



## **RENUKA AGRI FOODS PLC**

### **INTERIM REPORT – FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2014**

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## **Operations Review**

Renuka Agri Foods PLC is pleased to present the interim financial statement for the period ended 31<sup>st</sup> December 2014.

### **Our Performances**

#### **Turnover and Profitability**

The group revenue for the period ended 31<sup>st</sup> December 2014 was Rs. 2.8 billion, a 8% increase over the corresponding period last year. Our gross profit has increased by Rs. 131 million for the period ended 31<sup>st</sup> December compared to same period last year, due to an increase in turnover and a 4% increase in our gross profit margin due to cost savings in the supply chain and enhancing production efficiency.

The profit attributable to the equity holders for the period ended 31<sup>st</sup> December 2014 was Rs. 273 million while the group total comprehensive income for the period ended 31<sup>st</sup> December 2014 was Rs. 286 Mn. The Manufacturing sector continued to be the main contributor in revenue for the period under review by achieving a turnover of Rs. 1,556 million while the Distribution sector and Plantation sector recorded revenue of Rs 1,008 Mn and Rs 210 Mn respectively for the period.

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

The Group Net Asset Value per share recorded is Rs. 3.67 as at 31<sup>st</sup> December 2014 and Earnings per Share stood at Rs 0.49 per share for the period ended 31<sup>st</sup> December 2014. The net asset value per share and earnings per share represents a 10% increase compared to year ended 31<sup>st</sup> March 2014 and a 250% increase compared to the corresponding period in the previous year.

Sgd.  
Shamindra Rajiyah  
Executive Director  
30<sup>th</sup> January 2015

# RENUKA AGRI FOODS PLC

## STATEMENTS OF INCOME

	CONSOLIDATED				COMPANY			
	Rs.'000'		Rs.'000'		Rs.'000'		Rs.'000'	
	QUARTER ENDED		PERIOD ENDED		QUARTER ENDED		PERIOD ENDED	
	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13	31.12.14	31.12.13
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
Revenue	872,196	878,221	2,775,763	2,559,867	549,431	418,876	1,536,287	1,322,856
Cost of Sales	(698,239)	(715,032)	(2,120,468)	(2,035,738)	(433,639)	(347,827)	(1,167,892)	(1,085,565)
<b>Gross Profit</b>	<b>173,957</b>	<b>163,189</b>	<b>655,295</b>	<b>524,129</b>	<b>115,792</b>	<b>71,049</b>	<b>368,395</b>	<b>237,291</b>
Other Income	2,156	1,818	17,710	10,444	1,417	38	9,254	7,061
Selling & Distribution Expenses	(49,662)	(112,608)	(192,441)	(257,879)	(17,463)	(5,589)	(30,147)	(17,014)
Administrative Expenses	(52,565)	(57,751)	(161,292)	(152,197)	(25,104)	(33,899)	(64,312)	(83,040)
<b>Profit from Operations</b>	<b>73,886</b>	<b>(5,352)</b>	<b>319,272</b>	<b>124,497</b>	<b>74,642</b>	<b>31,599</b>	<b>283,190</b>	<b>144,298</b>
Net Financing Cost	(6,841)	(12,618)	(24,785)	(37,342)	(4,957)	(6,781)	(15,306)	(19,414)
<b>Profit before Taxation</b>	<b>67,045</b>	<b>(17,970)</b>	<b>294,487</b>	<b>87,155</b>	<b>69,685</b>	<b>24,818</b>	<b>267,884</b>	<b>124,884</b>
Taxation	(548)	(2,103)	(8,057)	(5,243)	(1,034)	(1,506)	(4,608)	(4,646)
<b>Profit for the period</b>	<b>66,497</b>	<b>(20,073)</b>	<b>286,430</b>	<b>81,912</b>	<b>68,651</b>	<b>23,312</b>	<b>263,276</b>	<b>120,238</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>66,497</b>	<b>(20,073)</b>	<b>286,430</b>	<b>81,912</b>	<b>68,651</b>	<b>23,312</b>	<b>263,276</b>	<b>120,238</b>
<b>Profit Attributable to :</b>								
Owners of the Company	68,967	(16,305)	272,823	78,471				
Non Controlling Interest	(2,470)	(3,768)	13,607	3,441				
<b>Profit for the period</b>	<b>66,497</b>	<b>(20,073)</b>	<b>286,430</b>	<b>81,912</b>				
<b>Total Comprehensive Income attributable to :</b>								
Owners of the Company	68,967	(16,305)	272,823	78,471				
Non Controlling Interest	(2,470)	(3,768)	13,607	3,441				
<b>Total Comprehensive Income for the period</b>	<b>66,497</b>	<b>(20,073)</b>	<b>286,430</b>	<b>81,912</b>				
<b>Earnings Per Share</b>	<b>0.12</b>	<b>-0.03</b>	<b>0.49</b>	<b>0.14</b>	<b>0.12</b>	<b>0.04</b>	<b>0.47</b>	<b>0.21</b>

