



CONTENTS

WHO WE ARE, VISION, CULTURE AND VALUES	3
GROUP PROFILE	4-6
AT A GLANCE	7
PROFILES OF DIRECTORS	8
CHAIRMAN'S REVIEW	9
MANAGEMENT DISCUSSION ANALYSIS	10-12
STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR	13
REPORT ON CORPORATE GOVERNANCE	14-21
AUDIT COMMITTEE REPORT	22-23
RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT	24
REMUNERATION COMMITTEE REPORT	25
NOMINATION AND GOVERNANCE COMMITTEE REPORT	26
RISK MANAGEMENT	27-31
SUSTAINABILITY REPORT	32-33
REPORT OF THE DIRECTORS	34-38
STATEMENT OF DIRECTORS RESPONSIBILITY	39
FINANCIAL REPORTS	
INDEPENDENT AUDITOR'S REPORT	40-45
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	46
STATEMENT OF FINANCIAL POSITION	47
STATEMENT OF CHANGES IN EQUITY	48-49
STATEMENT OF CASH FLOWS	50
NOTES TO THE FINANCIAL STATEMENTS	51-113
REAL ESTATE PORTFOLIO	114
FIVE YEAR SUMMARY	115
SHAREHOLDER AND INVESTOR INFORMATION	116-120
NOTICE OF MEETING	121
FORM OF PROXY	122

A PROUD SRI LANKAN

Our brands are household names in Sri Lanka, known and loved by the thousands who have depended on us for decades. Yet, not everyone knows how our success story has evolved; the deep rooted heritage of a truly home grown company, the local understanding and strength of our impact on many people's lives.

WHO WE ARE

In 1990, a seed was planted for a Sri Lankan company that had a thriving desire to branch out into value addition in our agricultural sector, drawing on the expertise of Renuka Enterprises since 1975 and the families' involvement in agriculture since the last century.

The Company was listed on the Colombo Stock Exchange in 1994. Through acquisitions the company now traces its roots to 1866 becoming one of Sri Lankans oldest food and beverage corporates.

Renuka Foods PLC is the parent company of our Food and Beverage businesses consisting of the segments of Agri Food Exports (manufacturing, Organic Plantations) and Consumer Brands (Dairy, FMCG manufacturing & distribution).



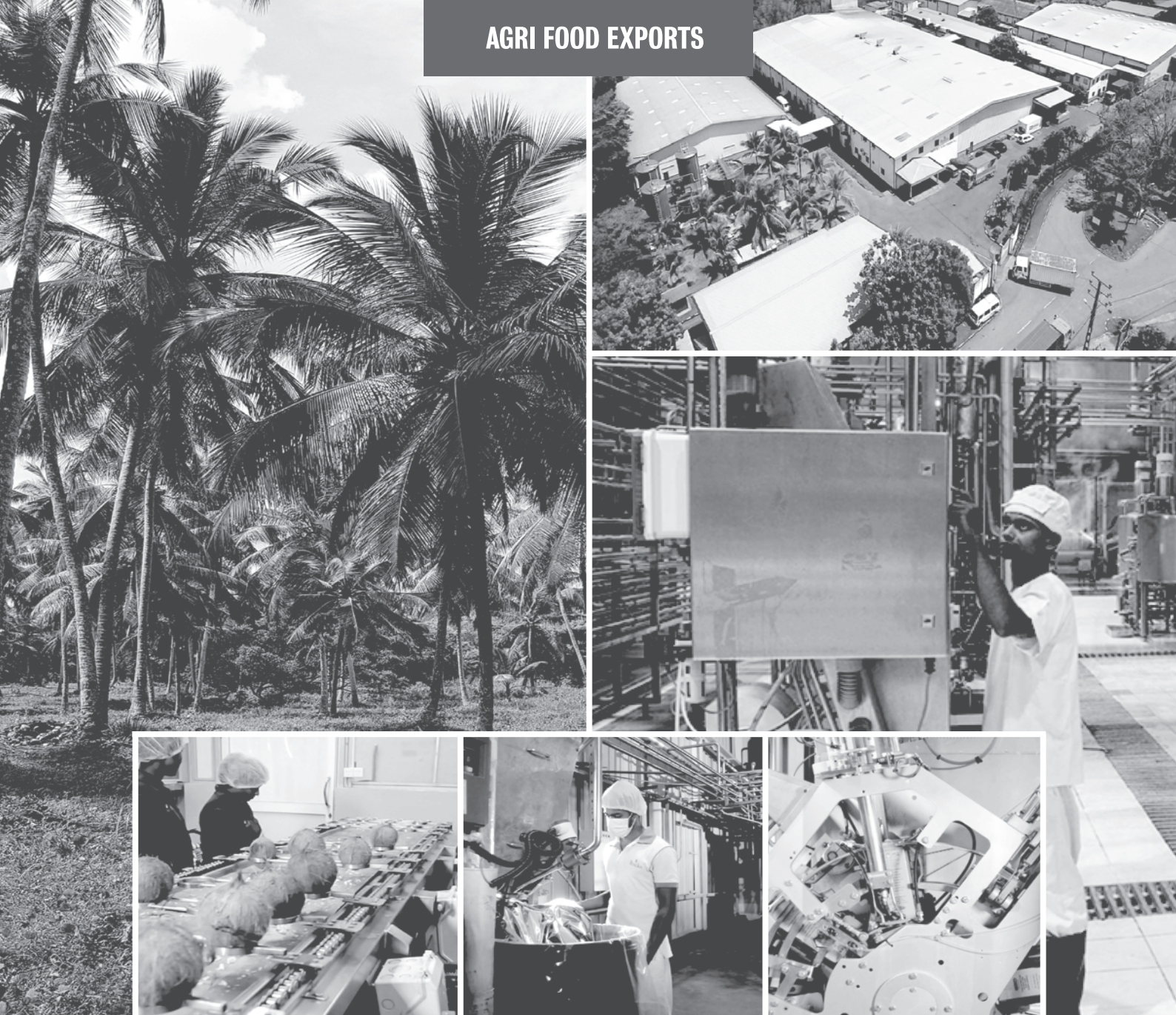
RESPONSIVE
ENTERPRISING
NURTURING
UNRELENTING
KNOWLEDGEABLE
ACCOUNTABLE

VISION

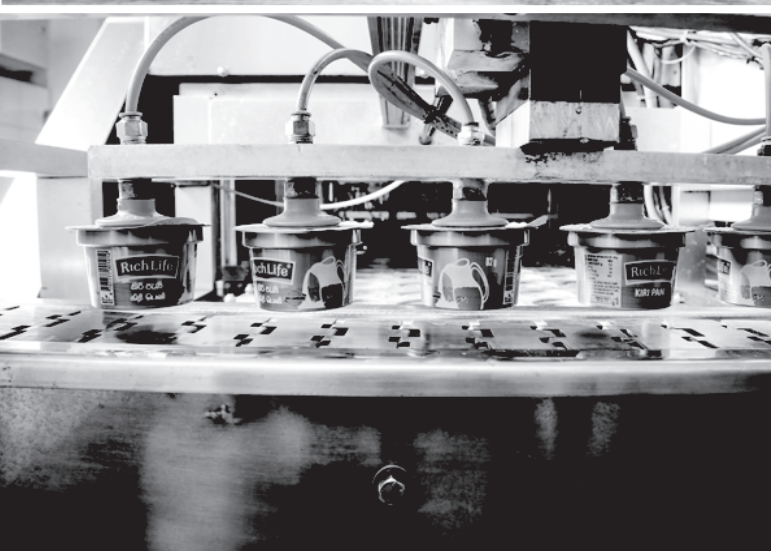
To be a leading Sri Lankan food & Beverage company, making food you love.

CULTURE AND VALUES

Renuka's culture reflect more than a structure, it is a statement of values. Our commitment to a Responsive, Enterprising, Nurturing, Unrelenting, Knowledgeable and Accountable workplace enables us to build relationships with clients and with colleagues, on honesty and trust. It drives our ability to deliver great products and services and to generate superior long-term financial performance for our shareholders.

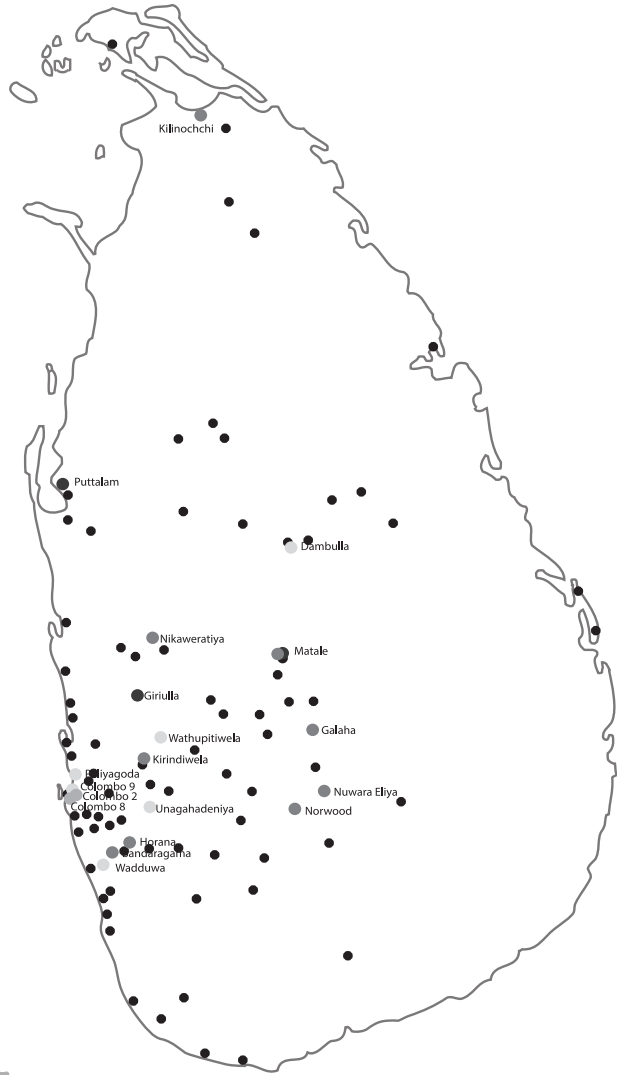


CONSUMER BRANDS

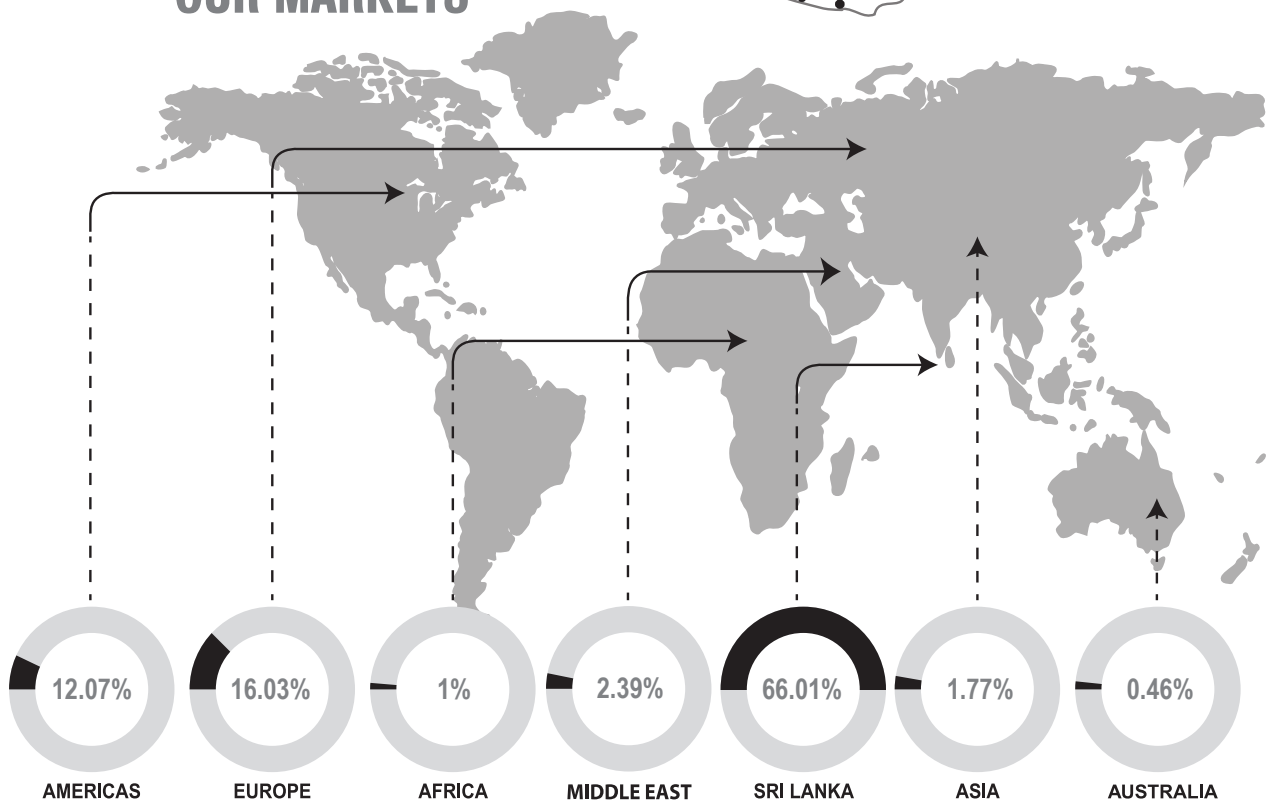


OUR LOCATIONS

- Offices
- Factories & Warehouses
- Collection & Processing Centres
- Plantations
- Stockists



OUR MARKETS





Revenue
14,178
Million



Gross Profit
1,713
Million



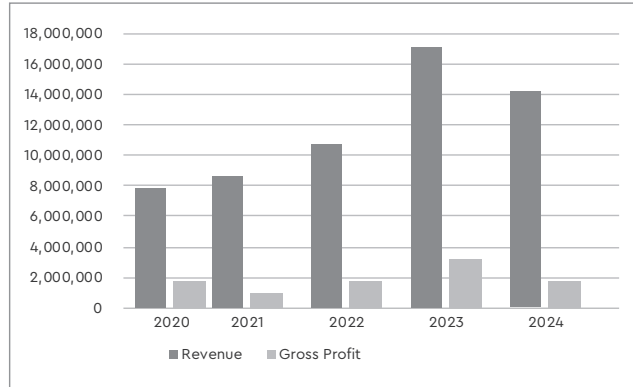
Total Assets
10,920
Million



Employees
1,300
Nos.

AT A GLANCE

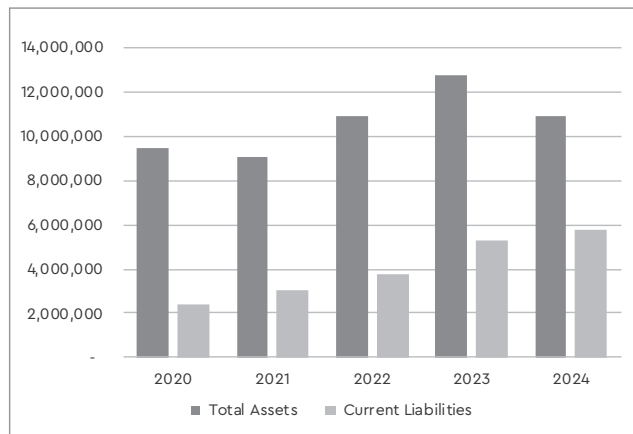
GROUP REVENUE AND GROSS PROFIT



14,178Mn
Revenue in year
2023/24

1,713Mn
Gross Profit in year
2023/24

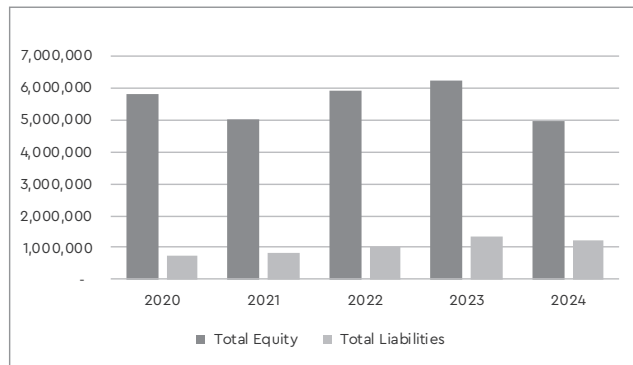
TOTAL ASSETS AND TOTAL LIABILITIES



10,920Mn
Total Assets
in Year 2023/24

5,923 Mn
Total Liabilities
in Year 2023/24

TOTAL EQUITY AND LONG TERM LIABILITIES



4,997 Mn
Total Equity
in Year 2023/24

1,106Mn
Long Term
Liabilities
in Year 2023/24

PROFILE OF DIRECTORS

Dr. S.R Rajiyah

Dr S.R.Rajiyah is the Executive Chairman of the Company and he is also the Group Managing Director of Renuka Holdings PLC and the Executive Chairman of Renuka Agri Foods PLC, Chairman of Shaw Wallace Ceylon Ltd, Director of Richlife Dairies Ltd and other companies of the Renuka Group. He is a medical doctor qualified in Sri Lanka and counts over 40 years of corporate experience in operations, quality management, research and development as well as in founding and running businesses.

Mrs. I.R. Rajiyah

Mrs. I.R Rajiyah is the Deputy Executive Chairperson of the Company. She is qualified in Business Studies from the United Kingdom and is a fellow of the British Institute Management. She counts over 40 years of corporate experience in founding and running businesses. She is also the Executive Chairperson of Renuka Holdings PLC and Deputy Executive Chairperson of Renuka Agri Foods PLC, a Director of Shaw Wallace Ceylon Ltd, Richlife Dairies Ltd and Companies of the Renuka Group.

Mr. S.V. Rajiyah

Mr. S.V. Rajiyah is the Managing Director of Company. He is also the Managing Director of Renuka Holdings PLC and Renuka Agri Foods PLC, Shaw Wallace Ceylon Ltd, Richlife Dairies Ltd and Director of Companies of the Renuka Group. He is also the Executive Chairman of Ceylon Land & Equity PLC and Galle Face Capital Partners PLC. He is a graduate in Management from the Warwick Business School, University of Warwick, United Kingdom. He has over 20 years of experience in General Management.

Mr. V. Sanmugam

Mr V. Sanmugam is a Executive Director of the Company and he holds a Bachelor of Engineering Degree from the Mangalore University. He counts over 37 years of industrial work experience, out of which, 27 years have been with the Renuka Group Companies. He has extensive experience in New Plant

Establishment, Project Planning & Management, Supply Chain/ Inventory Management, Statutory & Regulatory Compliance, besides others. He is a Executive Director of Renuka Agri Foods PLC, Shaw Wallace Ceylon Ltd, Richlife Dairies Ltd and Non Executive Director of Renuka Holdings PLC.

Dr J.A.S. Felix

Dr J. A. S. Felix, President's Counsel, is an Independent Non-Executive Director of the Company. He was awarded LLB (Honours) degrees by the University of Colombo and the University of London in 1994. He was admitted and enrolled as an Attorney-at-Law of the Supreme Court of Sri Lanka in 1996 and appointed a President's Counsel by His Excellency the President of Sri Lanka in 2023. He was awarded a PhD degree by the University of London in 2000. He is a Fellow of the Society for Advanced Legal Studies of the University of London, Fellow of the Chartered Institute of Taxation of Sri Lanka (FCIT) and a Fellow of the Royal Society of Arts, London (FRSA). He is a member of the Taxes Committee, the Human Rights Law Committee and the Public Law Committee of the International Bar Association. He is also a member of the Society of Legal Scholars of the United Kingdom and Ireland.

Mr. M. S. Dominic

Mr. M.S. Dominic is an Independent Non-Executive Director and holds a BSc (Hons) degree in Computer Science from the University of South Bank, United Kingdom. He has over 38 years of experience in the Information Technology field. He is also Director of Galle Face Properties Ltd, Renuka Holdings PLC, Renuka Agri Foods PLC, Galle Face Capital Partners PLC and Sithijaya Fund. He is a trustee of the George Keyt Foundation. He is also Council of the University of Visual and Performance Art Colombo.

Mr.R.F.N.Jayasooriya

Mr.R.F.N.Jayasooriya, heads Shaw Wallace Ceylon Limited and Richlife Dairies Ltd in managing the Consumer Foods portfolio's in Sri Lanka backed by an ever growing distribution network which is within the top 10 in

the country. His career spans across over 30 years in various industries and sectors such as Tea plantation (management), Dairy, beverage, frozen confectionary, Process meat & tea in Multinational contexts and owns an illustrious record in General Management for over 2 decades. Mr. Jayasooriya's key management areas of interest include Supply Chain Management, Corporate Strategy & Creating Value Chain excellence. He was the past president of the All Island Dairy Association and president of the Dairy Advisory Committee of Ministry of Industries.

Mr. A.M.P.C.K. Abeykoon

Mr. A.M.P.C.K. Abeykoon is the Chairman/Principal Consultant and founder director of Management Frontiers (Pvt) Limited, one of the leading companies in the field of management consultancy in Sri Lanka.

He holds Master of Business Administration degree from the Postgraduate Institute of Management (PIM) and a Bachelor of Business Administration degree from the University of Jayewardenepura. He is also a fellow Member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and a fellow Member of the Certified Management Accountants of Sri Lanka.

He counts over 20 years of experience in field of consultancy and has served in many assignments in Sri Lanka, Malaysia, Pakistan, Vietnam, Nepal, Bangladesh, Lao PDR and Zimbabwe in various capacities such as the financial management specialist, results-based planning and budgeting specialist, public finance specialist and monitoring & evaluation specialist.

Fit and Proper Assessment Criteria

To ensure compliance with listing rule 9.7.1 each member of the board has declared conformity with the Fit and Proper assessment criteria outline in listing rule number 9.7.3 by providing signed declaration for the year under review. Individuals who failed to comply with the criteria as per the above rule will no longer be eligible to serve as director of the company.

CHAIRMAN'S REVIEW

Dear Valued Shareholders,

It is my pleasure, on behalf of the Board of Directors, to welcome you to the 34th Annual General Meeting of Renuka Foods PLC. I am pleased to present our Annual Report and Audited Financial Statements for the year ended 31st March 2024. The Annual Report offers a succinct overview of the Group's value creation processes and the strategies employed to maintain market leadership amid challenging year.

