



RENUKA AGRI FOODS PLC

INTERIM REPORT – FOR THE PERIOD ENDED

30th September 2018

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Operations Review

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

Our Performance

Turnover and Profitability

The group revenue for the period ended 30th September 2018 was Rs 1,476 Mn. The profit attributable to the equity holders for the period ended 30th September 2018 was Rs 86Mn. The gross profit margin has improved in comparison to previous year same quarter mainly due to decrease in coconut prices. The Manufacturing sector continued to be the main contributor to revenue for the period under review by achieving a turnover of Rs 1,471Mn.

Net Assets & Earnings Per Share

The Group Net Asset Value per share recorded at Rs 4.89 as at 30th September 2018 (Rs 4.73 as at 31st March 2018) and Earnings per Share stood at 0.15 cents per share for the period ended 30th September 2018 (Cents 0.23 per share as at 30th September 2017)

A handwritten signature in blue ink, appearing to read "S. Rajiyah".

Shamindra Rajiyah
Managing Director
7th November 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	
	30.09.18	30.09.17	30.09.18	30.09.17	30.09.18	30.09.17	30.09.18	30.09.17
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
Revenue	738,251	855,446	1,475,958	1,572,610	733,121	853,330	1,467,500	1,566,324
Cost of Sales	(563,603)	(693,533)	(1,197,265)	(1,286,431)	(561,949)	(688,238)	(1,198,871)	(1,283,873)
Gross Profit	174,648	161,913	278,693	286,179	171,172	165,092	268,629	282,451
Other Operating Income	1,175	1,287	2,012	14,074	1,049	10,783	1,423	12,266
Administration Expenses	(79,360)	(57,875)	(140,851)	(122,030)	(67,043)	(51,322)	(118,350)	(102,601)
Selling and Distribution Expenses	(38,035)	(20,116)	(46,611)	(44,309)	(38,035)	(20,115)	(46,611)	(44,308)
Profit from Operations	58,428	85,209	93,243	133,914	67,143	104,438	105,091	147,808
Net Financing Cost	(11,323)	(1,943)	(16,426)	(3,697)	(10,252)	(4,358)	(15,309)	(8,136)
Share of Profit of Equity Accounted Investee	13,435	4,663	23,171	8,571	-	-	-	-
Profit before Taxation	60,540	87,930	99,988	138,789	56,891	100,080	89,782	139,672
Taxation	(8,962)	(14,396)	(14,105)	(14,396)	(8,862)	(13,480)	(13,467)	(13,480)
Profit for the Period	51,578	73,534	85,883	124,393	48,029	86,600	76,315	126,192
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Period	51,578	73,534	85,883	124,393	48,029	86,600	76,315	126,192
Profit Attributable to :								
Owners of the Company	52,061	75,327	86,462	127,252				
Non Controlling Interest	(483)	(1,793)	(579)	(2,859)				
Profit for the Period	51,578	73,534	85,883	124,393				
Total Comprehensive Income attributable to :								
Owners of the Company	52,061	75,327	86,462	127,252				
Non Controlling Interest	(483)	(1,793)	(579)	(2,859)				
Total Comprehensive Income for the Period	51,578	73,534	85,883	124,393				
Earnings Per Share	0.09	0.13	0.15	0.23	0.09	0.15	0.14	0.22