# RENUKA AGRI FOODS PLC

## STATEMENTS OF FINANCIAL POSITION

AS AT	CONSOLIDATED		COMPANY	
	31.12.2014	31.03.2014	31.12.2014	31.03.2014
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
	Unaudited	Audited	Unaudited	Audited
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, Plant & Equipment	1,468,084	1,139,216	743,707	480,400
Biological Assets	35,648	35,648	-	-
Long Term Investment	-	-	1,149,340	977,000
Goodwill	265,690	265,690	-	-
	1,769,422	1,440,554	1,893,047	1,457,400
<b>Current Assets</b>				
Inventories	676,660	441,329	513,420	338,341
Trade & Other Receivables	397,377	436,102	218,033	193,860
Amount due from Related Companies	59,009	55,360	43,006	94,857
Cash & Cash Equivalents	97,244	440,513	36,382	294,229
	1,230,290	1,373,304	810,841	921,288
<b>Total Assets</b>	<b>2,999,712</b>	<b>2,813,859</b>	<b>2,703,888</b>	<b>2,378,688</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
Accumulated Profits	867,656	677,389	1,010,602	803,501
Equity attributable to Parent Company's Shareholders	2,062,109	1,871,842	2,205,055	1,997,954
Non Controlling Interest	146,400	37,866		
<b>Total Equity</b>	<b>2,208,509</b>	<b>1,909,708</b>		
<b>Non Current Liabilities</b>				
Retirement Benefit Obligations	31,243	29,265	19,151	17,270
Deferred Tax Liability	44,084	44,084	22,255	22,255
Finance Lease Obligations	59,700	60,106	-	-
Long Term Loan	36,352	107,796	7,330	67,677
	171,379	241,252	48,736	107,203
<b>Current Liabilities</b>				
Trade & Other Payable	383,284	336,988	250,571	146,039
Short Term Loan	110,774	72,876	80,587	45,003
Amounts due to Related Companies	10,808	7,754	85,337	-
Bank Overdraft (secured)	114,958	245,279	33,601	82,490
	619,824	662,898	450,096	273,532
Total Liabilities	791,203	904,151	498,832	380,735
<b>Total Equity &amp; Liabilities</b>	<b>2,999,712</b>	<b>2,813,859</b>	<b>2,703,888</b>	<b>2,378,688</b>
<b>Net Assets per share</b>	<b>3.67</b>	<b>3.33</b>	<b>3.93</b>	<b>3.56</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.