The Sri Lankan Economy

The Sri Lankan economy began to recover gradually in the latter part of 2023, after six consecutive quarters of economic contraction. This recovery was driven by crucial policy adjustments and structural reforms implemented by the Government and the Central Bank of Sri Lanka (CBSL) since the end of 2022. Inflation significantly decelerated to single digits by the end of 2023, a notable improvement from the peak levels of 70% in 2022. In response to stable inflation, the CBSL reduced the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) by 550 basis points each in 2023.

The Government's primary balance and external current account recorded surpluses in 2023, marking significant improvements. Foreign exchange inflows increased notably, driven by tourism and remittances from overseas workers. Coupled with subdued import demand and a cessation of foreign currency debt service obligations, this led to a strong buildup of external reserves to USD 4.4 billion and an 11% average appreciation of the Sri Lankan Rupee during 2023/24.

Despite these positive developments, the increase in the Value Added Tax (VAT) from 15% to 18% and the elimination of VAT exemptions impacted discretionary spending. Electricity tariffs fluctuated throughout the year, while fuel prices decreased, providing some relief from the sharp increases of the previous financial year.

The Group

The economic challenges and the ongoing recovery resulted in leading to increased production costs. Cost control and cash flow management were our key priorities. We undertook a detailed scrutiny of costs and curtailed advertising and promotion expenditures. Despite these challenges, the Group achieved a turnover of Rs. 14 178mn, however reported a net loss of Rs. 799mn.

Shifting consumer trends are evident both locally and internationally, reflecting the current scenario where price consciousness and changing preferences have significantly influenced purchasing behaviors. On a local level, consumers are increasingly prioritizing sustainable and locally-sourced products. Globally, especially in Europe, one of our principal markets, there is a noticeable shift towards cost-effective options driven by the after effects of ongoing global events, particularly due to regional conflicts and escalating energy and freight costs. This transformation underscores the need for businesses to adapt to these evolving demands to remain competitive in the market. While there is a notable impact to consumer spending, we are pleased to note that the strength of our brands, Renuka, Richlife, Mr Pop and our International partnerships coupled with our distribution network, supported sales and minimised the impact on volumes- exporting to 52 countries and maintaining a robust local presence with over 70,000 retail outlets and more than 160 distributors. We are deeply entrenched in the country's rural heartland, where our small to medium scale farmers form the backbone of our out grower network for coconut, milk, corn among other agriculture inputs both conventional and organic certified.

Future Outlook

We anticipate continued recovery in consumer discretionary spending, supported by macroeconomic stability and steady inflation rates. While price levels are expected to remain stable, changes in household income dynamics may influence spending patterns. We will focus on maintaining volume stability and enhancing our market leadership in the categories, alongside the recovery of the HoReCa channel with the revival of the tourism industry. Although recent reductions in electricity tariffs offer short-term cost benefits, we will remain vigilant of energy expenses and global geopolitical tensions that may impact costs.

Conclusion

I am optimistic about the future and confident in Renuka's and our country's resilience. I extend my heartfelt gratitude to the Board, Management Team, employees, shareholders, suppliers, bankers, and loyal customers for their unwavering support. Together, we will continue to achieve greater heights, contribute to the revival of our economy, create employment opportunities, and deliver value.

Dr. S.R. Rajiyah
Chairman

13th August 2024

MANAGEMENT DISCUSSION ANALYSIS

Operating Environment

The Sri Lankan economy declined by 2.3% in real terms in 2023 (2022 declined was 7.8%). The year 2023 posed significant challenges for the Sri Lankan economy, marking one of the toughest periods since its independence. The country was going through economic hardship causing public anxiety and political unrest. In response, both the Government and the Central Bank swiftly implemented coordinated policy initiatives to address the

situation and prevent further escalation. These measures aimed to alleviate the impoverished conditions and bring stability to the economy, fostering hope for a brighter future. While the corrective measures implemented had short-term adverse effects on the general population, they were imperative to protect the economy and its stakeholders from potentially disastrous consequences of unchecked economic instability. These measures aimed to prevent hyperinflation, a significant decline in economic activity, and isolation

from the global community, which would have had far more detrimental impacts on the people and businesses of the country. Although challenging in the short term, these actions were taken with the long-term well-being of the nation in mind.

The following aspects were discussed pertaining to the primary macro - economic variables during the year under review and the resultant impacts on the performance of Renuka Foods PLC .

Movement	Cause	Impact to Renuka Foods PLC
Economy		
GDP has decreased by 2.3% for the year ended 2023 compared to a decline of 7.8% in year 2022.	All sectors of the economy has declined during 2023 (agriculture grew by 2.6%, whilst industry declined by 9.2%, and services by 0.2%), compared to the previous year. The construction sector saw a decline of approximately 3.2%. Investment as a percentage of nominal GDP stood at 22.2 per cent in 2023. Due to depreciation in domestic currency in the previous year, and import controls and subdued aggregate demand, the net external demand for goods and services resulted in a trade surplus of around \$2.8 billion. Consumption expenditure, accounted for 83% of the GDP in 2023.	Due to the imposition of import control restrictions and the depreciation of the currency in the previous year, the Company has been facing challenges in sourcing essential imported raw materials. As a result, there has been a noticeable increase in the prices of these critical inputs. These supply constraints, coupled with currency fluctuations, have impacted the Company's ability to procure necessary raw materials, leading to higher costs. The Company is actively addressing these challenges while exploring alternative sourcing options to mitigate the impact on its operations.
Inflation		
Year-on-year core inflation based on the CCPI and the NCPI decreased to 26% and 29%, respectively, by end 2023, compared to 57% and 59%, recorded at the end of 2022, respectively.	During the year inflation declined significantly mainly due to corrective action taken by Central Bank of Sri Lanka. Further the relative stability of the rupee parity maintained by the CBSL also contributed to the lower inflation. The decline in inflation reflected a complex interplay of multiple factors impacting the overall economy, requiring careful monitoring and potential policy interventions to manage the situation effectively.	The company was significantly impacted by the high cost of manufacturing, which posed challenges to its operations. To mitigate the negative effects on the company, measures were taken to improve product margins and enhance manufacturing efficiency. These steps were necessary to offset the increased costs and maintain competitiveness in the market. By implementing these strategies, the company aimed to safeguard its financial stability and maintain its position in the industry amid the challenging cost environment.

MANAGEMENT DISCUSSION ANALYSIS (Contd...)

Domestic Interest Rates		
Due to the relaxing of the monetary policy stance by The Central Bank, overall interest rates have been decreased from a high of 27% to 12%.	To preempt the build-up of excessive inflationary pressures over the medium term and to address imbalances in the external sector and financial markets, measures were taken to commence tightening the monetary policy stance from early 2022 onwards. The decline in interest rates in 2023 was driven by a combination of moderating inflation, a need to stimulate economic growth, debt management, external financial support, and evolving market conditions. The adjustment in interest rates was part of a broader strategy to balance economic stabilization with growth objectives.	Company successfully faced the high interest cost period and is now enjoying the fruit of the hardship in the past. These proactive measures enabled the Company to mitigate the financial impact of borrowing expenses. By optimizing product margins and streamlining manufacturing processes, the Company demonstrated its resilience and ability to adapt to challenging market conditions. These efforts the cost disruption but also contributed to maintaining the Company's financial stability and competitiveness in the industry
Exchange Rates		
Exchange rate was fluctuated from Rs. 363/- to Rs 323/- during the year against the USD.	The external sector imbalances are largely reflected by decline in demand for foreign currency which has resulted in a declined in the forex conversion rate amongst a whole heap of external factors.	Appreciation of the Rupee had negatively impacted on our export receipts and on the company bottom line.
Share Market		
The Colombo Stock Exchange(CSE) showed a mix of ups and downs during the year mainly responding to the general market sentiment and the interest rates prevailing in the market.	During the period from 01st April 2023 to 31st March 2024, the Colombo Stock Exchange (CSE) performance showed a mix of ups and downs. The overall trend of the market reflected the evolving economic and global conditions, as well as various internal and external factors that influenced investor sentiment. In the first quarter of the period, the market experienced some volatility, influenced by uncertainties surrounding the global economic recovery. However, as the year progressed, the market gradually showcased signs of recovery. The performance of individual sectors in the CSE varied, with some sectors experiencing growth and others facing challenges. Factors such as changes in interest rates, government policies, corporate earnings, and global market dynamics played a role in shaping the market performance. Additionally, investor sentiment was influenced by domestic economic conditions, political developments, and global events.	Highest share price of the company recorded at Rs. 17.50/- & lowest at Rs. 13.90/- during the year under review. It was closed at Rs14.00/- as at 31st March 2024.

MANAGEMENT DISCUSSION ANALYSIS (Contd...)

Capital Management Review

Managing our capital according to a structured process is key to our continued success. The capital reports below, gives a summary description of our capital resources.

Financial Capital

The Group achieved a revenue of 14.2 Bn, compared to previous year revenue of 17 Bn. The group recorded loss after tax 799 Mn.

Furthermore, the Group's gross profit reached Rs. 1.7 Bn, reflecting a decline compared to the previous year. This decline in gross profit can largely be attributed to the product margins.

The Group's financial results demonstrate its ability to effectively manage costs and optimize revenue streams. By focusing on enhancing product margins, the Group was able to drive profitability and achieve notable growth in revenue. These outcomes highlight the Group's commitment to sustainable financial performance and its ability to adapt to market dynamics.

Manufactured Capital

Deriving 100% of our revenue from manufactured products we are conscious of the importance of ensuring that our manufacturing capabilities are expanded, upgraded and maintained according to carefully orchestrated plan to deliver growth and future sustainability. Our manufactured capital comprises of building, plant & machinery and other items including motor vehicles, furniture & fittings and tools and equipment.

Natural Capital

Environmental sustainability is highly regarded and embedded into the corporate governance framework of the Renuka Agri Sector whilst managing the natural resources and meeting corporate obligations towards protecting the environment around us. Through our organic certified plantation's and factories we ensure that our customers all around the world get organic coconut products which is sustainable in the long term

as well. Focus on energy management, waste management, maintaining clean business environment, water management are a few initiatives taken by the Group during the year. We also embarked on "Net Plus" solar power project at our factory by installing roof top solar panels with a view to reducing electricity consumption within the Group. We also provide guidance to farmers on sustainable agricultural practices with the objective of preserving soil health, forestry and bio diversity. Management of natural capital is a critical imperative as it accounts for significant portion of our total assets. We are heavily dependent on natural resources, water, energy and are significantly impacted by climate change in our plantations

We also seek to manage our consumption of materials, water and energy to reduce cost of production and our impacts on the environment. Compliance with Central Environmental Authority License, which is obtained by all our factories, is strictly adhered to.

Human Capital

The Group strongly believes in people development and encourages knowledge sharing. As a result management launched its organization structures and strategy for 2023 to its senior management team and emphasized the roles that each one of our employee needs to play in the coming years. Having sought insights from internal and external stakeholders, some of the business processes, operations and departments reporting have been revisited and streamlined.

Social and Relationship Capital

In today's dynamic and competitive business environment, Corporate Sustainability links with the social responsibility and the strength of the stakeholder relationships. The companies in the Group mainly depend on the co-ordination of the society surrounding environment. In turn, it benefits all the companies in the Group in many ways.

Intellectual Capital

Intellectual Capital is the group of knowledge assets that are attributed to an organisation and most significantly contribute to an improved competitive position of an organisation by adding value to defined stakeholders (Marr & Schiuma, 2001). The Renuka Group which the Company belongs to, trace its roots to 1866 and gradually built its solid businesses pillars owning many brands striving in local and export markets. Such a built up knowledge is used in many aspects and able to invest in wider range of business operations while growing the Group as a whole. Our intellectual capital enables us to compete effectively in local and global markets shaping our brand equity.

Outlook

Given the prevailing economic conditions, the country is currently facing significant challenges. However, the company has proactively tackled these operational difficulties by implementing effective working capital and capital management strategies. By carefully managing various capitals, the company aims to maximize returns and mitigate the impact of the challenging economic environment.

Despite the external challenges, the company remains committed to optimizing its operational efficiency and financial performance. Through diligent management of working capital and other resources, the company strives to navigate through the prevailing economic conditions and achieve sustainable growth. By adapting to the changing landscape and making strategic decisions, the company aims to position itself for long-term success in the face of economic uncertainties.

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

Profile of **Mr. Mario Suresh Dominic** is given on page 8 of this report.

In compliance with Section 9.6.3. 2 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company appointed me as the Senior Independent Director of the Company with effect from 1st October 2023. Section 9.6.3. 2 of the Listing Rules Provide that in the event the Chairman is an Executive Director a Senior Independent Director shall be appointed.

At Renuka Foods PLC, Dr S.R. Rajiyah remains as Chairperson and Executive Director, in the interest of the Company.

Role of the Senior Independent Director (SID)

The Senior Independent Director provides guidance to the Chairman on matters of governance of the Company.

The Senior Independent Director makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company should the need arise.

Activities During The Year

Meetings were held with the Non-Executive Directors without the presence of the Executive Directors. At these meetings the performance of the Chairman and the Executive Directors were appraised. The outcome of these meetings together with recommendations were duly informed to the Chairman and the Board.

As we look to the future, company remain focused on navigating the challenges and opportunities that lie ahead. Renuka Foods PLC's strategic priorities will continue to be underpinned by our commitment to sound corporate governance, effective risk management, and sustainable growth. As the senior independent director, I am confident that the process and practices established by Renuka Foods PLC ensure that the role of the SID is effectively carried out contributing to the robust governance of the company.

The independence and objectivity of the SID, along with the regular engagement with both the board and shareholders, help to maintain transparency, accountability and trust in our corporate governance frame work.

I remain committed to upholding these standards and will continue to work closely with the board to ensure that the company aligned with the best practices in corporate governance.

M.S.Dominic

Senior Independent Director

13th August 2024
Colombo

REPORT ON THE CORPORATE GOVERNANCE

Corporate Governance is system of rules, practices and processes by which a company is directed and controlled. Corporate Governance essentially involves balancing the interests of the many stakeholders in a company – these include its shareholders, management, customers, suppliers, financiers, government and the community. Since Corporate Governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. The Company holds itself accountable to the highest standards of Corporate Governance and provides public accessibility to the information of the Company. Corporate Governance has been institutionalized at all levels in the Group through a strong set of corporate values which have been adhered to by the senior management and Board of Directors in the performance of their official duties and in other situations which could affect the Group image. The Group is committed to the highest standards of integrity, ethical values and professionalism in all its activities.

In Renuka Foods Group, we set our framework of Corporate Governance in line with Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the rules set out in the Colombo Stock Exchange Listing Rules and also comply with the Country's Legislative and Regulatory requirement.

Internal Governance Structure

Board of Directors

The Board of Directors are the ultimate governing body of the Company with diverse experience, professionalism and has a wide range of expertise in various fields as set out on page 08.

The Board is responsible for the ultimate supervision of the Group. In all action taken by the Board, Directors are expected to exercise their business judgment considering the best interest of the Company. The Directors participate in defining goals, visions, strategies and business targets.

The Board gives leadership in setting the strategic direction and establishing a sound control

framework for the successful functioning of the Company. The Boards composition reflects a sound balance of independence.

COMPOSITION OF THE BOARD AND DIRECTORS INDEPENDENCE

Composition of the Board of Directors as at 31st March 2024 consists of 9 members of which

- 4 Executive Directors
- 4 Non-Executive Independent Directors
- 1 Non Executive and Non Independent

The Independence of the Directors are measured in accordance with the Listing Rules of the Colombo Stock Exchange and the Independent Non-Executive Directors has submitted signed confirmation of their Independence.

Name of Director	Executive	Non – Executive	Independent
Dr. S. R. Rajiah	✓		
Mrs. I.R. Rajiyah	✓		
Mr. S.V. Rajiyah	✓		
Mr. V. Sanmugam	✓		
Mr. R.F.N. Jayasooriya		✓	
Mr. A. M. P. C. K. Abeykoon		✓	✓
Mr. M. S. Dominic		✓	✓
Mr. D.S. Arangala		✓	✓
Dr. J. A. S. Felix		✓	✓

BOARD RESPONSIBILITIES

The Board aims at fulfilling its responsibilities by creating value for all stakeholders that is sustainable and beneficial. Under the direction of the Executive Directors and oversight of the Board, the business of the Company is conducted by its managers, officers and employees to enhance the long term value of the Company.

The Board of the collective opinion that Dr. J.A.S Felix and Mr M.S. Dominic are as Independent Non – Executive Directors inspite of being on the Board for more than Nine years. They are yet regarded as Independent Directors in terms of Rule of the revised rules of the Colombo Stock Exchange since they are not directly involved in the Management of the company and free from any business or other relationship that could materially interfere in the exercise of their free and fair judgement.

REPORT ON THE CORPORATE GOVERNANCE (Contd...)

The Board meets regularly and gives full consideration to the following:

- Review strategic and operational issues
- Approve interim and annual budgets
- Review profit and working capital forecasts and monthly management accounts
- Provide advice and guidelines to senior Managers
- Approve major Investments
- Approve interim and annual reports

BOARD BALANCE

The balance of Executive, Non-Executive and Independent Non-Executive Directors on the Board who are professionals/academics/business leaders holding senior positions in their respective fields ensures a right balance between executive expediency and independent judgment as no individual Director or small group of Directors dominate the Board discussion and decision making.

Directors are provided with quarterly reports of performance and minutes of the Boards Meetings and are given the specific documentation necessary, in advance of such meetings.

There is a distinct and clear division of responsibilities between the Chairman and the Management to ensure that there is a balance of power and authority. The roles of the Chairman and the management are separated and clearly defined. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Management has overall responsibilities over the operating units, organizational effectiveness and implementation of Board policies and decisions.

BOARD MEETINGS AND ATTENDANCE

There were 3 Board Meeting for the year ended 31st March 2024 and spreadout over the months and attendance at meetings is as follows;

Name of Director	Eligible to attend	Non – Executive
Dr. S.R. Rajiyah (Chairman)	3	3/3
Mrs. I.R.Rajiyah	3	3/3
Mr.S.V.Rajiyah	3	3/3
Mr. M.S.Dominic	2	2/3
Mr. V.Sanmugam	3	3/3
Dr.J.A.S.Felix	3	3/3
Mr.B.V.Selvanayagam*	1	1/1
Mr.R.F.N.Jayasooriya	3	3/3
Mr.D.S.Arangala**	2	2/2
Mr. A.M.P.C.K.Abeykoon**	2	2/2

*Mr. B. V. Selvanayagam resigned wef 08.09.2023

**Mr.D.S.Arangala & Mr. A.M.P.C.K.Abeykoon appointed wef 08.09.2023

Audit Committee Meetings

The Audit committee met 4 times on a quaterly basis during the year

Name of Director	Eligible to attend	Non – Executive
Mr. B.V. Selvanayagam*	2	2/2
Mr. M.S. Dominic**	2	2/2
Dr. J.A.S. Felix	4	4/4
Mr.A.M.P.C.K.Abeykoon (Chairman)***	2	2/2
Mr.D.S.Arangala***	2	2/2

*Mr. B. V. Selvanayagam resigned wef 08.09.2023

**Mr. M.S. Dominic resigned as member wef 08.09.2023

***Mr.D.S.Arangala & Mr. A.M.P.C.K.Abeykoon appointed as member wef 08.09.2023

Related Party Review Committee Meetings (Ultimate Parent Company Renuka Holding PLC)

The Related Party Review Committee met 4 times on a quaterly basis during the year

Name of Director	Eligible to attend	Non – Executive
Mr. T.K. Bandaranayake (Chairman)	4	4/4
Mr. M.S. Dominic	4	3/4
Dr. J.M.Swaminathan	4	4/4

Remuneration Committee Meeting (Ultimate Parent Company Renuka Holding PLC)

Name of Director	Eligible to attend	Non – Executive
Mr. M.S. Dominic- Chairman	1	1/1
Dr. J.M.Swaminathan	1	1/1
Mr. T.K.Bandaranayake	1	1/1

Nomination & Governance Committee Meeting (Ultimate Parent Company Renuka Holding PLC)

Name of Director	Eligible to attend	Non – Executive
Mr. M.S. Dominic – Chairman	1	1/1
Mr. T.K. Bandaranayake	1	1/1
Mrs. J. J. B. A. Rajiyah	1	1/1

REPORT ON THE CORPORATE GOVERNANCE (Contd...)

APPOINTMENT RE-ELECTION OF DIRECTORS

The Company's Articles of Association call for one third of the Non- Executive Directors to retire at each Annual General Meeting and the Director who retires are those who have served for the longest period after their appointment/re-appointment.

PROCEDURE FOR DIRECTORS TO OBTAIN PROFESSIONAL ADVICE

The Directors obtain independent and professional advice with regard to decision making in their duties.

BOARD COMMITTEES

To assist the Board in discharging its duties various Board Committees are established. The functions and terms of references of the Board Committee are clearly defined and where applicable and comply with the recommendation of the Code of Best Practice on Corporate Governance.

AUDIT COMMITTEE

The Audit Committee reviews issues of accounting policy and presentation for external audit function and ensures that an objective and professional relationship is maintained with the external auditors. Its principal function is to assist the Board in maintaining a sound system of internal controls. The Committee has full access to the external auditors who, in turn, have access at all times to the Chairman of the Committee. The Committee meets with the external auditors without any executive present at least once a year, in line with a good Corporate Governance Practice.

The Report of the Audit Committee is presented on page 22 and the duties of the Audit Committee are included therein.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The related Party Transactions review committee was established on 1st January 2016 with an objective of keeping in line with the Code of Best Practice on Corporate Governance and the requirement of the Listing Rules of Colombo Stock Exchange with a view to ensure that the interests of shareholders as a whole are taken into account by Renuka Foods PLC and its subsidiaries and are consistent with the Listing Rules of Colombo Stock Exchange when entering into Related Party Transactions and make required disclosures in a timely manner.

The Related Party Transaction Committee of Renuka Foods PLC is the same committee of the ultimate parent, Renuka Holdings PLC appointed by and responsible to the Board of Directors. It consists of three Non-Executive Independent Directors.

