,454	0.91%	5,103,454	0.91%
8 PEOPLES BANK -TREASURY	4,557,361	0.81%	4,557,361	0.81%
9 MR K C VIGNARAJAH	4,220,630	0.75%	4,220,585	0.75%
10 DISTILLERIES COMPANY OF SRI LANKA PLC A/C NO. 02	3,668,560	0.65%	3,668,560	0.65%
11 MR. I RAHEEL & MR A RAHEEL (JT)	3,479,500	0.62%	3,479,500	0.62%
12 MR.H A A H ALGHARABALLY	3,168,237	0.56%	3,168,237	0.56%
13 J.B. COCOSHELL (PVT) LTD	3,035,562	0.54%	3,035,562	0.54%
14 STANDARD CHARTERED BANK SINGAPORE S/A HL BANK SINGAPORE BRANCH	3,000,000	0.53%	3,000,000	0.53%
15 Mr R GAUTAM	2,430,000	0.43%	2,310,300	0.41%
16 MR S.M MYLVENTHEN	2,267,637	0.40%	2,267,637	0.40%
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. S V RAJIYAH	2,054,984	0.37%	2,054,984	0.37%
19 MR. N PERERA	2,025,105	0.36%	2,025,105	0.36%
20 MRS S.E.FERNANDO	1,900,000	0.34%	1,900,000	0.34%
	479,925,573	85.42%	438,070,085	77.97%



CORPORATE INFORMATION

Name of Company

Renuka Agri Foods PLC

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
Coco Serendib (Pvt) Ltd
Matale Valley Plantations Ltd

Board of Directors

Dr. S.R.Rajiyah-Chairman
Mrs I.R.Rajiyah
Mr S.V.Rajiyah
Mr V. Sanmugam
Mrs A.L.Rajiyah
Mr S. Nagarajah
Mr. D. S. Arangala
Mr. K. Liyanagamage
Mrs S.T.R.E Wijesuriya

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

Registration No.

PB 1108/PQ

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

External Auditors

KPMG Chartered Accountants

Internal Auditors

Price Waterhouse Coopers (PWC)

Legal Consultants

Nithya Partners – Attorneys- at-Law

Bankers

Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
HSBC
National Development Bank PLC
Nations Trust Bank
Peoples Bank
Standard Chartered Bank