**P Gunathilake**  
**COO - SSD**

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

**Dr.S.R.Rajiyah**  
**Chairman**

**S.V. Rajiyah**  
**Director**

30.01.2015

# RENUKA AGRI FOODS PLC

## STATEMENTS OF CHANGES IN EQUITY

For the period ended

### Company

Balance as at 1st April 2013

Profit for the period

Dividend Paid

Balance as at 31<sup>st</sup> December 2013

Balance as at 1st April 2014

Profit for the period

Dividend Paid

Balance as at 31<sup>st</sup> December 2014

### Group

Balance as at 1st April 2013

Profit for the period

Dividend Paid

Disposal of Subsidiary

Balance as at 31st December 2013

Balance as at 1st April 2014

Profit for the period

Dividend Paid

New Share Investments

Disposal of Subsidiary

Adjustments Due to Change in Holding Percentage

Balance as at 31st December 2014

	Equity Attributable to Owners	Non Controlling		
	<u>Stated</u>	<u>Retained</u>	<u>Interest</u>	<u>Total</u>
	<u>Capital</u>	<u>Earnings</u>		
	RS.000	RS.000	RS.000	RS.000
Balance as at 1st April 2013	1,194,453	743,732	-	1,938,185
Profit for the period	-	120,238	-	120,238
Dividend Paid	-	(56,175)	-	(56,175)
Balance as at 31 <sup>st</sup> December 2013	1,194,453	807,795	-	2,002,248
Balance as at 1st April 2014	1,194,453	803,501	-	1,997,954
Profit for the period	-	263,276	-	263,276
Dividend Paid	-	(56,175)	-	(56,175)
Balance as at 31 <sup>st</sup> December 2014	1,194,453	1,010,602	-	2,205,055
Balance as at 1st April 2013	1,194,453	710,245	482,739	2,387,437
Profit for the period	-	78,471	3,441	81,912
Dividend Paid	-	(56,175)	(1,350)	(57,525)
Disposal of Subsidiary	-	(934)	(449,207)	(450,141)
Balance as at 31st December 2013	1,194,453	731,607	35,623	1,961,683
Balance as at 1st April 2014	1,194,453	677,389	37,866	1,909,708
Profit for the period	-	272,823	13,607	286,430
Dividend Paid	-	(56,175)	(1,590)	(57,765)
New Share Investments	-	-	70,000	70,000
Disposal of Subsidiary	-	136	-	136
Adjustments Due to Change in Holding Percentage	-	(26,517)	26,517	-
Balance as at 31st December 2014	1,194,453	867,656	146,400	2,208,509

# RENUKA AGRI FOODS PLC

## STATEMENTS OF CASH FLOWS

For the period Ended 31 <sup>st</sup> December	CONSOLIDATED		COMPANY	
	2014 Unaudited Rs.'000'	2013 Unaudited Rs.'000'	2014 Unaudited Rs.'000'	2013 Unaudited Rs.'000'
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Taxation	294,487	87,155	267,884	124,884
<b>Adjustments For :</b>				
Depreciation / Amortization	60,764	60,011	36,713	40,828
Gratuity Provision	4,452	5,656	3,086	3,395
Finance Expenses / Income	10,996	29,781	3,286	13,114
<b>Operating profit before working capital changes</b>	<b>370,699</b>	<b>182,603</b>	<b>310,594</b>	<b>182,221</b>
(Increase)/Decrease in Inventories	(235,331)	(130,836)	(175,078)	(115,836)
(Increase)/Decrease in Debtors & Other receivables	38,725	(75,320)	(24,173)	25,727
(Increase)/Decrease in Amount due from Related Companies	(3,649)	323,602	51,851	(95,671)
Increase/(Decrease) in Creditors	45,890	20,750	104,532	(31,595)
Increase/(Decrease) in Amount due to Related Companies	3,054	(3,420)	85,337	202,340
<b>Cash Generated/(used) from Operations</b>	<b>219,386</b>	<b>317,379</b>	<b>353,063</b>	<b>167,186</b>
Taxation	(8,057)	(3,743)	(4,608)	(3,146)
Gratuity Paid	(2,474)	(3,015)	(1,205)	(2,372)
Interest Paid	(16,050)	(29,781)	(6,248)	(13,114)
<b>Net Cash Generated/(used) from Operating Activities</b>	<b>192,805</b>	<b>280,840</b>	<b>341,002</b>	<b>148,554</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Income	5,054	-	2,962	-
Acquisition / Disposal of Subsidiary / Investments	-	(448,269)	(172,340)	-
Additions / Disposal - Property, Plant & Equipment	(389,632)	432,467	(300,020)	(24,377)
<b>Net Cash Outflow from Investing Activities</b>	<b>(384,578)</b>	<b>(15,802)</b>	<b>(469,397)</b>	<b>(24,377)</b>
<b>Net Cash Inflow / (Outflow) Before Financing Activities</b>	<b>(191,773)</b>	<b>265,038</b>	<b>(128,395)</b>	<b>124,177</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from / (Repayment of ) Long Term Borrowings	(71,444)	(48,554)	(60,347)	(52,516)
Proceeds from / (Repayment of ) Short Term Borrowings	37,898	(32,519)	35,584	(13,197)
Dividend Paid	(57,765)	(57,525)	(56,175)	(56,175)
Disposal of Subsidiary	136	-	-	-
Share Issue	70,000	-	-	-
<b>Net Cash Generated / (Used) in Financing Activities</b>	<b>(21,175)</b>	<b>(138,598)</b>	<b>(80,563)</b>	<b>(121,889)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(212,948)</b>	<b>126,439</b>	<b>(208,958)</b>	<b>2,288</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Period</b>	<b>195,234</b>	<b>(38,050)</b>	<b>211,739</b>	<b>(15,597)</b>
<b>Cash &amp; Cash Equivalents at the End of the Period - Note A</b>	<b>(17,714)</b>	<b>88,389</b>	<b>2,781</b>	<b>(13,309)</b>
<b>Note A</b>				
<b>Cash &amp; Cash Equivalents</b>				
Cash at Bank & In Hand	97,244	257,667	36,382	23,004
Bank Overdraft	(114,958)	(169,278)	(33,601)	(36,313)
<b>Cash &amp; Cash Equivalents as previously stated</b>	<b>(17,714)</b>	<b>88,389</b>	<b>2,781</b>	<b>(13,309)</b>
<i>Figures in brackets indicate deductions.</i>				