The Report of the Related Party Transactions Review Committee is Presented on Page 24.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for developing the Groups remuneration policy and determining the remuneration packages of executive employees of the Group. The Committee recommends to the Board and its subsidiaries the remuneration to be paid to Key Management Personnel.

The Remuneration Committee of Renuka Foods PLC is the same committee of the ultimate parent, Renuka Holdings PLC appointed by and responsible to the Board of Directors, it consists of three Non-Executive Independent Directors. The Managing Director may also be invited to join in the deliberation as required. The Chairman of the

Committee is an Independent Non-Executive Director. The report of the remuneration committee is presented on page 25.

NOMINATION & GOVERNANCE COMMITTEE

The nomination committee is responsible to identify suitable persons who could be considered to become a board member as a non Executive Director.

The Nomination committee of Renuka Foods PLC is the same Committee of the ultimate parent, Renuka Holdings PLC appointed by and responsible to the Board of Directors. The report of the nomination committee is presented on page 26.

SHAREHOLDER RELATIONS

The Board considers the Annual General Meeting as a prime opportunity to communicate with shareholders. The Shareholders are given the opportunity of exercising their rights at the Annual General Meeting. The notice of the Annual General Meeting and the relevant documents required are published and sent to the shareholders within the statutory period. The Company circulates the agenda for the meeting and shareholders vote on each issue separately. All shareholders are invited and encouraged to participate at the Annual General Meeting. The Annual General Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company and to informally meet the Directors. The external Auditors are also present at the Annual General Meeting to render any professional assistance that may be required. Shareholders who are not in a position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their Choice.

REPORT ON THE CORPORATE GOVERNANCE (Contd...)

The company assign a high priority to the communication of the results and prospects for the future to its shareholders as a responsible listed company on the Colombo Stock Exchange. The quarterly and Annual Reports are simultaneously updated on the companies website www.renukagroup.com. If you have any question on accessing of the digital copy of this report, please call 0112 314750, company secretaries.

The Company publishes quarterly accounts in a timely manner as its principle communication with shareholders and others. This enables stakeholders to make a rational judgment of the Company.

INTERNAL AUDIT AND CONTROL

The Board is responsible for the Group's internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision making. It covers all controls, including financial, operational and compliance control and risk management. It is important to state, that any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable time.

The Company's internal audit function is headed by the Manager Internal Audit and reports of the internal audits together with management comments are discussed with the Audit Committee. Further at each meeting follow up issues from previous meetings are also discussed in order to ensure implementation of appropriate policies and procedures as a prevention mechanism.

EXTERNAL AUDIT

The Group uses three Professional Accounting Firms for its external audits. Some of them provide non-assurance services to the Group. The restrictions provided in terms of rulings issued by CSE and other commitments were taken into consideration when entering into engagements with the Group auditor.

The Knowledge and experience of the Audit Committee ensure effective usage of the expertise of the auditors, whilst maintaining independence, in order to derive transparent Financial Statements. This Group maintains independence from financial and non-financial interest between auditors and re-assesses the same on a regular basis.

MAJOR TRANSACTION

There were no major transactions during the year which fall within the definition of 'Major Transaction' in terms of the Companies Act.

GOING CONCERN

The Directors, upon making necessary inquiries and reviews including reviews of the Group budget for the following year, capital expenditure requirements and available financing facilities, have a reasonable expectation of the Company's existence in the foreseeable future. Therefore, the going concern basis is adopted in the preparation of the Financial Statements.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

Renuka Foods PLC is fully complied with the Corporate Governance listing requirement of the Colombo Stock Exchange and adheres to the different regulating authorities.

- Companies Act No.7 of 2007
- Code of Best Practices on Corporate Governance issued jointly by the CA Sri Lanka and the Securities & Exchange Commission of Sri Lanka
- Inland Revenue Act
- Exchange Control Act
- Board of Investment Regulations
- Customs Ordinance

REPORT ON THE CORPORATE GOVERNANCE (Contd...)

COMPLIANCE SUMMARY

Statement of Compliance with the Listing Rules set out in Section 7.6 of the Colombo Stock Exchange's on Corporate Governance, are summarized below. (Mandatory Provisions – Fully Complied)

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
(i)	Names of persons who were Directors of the entity	Complied	Refer Directors' Report on pages 34 to 38 in this Annual Report.
(ii)	Principal activities of the entity during the year and any changes there in	Complied	Refer Note 1 to Financial Statements.
(iii)	The names and the no. of shares held by the 20 largest holders of voting and non voting shares and the percentage of such shares held	Complied	Refer Shareholders and Investor information and top 20 largest share holders on page 120 to this Annual Report
(iv)	The public holding percentage	Complied	Refer Shareholders and Investor information on pages 116 to 120 this Annual Report
(v)	A Statement of each Director's holding and Chief Executive Officer's holding in shares of the entity at the beginning and end of each Financial year	Complied	Refer Directors' Report on pages 34 to 38 to this Annual Report
(vi)	Information pertaining to material foreseeable risk factors of the Entity	Complied	Refer Risk management Report on pages 27 to 31 to this Annual Report.
(vii)	Details of material issues pertaining to employees and industrial relation of the Entity	Complied	Refer Directors' Report on pages 34 to 38 to this Annual Report
(viii)	Extent, Locations, Valuations and the number of buildings of the Entity's land holding and investment properties	Complied	Refer Real Estate Portfolio on page 114 to this Annual Report
(ix)	Number of shares representing the Entity's Stated Capital	Complied	Refer Note 25 to Financial Statements
(x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	Complied	Refer Shareholders and Investor information on pages 116 to 120 this Annual Report
(xi)	Financial Ratios and Market Price Information	Complied	Refer five year summary on page 115 to this annual report
(xii)	Significant change in the Company's fixed assets and market value of Land, if the value differs substantially from the book value as at the end of the year	Complied	Refer note 14 to Financial Statements
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	Not Applicable	-
(xiv)	Information in respect of Employee Share Ownership or Stock option Scheme	Not Applicable	-
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5c. & 7.10.6.c. of Section 7 of the Listing Rules	Complied	Refer Corporate Governance Report on pages 14 to 21 to this Annual Report
(xvi)	Related Party Transactions exceeding 10 percent of the equity or 5 percent of the total assets of the entity as per Audited Financial Statements, whichever is lower.	Complied	Refer Note 34 to Financial Statements
(xvii)	Disclosures on Foreign Currency Denominated Security	Not Applicable	-
(xviii)	Disclosures on listed Green Bonds	Not Applicable	-
(xix)	Disclosures on listed perpetual Debt Securities	Not Applicable	-

REPORT ON THE CORPORATE GOVERNANCE (Contd...)

Extent of Compliance with the Listing Rules set out in Section 9 of the Colombo Stock Exchange's on Corporate Governance, are summarized below. (Mandatory provisions fully complied) and subject to transitional Provisions which will be complied inline with effective date as at 01.10.2024

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
9.1	COMPLIANCE		
9.1.1/9.1.2	Compliance with Corporate Governance Rules	Compliant	This report declares the confirmation on compliance and refer Page 39 for "CORPORATE GOVERNANCE COMPLIANCE STATEMENT"
9.1.8.1	NON-EXECUTIVE DIRECTORS (NED)		
a.	At least 2 members or 1/3 of the Board, whichever is higher should be NEDs	Compliant	Five out of nine Directors are Non-Executive Directors
a.	The Total number of Directors are to be calculated based on the number as at the conclusion of the immediately preceding Annual General Meeting	Compliant	Calculation is based on number as at the conclusion of the immediately preceding Annual General Meeting
b.	Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	Not Applicable	-
9.8.2	INDEPENDENT DIRECTORS		
9.8.3	2 or 1/3 of NEDs, whichever is higher shall be 'independent'	Compliant	Four Non-Executive Directors are independent
9.8.3	Each NED to submit a signed and dated declaration annually of his/her independence or non- independence	Compliant	All Non-Executive Independent Directors have submitted their confirmation on independence
9.10	DISCLOSURES RELATING TO DIRECTORS		
9.10.4	Board shall annually determine the independence or otherwise of NEDs	Compliant	The Board assessed the independence declared by Directors and determined the Directors who are independent.
9.10.4	A brief resume of each Director should be included in the annual report including the directors' experience	Compliant	Refer page 08 for a brief resume of each Director
9.10.4	Provide a resume of new Directors appointed to the Board along with details	Compliant	Refer page 08
9.8.3	CRITERIA FOR DEFINING INDEPENDENCE		
	Requirements for meeting the criteria to be an Independent Director	Compliant	As per 9.8.3 i – viii in determining of the independence or otherwise of NEDs, board reviewed the criteria for defining independence as per 7.10.4 a to also subject to the transitional provisions which will be complied in line with the effective date as 01/10/2024
9.12	REMUNERATION COMMITTEE		
12.1	A listed company shall have a Remuneration Committee	Compliant	The remuneration committee of Renuka Foods PLC is the same Committee of the ultimate Parent. Renuka Holdings PLC as allowed by Listing Rules of Colombo Stock Exchange.
	Remuneration Committee shall comprise of NEDs, a majority of whom will be independent	Compliant	The remuneration Committee comprises of 3 Non-Executive Directors of whom 2 are independent.

REPORT ON THE CORPORATE GOVERNANCE (Contd...)

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
9.12.6.3	One Non-Executive Director shall be appointed as Chairman of the Committee by the board of directors	Compliant	Mr. M.S. Dominic is the Chairman of the Committee who is Independent/Non-Executive Director.
	Remuneration Committee shall recommend the remuneration of the CEO and the Executive Directors	Compliant	Refer Page 25 for Remuneration Committee scope
	Names of Remuneration Committee members	Compliant	Refer page 25 for names of the Committee members
	Statement of Remuneration policy	Compliant	Refer page 25.
	Aggregate remuneration paid to EDs and NEDs	Compliant	Refer to Note 10
9.1.3	AUDIT COMMITTEE		
	A listed company shall have an Audit Committee.	Compliant	The Company has its own Audit Committee.
3	Audit Committee shall comprise of NEDs, or a majority of whom should be independent	Compliant	The Audit Comprises of three Independent Non-Executive Directors
5	A NED shall be the Chairman of the committee	Compliant	The Chairman of the Committee is an Independent Non-Executive Director
6	CEO and CFO should attend Audit Committee meetings	Compliant	Refer to pages 22 to 23.
7	The Chairman of the Audit Committee or one member should be a member of a professional accounting body	Compliant	The Chairman of the Audit Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Fellow Member of Certified Management Accountants of Sri Lanka
9.13.4	Functions of the Audit Committee		
(i)	Overseeing of the preparation, presentation and adequacy of disclosure in the financial statements in accordance with SLFRS/LKAS	Compliant	Refer pages 22 to 23 of Audit Committee Report
	Overseeing the compliance with financial reporting requirements, information requirements as per the laws and regulations	Compliant	Refer pages 22 to 23 of Audit Committee Report
	Ensuring the internal controls and risk management, are adequate, to meet the requirements of the SLFRS/LKAS	Compliant	Refer pages 22 to 23 of Audit Committee Report
	Assessment of the independence and performance of the Entity's external auditors	Compliant	Refer pages 22 to 23 of Audit Committee Report
	Make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	Compliant	Refer pages 22 to 23 of Audit Committee Report
	Names of the Audit Committee members shall be disclosed	Compliant	Refer pages 22 to 23 of Audit Committee Report
	Audit Committee shall make a determination of the independence of the external auditors	Compliant	Refer pages 22 to 23 of Audit Committee Report
	Report on the manner in which Audit Committee carried out its functions	Compliant	Refer pages 22 to 23 of Audit Committee Report

REPORT ON THE CORPORATE GOVERNANCE (Contd...)

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
9.14	RELATED PARTY TRANSACTIONS REVIEW COMMITTEE(RPTR)		
9.14	Related Party Review Committee	Compliant	The Functions of the Committee are stated in the Report of the Related Party Transaction Review Committee on Page 24
9.14.2	Composition	Compliant	Refer the report of RPTR committee on page 24
9.14.4	Meetings	Compliant	Refer the report of RPTR committee on page 24
9.14.7	Immediate Disclosures	Compliant	Please refer Note 33 of the Notes to the Accounts on Page 97
9.14.8 (1) & (2)	Disclosure of recurrent and non-recurrent Related Party Transactions	Compliant	Please refer Note 33 of the Notes to the Accounts on Page 97
9.14.8 (3)	Report by the Related Party Transactions Review Committee	Compliant	Refer the report of RPTR committee on page 24
	A declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on page 39

Below summary list, Company compliance with Companies Act No 7 of 2007

Section	Companies Act Requirements	Compliance Status	Reference
168 (1) (a)	The state of the Company's affairs and nature of the business of the Company or any of its subsidiaries together with any change thereof during the accounting period	Compliant	Refer Note 1 of the Financial Statements
168 (1) (b)	Signed Financial Statement of the Company and its subsidiaries for the accounting period completed	Compliant	Refer pages 46 to 50 of the Annual Report
168 (1) (c)	Auditors Report on Financial Statements of the Group and the Company	Compliant	Refer page 40 to 45 of the Annual Report
168 (1) (d)	Accounting Policies and any changes therein	Compliant	Refer Note 1 – 5 of the Financial Statement
168 (1) (e)	Particulars of the entries made in the interests Register during the accounting period	Compliant	Refer Annual Report of the Board of Directors on pages 34 – 38
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Compliant	Refer Note 10 of the Financial Statements
168 (1) (g)	Corporate donations made by the Company during the accounting period	Compliant	Refer page 37 of the Annual Report
168 (1) (h)	Names of the Directors of the Company and its Subsidiaries at the end of the accounting period and name of Directors who ceased to hold office during the accounting period	Compliant	Refer pages 8 and note 34 of the Financial Statements
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Compliant	Refer Note 10 of the Financial Statement
168 (1) (j)	Other relationships or any interest of Auditors with the Company and its subsidiaries	Compliant	Refer pages 22 to 23 of the Annual Report
168 (1) (k)	Acknowledgment of the content of this report and signature on behalf of the Board	Compliant	Refer page 39 of the Annual Report, report of the Board of Directors

AUDIT COMMITTEE REPORT

In keeping with the Code of the Best Practice on Corporate Governance and the requirement of the Securities and Exchange Commission for Public Listed Companies, Renuka Foods PLC has established an Audit Committee whose function, authority and duties have been clearly identified in the Audit Committee Charter. This Charter integrates all the requirements of the Securities and Exchange Commission and the Code of Best Practice on Corporate Governance.

The role of the Audit Committee is to oversee the financial reporting system of the Company with a view of safeguarding the interest of all the stakeholders and ensuring that it has been extended to its subsidiaries. This includes selecting and applying appropriate accounting policies for the purpose of financial reporting, ensuring sound internal control principles and its effective implementation, ensuring the integrity of Financial Statements and maintaining an appropriate independent relationship with the Company auditors.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee appointed by and responsible to the Board of Directors comprises three Non-Executive Directors of whom all three are independent during the year as follows:

Mr.A.M.P.C.K.Abeykoon(IND/NED)
Chairman – Appointed 08.09.2023

Dr. J.A.S. Felix (IND/NED)

Mr. D. S. Arangala(IND/NED) -
Appointed w.e.f. 08.09.2023

Mr.Dominic (IND/NED) (Resigned as
member w.e.f. 08.09.2023)

Mr.B.V.Selvanayagam (IND/NED)
(Resigned w.e.f. 08.09.2023)

(IND – Independent Director, NED –
Non-Executive Director)

The composition is in compliance With the requirement to have a Minimum of two Independent Non-Executive Directors in term of the rules on Corporate Governance for Listed Companies issued by the Colombo Stock Exchange.

The Chairman of the Committee, Mr.A.M.P.C.K.Abeykoon, is the Chairman / Principal Consultant and founder director of Management Frontiers (Pvt) Limited, one of the leading companies in the field of Management Consultancy in Sri Lanka.

Brief profiles of each member are given on page 8 of this report. Their individual and collective financial knowledge and business acumen and the independence of the Committee are brought to bear on their deliberations and judgments on the matters that come within the Committee's purview.

Executive Director, and Chief Financial Officer attend meetings of the Committee by invitation.

CHARTER OF THE AUDIT COMMITTEE

"Rules on Corporate Governance" under the listing rules of Colombo Stock Exchange and "Code of Best Practice on Corporate Governance" issued jointly by Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka further regulate the composition, role and functions of the Audit Committee.

MEETINGS OF THE AUDIT COMMITTEE

The attendance of the members of Audit Committee meeting is stated in the table on page 15. The Committee met four times during the year.

Other members of the Board, Management members as well as External Auditors were present at the discussions where it was required. The proceedings of the Audit Committee are regularly reported to the Board of Directors.

FINANCIAL REPORTING

The Committee oversees the Company's financial reporting on behalf of the Board of Directors, as part of its responsibility, review the quarterly and Annual Financial Statements and recommended them to the Board for its deliberations prior to their issuance.

The Committee reviews the Financial Statements to ensure consistence of the accounting policies and their compliance with the Sri Lanka Accounting Standards.

The Committee has also regularly discussed the operations of the Company and its future prospects with the management and is satisfied that all relevant matters have been taken into account in the preparation of the Financial Statements.

INTERNAL AUDIT

Internal audits are carried out internally in line with an agreed audit plan. Follow up reviews are scheduled to ascertain that audit recommendations are being acted upon.

CONTROLS AND RISKS

The Committee reviewed the process to assess the effectiveness of the internal financial controls that have been designed to provide reasonable assurance to the Directors that assets are safeguarded, and that the financial reporting system can be relied upon in preparation and presentation of Financial Statements. Further it evaluates compliance with laws, regulations and established policies and procedures of the company

AUDIT COMMITTEE REPORT (Contd...)

EXTERNAL AUDITORS

The Audit Committee evaluated the independence of the External Auditors and the effectiveness of the audit process. The Committee discussed the Management letter at the conclusion of the Audit.

The Committee reviewed the Audited Financial Statements with the External Auditors who are responsible to expressing an opinion on its conformity with the Sri Lanka Accounting Standards. Also the External Auditors kept the Audit Committee advised on an on-going basis regarding any unresolved matters of significance.

The Audit Committee undertook the evaluation of the independence and objectivity of the external auditor and the effectiveness of the audit process. As far as the Audit Committee is aware, Auditors do not have any relationship (other than of Auditors) with the Company. In addition, as required by the Companies Act No. 07 of 2007, the Committee has received a declaration from Messrs. KPMG confirming that they do not have any relationship with the Company, which may have a bearing on their independence.

The Audit Committee recommended to the Board of Directors that M/s KPMG be appointed as Auditors for the financial year ending 31st March 2025 subject to the approval of the shareholders at the Annual General Meeting.

Conclusion

The Audit Committee is satisfied that the internal controls and procedures in place for assessing and managing risks are adequately designed and operate effectively and is of the view that they provide reasonable assurance that the Company's assets are safeguarded and that the financial statements of the Company are reliable. The Company's External Auditors have been effective and independent throughout the year.

Sgd.
Mr.A.M.P.C.K.Abeykoon
Chairman

13th August 2024

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee was established on 1st January 2016. The objective of the Committee is to keep in line with the Code of Best Practice on Corporate Governance and the requirement of the Listing Rules of Colombo Stock Exchange with a view to ensure that the interests of shareholders as a whole are taken into account by Renuka Foods PLC and its subsidiaries and are consistent with the Listing Rules of Colombo Stock Exchange when entering into Related Party Transactions and made required disclosures in a timely manner.

Composition of the Related Party Transactions Review (RPTR) Committee

The Related Party Transactions Review Committee is appointed by and responsible to the Board of Directors. However as from 3rd August 2016 the Related Party Transaction Review Committee of the Ultimate Parent Company namely Renuka Holdings PLC which is a listed legal entity functions as the RPTR Committee for Renuka Foods PLC. This is in compliance in terms of the rules on Corporate Governance for Listed Companies issued by the Colombo Stock Exchange.

Related Party Transactions Review Committee Members

Mr. T.K. Bandaranayake (IND/NED)
Chairman

Mr. M.S.Dominic (IND/NED)

Dr. J.M. Swaminathan (IND/NED)

IND – Independent Director

NED – Non-Executive Director

Brief profiles of Mr. M.S.Dominic is given on pages 8 and Mr.J.M.Swaminathan's and Mr.T.K.Bandaranayake's profiles are given below. Their individual and collective financial knowledge and business acumen and the independence of the Committee are brought to bear on their deliberations and judgments on the matters that come within the Committee's purview.

Mr. T. K. Bandaranayake- Chairman

Mr. T.K. Bandaranayake is an Independent Non-Executive Director of the Company. He is a Fellow Member of

the Institute of Chartered Accountants of Sri Lanka. He was in public practice with Ernst & Young for 27 years since 1982. He was a Senior Partner managing a large portfolio of clients. He is also a Director of Nawaloka Hospitals PLC, Overseas Realty (Ceylon) PLC, Havelock City (Pvt) Ltd, Mireka Capital Land (Pvt) Ltd, Mireka Homes (Pvt) Ltd, Samson International PLC, Harischandra Mills PLC and Browns & Company PLC.

Dr. J. M. Swaminathan

Dr. J. M. Swaminathan is an Attorney-at-Law with over 60 years in practice and has been appointed as Senior Instructing Attorney-at-Law by His Excellency the President. He was the former Senior Partner of Messrs. Julius & Creasy. He was a Member of the Office for Reparations Sri Lanka. He has served as a Member of the Law Commission of Sri Lanka and Member of the Council of Legal Education and the Council of the University of Council. He is also a Member of the Company Law Advisory Commission and The Intellectual Property Law Advisory Commission. He is the Chairman of the Board of Studies of the Council of Legal Education and also a Consultant at the Institute of Advanced Legal Studies of the Council of Legal Education. He is a Member of the Visiting Faculty of the LLM Course of the University of Colombo and Member of the Board of Management of the Superior Court Complex. He also serves on the Boards of several public and private companies.

Mandate

To ensure on behalf of the Board, that all related party transactions of Renuka Foods PLC and its subsidiaries are consistent with the listing rules of Colombo Stock Exchange.