RENUKA AGRI FOODS PLC

STATEMENTS OF FINANCIAL POSITION

AS AT	CONSOLIDATED		COMPANY	
	30.09.2018	31.03.2018	30.09.2018	31.03.2018
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
	Unaudited	Audited	Unaudited	Audited
Assets				
Non-Current Assets				
Property, Plant and Equipment	1,316,133	1,316,873	973,659	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	644,669	621,498	-	-
Investment in Available for Sale Financial Assets	503,550	436,350	-	-
Deferred Tax Assets	5,498	4,998	-	-
	2,585,937	2,495,806	2,432,595	2,435,713
Current Assets				
Inventory	375,040	418,064	368,648	391,509
Trade and Other Receivables	257,954	343,165	246,280	337,252
Tax Recoverable	20,309	21,833	19,423	17,092
Amounts Due from Related Companies	59,646	73,125	60,610	73,153
Cash and Cash Equivalents	93,850	228,908	75,356	172,860
	806,799	1,085,115	770,317	991,867
Total Assets	3,392,736	3,580,921	3,202,912	3,427,580
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	1,456,358	1,363,538	1,408,778	1,332,463
Equity attributable to Parent Company's Shareholders	2,747,871	2,655,051	2,695,974	2,619,659
Non Controlling Interest	30,501	37,438	-	-
Total Equity	2,778,372	2,692,489		
Non Current Liabilities				
Retirement Benefit Obligations	41,514	40,102	37,437	35,599
Finance Lease Obligation	47,850	50,000	-	-
Deferred Tax Liability	113,252	108,991	101,891	98,130
	202,616	199,093	139,328	133,729
Current Liabilities				
Loans and Borrowings	162,583	466,173	161,352	464,082
Finance Lease Obligation	2,500	2,500	-	-
Trade and Other Payables	140,319	163,011	136,689	156,143
Amounts Due to Related Companies	2,760	1,877	2,760	1,877
Dividend Payable	5,529	5,536	4,179	4,186
Income Tax Payable	21,647	11,905	21,604	11,898
Bank Overdraft	76,410	38,337	41,026	36,005
	411,748	689,339	367,610	674,191
Total Liabilities	614,364	888,432	506,938	807,921
Total Equity & Liabilities	3,392,736	3,580,921	3,202,912	3,427,580
Net Assets per share	4.89	4.73	4.80	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
7th November 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	
Company					
Balance as at 1st April 2017	1,194,453	92,743	1,367,946	-	2,655,142
Profit for the Period	-	-	126,192	-	126,192
Dividend Paid	-	-	(67,410)	-	(67,410)
Balance as at 30th September 2017	1,194,453	92,743	1,426,728	-	2,713,924
Balance as at 1st April 2018	1,194,453	92,743	1,332,463	-	2,619,659
Profit for the Period	-	-	76,315	-	76,315
Balance as at 30th September 2018	1,194,453	92,743	1,408,778	-	2,695,974
Group					
Balance as at 1st April 2017	1,194,453	97,776	1,440,185	96,594	2,829,008
Profit for the Period	-	-	127,252	(2,859)	124,393
Dividend Paid	-	-	(67,410)	-	(67,410)
Acquisition of Subsidiary	-	-	-	(231)	(231)
Changes in ownership interest that do not result in loss of control	-	-	(5,886)	(46,614)	(52,500)
Balance as at 30th September 2017	1,194,453	97,776	1,494,141	46,890	2,833,259
Balance as at 1st April 2018	1,194,453	97,060	1,363,538	37,438	2,692,489
Profit for the Period	-	-	86,462	(579)	85,883
Changes in ownership interest that do not result in loss of control	-	-	6,358	(6,358)	-
Balance as at 30th September 2018	1,194,453	97,060	1,456,358	30,501	2,778,372

RENUKA AGRI FOODS PLC
STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30TH SEPTEMBER

	GROUP		COMPANY	
	2018 Rs.'000 UNAUDITED	2017 Rs.'000 UNAUDITED	2018 Rs.'000 UNAUDITED	2017 Rs.'000 UNAUDITED
Cash Flow from Operating Activities				
Profit Before Tax	99,988	138,789	89,782	139,672
Adjustments for				
Depreciation	53,228	50,630	48,512	46,101
Share of Profit of Equity Accounted Investee	(23,171)	(8,571)	-	-
Provision for Retirement Benefit Obligation	2,136	5,000	2,562	5,000
Finance Income	(1,744)	(5,088)	(1,170)	(369)
Finance Expense	12,944	8,785	11,554	8,505
Operating Profit Before Working Capital Changes	137,023	189,545	151,240	198,909
Working Capital Changes				
(Increase)/Decrease in Inventories	43,044	45,102	22,861	42,065
(Increase)/Decrease in Trade and Other Receivables	86,235	114,881	88,641	125,028
(Increase)/Decrease in Dues from Related Parties	13,479	(174,283)	12,543	(175,015)
Increase/(Decrease) in Trade and Other Payables	(22,160)	(65,615)	(19,461)	(69,128)
Increase/(Decrease) in Dues to Related Parties	883	(14,843)	883	(44,599)
Cash Generated from Operations	258,504	94,787	256,706	77,260
Interest Paid	(12,944)	(8,785)	(11,554)	(8,505)
Tax Paid	(641)	(1,865)	-	(866)
Payment of Retirement Benefit Obligation	(724)	(983)	(724)	(446)
Net Cash Flows Generated from Operating Activities	244,195	83,154	244,429	67,443
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment	(52,488)	(123,723)	(45,394)	(31,121)
(Acquisition) / Disposal of Investments	(67,200)	-	-	44,999
Interest Received	1,744	5,088	1,170	369
Acquisition from Non Controlling Interest	6,358	(52,731)	-	-
Net Cash Generated from / (Used in) Investing Activities	(111,586)	(171,364)	(44,224)	14,247
Cash Flows from Financing Activities				
Loans and Borrowings obtained / (paid) during the period	(303,590)	(70,913)	(302,730)	(70,013)
Repayment of Lease Obligations	(2,150)	(1,250)	-	-
Dividend Paid	-	(67,410)	-	(67,410)
Net Cash Used in Financing Activities	(305,740)	(139,573)	(302,730)	(137,423)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(173,131)	(227,787)	(102,525)	(55,733)
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	17,440	109,479	34,330	6,408