# RENUKA AGRI FOODS PLC

## SEGMENTAL REPORT

	PERIOD ENDED 31.12.2014			
	Manufacturing	Distribution	Plantations	TOTAL
	RS.000	RS.000	RS.000	RS.000
Total Turnover	1,556,430	1,008,806	235,764	2,801,000
Less : Intra Company	-	-	(25,237)	(25,237)
External Turnover	1,556,430	1,008,806	210,527	2,775,763
Cost of Sales	(1,160,565)	(813,779)	(146,124)	(2,120,468)
<b>Gross Profit</b>	<b>395,865</b>	<b>195,027</b>	<b>64,403</b>	<b>655,295</b>
Other Income				17,710
Selling & Distribution Expenses				(192,441)
Administrative Expenses				(161,292)
Net Financing Cost				(24,785)
Taxation				(8,057)
<b>Profit / (Loss) for the period</b>				<b>286,430</b>
<b>Other Comprehensive Income</b>				-
<b>Total Comprehensive Income</b>				<b>286,430</b>
<b>Other Information</b>				
Segment Assets	1,903,026	839,158	257,528	2,999,712
Segment Liabilities	451,274	210,702	129,227	791,203
Total Equity				2,208,509

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

2 Figures in brackets indicates deductions.

# RENUKA AGRI FOODS PLC

## 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 and SLFRSs interpretations issued and effective as at the time of preparing these financial statements. These interim financial statements are to be read in conjunction with the annual financial statements for the year ended 31<sup>st</sup> March 2014.

### 2. Comparative figures

The presentation and classification of figures for the corresponding period of the previous years 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 reported performance under three segments (i.e Manufacturing, Distribution & Plantation) during the period under review.

### 3. Stated Capital

The stated capital of the company consists of **561,750,000** shares issued as at 31<sup>st</sup> December 2014.

### 4. Contingent liabilities

There is no change in the nature of the contingent assets or liabilities as at 31<sup>st</sup> December 2014 as compared to the contingent liabilities & assets which were disclosed in the accounts for the year ended 31<sup>st</sup> March 2014.

### 5. Market price per share

Market prices for the quarter ended 30<sup>th</sup> September were:

	2014	2013
Last traded	4.80	3.70
Highest	5.20	4.20
Lowest	3.70	3.50

### 6. Public shareholding

The percentage of shares held by the public as at 31<sup>st</sup> December 2014 amounts to 35.35% (31<sup>st</sup> March 2014 – 35.35%) of the stated capital. The number of shareholders representing the public holding was 3,523 as at 31<sup>st</sup> December 2014.