Number of Committee Meetings

The committee has met four times during the period from 1st April 2023 to 31st March 2024. The attendance of the members of the Committee is stated in the table on page 15.

Attendance by Invitation

The Executive Director – Mr. S.V. Rajiyah, and Chief Financial Officer attended the meetings by invitation.

DUTIES AND RESPONSIBILITIES OF THE RPTR COMMITTEE

- Establish the definitions and set out the threshold values of each related party transaction as per the Code which require discussion and disclosure.
- Identify related party transactions that need pre-approval from the Board of Directors, immediate market disclosure, transactions that need shareholder approval and disclosure in the Annual Report.
- Formulate a standard template to implement in the group to follow when documenting RPT and when presenting to RPT committee.
- Establish proper guide lines to identify recurrent & non- recurrent Related party transactions to follow by the company and its subsidiaries.
- Establish a method of having access to adequate knowledge or expertise to assess all aspects of proposed related party transactions where necessary, and method of obtaining appropriate professional and expert advice from appropriately qualified persons.
- Periodic review by the Committee to ensure that required disclosures have been disclosed in the market or annual report as required by the Listing Rules of Colombo Stock Exchange.
- The committee communicates its comments/observations to the Board of Directors after each review of related party transactions.

CONCLUSION

The Committee has reviewed the related Party Transactions presented to them by the management of the Company for the financial year ended 31st March 2024. The Activities and views of the Committee have been communicated to the Board of Directors through verbal briefing and by tabling minutes of the Committee meetings.

Sgd.

T. K. Bandaranayake
Chairman

13th August 2024

REMUNERATION COMMITTEE REPORT

The Remuneration Committee of Renuka Foods PLC is the same Committee of the ultimate parent, Renuka Holdings PLC appointed by and responsible for the Board of Directors consists of three Non-Executive Independent Directors (IND/NED). The Managing Director may also be invited to join in the deliberations as required.

The Chairman of the Committee is an Independent Non-Executive Director.

The members are:

1. Mr. M.S. Dominic (IND/NED)
(Chairman)
2. Mr. T.K. Bandaranayake (IND/NED)
3. Mr. J.M. Swaminathan (IND/NED)

(IND – Independent Director, NED – Non-Executive Director)

The brief profiles of the Directors are given on page 8 of the Annual Report and Mr. J.M. Swaminathan and Mr. T.K. Bandaranayake profiles are given below.

Mr. T. K. Bandaranayake Chairman

Mr. T.K. Bandaranayake is an Independent Non-Executive Director of the Company. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. He was in public practice with Ernst & Young for 27 years since 1982. He was a Senior Partner managing a large portfolio of clients. He is also a Director of Nawaloka Hospitals PLC, Overseas Realty (Ceylon) PLC, Havelock City (Pvt) Ltd, Mireka Capital Land (Pvt) Ltd, Mireka Homes (Pvt) Ltd, Samson International PLC, Harischandra Mills PLC and Browns & Company PLC.

Dr. J. M. Swaminathan

Dr. J. M. Swaminathan is an Attorney-at-Law with over 60 years in practice and has been appointed as Senior Instructing Attorney-at-Law by His Excellency the President. He was the former Senior Partner of Messrs. Julius & Creasy. He was a Member of the Office for Reparations Sri Lanka. He has served as a Member of the Law Commission of Sri Lanka and Member of the Council of Legal Education and the Council of the University of Council. He is also a Member of the Company Law Advisory Commission and The Intellectual Property Law Advisory Commission. He is the Chairman of the Board of Studies of the Council of Legal Education and also a Consultant at the Institute of Advanced Legal Studies of the Council of Legal Education. He is a Member of the Visiting Faculty of the LLM Course of the University of Colombo and Member of the Board of Management of the Superior Court Complex. He also serves on the Boards of several public and private companies.

Independence of the Committee

The committee is independent from the management of the business and not involve any business operations.

The scope of the Committee

- The committee study and recommends the remuneration policy of Directors & Key Management Personnel
- Review the performances of Key Management Personnel on periodic basis

- The Committee recommends the remuneration based on the prevailing market rates and perquisites applicable to the Key Management personnel of the Company and makes appropriate recommendations to the Board of Directors for Approval.
- The Committee also carries out periodic reviews to ensure that the remunerations are in line with market conditions.

The Remuneration Policy is to attract and retain best professional managerial talent within the Renuka Group and also to motivate and encourage them to perform at the highest possible level. The Group has a structure and professional methodology in evaluate the performance of employees. The policy ensure equality and fairness between the various employees is maintained.

Sgd.

M.S. Dominic

Chairman

13th August 2024

NOMINATION AND GOVERNANCE COMMITTEE REPORT

The Nomination and governance committee of ultimate parent, Renuka Holdings PLC, acts as the Nomination and governance Committee of Renuka Foods PLC.

Composition of Nomination and Governance Committee

Mr. M.S. Dominic – Chairman

Mr. T.K. Bandaranayake (Independent Non-Executive)

Mrs. J.J.B. A. Rajiyah (Non-Executive)

Brief profiles of each member are given on pages 8 of this Annual Report and Mrs. J.J.B.A. Rajiyah and Mr.T.K. Bandaranayake profiles are given below.

Mr. T. K. Bandaranayake

Mr. T.K. Bandaranayake is an Independent Non-Executive Director of the Company. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. He was in public practice with Ernst & Young for 27 years since 1982. He was a Senior Partner managing a large portfolio of clients. He is also a Director of Nawaloka Hospitals PLC, Overseas Realty (Ceylon) PLC, Havelock City (Pvt) Ltd, Mireka Capital Land (Pvt) Ltd, Mireka Homes (Pvt) Ltd, Samson International PLC, Harischandra Mills PLC and Browns & Company PLC.

Mrs. J. J. B.A. Rajiyah

Mrs. J. J. B. A. Rajiyah is a Non – Executive Director of the Company. She has earned her B.Sc in Law with Management from the University of London and holds a MBA from the Postgraduate Institute of Management, University of Sri Jayawardenepura. She is an Executive Director on the Board of The Autodrome PLC since 2004 and serves in the capacity of the Marketing Director. She is also a Director of Renuka Group Limited, Renuka Enterprises (Pvt) Limited, Galle Face Properties Ltd and other Companies of the Renuka Group. She is also a Director of Tuckers (Pvt) Ltd and Tourama (Pvt) Ltd.

The directives of the Committee are,

- To identify suitable persons who could be considered to become Board member as a Non-Executive Director
- To recommend to the Board the process of selection of Chairman and Deputy Chairman
- Make necessary recommendation to the Board as and when needed by the Board

The Scope of the Committee is,

- To define and establish the nomination process for Non-Executive Directors,
- Lead the process of Board appointments and make recommendations to the Board.
- The Committee scope out the tasks such as assess skills required to be on the Board
- Periodic review of the extent of skills required of the Director who represent the Board
- Review description of role and capabilities required for a particular Board appointment and Identify and recommend suitable candidates to the Board.

Company Secretaries act as the secretaries to the Committee.

Sgd.

M. S. Dominic

Chairman

13th August 2024

RISK MANAGEMENT

Risk Management is an integral part of our business, since management of risks against returns is a critical trade off decision, businesses have to make every day when it comes to investment and operational decision making.

We reviewed and refined our investment and business processes balancing objectively with responsiveness and flexibility. The aim was to lay a sound foundation to integrate our risk management activities as part and parcel of our business operations.

Our Approach to Risk Management

Our definition for risk is the potential occurrence of an external or internal event that may negatively impact our ability to achieve the Groups' business objectives.

The process of embedding risk management system within our groups systems and procedure can be outlined as below:

1. Identify Controls that are already operating
2. Monitor those controls to ensure their effectiveness
3. Improve and refine as per the requirement
4. Document evidence of monitoring and control operation

Group's risk management framework takes into account the range of risks to be managed, and summary in to below categories.

1. Strategic Risk – A possible source of loss that might arise from an unsuccessful strategic decision taken by the organization. These content strategies related to growth and strategic positioning which ultimately affect the overall mission of the group.

2. Operational Risk – is the potential loss that might arise in business operation resulting from inadequate or failed internal processes, people and system or external events which ultimately affect the day to day activities of the Group.
3. Financial Risk – The likelihood of loss inherent in financing procedures which may weaken the ability to deliver adequate return to the Group. This may include liquidity risk, currency risk, and interest rate risk.

The systems and standard operating procedures and processes are in place to deal with these risks, and the chain of responsibility within the organization to monitor the effectiveness of our mitigation measures.

Enterprise Risk Management Process Risk Identification, Prioritization and Assessment

As the initial step of the risk framework, it is important to identify risks for effective management.

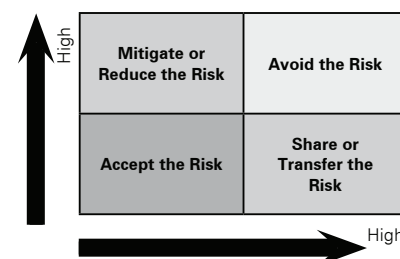
Renuka Group identifies all the risks by key stakeholders. We consider risk identification to be a key component of a robust risk management framework. In the absence of a proper risk identification process, the organization is incapable of effectively managing its key risks. We evaluate risks according to the likelihood of occurrence and magnitude of impact. This assessment provides a prioritized risk list, identifying those risks that need the most urgent attention.

		Impact		
		Low	Medium	High
Probability	High			
	Medium			
	Low			

Develop Risk Management Strategy

The Risk management strategies address how Group intend to assess risk, respond to risk and making explicit and transparent the risk perceptions that organization routinely use in making both investment and operational decisions.

The above concept has been embedded with risk mapping in order to develop a robust framework to determine an appropriate risk management strategy as shown below.



The Risk Management process in place ensures the clear allocation and segregation of responsibilities relating to risk identification, assessment, mitigation, monitoring, control and communication. We have in place several measures to strengthen our risk management process which are linked to our business processes. These include policies to mitigate business risks along with the upgrading of the support system that enable easy monitoring and management risks.

RISK MANAGEMENT (Contd...)

The main categories of risks that we take into account in the pursuit of our business goals are detailed below.

RISK	IMPACT	RISK MANAGEMENT STRATEGIES
STRATEGIC RISK		
Competitive Risk		
Risks to the group's reputation and Brand image	<p>Reduced market share and rates reducing revenue, cash flow and profitability.</p> <p>Increased promotional Expenditure.</p> <p>The positive correlation between cost of resources and competition.</p>	<p>Aim to have a broad appeal in price, range and format in a way that allows us to compete effectively in different markets.</p> <p>Formed strategic relationships with a diverse pool of suppliers, enabling flexibility in pricing contracts and hedging mechanisms are used wherever possible to mitigate exposure to commodity price fluctuations.</p> <p>The Group's service excellence, committed and award winning staff, uniqueness of properties, innovative product and service developments and the strength of its brands enables the group to counter threats from new and existing players.</p> <p>Maintaining a positive relationship with employees with a better remuneration and performance appraisal scheme.</p>
OPERATIONAL RISK		
Employee Risk		
Risk from not being able to attract and retain skilled and experienced staff.	Reduced productivity. Reduced quality of service resulting in reduced market share and Group's image.	<p>Significant resources are invested in strengthening our human capital through the deployment of the latest Human Resource Information Systems, regular staff training & development, succession planning and fostering a performance-based culture.</p> <p>Maintaining cordial relationships with labour grade staff and adopting interest based negotiations for win-win solutions.</p> <p>Implemented well structured talent management process to Identify critical employees and retain them in the long run.</p> <p>Periodic employee satisfaction surveys to ensure that remuneration is in line with the market.</p> <p>Investments in strengthening employee brand image.</p>

RISK MANAGEMENT (Contd...)

RISK	IMPACT	RISK MANAGEMENT STRATEGIES
Issue Pertaining to Employees and Industrial Relationship	Adverse impact on service levels, expected quality standards, operational efficiency and group reputation. Loss of revenue.	Review all the issues with regard to employees and Industrial Regulations which affect the performance of the Group. Steps taken to ensure employees are satisfied at all the levels and their issues are addressed in order to retain talented employees. Maintain cordial relationship with all labour grade staff and adopting interest-based negotiations for win-win solutions. Well structured grievance handling system is in place to handle the grievance of employees at all levels and development of a Multi-skilled work force through structured and focused training programmes. Ensure proper industrial relationships with all the government agencies.
IT systems and infrastructure	Inability to obtain timely and accurate information due to failures in IT systems. Potential disruption to operations Significant financial losses.	"Implementation of effective IT infrastructure and to ensure consistency of delivery, All relevant staffs are effectively engaged to mitigate IT related risks through effective policy and procedures as well as increased awareness. Implementation of a comprehensive IT policy within the Group, supported by adequate systems and controls, ensure the safety and security of data. Contingency plans are in place to mitigate any short term loss on IT services. All employees are bound by the code of conduct to safeguard the Group's information, irrespective of its physical form. A dedicated central IT team is in place to support all IT related aspects of the group."
Product Risk	Product risk implies any effect of perceived impact of our product on stakeholders in general which could bring down our market share.	In order to eliminate loss of market share or market leadership, we monitor market leadership and customer needs. Develop innovation that add value to our customers. Enhance productivity and efficiency to improve price competitiveness and investing in high quality machinery and equipment. Employ established operating procedures to review and approve all raw material prior to use to ensure that quality control is maintained. Take into account safety, health and environmental hazards to cover all avenues of possible negative publicity. Research and development team is equipped to field any technical questions about our product, Marketing and distribution procedures ensure complete control of the supply chain.

RISK MANAGEMENT (Contd...)

RISK	IMPACT	RISK MANAGEMENT STRATEGIES
Supply Chain and Operational Risk	<p>"Operational disruption can occur due to inadequate quantity or quality of raw material supplies, longer lead time, supply disruption caused by global supply and demand.</p> <p>Unable to maintain strong bond with critical suppliers over the period.</p> <p>Operational risks cover the areas of system failure, continuity of decision making, dealing with contingencies and ensuring there are no deficiency in operations, application of recommended management practices."</p>	<p>Consistent engagement with a diverse pool of suppliers to maintain strong relationships</p> <p>Structured processes are in place to add value to our supplier base through livelihood development programmes.</p> <p>Technical support and guidance on enhancing quality. Manage operational risks by identifying areas of risk, formulating plans for their management, promoting best practices.</p> <p>Implement internal controls, systems and monitoring of compliance.</p>
Legal Regulatory Compliance	<p>Risk of legal action due to non performance of legal and statutory requirements.</p> <p>Result high cost of legal and penalty fees that reduced profitability</p> <p>Adversely impact to the Groups' reputation and brand image.</p>	<p>"The legal support services to Renuka Group management come through the legal department which ensure all legal and regulatory provisions are complied with.</p> <p>The legal function pro-actively identified and sets up appropriate system and processes for legal regulatory compliance in any foreign country that we operate in, and in such instances through legal council retained in those environments.</p> <p>Internal audit function of the Group ensures the safeguarding of company assets and recommends process improvements in areas where process control failure are noted.</p> <p>The operations of the Renuka Group come within the rules and regulations applicable to companies listed on the CSE and regulations applicable to securities trading set by the Securities and Exchange Commission of Sri Lanka. Our systems and processes are structured to satisfy the criteria set by these regulations and staff are constantly kept aware of the compliance needs imposed by these regulation."</p>

RISK MANAGEMENT (Contd...)

RISK	IMPACT	RISK MANAGEMENT STRATEGIES
Breakdown of Internal Controls	<p>Wastage of management time and resources.</p> <p>Possible loss of data. Increased possibility of fraud and misuse</p> <p>Disruptions to the normal course of operations.</p> <p>Lack of ability to track performance against budgets, forecasts and schedules</p> <p>Illegal transactions including theft or misappropriation of assets by employees</p>	<p>"Regular reviews of the effectiveness of internal controls by the corporate internal audit department supplemented by regular management audits carried out by internal teams within the Group ensures the robustness of internal controls.</p> <p>The Company uses comprehensive general and specific reporting and monitoring systems to identify, assess and manage risks.</p> <p>Making each employee accountable for ethical behavior, high standards for business conduct and adherence to laws ensures that transactions occur in a reliable way. Staff rotation and special verification audits across the Group.</p> <p>Internal auditors are also engaged to carry out special reviews wherever necessary.</p> <p>The Company uses comprehensive general and specific reporting and monitoring systems to identify, assess and manage risks.</p> <p>Ensuring that only trained, trustworthy, knowledgeable and competent personnel perform tasks, prevents errors, irregularities and fraud."</p>
FINANCIAL RISK		
Financial risk management obligations and policies have been described in the note No. 40 to the Financial Statements.		

SUSTAINABILITY REPORT

Overview

We emphasize the importance of our stakeholders when developing our strategies through the competitiveness in order to achieve a common value.

Sustainability is the key element of our strategy for future growth where the utilization of resources efficiently, environmentally responsible manufacturing of product and provision of services that deliver sustainability benefits which can leverage commercial advantage for the group.

The key business drives for sustainability are internal operations and stakeholder engagement. The first focuses on our internal operations and manufacturing our products and provision of our services more efficiently using fewer resources. This approach helps us to reduce costs of goods manufactured and provision of services and at the same time reduces our impact on the environment. The second approach focuses on our partnerships with our stakeholders. Stakeholders are any individual or party that has an interest in our group, and who are affected by or can affect our organizational activities. Partnerships help to build trust amongst our key stakeholders and to reach better understanding on a variety of issues. It can also pave the way for more successful solutions to problems, concerns and challenges.

Renuka impact on economic performance

In Economic Performance, Group focused on operational excellence across all its business divisions and subsidiaries and value addition to economic development. Operational excellence measured in terms of efficiency and effectiveness of manufacturing process, process improvement and reduces waste. Further investment in IT/ERP helps measurement of operational results

on time with increased accuracy. Group has made substantial investment during the year to improve value addition to economic development. These investments have helped to improve resource utilization as well as minimization of waste and pollution.

Renuka Sustainability Policy and guidelines

Management identify the stakeholders and rate them in line with the degree of influence and importance. Such stakeholders thus identified are,

- * Investors
- * Employees
- * Customers
- * Key suppliers and business partners
- * The society
- * Environment

Renuka has then formulated sustainability strategies to create value for those identified stakeholders. We have created formal and informal channels to develop effective communication systems and engagements programs to involve our stakeholders and implement continuous monitoring systems through the management team in order to gauge our impact on the stakeholders.

ENVIRONMENTAL IMPACT

Renuka has strived to ensure that all our manufacturing and production processes will not knowingly harm people and will minimize the negative impact our businesses will have on human life as well as environment. In fact, we promote organic products to our customers due to health and other environmental benefits. This has created awareness among the farmer community of the long term benefits of sustainable farming.

Our Stakeholder Engagement Process

Investors support Renuka business activities

Shareholder engagement is important to us to have access to growth capital and in the process we must make a sound return to them. In meeting global challenges and evolving consumer needs we must be geared to be proactive with new ideas and ready with the output as well. When we operate according to these principles the shareholders should realize a fair return.

Method of engagement

- We have open doors policy which enables shareholders to keep in contact, visit and obtain information from the Company Secretaries and engage in dialogue.
- Further e-mail address has been provided for comments and suggestions.
- Update with latest financials for shareholders/investor to take rational decisions which is very important.
- We produce company performance in timely and relevant manner through quarterly Financial reports and Annual Report published in the Colombo Stock Exchange web site.
- We hold Annual General and Extra Ordinary meetings to communicate with our shareholders.

Our Concern

Our concern is to increase the return on investment, sustainable profitability, good governance and transparency in carrying out group operations.

SUSTAINABILITY REPORT (Contd...)

• Employees at Renuka work place

At Renuka we have created a work place policy and created employee awareness for the total group. With an employee base of over 1,300 creation of Group identity and belongings is priority. We care for our employees and health and safety is priority, giving much attention at work place including factories.

Method of engagement

- We have an open communication policy and have implemented a process to identify and report corruption within the business units.
- We have adopted effective two way communication system with employees and management through human resources division which has created short and long term benefits to the group.
- We also have adopted other communication methods like e-mails, presentations and team briefings on daily operations for betterment of the organization. Employees are also encouraged to access the corporate websites.
- We organize team building activities such as get-togethers, sports meets and CSR projects.
- Factories of the group companies are equipped with adequate safety measures and have educated the employees to minimize accidents

Our Concern

Our concern is to create a friendly environment to our employees who are motivated and talent developed to offer effective service.

• Customers

World class quality products and customer satisfaction is our key with our customers. The group uses its competencies and decades of experience to identify the needs and wants of our customers in order to provide quality product and services creating value-for-money.

Method of engagement

- We engage our customers through regular meetings, visits and web portal.
- On going participation for Industry exhibitions and trade fairs locally and internationally.
- We allow buyer inspections and audits to ensure compliance with global quality standards

Our Concern

We are concerned about the quality of our products manufactured, are in compliance with global standards. We also create innovative products to cater to our customer needs.

• Suppliers and business partners

We have built lasting business relationships all over the world and not only centered in Sri Lanka. It is through our business partners that we co-exist to fulfil customer needs and wants.

Method of engagement

- We look at our business partners as a resource base to develop business efficiency and innovative products.
- Develop long term purchase contracts with our business partners & suppliers to support responsible supply chain
- Participate in industry exhibitions and trade fairs

Our Concern

We maintain effective long term relationship with our business partners and suppliers who benefit from our growth, and knowledge sharing.

• Our society

Renuka has been actively involved in supporting the rural farmer network for our coconut division. Renuka procures over Rs. 1Bn worth of produce from our farmer network.

Method of engagement

- We conduct farmer training programs, medical camps, veterinary services which assist in improving the livelihood and wellness of the communities within Sri Lanka.
- Local engagement through purchasing.

Our Concern

We take measures to carryout our operations minimizing carbon foot print and saving energy by effective utilization of limited resources while reducing wastage in order that we have only a minimal negative impact on society and the environment.

Renuka considers engagement to be an increasingly important component of its corporate citizenship strategy. Our engagement efforts help Renuka identify those issues that are most material to our business operations and shape our approach to addressing a range of areas relating to the financial, social and environmental performance of the organization.