RENUKA AGRI FOODS PLC
SEGMENT INFORMATION

Rs.000

	MANUFACTURING		PLANTATION		GROUP TOTAL	
	2018	2017	2018	2017	2018	2017
For the Period Ended 30th September						
Revenue	1,471,100	1,569,924	29,214	22,090	1,500,314	1,592,014
Intra Group	-	-	(24,356)	(19,404)	(24,356)	(19,404)
Segment Revenue	1,471,100	1,569,924	4,858	2,686	1,475,958	1,572,610
Segment Profit / (Loss) from Operations	103,851	149,672	(10,608)	(15,758)	93,243	133,914
Share of Profit of Equity Accounted Investee	23,171	8,571	-	-	23,171	8,571
Segment Net Finance Income / (Cost)	(16,545)	(6,847)	119	3,150	(16,426)	(3,697)
Profit / (Loss) for the Period	97,010	137,831	(11,127)	(13,438)	85,883	124,393
TOTAL ASSETS	2,983,641	3,095,149	409,095	471,352	3,392,736	3,566,501
TOTAL LIABILITIES	544,294	632,557	70,070	100,685	614,364	733,242

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 September 2018.

4. Contingent liabilities

There is no change in the nature of the contingent liabilities as at 30th September 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 September were:

	2018	2017
Lowest	1.80	2.70
Highest	2.20	3.20
Last traded	1.90	2.80

6. Public shareholding

The percentage of shares held by the public as at 30th September 2018 amounts to 26.77% (31st March 2018 – 28.02%) of the stated capital. The number of shareholders representing the public holding was 3,743 as at 30th September 2018 (31st March 2018 – 3706). The float adjusted market capitalization was Rs 285.7Mn as at 30th September 2018. The company has over 20% public shareholding and over 500 public shareholders meeting the minimum thresholds for compliance on minimum public holding.

7. Directors' shareholding

The directors' shareholdings are as follows:

Directors Name	As at 30th September 2018	As at 30th June 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. D.S. Arangala	-	-
Mr. K. Liyanagamage	-	-
Mrs S.T R.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 September 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 30.09.2018</u>		<u>Voting as at 30.06.2018</u>	
	<u>No of Shares</u>	<u>%</u>	<u>No of Shares</u>	<u>%</u>
1 RENUKA FOODS PLC	371,770,686	66.18%	371,770,686	66.18%
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 RENUKA CAPITAL PLC	7,000,000	1.25%	7,000,000	1.25%
4 INSITE HOLDINGS (PVT) LTD	7,000,000	1.25%	7,000,000	1.25%
6 DEUTSCHE BANK AG AS TRUSTEE FOR NAMAL ACUITY VALUE FUND	5,958,698	1.06%	8,220,240	1.46%
7 MR. H A PIERIS	5,103,454	0.91%	5,103,454	0.91%
8 MR K C VIGNARAJAH	4,220,630	0.75%	4,220,630	0.75%
9 DISTILLERIES COMPANY OF SRI LANKA PLC A/C NO. 02	3,668,560	0.65%	3,668,560	0.65%
10 MR. I RAHEEL & MR A RAHEEL (JT)	3,479,500	0.62%	3,479,500	0.62%
11 MR.H A A H ALGHARABALLY	3,168,237	0.56%	3,168,237	0.56%
12 J.B. COCOSHELL (PVT) LTD	3,035,562	0.54%	3,035,562	0.54%
13 STANDARD CHARTERED BANK SINGAPORE S/A HL BANK SINGAPORE BRANCH	3,000,000	0.53%	3,000,000	0.53%
14 Mr A.M WEERASINGHE	2,769,300	0.49%	269,300	0.04%
15 Mr R GAUTAM	2,575,000	0.46%	2,430,000	0.43%
16 Mrs S VASUDEVAN	2,561,000	0.46%	55,160	0.01%
17 MR S.M MYLVENTHEN	2,267,637	0.40%	2,267,637	0.40%
18 MR. A M T T ALGHANIM & MRS A T T T ALNAQUIB (JT)	2,078,000	0.37%	2,078,000	0.37%
19 MR. S V RAJIYAH	2,054,984	0.37%	2,054,984	0.37%
20 MR. N PERERA	2,025,105	0.36%	2,025,105	0.36%
	<u>476,681,970</u>	<u>84.85%</u>	<u>473,792,672</u>	<u>84.32%</u>



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