### 7. Directors' shareholding

The directors' shareholdings are as follows:

Name	As at 31 <sup>st</sup> December 2014	As at 30 <sup>th</sup> September 2014
Dr S.R.Rajiyah & Mrs I.R.Rajiyah (Joint)	8,426,278	8,426,278
Mr S.V.Rajiyah	1,404,375	1,404,375
Mr C.J.De.S.Amaratunge	-	-
Mr W.Rajapakshe	-	-
Mr J.Brennan	-	-
Mr M.Terfloth	-	-
Mr L.M.Abeywickrama	28,000	28,000
Mr P.C.K.Abeykoon	-	-
Mr V. Sanmugam	1,010	1,010
Ms A.L.Rajiyah	1,219,483	1,219,483

### 8. Post Balance Sheet Events

Renuka Agri Foods PLC sold its shares (20,290,000 Ordinary Shares) in Richlife Dairies Limited on 30<sup>th</sup> January 2015 to Shaw Wallace Ceylon Limited for a consideration of Rs 605,000,000

### 9. Earnings per share

Earnings per share have been calculated as per LKAS 33.



# RENUKA AGRI FOODS PLC - TOP 20 MAJOR SHREHOLDERS

<u>No.</u>	<u>Name</u>	As at 31.12.2014		As at 30.09.2014	
		<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
1	Renuka Foods PLC	281,400,000	50.09%	281,400,000	50.09%
2	Greven Holdings Ltd	34,735,743	6.18%	34,735,743	6.18%
3	Mr. T.T.T. Al-Nakib	24,750,000	4.41%	28,400,000	5.06%
4	Grace Foods UK Ltd	22,500,000	4.01%	22,500,000	4.01%
5	Mrs. A.T.T.T. Al-Nakib	14,855,280	2.64%	14,855,280	2.64%
6	GraceKennedy Limited	12,255,555	2.18%	12,255,555	2.18%
7	Deutsche Bank AG-National Equity Fund	8,955,580	1.59%	8,955,580	1.59%
8	Dr. S.R. Rajiyah & Mrs. I.R. Rajiyah (Jt)	8,426,278	1.50%	8,426,278	1.50%
9	Deutsche Bank AG - Trustee for Namal Acuity Value Fund	8,220,240	1.46%	8,220,240	1.46%
10	People's Leasing & Finance PLC/C.D. Kohombanwickramage	7,692,375	1.37%	7,692,375	1.37%
11	Mr. H.A. Pieris	7,103,454	1.26%	7,103,454	1.26%
12	Mr. W. Dusford	7,000,000	1.25%	7,000,000	1.25%
13	Star Packaging (Pvt) Ltd	5,810,000	1.03%	3,000,000	0.53%
14	First Capital Limited	4,986,009	0.89%	-	-
15	Mr. K.C. Vignarajah	4,340,018	0.77%	4,340,018	0.77%
16	Mr. H.A.A.H. Algharabally	4,277,237	0.76%	4,277,237	0.76%
17	Insite Holdings (Pvt) Ltd	4,000,000	0.71%	-	-
18	Distilleries Company of Sri Lanka PLC A/c No. 02	3,668,560	0.65%	3,668,560	0.65%
19	Mr. I. Raheel & Mr. A. Raheel (Jt)	3,479,500	0.62%	3,479,500	0.62%
20	Lankem Developments PLC	3,370,000	0.60%	-	-
		<u>471,825,829</u>	<u>83.99%</u>	<u>460,309,820</u>	<u>81.94%</u>

## 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

Richlife Dairies Ltd

Kandy Plantations Ltd

Ceylon Forestry (Pvt) Ltd

Ceylon Botanicals (Pvt) Ltd

### **Board of Directors**

Dr. S.R.Rajiyah-Chairman

Mrs I.R.Rajiyah

Mr C.J.De.S.Amaratunge

Mr S.V.Rajiyah

Mr L.M.Abeywickrama

Mr W.Rajapakshe

Mr M.Terfloth

Mr V. Sanmugam

Ms A.L.Rajiyah

Mr M.K.A.Ranglin

Mr S. Nagarajah

### **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

### **Audit Committee**

Mr S. Nagarajah - Chairman

Mr C.J.De.S.Amaratunge

Mr L.M.Abeywickrama

### **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