REPORT OF THE DIRECTORS

Overview

The Board of Directors of Renuka Foods PLC have pleasure in presenting the Annual Report of your Company together with the Audited Consolidated Financial Statements for the year ended 31st March 2024. The details set out herein provide the required information under Companies Act No. 7 of 2007, the Colombo Stock Exchange Listing Rules and the recommended best practices on Corporate Governance.

Renuka Foods PLC is a public limited liability company incorporated in Sri Lanka under the Companies Act No. 17 of 1982, quoted on the Colombo Stock Exchange and reregistered as required under the provisions of the Companies Act No. 7 of 2007.

Principal Activities of the Company and the Group

Renuka Foods PLC is a food and beverages company that owns, directly or indirectly, investments engaged in Agri Business and FMCG companies constituting the Renuka Foods Group. The Group consists of a portfolio of diverse business operations. The main subsidiaries of Renuka Foods PLC are listed on Note 18.

The Principle activities of the Group are categorized into Agri business and FMCG business segments and Segmental reporting is provided in pages 108 and 109 to the annual report.

Vision, Mission and Corporate conduct

The Corporate vision and mission are provided on the page 3 of this report. In achieving its vision and mission, all Directors and employees conduct their activities with the highest level of ethical standards and integrity.

Review of Business and Future Developments

The review of the Group Progress and Performance during the year

with comment on the financial results and prospects is contained in the Chairman's Review on page 9, as required under Section 168 (1) (a) of the Companies Act. These reports form an integral part of the report of the Directors and together with the Audited Financial Statement reflect the state of affairs of the company.

Statement of Directors of Responsibilities

The Statement of Director's responsibilities for the Financial Statements is given on page 39.

Financial Statements of the Company and Group

The Financial Statements of the Company and Group are given on pages 46 to 113.

Accounting Policies and Changes During the Year

The accounting policies adopted in the preparation and presentation of the Financial Statements are given on pages 46 to 51. Further Accounting Standards issued but not yet effective are disclosed on page 114.

Group Turnover

The Turnover of the Group was Rs. 14 Bn as compared with Rs. 17.1 Bn in the previous year. A detailed analysis of the Group Turnover is given in Note 6 of the Financial Statements.

Gross Profit

The Group Gross Profit for the year was Rs. 1.7 Bn, compared with the Group Gross Profit of Rs. 3.3 Bn for the previous year.

Net Profit

The Group loss after Taxation for the year was Rs. 799 Mn, compared with the Group Profit after Taxation of Rs. 499 Mn for the previous year.

Group Investments

Investment of the Company and the Group in Subsidiaries, Associates and Other long term equity investment amounted to Rs. 3.3Bn (2023 – 3.3Bn). Detailed description of the Subsidiaries, Associates, and Other long term equity investments held at the Balance Sheet date are given in Note 18 in the Financial Statements.

Property, Plant and Equipment

Group has incurred Capital Expenditure during the year on Property, Plant & Equipment (including capital work-in-progress), Biological assets, Investment Properties, Intangible assets amounting to Rs. 266 Mn (2023 – Rs. 246 Mn).

Detailed information relating to capital expenditure on Property, Plant & Equipment (including capital work-in-progress), Biological assets, Investment Properties, Intangible assets are given in Note 14 to 15 the Financial Statements.

Extent, Locations, number of buildings and Valuations of the properties of the Group are given under Real Estate Portfolio on page 114 and the market values of the Land and Buildings owned by the Company and Group are included on the basis of valuation carried out by a professionally qualified valuer is given in Note 14 and 17 to the Financial Statements.

Stated Capital

The Stated Capital of the Company as at 31st March 2024 was Rs. 2,289Mn comprising of Voting Ordinary Shares of 120,003,545 and Non-Voting Ordinary shares of 4,871,200.

Reserves

Total Group Reserves as at 31st March 2024 amounts to Rs. 1.6 Bn (2023 – Rs. 2.6 Bn) representing Revaluation Reserve and Retained Earnings

REPORT OF THE DIRECTORS (Contd...)

and the detailed movement of the Reserves shown in the Statement of Changes in equity in the Financial Statements.

Major Shareholdings

Details of the twenty largest shareholders with the percentage of their respective holdings are given on page 120 together with comparative shareholding as at 31st March 2024.

Public Holding

There were 3959 (2023 - 3,877) registered voting shareholders and 764 (2023-744) registered non-voting shareholders as at 31st March 2024, with the percentage of shares held by the public, as per the Colombo Stock Exchange Rules, being 25.05% (2023-24.71%) for voting shares and 68.27%. (2023-68.89%) for non-voting shares.

Share Holdings /Share Information

Information relating to earnings, dividend, net assets, market value per share, share trading and distribution of shareholding is given on page 116.

Ratios and Market Price Information

The ratios relating to equity as required by the listing requirement of the Colombo Stock Exchange are given in page 115 to this report.

Equitable Treatment to all Shareholders

The company has made every endeavor to ensure the equitable treatment to all shareholders and adopted adequate measures to prevent information asymmetry.

Information to Shareholders

The Board strives to be transparent and provide accurate information to shareholders in all published material. The quarterly financial information during the year has been sent to the Colombo Stock Exchange in a timely manner.

Name of Director	Executive	Non - Executive	Independent
Dr. S.R. Rajiyah	✓		
Mrs. I.R. Rajiyah	✓		
Mr. S.V. Rajiyah	✓		
Mr. V. Sanmugam	✓		
Mr. A.M.P.C.K.Abeykoon		✓	✓
Mr. M.S. Dominic		✓	✓
Dr. J.A.S. Felix		✓	✓
Mr. D.S.Arangala		✓	✓
Mr.R.F.N Jayasooriya		✓	

The basis on which Directors are classified as Independent Non-Executive Directors is discussed in the Corporate Governance Report.

Mr. B.V.Selvanayagam resigned w.e.f. 08.09.2023

Directors

The names of the Directors who held office during the financial year are given in the above table. The brief profiles of the Board of Directors appear on page 8.

Recommendation for re-election

1. To re-elect Mr. D.S.Arangala as a Director who retires and eligible for re-election in terms of Article 26 (2).
2. To re-elect Mr. A.M.P.C.K.Abeykoon as a Director who retires and eligible for re-election in terms of Article 26 (2).
3. To re-elect Dr. J.A.S.Felix as a Director who retires by rotation in terms of Article 28 (1).
4. To re-appoint Dr. S.R. Rajiyah who is over 70 years of age, as a director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Dr. S.R. Rajiyah.

5. To re-appoint Mrs. I.R. Rajiyah who is over 70 years of age, as a director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mrs I.R. Rajiyah.

Entries in the Interest Register

The Company, in compliance with the Companies Act No. 7 of 2007, maintains an Interest Register. The Directors have made the declaration required by said Act and they have been entered into the Interest register.

Directors' Interest in Transactions

The Company carried out transactions in the ordinary course of business with the entities which a Director of the Company is a Director. The transactions with entities where a Director of the Company either has control or exercises significant influence have been classified as related party transaction and disclosed in Note 34 to Financial Statements.

The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

REPORT OF THE DIRECTORS (Contd...)

Directors Interest in Shares

Directors of the Company and its Subsidiaries who have relevant interest in the shares of their respective companies have disclosed their shareholdings and any acquisitions/disposals to their Boards, in compliance with section 200 of the Companies Act.

Share dealing by Directors during the year were disclosed to Colombo Stock Exchange.

Remuneration of Directors

The remuneration of the Directors in respect of the Company for the year

ended 31st March 2024 is given in Note 10 to Financial Statements.

Directors' holdings, in ordinary shares of the Company are given on below table.

Directors Meetings

Details of Board meetings and Board subcommittee meetings are presented on page 15 of the annual report.

Directors Responsibility for Financial Reporting

The Directors are responsible for the preparation of the financial

statements of the company to reflect a true and fair view of the state of its affairs. The Directors are of the view that these financial statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of Colombo Stock exchange.

Board Committees

The Board has established Committees for better monitoring and guidance of different aspects of operations and control.

Directors Name	As at 31st March 2024		As at 31st March 2023	
	Voting	Non-Voting	Voting	Non-Voting
Dr. S. R. Rajiyah	3,784	-	3,720	-
Dr. S. R. Rajiyah & Mrs. I.R. Rajiyah (Jt)	6,002,580	-	11,798,563	-
Mrs. I.R. Rajiyah	685	-	674	-
Mr. S.V. Rajiyah	1,617,543	-	940,00	-
Mr. S.V. Rajiyah & Mrs. J.J.B.A. Rajiyah (Jt)	508,661	-	500,000	-
Mr. A.M.P.C.K. Abeykoon	-	-	-	-
Mr. D.S. Arangala	-	-	-	-
Mr. M.S.Dominic	-	-	-	-
Mr. R.F.N. Jayasooriya	-	-	-	-
Mr. V. Sanmugam	-	-	-	-
Dr. J.A.S.Felix	-	-	-	-
Total	8,133,253	-	13,242,957	-

The composition of the Board Audit Committee comprising of Non-Executive Directors is provided on pages 34 and 35. The Executive Directors, Chief Financial Officer External auditors attend the meeting by invitation. Detail scope of Audit Committee and their work during the year is disclosed in Audit Committee report given on Pages 22 and 23.

Remuneration Committee

The composition of the Board Remuneration Committee comprising of Non-Executive Directors is provided on page 25.

The remuneration committee of Renuka Foods PLC is the same committee of the ultimate parent, Renuka Holdings PLC, appointed by and responsible for the Board of Directors consists of three Non-Executive Independent Directors.

The Managing Director may also be invited to join in the deliberations as required. The Chairman of the committee is an independent Non-Executive Director.

Related Party Transactions Review Committee

The composition of the Board Related Party Transactions Review Committee comprising of Non-Executive Directors is provided on page 24. The Executive Directors and Chief Financial Officer attend the meeting by invitation. Detail scope

REPORT OF THE DIRECTORS (Contd...)

of Related Party Transaction Review Committee and their work during the year is disclosed in Related Party Transactions Review Committee report given on page 24.

The company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions from 1st January 2016.

Non - Recurrent Related Party Transactions

All Non - Recurrent Related Party transactions of which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per audited Financial Statements of 31st March 2024, which required additional disclosures in the Annual Report of 2023/24 under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission directive issued under Section 13(c) of the Securities and Exchange Commission Act are disclosed under note 34 in the Financial statements.

Recurrent Related Party Transactions

All the Recurrent Related Party Transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31st March 2024 audited Financial Statements are disclosed under note 34. If any, to the Financial Statements as required by Colombo Stock Exchange Listing Rules 9.3.2 and Code of Best Practices on Related Party transactions under the Securities and Exchange Commission directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Statutory Payments

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government, other regulatory institutions and those related to employees have been made on time.

The declaration relating to statutory payments is made in the Statement of Directors Responsibilities on page 39.

Compliance with Laws and Regulations

The company has complied with all applicable laws and regulations. A compliance checklist is signed-off on a monthly basis by responsible officers and any violations are reported to the Board Audit Committee. Refer page 22 to 23 for a statement of compliance.

Code of Conduct

The company demand impeccable standards of conduct from its Directors and employees in the performance of their official duties and in situations that could affect the company's image.

System of Internal control

The Board of Directors has put place an effective and comprehensive system of internal controls covering financial, operational and compliance controls and have obtained reasonable assurance of their effectiveness.

Corporate Governance

The Company has complied with the Corporate Governance rules laid down under the listing rules of the Colombo Stock Exchange.

The Corporate Governance Report on pages 14 to 21 discusses this further in detail.

Going Concern

The Directors are in the view that the Company has adequate resources to continue in operations and have applied the going concern basis in preparing these Financial Statements.

Risk Management

The Board and the management of the company have put in place a comprehensive risk identification, measurement and mitigation process.

The Group exposure to risk and structure to manage and mitigate risk is discussed in more detail in Risk Management Report from pages 27 to 31.

Compliance with the transfer pricing regulations

All transactions entered into with associated persons during the year are on an arm's length basis, and are Comparable with transactions carried out with non- associated persons.

Event after the Reporting period

No event of material significance that requires adjustment to the Financial Statements has occurred subsequent to the date of the reporting date, other than those disclosed in Note 37 to the Financial Statements.

Capital Commitments

No significant capital commitments exist as at 31st March 2024 other than those disclosed in Note 36 to the financial statements.

Contingencies and Outstanding Litigation

In the opinion of the Directors and in consultation with the company lawyers, litigation currently pending against the company will not have a material impact on the reported financial results or future operations of the company.

Corporate Donations

No donation for the year was made by the group.

REPORT OF THE DIRECTORS (Contd...)

Employees and Industrial Relations

The Group has a structure to assess the competencies and commitment of its employees. There are no material issues pertaining to employees and industrial relations of the entity.

Auditors

Company's Auditors during the year under review were M/s KPMG, Chartered Accountants. Their report on the Financial Statements is given on page 40 to 45 of the Annual Report.

The fee amount paid/payable for the services provided to the company during the year, with corresponding figures for the previous year is presented below. Based on the declaration from Messrs. KPMG and as far as Directors are aware, the Auditors do not have any other relationship or interest with the Company or its Subsidiaries other than that of an auditor of the Company.

	2023	2024
Audit and Audit related fees	834,000	918,000
Non audit fees	75,000	100,000

The retiring auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors of the Company and authorizing the Directors to fix their remuneration will be proposed at the Annual General Meeting.

Auditors Report

Auditors Report on the financial statements is given on page 40 to 44 of this annual report.

Environmental Protection

The group effort in minimizing and conserve scarce and non-renewable resources as well as environmental objectives are discussed in detail in Sustainability Report on page 31.

Employment Policies

The Group employment policies respect the individuals and offer equal career opportunities, regardless of sex, race or religion and consider the relationship with the employees to be good. The number of persons employed in the Company and its subsidiaries as at 31st March 2024 was 1,368 (2023 - 1,368)

Annual Report

The Board of Directors approved the Consolidated Financial Statement along with Company Financial Statements on 11th of August 2024. The appropriate number of copies of this report will be submitted to Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

Annual General Meeting

Following the issuance of guidelines by the Colombo Stock Exchange (CSE) and in the interest of protecting public health and facilitating compliance with the Health and Safety guidelines issued by the Government of Sri Lanka the 34th Annual General Meeting of Renuka Foods PLC will be at the institute of chartered accountants of sri lanka at No 30A, Malalasekara Mawatha, Colombo 07 meeting at 3.00 p.m on Friday, 27th September 2024.

The Notice of the Annual General Meeting appears on page 117.

This Annual report is signed for and on behalf of the Board of Directors by:

Sgd.

Dr. S.R. Rajiyah

Sgd.

Mr. S.V Rajiyah

Sgd.

Renuka Enterprises (Pvt) Ltd

Company Secretaries

13th August 2024

STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors in relation to the Financial Statements for the year ended 31st March 2024 which have been prepared and presented in accordance with the requirements of the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange and the Companies Act No. 7 of 2007 is set out in the following statement.

As per the provisions of the Companies Act No. 7 of 2007, the Directors are required to prepare Financial Statements, for each financial year and presented before a General Meeting which comprise;

- a) A statement of profit or loss and other comprehensive income of the Company and its subsidiaries which present a true and fair view of the profit or loss of the Company for the financial year;
- b) A statement of financial position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year together with explanatory notes to the financial statements;
- c) A statement of changes in equity which presents a true and fair view of the changes in the Company's and its subsidiaries retained earnings for the financial year; and
- d) A statement of cash flow which presents a true and fair view of the flow of cash in and out of the business for the financial year for the Company and its Subsidiaries and; notes to the Financial Statements, and which comply with the requirements of the Act.

The Directors are of the view that, in preparing these Financial Statements:

- a) The appropriate accounting policies have been selected and applied in a consistent manner, material deviations if any have been disclosed and explained;
- b) All applicable Accounting Standards, in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) as relevant have been applied;
- c) Reasonable and prudent judgements have been made so that the form and substance of transactions are properly reflected;
- d) It provide the information required by and otherwise complies with the Companies Act No. 7 of 2007, Listing Rules of Colombo Stock Exchange and requirement of any other regulatory authority as applicable to the company.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy of the financial position of the Company and of the Group, also to reflect the transparency of transactions and to ensure that the Financial Statements presented comply with the requirements of the Companies Act.

The External Auditors, M/s KPMG who were deemed reappointed in terms of the Companies Act No. 07 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on page 39 to 43 set out their responsibilities in relation to the Financial Statements.

The Directors are also of the view that the Company has adequate resources to continue in operations and have applied the going concern basis in preparing these Financial Statements.

The Directors are also responsible for taking reasonable steps to safeguard the Assets of the Company and that of the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the company and all other known statutory dues as were due and payable by the company as at the reporting date have been paid or where relevant provided for.

By order of the Board

Renuka Enterprises (Pvt) Ltd

Sgd.

Company Secretaries

13th August 2024

INDEPENDENT AUDITOR'S REPORT



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RENUKA FOODS PLC

Opinion

We have audited the financial statements of Renuka Foods PLC ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statements of financial position as at 31 March 2024, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and material accounting policies and other explanatory information, set out on pages 51 to 113.

In our opinion, the financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards ("SLAuSs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA

INDEPENDENT AUDITOR'S REPORT (Contd...)



01. Carrying Value of Inventories	
Refer to the accounting policies in "Note 4.2 to the Financial Statements: Inventories", "Note 2.4 to the Financial Statements: Significant Accounting Judgments and Estimates" and "Note 21 to the Financial Statements: Inventories".	
Risk Description	Our responses
<p>The Group has recognized a total inventory provision of Rs. 85 Mn in arriving at carrying value of inventory value of Rs. 2,417 Mn.</p> <p>Therefore judgement is involved with regard to categorization of inventories in to obsolete and/or slow moving and which should be therefore be considered for provision.</p> <p>As a result of the prevailing uncertain and volatile macro-economic environment, resulted in interruption in business activities and resulted in loss of income for some of the individuals/industries which would adversely affect the ability to sell its inventories with a reasonable margin which would potential impact on the net realizable value adjustments.</p> <p>We identified assessing the carrying value of inventories as a key audit matter because of the inherent risk that the Group's inventories may become obsolete or may be sold at prices below their carrying values and because the judgment exercised by management in determining the appropriate provision for inventories involves management's bias.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Involving the component auditors of the subsidiary Companies' and reviewing the work carried out by the component auditors where necessary. Testing the adequacy of the Group's provision against inventory by assessing the assumptions applied by the Group in providing against aged/obsolete items. We did this by assessing the historical accuracy of the Group provisioning policy. As part of our attendance at the year-end inventory counts, we challenged the inventory provisioning in line with our observations of potentially obsolete inventory. We tested a sample of inventory, comparing the carrying value to recent sales invoices to ensure provisions were appropriately applied. Testing the calculation of labor and production overhead absorption by critically assessing the method of calculation and challenging the levels of overhead absorbed compared to actual overhead costs incurred and in comparison, to prior year levels. On a sample basis, testing of inventory items sales subsequent to the year end and assessed if they were sold at higher than the cost.
02. Impairment of investment in subsidiaries and goodwill	
Refer to the accounting policies in "Note 3.7.1: Goodwill, Note 3.1.3: subsidiaries", "Note 2.4 to the Financial Statements: Use of Estimates and Judgments" and "Note 18 to the Financial Statements: Investment in subsidiaries", and "Note 20.1 to the Financial statements: Goodwill".	
Risk Description	Our responses
<p>The Company holds investments in subsidiaries amounting to Rs. 3,324 million as at 31 March 2024. Further, the Group holds goodwill amounting to Rs. 204 million as at 31 March 2024.</p> <p>Management performed the impairment assessment for subsidiaries with indicators of impairment and determined their recoverable amounts based on value-in-use calculations. The identification of impairment events and the determination of the impairment charge require the application of significant judgment by management. Accordingly, the management performed an impairment assessment on the cash generating units ("CGUs") relating to the investment in subsidiaries which had an indication of impairment as individual Cash Generating Units and management allocated goodwill to the respective CGU and the recoverable amounts of the identified CGUs have been determined based on value-in-use calculation.</p> <p>We considered the audit of management's impairment assessment of goodwill and investment in subsidiaries to be a key audit matter due to the magnitude of the carrying value and use of significant judgments and estimates.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the impairment indication relates to this asset and obtaining the management's judgement and estimates assessment and test if those assessment involve any management bias. Obtaining an understanding of management's impairment assessment process. Obtaining assessment from management and see whether it is comply with relevant standards. Evaluating the reasonableness of the Group's key assumptions for its revised cash flow projections such as discount rates, cost inflation and business growth with reference to the internally and externally derived sources including the Group budgetary process and reasonableness of historical forecasts. Reviewing of value in use computations for recoverable amounts with impairment indications and discussion with management of the Group. Assessing the disclosure in the financial statements in line with the requirements of relevant accounting standards.

INDEPENDENT AUDITOR'S REPORT (Contd...)

03. Valuation of Investment property	
<i>Refer to the accounting policies in "Note 3.10 to the Financial Statements: investment property", "Note 2.4 to the Financial Statements: Significant Accounting Judgments and Estimates" and "Note 16. To the Financial Statements: investment property".</i>	
Risk Description	Our responses
<p>The fair value of the Group's investment properties as at 31 March 2024 was Rs. 323 Mn.</p> <p>The fair value of the Group's investment properties was determined by independent external valuer engaged by the Group.</p> <p>We identified assessing the valuation of investment properties as a key audit matter because of the significance of investment properties to the Group and because the valuation of investment properties can be inherently subjective and requires the exercise of significant judgement and estimation, in particular in determining the appropriate valuation methodology, capitalisation and discount rates and market rents, which increases the risk of error or management bias.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the objectivity, independence, competency and qualifications of the external Valuers engaged by the Group. Obtaining and inspecting the valuation report prepared by the Valuer engaged by the management. Assessment of key assumptions applied by the external Valuers in deriving the fair value of properties and comparing the same with evidence of current market values. Assessing the adequacy of disclosures made in relation to the fair value of properties in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used in the estimates.
04. Recoverability of Trade Receivables	
<i>Refer to the accounting policies in "Note 5 to the Financial Statements: Trade and Other Receivables", "Note 2.4 to the Financial Statements: Use of Estimates and Judgments" and "Note 22 to the Financial Statements: Trade and Other Receivables".</i>	
Risk Description	Our responses
<p>The Group has recognised trade receivables amounting to Rs. 1,849 Mn net of impairment provision of Rs. 36 Mn as at 31 March 2024. The trade receivable balances are significant to the Group due to the balances carried from the separate financial statements of following subsidiary companies.</p> <ul style="list-style-type: none"> Shaw Wallace Ceylon Limited Renuka Agri Foods PLC Renuka Agri Organics Limited Richlife Dairies Limited <p>Any impairment of significant trade receivable could have material impact on the Group's profitability.</p> <p>Recoverability of trade receivables remains one of the most significant judgment made by the management particularly in light of the prevailing uncertain and volatile macro-economic environment as at the reporting date.</p> <p>We identified assessing the recoverability of trade receivables as a key audit matter because of the significance of trade debtors to the financial statements and the assessment of the recoverability of trade debtors is inherently subjective and requires significant management judgement, such as length of relationship with the customer, customer's repayment history and known market factors, which increases the risk of error or potential management bias.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Involving the component auditors of the subsidiary Companies' and reviewing the work carried out by the component auditors where necessary. Testing the aging of the trade receivables and evaluated management's assumptions used to estimate the trade receivables provision amount, through specific review of significant overdue individual trade receivables, reviewing payment history of debtors, checking the bank receipts for the payment received subsequent to the year end and calling debtor confirmations. Assessing the adequacy of the disclosures related to trade receivables and the related credit risk in the consolidated financial statements.

05. Revenue Recognition

Refer to the accounting policies in "Note 3.16 to the Financial Statements: Revenue", "Note 2.4 to the Financial Statements: Use of Estimates and Judgments" and "Note 6 to the Financial Statements: Revenue".

Risk Description	Our responses
<p>The Company recorded revenues of Rs. 45 Mn for year ended 31 March 2024 and Group recorded revenue of Rs. 14 Bn for the year ended 31 March 2024.</p> <p>Whilst revenue recognition and measurement is not complex for the Company, the subsidiaries operates in a market which is affected by different customer behavior and the various discounts and locally imposed duties and fees in regard to revenue recognition introduce an inherent risk to the revenue recognition process. This, together with the focus on volumes and revenue as key performance measures resulted in revenue being selected as a key audit matter</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sales transactions.• Testing the operating effectiveness of key IT application controls over revenue, in addition to evaluating the integrity of the general IT control environment with the assistance of IT specialists.• Obtaining an understanding and testing design, implementation and operating effectiveness of controls over journal entries and post-closing adjustments.• Comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts, underlying goods delivery and acceptance notes, where appropriate, to assess whether the related revenue was recognized in accordance with the Company's revenue recognition accounting policies.• Agreeing the monthly sales system reports to the general ledger to ensure that the revenue is accounted accurately and completely in the general ledger.• On a sample basis, testing that sales have been recognized in the correct accounting period and evaluating whether there are any significant product returns after the year end.

INDEPENDENT AUDITOR'S REPORT (Contd...)

Other Information

Management is responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements

INDEPENDENT AUDITOR'S REPORT (Contd...)

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.



KPMG
Chartered Accountants
30 August 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 ST MARCH	Note	GROUP		COMPANY	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	6	14,178,550,721	17,135,330,652	45,110,918	73,159,654
Cost of Sales		(12,465,616,770)	(13,883,392,459)	-	-
Gross Profit		1,712,933,951	3,251,938,193	45,110,918	73,159,654
Other Income	7	82,614,156	34,711,176	-	177
Change in Fair Value of Investment Properties	16.1	-	30,197,682	-	-
Administrative Expenses		(889,469,268)	(690,499,710)	(13,401,605)	(6,732,438)
Selling & Distribution Expense		(1,072,984,528)	(1,137,643,633)	-	-
Operating Profit/(Loss)		(166,905,689)	1,488,703,708	31,709,313	66,427,393
Finance Income	8	322,340,099	431,658,645	293,863	260,027
Finance Costs	9	(1,096,592,379)	(1,164,431,937)	(1,052,894)	(1,918,644)
Net Finance Costs		(774,252,280)	(732,773,292)	(759,031)	(1,658,617)
Profit/(Loss) before Tax	10	(941,157,969)	755,930,416	30,950,282	64,768,776
Income Tax Expense /(Reversal)	11	142,089,260	(256,470,566)	(369,685)	(10,136,850)
Profit /(Loss) for the year		(799,068,709)	499,459,850	30,580,597	54,631,926
Other Comprehensive Income					
Actuarial Gain /(Loss) on Retirement Benefit Plans	29.1	4,480,355	6,769,080	-	-
Gain on Fair Value of Investment		-	29,163,775	-	-
Fair Value loss on sale of Investment		(161,402,883)	(18,266,404)	-	-
Tax effect on Revaluation of land and buildings	27.2	2,513,359	(83,805,405)	-	-
Tax effect on changes in Fair Value of Investment	27.2	24,160,335	(14,533,207)	-	-
Tax effect on Actuarial gain / (loss)	27.2	(1,249,371)	(698,968)	-	-
Other Comprehensive Income/(Expense), Net of Tax		(131,498,205)	(81,371,129)	-	-
Total Comprehensive Income		(930,566,914)	418,088,721	30,580,597	54,631,926
Profit /(Loss) Attributable to;					
Owners of the Company		(611,074,304)	367,859,119	30,580,597	54,631,926
Non Controlling Interests		(187,944,405)	131,600,731	-	-
Profit for the year		(799,068,709)	499,459,850	30,580,597	54,631,926
Total Comprehensive Income / (Expenses) Attributable to;					
Owners of the Company		(719,390,341)	294,504,158	30,580,597	54,631,926
Non Controlling Interests		(211,176,573)	123,584,563	-	-
Total Comprehensive Income (Expenses) for the year		(930,566,914)	418,088,721	30,580,597	54,631,926
Earnings /(Loss) per Share					
Basic Earnings/(loss) per Share	13	(4.89)	2.95	0.24	0.44
Diluted Earnings/(loss) per Share	13.1	(4.89)	2.95	0.24	0.44
Dividend per Share	13.2	-	0.41	-	0.41

Figures in brackets indicate deductions.

The Notes on pages 51 to 113 are an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
AS AT 31 ST MARCH	Note	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
ASSETS					
Non Current Assets					
Property, Plant and Equipment	14	5,075,781,824	4,578,092,166	—	—
Right of use assets	15.1	102,545,117	118,341,153	—	—
Investment Property	16.1	323,143,210	350,955,376	—	—
Biological Assets	17	160,986,808	128,101,107	—	—
Investment in Subsidiaries	18	—	—	3,324,242,285	3,293,149,435
Investment in FVOCI Finance Asset	19	—	556,572,883	—	—
Intangible Assets and Goodwill	20	210,732,625	212,449,090	—	—
Total Non Current Assets		5,873,189,584	5,944,511,775	3,324,242,285	3,293,149,435
Current Assets					
Inventories	21	2,417,291,427	3,119,725,917	—	—
Trade and Other Receivables	22	2,307,411,261	2,197,695,409	270,839	339,034
Current Tax Assets		4,036,703	8,954,318	—	—
Amounts Due from Related Companies	23	729,496	609,729,061	—	—
Cash and Cash Equivalents	24.1	317,920,459	890,185,526	13,026,527	18,851,184
Total Current Assets		5,047,389,346	6,826,290,232	13,297,366	19,190,218
Total Assets		10,920,578,930	12,770,802,004	3,337,539,651	3,312,339,653
EQUITY & LIABILITY					
Equity					
Stated Capital	25	2,289,278,770	2,241,842,234	2,289,278,770	2,241,842,234
Revaluation Reserve	26	669,402,484	662,164,336	—	—
Retained Earnings		1,035,007,701	1,935,563,856	1,028,589,638	1,048,329,756
Equity attributable to Owners of the Company		3,993,688,955	4,839,570,426	3,317,868,408	3,290,171,990
Non Controlling Interest		1,003,982,588	1,393,855,277	—	—
Total Equity		4,997,671,543	6,233,425,703	3,317,868,408	3,290,171,990
Non Current Liabilities					
Deferred Tax Liability	27	595,913,992	653,677,915	—	—
Interest Bearing Borrowings	28	251,388,200	359,721,800	—	—
Lease Liabilities	15.2	149,201,549	145,335,969	—	—
Retirement Benefit Obligation	29	110,327,448	99,518,121	—	—
Total Non Current Liabilities		1,106,831,189	1,258,253,805	—	—
Current Liabilities					
Trade and Other Payables	30	1,682,823,502	1,520,423,453	3,455,076	2,802,341
Amounts Due to Subsidiary Companies	31	—	—	10,931,164	10,878,271
Amounts Due to Related Companies	31.1	—	1,426,590,561	—	—
Dividend Payable	32	13,317,004	13,038,580	5,285,003	5,326,107
Interest Bearing Borrowings	28	2,823,785,546	1,998,903,466	—	—
Lease Liabilities	15.2	4,099,374	24,692,295	—	—
Current Tax Payable		1,049,010	100,580,577	—	3,160,944
Bank Overdraft	24.2	291,001,762	194,893,563	—	—
Total Current Liabilities		4,816,076,198	5,279,122,495	19,671,245	22,167,663
Total Liabilities		5,922,907,387	6,537,376,300	19,671,245	22,167,663
Total Equity and Liabilities		10,920,578,930	12,770,802,004	3,337,539,651	3,312,339,653

The Notes on pages 51 to 113 are an integral part of these Financial Statements.

I certify that the Financial Statements of the Group comply with the requirement of the Companies Act No. 07 of 2007.


A. R. D. Perera
 Chief Financial officer

The Board of directors is responsible for preparation and presentation of these Financial Statements. Approved and signed on behalf of the Board.


S. V. Rajiyah
 Director


V. Sanmugam
 Director

30th August 2024
 Colombo

STATEMENT OF CHANGES IN EQUITY

Equity Attributable to Owners of the Company

	Stated Capital	Revaluation Reserve	FVTOCI Reserve	Amalgamation	Retained Earnings	Total Controlling Interests	Non Controlling Interests	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
GROUP								
Balance as at 1st April 2022	2,241,842,234	737,310,185	-	-	1,616,234,564	4,595,386,983	1,309,461,060	5,904,848,043
Profit for the year	-	-	-	-	367,859,119	367,859,119	131,600,731	499,459,850
Other Comprehensive Income, net of tax	-	(74,053,775)	-	-	698,814	(73,354,961)	(8,016,168)	(81,371,129)
Total Comprehensive Income for the year	-	(74,053,775)	-	-	368,557,933	294,504,158	123,584,563	418,088,721
Transactions with the owners								
Dividends	-	-	-	-	(50,320,715)	(50,320,715)	(39,190,346)	(89,511,061)
Revaluation Transfer	-	(1,092,074)	-	-	1,092,074	-	-	-
Total transactions with the owners	-	(1,092,074)	-	-	(49,228,641)	(50,320,715)	(39,190,346)	(89,511,061)
Balance as at 31 March 2023	2,241,842,234	662,164,336	-	-	1,935,563,856	4,839,570,426	1,393,855,277	6,233,425,703
Balance as at 1st April 2023	2,241,842,234	662,164,336	-	-	1,935,563,856	4,839,570,426	1,393,855,277	6,233,425,703
Profit / (loss) for the period								
Other Comprehensive Income, net of tax	-	-	-	-	(628,610,646)	(628,610,646)	(170,458,063)	(799,068,709)
Total Comprehensive Income for the year	-	5,438,785	-	-	(113,754,821)	(108,316,037)	(23,182,168)	(131,498,205)
Balance as at 31 March 2024	-	5,438,785	-	-	(742,365,467)	(736,926,863)	(193,640,231)	(930,566,914)
On Disposal of Subsidiaries								
Acquisition of Subsidiary with NCI (Note 18.1)	-	-	-	-	-	-	(4,641,991)	(4,641,991)
Acquisition of NCI without changes in control	-	10,679	-	-	(54,614,491)	(54,603,812)	(243,504,094)	(298,107,906)
Impact due to changes in effective holdings of subsidiaries	-	1,788,685	-	-	(53,702,312)	(51,913,627)	51,913,628	-
Transactions with the owners								
Scrip Dividend	47,436,536	-	-	-	(50,320,715)	(2,884,179)	-	(2,884,179)
Transferred to Amalgamation Reserve	-	-	-	-	446,830	446,830	-	446,830
Total transactions with the owners	47,436,536	-	-	-	(49,873,886)	(2,437,350)	-	(2,437,350)
Balance as at 31 March 2024	2,289,278,770	669,402,484	-	-	1,035,007,701	3,993,688,955	1,003,982,588	4,997,671,543

Figures in brackets indicate deductions.

The Notes on pages 51 to 113 are an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY (Contd..)

FOR THE YEAR ENDED 31ST MARCH	Stated Capital	Retained Earnings	Total
	Rs.	Rs.	Rs.
COMPANY			
Balance as at 1st April 2022	2,241,842,234	1,044,018,545	3,285,860,779
Profit for the year	-	54,631,926	54,631,926
Other Comprehensive Income, net of Tax	-	-	-
Total Comprehensive Income for the year	-	54,631,926	54,631,926
Transactions with the owners			
Dividends	-	(50,320,715)	(50,320,715)
Total transactions with the owners	-	(50,320,715)	(50,320,715)
Balance as at 31 March 2023	2,241,842,234	1,048,329,756	3,290,171,990
Balance as at 1st April 2023	2,241,842,234	1,048,329,756	3,290,171,990
Profit for the year	-	30,580,597	30,580,597
Other Comprehensive Income, net of Tax	-	-	-
Total Comprehensive Income for the year	-	30,580,597	30,580,597
Transactions with the owners			
Script Dividend	47,436,536	(50,320,715)	(2,884,179)
Total transactions with the owners	47,436,536	(50,320,715)	(2,884,179)
Balance as at 31 March 2024	2,289,278,770	1,028,589,638	3,317,868,408

Figures in brackets indicate deductions.

The Notes on pages 51 to 113 are an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 ST MARCH	NOTE	GROUP		COMPANY	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
CASH FLOW FROM OPERATING ACTIVITIES					
Profit from continuing operation		(941,157,969)	755,930,416	30,950,282	64,768,776
Adjustments for :					
Depreciation on Property plant and equipments	14	326,719,502	324,856,678	-	-
Amortization of Intangible Assets	20	1,836,925	3,659,357	-	-
Amortization of ROU Asset	15.1	15,796,036	17,033,493	-	-
Gain on Disposal of Assets held for Sale		-	(1,108,154)	-	-
Provision for Retiring Gratuity	29.1	31,244,132	26,695,642	-	-
Provision for Obsolete Inventory	21	(92,425,799)	41,582,880	-	-
Provision/(Reversal) for Doubtful Debts	22	(2,329,820)	-	-	-
Gain from Change in Fair Value of Investment Properties	16.1	-	(30,197,682)	-	-
Changes on fair value of Biological Assets	7	(13,254,207)	-	-	-
Lease Liability Write off		-	9,344,726	-	-
Exchange loss		(3,926,203)	(188,960)	-	-
Interest Expenses	9	662,032,935	14,412,970	-	-
Interest Income	8	(16,633,586)	892,535,232	(293,863)	1,918,644
impairment of goodwill		17,536,342	-	-	-
Profit / (Loss) on Revaluation of Property Plant and Equipment		-	(10,344,855)	-	(260,027)
Gain on disposal of Propety, Plant & Equipment	7	(21,322,077)	(39,338)	-	-
Operating Profit Before working Capital Changes		(35,883,789)	2,048,495,294	31,709,313	66,427,393
Changes in:					
Inventories		794,860,289	(1,249,134,816)	-	-
Trade & Other Receivables		(92,151,044)	(346,990,987)	68,195	(7,330)
Amount Due from Related Companies		608,999,565	(4,332,148)	-	-
Trade & Other Payables		162,638,474	87,966,377	611,632	714,346
Amount Due to Related Companies		(1,426,590,561)	1,426,553,661	52,893	10,878,271
Cash Generated/(Used in) from Operations		11,872,934	1,962,557,381	32,442,033	78,012,680
Interest Paid		(647,310,160)	(880,702,872)	(1,052,894)	(1,918,644)
Gratuity Paid	29	(15,954,450)	(22,327,552)	-	-
Taxation Paid		(62,804,413)	(164,096,941)	(3,530,630)	(13,121,276)
Net Cash Generated from/(Used in) Operating Activities		(714,196,089)	895,430,013	27,858,509	62,972,760
CASH FLOW FROM INVESTING ACTIVITIES					
Addition to Property, Plant and Equipment and Investment Property	14&16	(342,276,690)	(230,514,178)	-	-
Addition to Biological Assets	17	(19,631,494)	(16,505,791)	-	-
Interest income received	8	16,633,586	10,344,855	293,863	260,027
Acquisition of Intangible Assets	20	(120,460)	-	-	-
Acquisition of subsidiaries, net of cash		(300,378,100)	-	(31,092,850)	-
Proceeds from Disposal of Assets held for Sale		-	5,806,960	-	-
(Purchase) / Disposal of Shares in Existing Subsidiaries		(298,107,906)	-	-	-
Proceeds from Disposal of Property, Plant and Equipment		34,201,770	39,338	-	-
Proceeds from Disposal of Available for Sale Financials Assets		395,170,000	-	-	-
Amalgamation impact, net of cash		7,991,729	-	-	-
Net Cash Generated from/(Used in) Investing Activities		(506,517,565)	(230,828,816)	(30,798,987)	260,027
CASH FLOW FROM FINANCING ACTIVITIES					
Shares Acquired by Non Controlling Interest					-
Lease Rental Paid	15.2	(27,523,913)	(28,872,164)	-	-
Proceeds from Borrowings	28	12,828,407,338	7,577,205,522	-	-
Repayment of Borrowings	28	(12,245,658,858)	(7,755,661,730)	-	-
Dividends Paid		(2,884,179)	(50,083,096)	(2,884,179)	(50,320,715)
Dividends Paid to Minority		-	(38,497,377)	-	-
Net Cash Generated from/(Used in) Financing Activities		552,340,388	(295,908,845)	(2,884,179)	(50,320,715)
Net Increase/(Decrease) in Cash & Cash Equivalents		(668,373,266)	368,692,352	(5,824,657)	12,912,072
Cash & Cash Equivalents at the Beginning of the Period		695,291,963	326,599,611	18,851,184	5,939,112
Cash & Cash Equivalents at the End of the Period		26,918,697	695,291,963	13,026,527	18,851,184
Note A: Analysis of Cash and Cash Equivalents					
Cash at Bank & in Hand	24	317,920,459	890,185,526	13,026,527	18,851,184
Bank Overdraft		(291,001,762)	(194,893,563)	-	-
		26,918,697	695,291,963	13,026,527	18,851,184

Figures in brackets indicate deductions.

The Notes on pages 51 to 113 are an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Renuka Foods PLC ("Company") is a quoted public limited liability company incorporated and domiciled in Sri Lanka under the Companies Act No. 17 of 1982, re-registered under the Companies Act No. 07 of 2007. The registered office and the principal place of business is situated at No. 69, Sri Jinarathana Road, Colombo 2.

In the Annual Report of the Board of Directors' and in the financial statements, "the company" refers to Renuka Foods PLC as the holding company and "the Group" refers to the companies whose accounts have been consolidated therein.

1.2 Principal Activities

During the year principal activities of the Company and Subsidiaries are given in note 3.1.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's immediate parent undertaking is Renuka Agro Exports (Pvt) Ltd. In the opinion of the Directors, the Company's ultimate parent entity is Renuka Holdings PLC, which is incorporated in Sri Lanka.

1.4 Authorization of Financial Statements

The consolidated financial statements of the Group for the year ended 31st March 2024 were authorized for issue in accordance with a resolution of the Directors on xxth August 2024.

1.5 Financial Year

Financial Statements of the Company and Group entities ends on 31st March 2024.

2. BASIS OF PREPARATION

2.1.1 Statement of compliance

The Statement of financial position, Statement of profit or loss and other comprehensive income, Statement of changes in equity and Statement of cash flows, together with Notes to the financial statements ("Financial Statements") of the Group as at 31st March 2024 and for the year then ended, comply with the Sri Lanka Accounting Standards (SLFRSs / LKASs) as laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

2.1.2 Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and presentation of these Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and SLFRS.

The Board of Directors acknowledges their responsibility as set out in the "Annual Report of the Board of Directors on the Affairs of the Company", "Statement of Director's Responsibilities" and the "Statement of Financial Position".

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Biological assets are measured at fair value less costs to sell
- Investment property is measured at fair value
- Land and building are carried at fair value

- Liability for Defined Benefit Obligations is recognized as the present value of the defined benefit obligation.

- FVOCI Investments

2.3 Functional and presentation currency

These consolidated financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 16 – Measurement of investment property
- Consolidation of entities that hold less than the majority voting rights.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 29- Measurement of defined benefit obligations
- Note 35 – Contingencies
- Note 27 – Deferred tax assets

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies and considered any uncertainty that could arise due to the Covid Pandemic and Marco economic conditions

2.5 Going Concern

The Board of Directors has made an assessment on the Group's & the company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

2.6 Changes In Material Accounting Policies

The Group has consistently applied the following Material accounting policies to all periods presented in the Financial Statements by the Group, except as mentioned otherwise.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated Financial Statements, and have been applied consistently by Group entities.

Changes in material accounting policies

The Group also adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the Financial Statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the Financial Statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 2.6 – Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to

equal and off-setting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the Statement of Financial Position because the balances qualify for off-set under paragraph 74 of LKAS 12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised Note 27.

3.1 Basis of consolidation

The Financial Statements of the Group represents the consolidation of the Financial Statements of the Company and of its subsidiaries listed below,

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

- **Renuka Agri Foods PLC**
Manufacture & export coconut based products
- **Renuka Developments (Pvt) Ltd.**
Investment in plantation/ farm and vertical integration projects
- **Kandy Plantations Ltd**
Engaged in Organic Certified Cultivation of Agriculture Produce
- **Ceylon Forestry (Pvt) Ltd**
Planting and Managing Forestry.
- **Richlife Dairies Ltd**
Manufacturing of dairy & fruit juice based products.
- **Shaw Wallace Ceylon Ltd**
Manufacturing & distribution of Fast Moving Consumer Goods.
- **Shaw Wallace Properties (Pvt) Ltd**
Providing warehousing facilities.
- **Renuka Agri Organics Ltd**
Manufacture & export of coconut based products.
- **Coco Lanka (Pvt) Ltd**
Plantation.
- **Renuka Trading (Pvt) Ltd**
Providing warehousing facilities.

3.1.1 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired

includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are

recognised in profit or loss.

3.1.2 Acquisitions of non- controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3.1.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

3.1.4 Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss.

3.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign Currency

Foreign currency transactions

All transactions in foreign currencies are translated at the rate of exchange prevailing at the time the transaction was effected. All monetary assets and liabilities in foreign currencies at the year-end are translated at the rate prevailing on the Reporting date. Non monetary assets and liabilities which are carried in terms of historical cost or fair value denominated in foreign currencies are translated using the exchange rate at the date of transaction. Non monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to reporting currency using the exchange rate that was prevailing on the date the fair value was determined. The resulting gains or losses on translations are dealt with in the Statements of Comprehensive Income.

3.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity. Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets – Recognition and initial measurement SLFRS 9

A financial asset (unless it is a trade receivable without a significant financing component)

or financial liability is initially measured at fair value plus, for an item not a FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as below:

- As measured at amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

As measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group financial assets classified and measured at

amortized cost are limited to its other receivables, short term investments, amounts due from related party and cash & cash equivalent.

Fair value through other comprehensive income (FVOCI)

The Financial assets is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income and impairment losses in the statement of profit and loss.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is

Equity Investment at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost, of the investment.

Other net gains & losses are recognized in OCI and are never reclassified to profit or loss.

Derecognition – Financial assets

Financial Assets derecognise when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Classification and subsequent measurement of financial liabilities

The Group classifies financial liabilities as described below:

- Financial liabilities at fair value through profit or loss (FVTPL)
- Financial liabilities at amortised cost

The subsequent measurement of financial liabilities depends on their classification.

Financial liabilities at amortised cost

The financial liabilities which are not designated at FVTPL are classified as financial liabilities at amortised cost.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derecognition – Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Non-derivative financial liabilities Measurement

A financial liability is classified as at Fair Value through Profit or Loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss. The Group classifies non derivative financial liabilities in to other financial liability category. The Group derecognises a financial

liability when its contractual obligations are discharged, cancelled or expired. The Group has the following nonderivative financial liabilities: trade and other payables, bank overdrafts, loans and borrowings and financial guarantees. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3.4. Determination of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Level 1

When available, the Group measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price), without any deduction for transaction costs. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions.

Level 2

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. Valuation techniques include using recent transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses, credit models, option pricing models and other relevant valuation models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity

using prices from observable current market transactions in the same instrument or based on other available observable market data. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, i.e. without modification or repackaging, or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Level 3

Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined by using valuation models that have been tested against prices or inputs to actual market transactions and also using the best estimate of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models. Also, profit or loss

calculated when such financial instruments are first recorded ('Day 1' profit or loss) is deferred and recognised only when the inputs become observable or on derecognition of the instrument.

3.5 Stated capital

3.5.1 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.6 Property, plant and equipment

3.6.1 Recognition and measurement

Plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment when that cost is incurred, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection or maintenance activity is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statements of comprehensive income as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

charged subsequent to the date of the revaluation. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation.

- Valuations are performed every 3-5 years (or frequently enough) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated by using a straight line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary

for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with SLFRS 5 and the date that the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Capital expenditure incurred in relation to fixed assets which are not completed as at the reporting date are shown as capital work-in-progress and is stated at cost. On completion, the related assets are transferred to property, plant and equipment. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal

of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

3.6.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3.6.3 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The annual rates used for this purpose which for the current and comparative periods are as follows:

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

	%
Buildings	2.5
Motor Vehicles	20
Plant, Machinery & Others	10
Office Equipment	10

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.6.4 Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this re-measurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

However, to extent that an amount is included in the revaluation surplus for the property, the loss is recognised on OCI and reduces the revaluation surplus with in equity

3.7. Intangible assets and goodwill

3.7.1 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, refer note 3.1.1

Subsequent Measurement

Goodwill is measured at cost less accumulated impairment losses

3.7.2 Computer Software

Acquired computer software licenses are capitalized on the basis of the cost incurred to acquire and bring to use the specific software.

3.7.3 Other intangible assets

Other intangible assets, including trademarks and that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.7.4 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3.7.5 Amortization

Except for goodwill, intangible assets are amortized on a straight line basis in profit or loss over their estimated useful lives, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

- Software – 5 years.
- Trade Mark subject to testing for impairment.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.8 Premium paid on Leasehold premises

The premium paid by the subsidiary for leasehold premises represents prepaid rental charges which are amortized over 50 years, commencing from the second year of operation with initial adoption of SLFRS 16 – Leases, the premium paid on Leasehold Premises have been transferred to Right of Use Assets.

3.9 Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognized in profit or loss. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs.

3.10 Investment property

Investment property is property held either to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, any other costs directly attributable to bringing the investment property to a working condition

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

for their intended use and capitalized borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such as that it is reclassified as property, plant, equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Where the Group companies occupy a significant portion of the investment property of a subsidiary such as investment properties, are treated as property, plant and equipment in the consolidated Financial Statements, Accounted for in accordance with LKAS 16 – Property, Plant and Equipment.

3.11 Inventories

The cost of each category of inventory of the Company and its subsidiaries are determined on the following basis.

- Raw Material – At cost determined at the factory on weighted average cost method.
- Finished Goods – At factory cost of direct materials, direct labor and appropriate proportion of fixed production overheads at normal operating capacity.
- Goods in transit – At the actual cost

- Packing Material – At cost determined at the factory on weighted average cost method
- Harvested Crops – Inventory of harvested crop sold has been valued at realized price. Unsold harvested crop have been valued at estimated realizable value net of direct selling expenses. This basis has been adopted to recognize the profit/loss on perennial crops in the financial period of harvesting.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.12 Impairment

3.12.1 Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future Cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in

an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECLs) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

3.12.2. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the Group of CGUs that is expected to benefit from the synergies of the combination.

This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13 Employee benefits

3.13.1. Defined contribution plan EPF and ETF

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into

a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

All employees who are eligible for Employees Provident Fund contribution and Employees Trust Fund contribution are covered by relevant contribution funds in line with respective statutes and regulations.

The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

3.13.2 Defined benefit plan- Gratuity

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The retirement benefit plan adopted is as required under the Payment of Gratuity Act No.12 of 1983.

Provision for gratuity on the employees of the Company and Group are based on actuarial valuation as recommended by Sri Lanka Accounting Standard No. 19 'Employee Benefits' (LKAS - 19). The actuarial valuation was carried out by professionally qualified firm of actuaries, as at 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

The valuation method used by the actuary is 'Projected Unit Credit Method'.

The Group recognizes any actuarial gains & losses arising from defined benefit plan immediately in other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed the resulting change in benefits that relates to Past service or gain or loss an curtailment is recognized immediately in Profit or loss. The Company recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

The present value of defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates of high quality corporate bonds that are denominated in currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement obligations.

The key assumptions used in the computation are stated in the Note 29 to the Financial Statements.

However, according to the Payment of Gratuity Act No.12 of 1983, the liability for gratuity payment to an employee arises only after the completion of five years continued service with the Company.

This liability is not externally funded nor actuarially valued. The item is grouped under non-current liabilities in the Statement of Financial Position.

3.13.3 Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.14 Bills Payable

The Group account for the liability on receipt of documents for clearance.

3.15 Provisions

A provision is recognized if as a result of a past event the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefit will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.16 Revenue

3.16.1 Revenue Recognition

SLFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within SLFRS. It establishes a

new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Dividend Income

Dividend income is recognized when the company right to receive the dividend is established.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

3.17 As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the lease of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognized a right of use asset and a lease liability at the lease commencement date. The right of use assets is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimates of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received

The right of use asset is subsequently depreciated using straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of lease term or the cost of the right of use asset reflects that the Group will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right if use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The Lease liability is initially measured at the present values of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the assets leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on a n index or a rate, initially measured using the index or rate as at commencement date;
- amounts expected to be payable under residual value guaranteed; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise and extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using effective interest method. It is remeasured when there is a change in future lease

payments arising from a change in an index or ratee, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded is profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group presents right of use assets that do not meet the definition of investment property in 'Right-of-Use-Assets' in lease liabilities in the statement of financial position.

3.18 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings, bank loans and leases.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

3.18.1 Borrowing Cost

Borrowing costs are interest and other costs that an entity incurs in connection with the

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

borrowing of funds.

Borrowing costs may include:

- (a) Interest expense calculated using the effective interest method.
- (b) Finance charges in respect of finance leases recognised in accordance with LKAS 17 Leases; and
- (c) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Then Group recognizes other borrowing costs as an expense in the period in which it incurs them.

3.19 Income tax

Income tax expense comprises current and Deferred Tax. It is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or OCI.

The Group has determined that interest and Penalties related to income taxes, including uncertain tax treatments, do not meet the definition of contingent Liabilities and contingent Assets.

Current tax

Current tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted by the Reporting Date.

The provision for income tax is based on the elements of the income and expenditure as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act No. 24 of 2017 and its subsequent amendments including in land Revenue Act No.45 of 2022 of.

(amendments) act.

Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted by the reporting date.

Deferred tax assets including those related to temporary tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.20 Segment Reporting

The Group has two reportable segments, as described below which are the Group's strategic divisions. The strategic divisions offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The Group's reportable segments are as follows;

- Agri Foods
- Consumer Brands

3.21 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific- to that asset or liability.

The fair value of immature timber plantations is based on the present value of the net cash flows expected to be generated by the plantation at maturity.

4.1 Investment property

An external, independent valuation company, having appropriate recognized professional qualifications and recent experience in the location and category of property being

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

valued, values the Group's investment property portfolio once a year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in transaction after proper marketing where in the parties had each acted knowledgeably and willingly.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation. Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

4.2 Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories

4.3 Equity Instrument

The fair value of equity instrument is determined by reference to their quoted closing bid price at the reporting date, or if unquoted, determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate.

Comparative Information The comparative information is re-classified wherever necessary to conform with the current year's presentation in order to provide a better presentation.

5. TRADE AND OTHER RECEIVABLES

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

New standards and interpretation not yet adopted as at reporting date

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to Sri Lanka Accounting Standards (SLFRSs/LKASs) that are effective for annual periods beginning after the current financial year. Accordingly the Company has not early in preparing these Financial Statements.

The following amended standards and interpretations are not expected to have a significant impact on the

Company's Financial Statements.

Classifications of Liabilities as Current or Non-current and Noncurrent Liabilities with Covenants (Amend. LKAS 1)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or noncurrent, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024. There is no potential impact the amendments on the classification of these liabilities and the related disclosures.

Supplier finance arrangements (Amendment to LKAS 1 and SLFRS 7)

These amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effect of these arrangement on an entity's liabilities and cash flows and on an entity's exposure to the liquidity risk. The amendments apply for annual period beginning on or after January 2024.

Lease Liability in a sales and lease leaseback (Amendment to SLFRS 16)

The amendments specifically affect seller-lessee accounting in sale and leaseback transactions that qualify as a sale under SLFRS 15, especially those involving variable lease payments not based on an index or rate. They modify how a seller-lessee accounts for these leasebacks, preventing recognition of gains on retained rights of use due to lease term modifications or changes, which previously could

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

occur when variable payments not defined as 'lease payments' were excluded

Other standards

The following new and amended standards are not expected to have a significant impact on the Financial Statements;

- Presentation and disclosure of Financial Statements (IFRS 18)
- Subsidiaries without Public Accountability (IFRS 19)
- General Requirements for Disclosure of Sustainability related Financial Information (SLFRS S1)
- Climate-related Disclosures (SLFRS S2)

FOR THE YEAR ENDED 31 ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
6. Revenue				
Export Sales	4,935,125,510	6,240,331,058	-	-
Local Sales	9,237,265,920	10,894,974,789	-	-
Provision of Services	6,159,291	24,805	14,018,068	-
Dividend Income	-	-	31,092,850	73,159,654
	14,178,550,721	17,135,330,652	45,110,918	73,159,654
7. Other Income				
Profit on disposal of Propety, Plant & Equipment	21,322,077	39,338	-	-
Gain on disposal of Investment	37,892	-	-	-
Gain on disposal of Assets Held for Sale	-	1,108,154	-	-
Rental Income	36,094,053	28,102,075	-	-
Write back of Payables	-	-	-	-
Change in fair value of Biological Assets (Note 18)	13,254,207	(9,344,726)	-	-
Sundry Income	11,905,927	14,806,335	-	177
	82,614,156	34,711,176	-	177
8 Finance Income				
Interest Income	11,517,361	10,344,855	293,863	260,027
Interest Income on Related party loans	5,116,225	-	-	-
Exchange Gain	305,706,513	421,313,790	-	-
	322,340,099	431,658,645	293,863	260,027
9. Finance Costs				
Interest on Bank Overdrafts	24,950,497	19,717,078	-	40,372
Interest on Borrowings	564,748,791	562,307,578	1,052,894	1,878,272
Interest on lease liability	14,651,134	11,439,594	-	-
Exchange Losses	430,012,881	271,896,705	-	-
Others	4,546,563	11,659,923	-	-
Interest on related party loan	57,682,513	287,411,059	-	-
	1,096,592,379	1,164,431,937	1,052,894	1,918,644
Net Finance Income/ Costs	(774,252,280)	(732,773,292)	(759,031)	(1,658,617)

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

FOR THE YEAR ENDED 31 ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
10 Profit/(Loss) before Taxation				
Profit/(Loss) before Taxation is stated after charging all expenses including the followings;				
Directors Remuneration and Fees	99,967,680	99,817,680	280,000	130,000
Auditors' Remuneration				
Audit Services	4,652,020	5,045,400	1,037,248	834,000
Non Audit services	376,000	550,305	–	208,305
Provision on Obsolete Stocks (Note 21.1)	(92,425,799)	41,582,880	–	–
Depreciation on Property, plant and equipment (Note 14)	326,719,502	324,856,678	–	–
Amortisation of right of use assets (Note 15.1)	15,796,036	17,033,493	–	–
Amortization of Intangible Assets (Note 20.2, 20.3.)	1,836,925	3,659,357	–	–
Personnel Cost (Note 10.1)	965,446,145	1,124,431,227	1,695,297	–
10.1 Personnel Cost				
Salaries, Wages and Other related costs	757,491,513	912,257,382	790,797	–
Defined Benefit Plan Cost- Retirement Gratuity (Note 30)	31,244,132	26,695,642	–	–
Defined Contribution Plan Cost – EPF & ETF	176,710,500	185,478,203	904,500	–
	965,446,145	1,124,431,227	1,695,297	–

FOR THE YEAR ENDED 31 ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
11 Taxation				
Income Tax Expense	13,315,711	153,695,332	369,685	10,136,850
Capital Gain Tax on Disposal of Investment.	–	–	–	–
Under/Over provision in respect of previous years	(55,125,008)	18,436,263	–	–
ESC & WHT write off	1,792,733	–	–	–
WHT on dividends received	8,426,350	–	–	–
Origination and Reversal of Temporary Differences (Note 27.2)	(110,499,046)	84,338,971	–	–
	(142,089,260)	256,470,566	369,685	10,136,850

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

12 Subsidiary Companies Enjoying Tax Holidays at Concessionary Rates of Tax

12.1 Current Tax

12.1.1 Company

Income tax has been provided as per the rates legislated in accordance with the Inland Revenue Act, No. 24 of 2017 and its amendments thereto. In terms of the above the income tax provision has been calculated on the adjusted profit at the standard rate of 30% (24% up to 30th September 2023 and 30% thereafter for 2023). As per Inland Revenue amendment Act No. 45 of 2022 the dividend income received is exempted.

12.2 Subsidiary Companies Enjoying Tax Holidays at Concessionary Rates of Tax

12.2.1 Renuka Agri Foods PLC

In terms of the agreement with the Board of Investment of Sri Lanka (BOI), business profit of the Company is exempted from income tax for a period of 12 years from the date of commencement of its business, which came to an end in the year of assessment 2011/12. Subsequently the said exemption period was extended for another 3 years of assessment ending 2014/15 by a supplementary agreement. After the expiration of said tax exemption period, the Company will be liable for taxation at the rate of 12%. In terms of section 59 L of the Inland Revenue Act No. 10 of 2006, the Renuka Agri Foods PLC was entitled to a 50% tax credit on the income tax liability of the business of food processing (both export and local sales).

12.2.2 Renuka Developments (Private) Limited

The Company is liable to income tax at the rate of 30% as per the Inland Revenue (amendment) Act No 45 of 2023. (24% up to 30th September 2022 and 30% w.e.f. 1st October 2022 for the year ended 31 March 2023).

12.2.3 Renuka Agri Organics Limited

The enterprise shall be entitled for a tax exemption period of 4 years in terms of the Inland Revenue Act No.10 of 2006 as amended by the Inland Revenue (amendment) Act No. 8 of 2012 (Section 16C). The year of assessment shall be reckoned from the year in which the enterprise commences to make profits or any year of assessment not later than 2 years reckoned from the date of commencement of commercial operations, whichever comes first as determined by the commissioner General of Inland Revenue.

According to the recent amendments (notice No. PM/IT/2020-03 (Revised) dated 8 April 2020) to the Inland Revenue Act, No 24 of 2017 Profit from Export business income, Local Business income and other income liable for income tax at the rate of Income Tax at 30%.

This tax exemption period ended by year of assessment 2017/2018.

12.2.4 Shaw Wallace Ceylon Limited

The Company is liable to income tax at the rate of 30% as per the Inland Revenue (amendment) Act No 45 of 2023. (24% up to 30th September 2022 and 30% w.e.f. 1st October 2022 for the year ended 31 March 2023).

12.2.5 Coco Lanka (Pvt) Limited

The Departments of Inland Revenue has issued a notice No. PM/IT/2020-03 (Revised) dated 8 April 2020, proposing to amend the existing Inland Revenue Act, No 24 of 2017 effective from 1 January 2020. Proposed notice also provides concessionary tax rate and income tax exemptions to agro-processing & manufacturing and agro-farming respectively.

However, other income would be liable to Income Tax at the rate of 30%

12.2.6 Richlife Dairies Ltd

Richlife Dairies Ltd has entered into an agreement with the Board Of Investment of Sri Lanka under Sec 17 in 1995. Currently the company is liable to income tax at the prevailing rate of 30%

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

12.2.7 Ceylon Forestry (Pvt) Limited

In accordance with the provisions of Section 17 of the Board of Investment of Sri Lanka (BOI) Law No. 4 of 1978, the Company will be entitled to the following exemptions/benefits with regard to income tax:

- (i) For a period of eight (08) years reckoned from the year of assessment as may be determined by the BOI, the profits and income of the Company is exempted from tax. For the above purpose, the year of assessment shall be reckoned from the year in which the Company commences to make profits or any year of assessment not later than two (02) years reckoned from the date of commencement of commercial operations whichever year is earlier, as specified in a certificate issued by the BOI, Sri Lanka.
- (ii) After the expiration of the aforesaid tax exemption period, referred to in sub clause (i) above, the profits and income of the Company shall for each year of assessment be charged at the rate of ten per centum (10%) for a period of two (2) years ("concessionary period") immediately succeeding the last date of the tax exemption period during which the profits and income of the Company is exempted from it.
- (iii) After the expiration of the aforesaid concessionary period referred to in sub clause (ii) above, the profits and income of the Company shall be charged for any year of assessment at the rate of 20%.

The Departments of Inland Revenue has issued a notice No. PM/IT/2020-03 (Revised) dated 8 April 2020, proposing to amend the existing Inland Revenue Act, No 24 of 2017 effective from 1 January 2020. Proposed notice also provides concessionary tax rate and income tax exemptions to agro-processing & manufacturing and agro-farming respectively.

However, other income would be liable to Income Tax at the rate of 30%

12.2.8 Kandy Plantations Limited

According to the agreement with the BOI of Sri Lanka, the Profits and Income of Kandy Plantations Ltd were exempt for a period of 5 years from the year of assessment in which the enterprise commence to make profit (i.e. 2003/2004). Accordingly, the said tax holiday period was expired on 31st March 2008. However, the profit from agriculture of the Company continued to be exempted from income tax for further 3 year of assessments ending 2010/2011, under section 16 of the Inland Revenue Act No. 10 of 2006. This tax holiday was expired on 31st March 2011.

The Departments of Inland Revenue has issued a notice No. PM/IT/2020-03 (Revised) dated 8 April 2020, proposing to amend the existing Inland Revenue Act, No 24 of 2017 effective from 1 January 2020. Proposed notice also provides concessionary tax rate and income tax exemptions to agro-processing & manufacturing and agro-farming respectively.

However, other income would be liable to Income Tax at the rate of 30%

12.2.9 Shaw Wallace Properties Limited

In terms of an agreement entered into with the Board of Investment of Sri Lanka, under section 17 of the Board of Investment of Sri Lanka (BOI) Law No. 04 of 1978, the Company is exempted from income tax for a period of five years commencing 01 April 2009. After the expiration of the said tax exemption period the profits and income of the Company shall be charged at the rate of 10% for a period of two years immediately succeeding the last date of the tax exemption period. After the expiration of the aforesaid concessionary tax rate of 10%, the profits and income of the Company shall for any year of assessment be charged at the rate of 20% under transitional provisions to the new Inland Revenue Act No. 24 of 2017

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

12.2.10 Renuka Trading (Pvt) Ltd

The Company is liable to income tax at the rate of 30%

FOR THE YEAR ENDED 31 ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
12.3 Reconciliation between Taxable Profit and the Accounting Profits				
Profit/(Loss) Before Taxation	(941,157,969)	755,930,416	30,950,280	64,768,776
Consolidation Adjustments	42,799,219	101,884,326	-	-
Profit /(Loss) before Taxation before Consolidation Adjustments	(898,358,750)	857,814,742	30,950,280	64,768,776
Aggregate Disallowed Items	652,576,382	673,097,787	-	3,560,997
Aggregate Allowable Items	(1,050,165,560)	(411,556,776)	(30,950,280)	-
Aggregate Other income	50,599,324	-	1,232,283	(9,220)
Exempt Income	(6,213,621)	(104,724,141)	-	-
Adjusted Business Profit	(1,251,562,173)	1,014,631,612	1,232,283	68,320,553
Exempt Business Profit	-	11,820,936	-	-
Statutory Income/(loss) from Business	(1,251,562,173)	1,026,452,548	1,232,283	68,320,553
Taxable Aggregate Other Income	44,385,703	17,242,220	-	9,220
Total Statutory Income	(1,207,176,469)	1,043,694,768	1,232,283	68,329,773
Brought Forward Loss Claimed during the Year	(4,267,197)	(159,071,138)	-	-
Tax losses incurred during the year	1,255,829,369	(96,723,095)	-	-
Taxable Income / (Loss)	44,385,704	787,900,535	1,232,283	68,320,553
Income Tax at 30%	13,315,711	49,540,613	369,685	1,068,300
Income Tax at 24%	-	11,171,150	-	2,212
Income Tax at 18%	-	39,304,584	-	-
Income Tax at 15%	-	53,678,985	-	-
Income Tax at 14%	-	-	-	9,066,338
Income Tax on Current Year Profits	13,315,711	153,695,332	369,685	10,136,850
Effective Tax Rate		20.3%		15.6%

FOR THE YEAR ENDED 31 ST MARCH	GROUP		COMPANY	
	2024	2023	2024	2023
12.4 Tax Losses				
Tax Losses Brought Forward	205,745,141	464,149,775	-	-
Actualization of provisional Losses carried forward	-	(2,610,401)	-	-
Tax Losses incurred during the year	1,255,829,369	(96,723,095)	-	-
Tax Losses Utilised	(4,267,197)	(159,071,138)	-	-
Tax Losses Carried Forward	1,457,307,313	205,745,141	-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

13. Earnings Per Share

The Computation of Basic of Earnings/(Loss) per Share is based on the profit/(Loss) for the year attributable to ordinary shareholders for the year divided by the weighted average number of shares outstanding during the year and calculated as follows.

	GROUP		COMPANY	
FOR THE YEAR ENDED 31 ST MARCH	2024	2023	2024	2023
		(Restated)		(Restated)
Profit/(Loss) attributable to the Ordinary Shareholders (Rs.)	(611,074,304)	367,859,119	30,580,597	54,631,926
Number of Ordinary Shares as at year end	124,874,745	124,874,745	124,874,745	124,874,745
Earnings Per Share (Rs.)	(4.89)	2.95	0.24	0.44

Weighted average number of shares as at 31st March 2023 has been restated based on the number of shares issued as scrip dividend in September 2023 in accordance Sri Lanka Accounting Standard LKAS 33-earning per share.

13.1 Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year after adjustment for the effects of all dilutive potential ordinary shares. There Were no diluted potential of ordinary shares as at 31st March 2024. Hence diluted earning per share is same as basic earning per share.

	GROUP		COMPANY	
FOR THE YEAR ENDED 31 ST MARCH	2024	2023	2024	2023
		(Restated)		(Restated)
Profit/(Loss) attributable to the Ordinary Shareholders (Rs.)	(611,074,304)	367,859,119	30,580,597	54,631,926
Number of Ordinary Shares as at year end	124,874,745	124,874,745	124,874,745	124,874,745
Earnings Per Share (Rs.)	(4.89)	2.95	0.24	0.44

13.2 Dividend Per Share

The dividend per share is based on the dividend paid during the year and the number of ordinary shares outstanding as at that date.

	GROUP		COMPANY	
FOR THE YEAR ENDED 31 ST MARCH	2024	2023	2024	2023
Dividend paid during the year	-	50,320,715	-	50,320,715
Number of Ordinary Shares as at distribution	124,874,745	122,733,452	124,874,745	122,733,452
Dividend per Share (Rs.)	-	0.41	-	0.41

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

14. PROPERTY, PLANT AND EQUIPMENT

14.1 Group

AS AT 31ST MARCH 2024

	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Electrical Installation	Furniture Fittings & Equipment	Motor Vehicles	Land Development Cost	Capital Work In Progress	TOTAL
Cost/Valuation	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 of April 2022	995,328,899	183,483,421	1,960,828,545	2,630,793,385	205,283,318	646,176,002	103,100,446	15,883,564	34,797,408	6,775,674,988
Additions	17,203,000	-	21,836,031	68,614,470	1,675,607	104,470,190	-	390,363	52,234,209	266,423,870
Disposals / Transfers	-	-	-	14,114,587	-	816,000	-	-	(50,840,279)	(35,909,692)
As at 31 March 2023	1,012,531,899	183,483,421	1,982,664,576	2,713,522,442	206,958,925	751,462,192	103,100,446	16,273,927	36,191,338	7,006,189,166
Additions during the year	-	-	16,909,146	175,729,012	3,752,341	60,760,642	4,309,661	86,996	180,150,330	441,698,128
Addition due to amalgamation	167,200,000	-	-	-	-	-	-	-	-	167,200,000
Transfers from Investment Property	232,591,320	-	118,364,056	-	-	-	-	-	-	350,955,376
Transfers during the year	-	-	-	-	-	-	-	-	(122,564,648)	(122,564,648)
Disposals during the year	-	-	-	(29,394,531)	-	(190,271)	-	-	-	(29,584,802)
As at 31 March 2024	1,412,323,219	183,483,421	2,117,937,778	2,859,856,923	210,711,266	812,032,563	107,410,107	16,360,923	93,777,020	7,813,893,220
Accumulated Depreciation										
As at 1st April 2022	-	4,758,541	97,131,284	1,397,932,814	61,199,838	430,918,588	106,252,425	5,046,731	-	2,103,240,222
Charge for the year	-	-	56,191,603	198,090,561	19,050,697	50,385,965	1,095,863	42,093	-	324,856,781
As at 31 March 2023	-	4,758,541	153,322,887	1,596,023,375	80,250,535	481,304,553	107,348,288	5,088,824	-	2,428,097,003
As at 1st April 2023	-	4,758,541	153,322,886	1,596,023,376	80,250,535	481,304,553	107,348,288	5,088,824	-	2,428,097,003
Charge for the year	-	-	55,250,537	188,550,865	19,263,241	61,475,196	61,819	2,117,844	-	326,719,502
Disposals During the year	-	-	-	(16,514,838)	-	(190,271)	-	-	-	(16,705,109)
As at 31 March 2024	-	4,758,541	208,573,424	1,768,059,402	99,513,776	542,589,478	107,410,107	7,206,668	-	2,738,111,396
Carrying Amount										
As at 31 March 2024	1,412,323,219	178,724,880	1,909,364,354	1,091,797,521	111,974,900	269,443,085	-	9,154,255	93,777,020	5,075,781,824
As at 31 March 2023	1,012,531,899	178,724,880	1,829,341,689	1,116,666,775	126,708,390	264,201,227	2,540,863	11,185,103	36,191,338	4,578,092,166

14.1.1 Based on the assessment carried out internally, by the Board Of Directors no provision was required for the potential impairment of fixed assets as at 31 March 2024.

14.1.2 Property, Plant and Equipment include fully depreciated assets having a gross amount of Rs. 1,257,970,637 as at 31 March 2024. (Rs.934,506,098as at 31 March 2023)

14.1.3 There were no restrictions on the title of the Property, Plant and Equipment as at 31 March 2024 other than disclosed in Note 28.

14.1.4 There were no items of Property, Plant and Equipment pledged as security as at 31 March 2024 other than disclosed in Note 28.

14.1.5 There were no temporary idle items of Property, Plant and Equipment as at 31 March 2024.

14.1.6 The capital work in progress represents project in progress.

14.1.7 During the year under review, the Group has not capitalized any borrowing cost.

14.1.8 During the financial year, the Group has acquired property, plant & equipment to the aggregate value of Rs.441,698,141 (2023 - Rs.266,423,968) cash payments amounting to Rs.441,698,141 (2023 - Rs.266,423,968) were made during the year for purchase of property, plant & equipment.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

- 14.1.9** The carried amount of the revalued assets that would have been included in the Financial Statements had the assets being carried at cost are as follows.

Group	As at 31.03.2024		
	Cost Rs.	Accumulated Depreciation Rs.	Carrying Amount Rs.
Land	308,504,874	-	308,504,874
Building	1,084,983,981	(225,459,226)	859,524,755

14.2 Company

AS AT 31ST MARCH	Motor Vehicles Rs.	TOTAL 2024 Rs.	TOTAL 2023 Rs.
Cost / Valuation			
As at 01 April	2,598,113	2,598,113	2,598,113
As at 31 March	2,598,113	2,598,113	2,598,113
Accumulated Depreciation			
As at 01 April 2023	2,598,113	2,598,113	2,598,113
As at 31 March	2,598,113	2,598,113	2,598,113
Carrying Value			
As at 31 March 2024	-	-	-
As at 31 March 2023	-	-	-

- 14.2.1** Property, Plant and equipment of the Company include fully depreciated asset having a gross amount of Rs. 2,598,113 as at 31 March 2024. (Rs. 2,598,113 as at 31 March 2023).

14.3 Revaluation of Land & Building – Method of Valuation

The value of land and Buildings which have been revalued by independently qualified valuers are indicated below together with the last date of revaluation. Valuations were performed by Mr. A.A.M. Fathihu, Chartered Valuation Surveyor-UK.

The Market value has been used as the fair value of the property. In determining the revaluation, the current condition of the properties and future usability have been considered. Also Value has made reference to market evidence of transaction price for similar properties, with appropriate adjustment for size, usage and location. Accordingly, the land and buildings were valued on an open market value on existing use basis.

All revaluations are based on market values and based on the aforesaid valuations. The Directors are of the view that market values as at 31st March 2024 have not materially changed from the values determined as at 31st March 2020. Kandy Plantations Ltd has revalued Matale land as at 31st March 2022 and SWCL Property has revalued Peliyagoda Land as at 31st March 2023.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

14.3 Revaluation of Land & Building – Method of Valuation (contd)

Company	Location	Last revaluation	Land Extent	Fair Value as at 31.03.2024 (Rs.)		No of Buildings	Level of Fair Value Hierarchy
				Land	Buildings		
Renuka Agri Foods PLC	Unagahadeniya	31st March 2020	0A-1R-30.40P	21,120,000	903,000	1	Level 3
	Wathupitiwala /	31st March 2020	0A-3R-30P	17,203,000	626,851,561	11	Level 3
	Giriulla						
Renuka Developments (Pvt) Ltd	Unagahadeniya	31st March 2020	1A-3R-23.30P	75,825,000	22,683,624	7	Level 3
Kandy Plantations Ltd	Giriulla	31st March 2020	-	-	7,627,050	3	Level 3
	Matale	31st March 2022	20A-0R-18P	72,601,194	-		Level 3
	Matale	31st March 2024	67A-3R-2P	167,200,000			Level 3
Coco Lanka (Pvt) Ltd	Puttalam	31st March 2020	165A-1R-05P	180,448,000	9,354,253	5	Level 3
Renuka Agri Organics Ltd	Wathupitiwala	31st March 2020	-	-	255,803,718	3	Level 3
Shaw Wallace Ceylon Ltd	Colombo – 8	31st March 2020					
			0A-1R-0P	320,000,000	588,921,750	1	Level 3
	Colombo – 9	31st March 2020	0A-0R-4.7P	18,800,000	-	-	Level 3
	Ekala	31st March 2020	1A-2R-34.55P	137,275,000	79,116,980	14	Level 3
Richlife Diaries Ltd	Wadduwa	31st March 2020	5A-2R-06P	158,568,000	188,678,768	1	Level 3
Shaw Wallace Properties (Pvt) Ltd	Peliyagoda.	31st March 2023	0A-2R-12.59P	162,202,253	73,391,454	2	Level 3
Renuka Trading (Pvt) Ltd	Colombo – 9	31st March 2024	0A-1R-35P	274,000,000	76,000,000	1	Level 3

* Valuation technique and significant unobservable inputs

Valuation techniques	Significant unobservable inputs	Inter – relationship between Significant unobservable inputs and fair value measurement
Market comparable method ; this method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices if similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property in this process outlier transactions, indicative of particular motivated buyers of sellers are too compensated for since the price may not adequately reflect the fair market value.	Price per perch for Land, Price per square feet Depreciation rate	Estimated fair value would Increase/ (decrease) if Price per perch increases/ (decreases) Price per square foot increases/ (decreases) Depreciation rate for building increases/(decreases)

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

14.3 Revaluation of Land & Building – Method of Valuation (contd)

Company	Location	Land					Building		
		Market Value	Extent	Per Perch Value	Increase +10%	Decrease -10%	Market Value	Increase +10%	Decrease -10%
		Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Renuka Agri Foods PLC	Unagahadeniya	21,120,000	0A-1R30.40P	300,000	2,112,000	-2,112,000	903,000	90,300	-90,300
	Wathupitiwala / Giriulla	17,203,000	0A-3R-30P	114,687	1,720,300	-1,720,300	626,851,561	62,685,156	-62,685,156
Renuka Developments (Pvt) Ltd	Unagahadeniya	75,825,000	1A-3R23.30P	250,000	7,582,500	-7,582,500	22,683,624	2,268,362	-2,268,362
Kandy Plantation Ltd	Giriulla	-	-	-	-	-	10,850,913	1,085,091	-1,085,091
	Matale	72,601,194	20A-0R-18P	21,875	7,260,119	-7,260,119	-	-	-
	Matale	167,200,000	67A-3R-2P	14,687	16,720,000	-16,720,000	-	-	-
Coco Lanka (Pvt) Ltd	Puttalam	180,448,000	165A-1R-05P	7,187	18,044,800	-18,044,800	9,354,253	935,425	-935,425
Renuka Agri Organics Ltd	Wathupitiwala	-	-	-	-	-	255,803,718	25,580,372	-25,580,372
Shaw Wallace Ceylon Ltd	Colombo 08	320,000,000	0A-1R-0P	8,000,000	3,200,000	-3,200,000	588,921,750	58,892,175	-58,892,175
	Colombo 09	18,800,000	0A-0R-4.7P	4,000,000	1,880,000	-1,880,000	-	-	-
	Ekala	137,275,000	6A-3R-15.81P	500,000	2,990,000	-2,990,000	47,585,241	4,758,524	-4,758,524
Richlife Dairies Ltd	Wadduwa	158,568,000	5A-2R-06P	178,971	15,856,800	-15,856,800	188,678,768	18,867,877	-18,867,877
Shaw Wallace Properties (Pvt) Ltd	Peliyagoda	162,202,253	0A-2R-12.59P	1,751,833	16,220,225	-16,220,225	73,391,454	7,339,145	-7,339,145
Renuka Trading (Pvt) Ltd	Colombo - 9	274,000,000	0A-1R-35P	3,653,333	27,400,000	-27,400,000	76,000,000	24,023	-24,023

There were no temporally idle property plant & equipments as at the reporting date.

15. RIGHT OF USE ASSET/LEASE LIABILITY

The Group has leased factory/office premises and estates. The Lease typically run for period of two to Fifty years, with an option to renew the lease after the date. Lease payments are renegotiated every 3-5 years to reflect the market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

The leases arrangements were entered into many year ago as combined leases of land and buildings. Previously these leases were classified as operating leases under LKAS 17.

Information about leases for which the Group is a lessee presented below.

Renuka Agri Foods PLC – BOI Land Wathupitiwala

Kandy Plantations Ltd – Giriulla

Ceylon Forestry (Pvt) Ltd – Matale

Renuka Agri Organics Ltd – BOI Land Wathupitiwala, Land and Building Dankotuwa and Unagahadeniya

Richlife Dairies (Pvt) Ltd – Wadduwa

Shaw Wallace Ceylon (Pvt) Ltd – Ekala, Colombo 8

Renuka Trading (Pvt) Ltd – Colombo 9

Kandy Plantations Limited

Lease have been executed for 3 estates (Primarily coconut) comprising 33 contiguous allotments of Land called and known as "Giriulla Estate" by Mr. L.H. Croos Dabrera. This contiguous allotments of Land comprise a total extent of 640A-3R-32P. This lease has been executed for a period of 30 years under 2 separate lease agreements. The first lease agreement relates to 10 years period from 1st April 2003 to 31st March 2013 and the second lease agreement relates to the next 20 years commencing from 1st April 2013 and ending on 31st March 2033.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

A valuation report dated 11th October 2003 prepared by Leon M.P. Perera Dip.In.Val. F.I.V. indicates only the method of ascertaining the maximum amount payable to the owner of the Estate for the 30 years period which was Rs. 88,000,000/-.

15.1 The carrying amounts of right-of-use assets recognised and its movements during the year:

AS AT 31 ST MARCH	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Cost				
Balance as at 01 April	219,808,494	209,658,252	-	-
Additions during the year	-	11,398,552	-	-
Disposals / write-offs during the year	-	(1,248,310)	-	-
Cost as at 31 March	219,808,494	219,808,494	-	-
Accumulated amortisation				
Balance as at 1 April	101,467,341	85,125,219	-	-
Disposals / write-offs during the year	-	(691,371)	-	-
Charge for the year	15,796,036	17,033,493	-	-
Accumulated amortisation as at 31 March	117,263,377	101,467,341	-	-
Net book value as at 31 March	102,545,117	118,341,153	-	-

15.2 The carrying amounts of lease liability (included under current and non current liabilities) and its movements during the year:

AS AT 31 ST MARCH	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April	170,028,264	162,206,252	-	-
Disposals / write-offs during the year	-	(745,899)	-	-
Additions during the year	-	11,398,552	-	-
Accretion of interest	14,722,775	11,628,553	-	-
Payments	(27,523,913)	(28,872,164)	-	-
Exchange (Gain) / Loss	(3,926,203)	14,412,970	-	-
Balance as at 31 March	153,300,923	170,028,264	-	-
Current	4,099,374	24,692,295	-	-
Non- current	149,201,549	145,335,969	-	-
Balance as at 31 March	153,300,923	170,028,264	-	-

15.3 Amount recognized in profit or loss

Interest on lease liabilities	14,722,775	11,628,553	-	-
amortization of right to use assts	15,796,036	17,033,443	-	-

15.4 Amount recognized in Statement of cash flows

Total cash outflow for leases	27,523,913	28,872,164	-	-
-------------------------------	------------	------------	---	---

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

16. Investment Property

16.1	Group	Land Rs.	Building Rs.	2024 Rs.	2023 Rs.
	Balance as at the beginning of the Year	232,591,320	118,364,056	350,955,376	320,757,694
	Acquisitions of subsidiary during the Year	-	300,000,000	300,000,000	-
	Additions During the year	5,133,116	18,010,094	23,143,210	-
	Transfers to PPE during the year	(232,591,320)	(118,364,056)	(350,955,376)	-
	Change in Fair Value	-	-	-	30,197,682
	Balance as at the end of the Year	5,133,116	318,010,094	323,143,210	350,955,376

16.1.1 The Subsidiaries' Investment Property has been accounted for as property, plant and equipment in the Financial Statements of the Group in view of it being owner occupied property from the Group's point of view, and thereby changes in fair value adjusted respectively.

16.1.2 Rental Income earned from Investment Property by the group amounted to Rs.20,257,080 (2022/2023 No Rental income) and Rs.9,157,938 Operating Expenses incurred in relation to the Investment Property during the year (2022/23 - 265,263)

16.1.3 Fair value of the Investment Property is ascertained by annual independent valuation carried out by A.A.M.FATHIHU-MRICS- (Sri Lanka) as at 31 March 2024

The Market value has been used as the fair value in determining the fair value. The current condition of the properties and future usability have been considered. Also valuer has made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size, usage a location.

Company	Location	Rented Out Warehouse					
		Market Value as at March 2024	31st Extent	Per SF / Perch Value	Increase +10%	Decrease -10%	
		Rs.		Rs.	Rs.	Rs.	
Renuka Trading (Pvt) Ltd	Dematagoda	Building	250,273,302	SF 31,363	7,980	25,027,330	(25,027,330)
		Land	69,418,872	Perch 75.61	918,118	6,941,887	(6,941,887)

Valuation techniques	Significant unobservable inputs	Inter - relationship between Significant unobservable inputs and fair value measurement
Investment method ; This method involves capitalisation of the expected rental income at an appropriate rate for years since purchased, currently characterised by the for rental property market.	Gross Monthly Rental Years Purchase (Present value of 1 unit per period void Period)"	Estimated fair value would Increase/ (decrease) if Gross annual rental increases/ (decreases) Years Purchase increases/ (decreases) Void Period increase/ (decrease)

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

17 . BIOLOGICAL ASSETS

AS AT 31ST MARCH	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April	128,101,107	120,940,042	-	-
Additions during the year	19,631,494	16,505,791	-	-
Gain / (Loss) on fair value during the year	13,254,207	(9,344,726)	-	-
Balance as at 31st March	160,986,808	128,101,107	-	-

Represented By	GROUP		COMPANY	
	2024	2023	2024	2023
Biological Assets at fair value (Note	69,146,356	54,076,741	-	-
Biological Assets at cost less (Note)	89,264,086	71,454,801	-	-
Immature pepper plantation	2,576,366	2,569,566	-	-
	160,986,808	128,101,108	-	-

Biological Assets at Fair value

Biological Assets as at 31st March 2024 consists of Ceylon Forestry (Pvt) Limited's investments made for Teak and Mahogany Plants, Kandy Plantations Limited's investment in Coconut Plant Nursery and Coco Lanka (Private) Ltd, Investments made on Chashew and timber plants.

Kandy plantation

During the year, the Company has incurred Rs.2,861,564/- (2023- Rs.2,846,032/-) in planting coconut nursery. The nursery is for in plant vacant areas of the plantation held by the Company.

The biological asset is carried out at cost as at the reporting date, since the nursery has just started its operation and the expected useful life is estimated to be 7 years.

Coco Lanka (Pvt) Ltd

Managed trees include commercial teak timber plantations, coconut and cashew nurseries on the estate in Ambalam village in Puttalam. The cost of immature trees up to 5 years from planting are treated as approximate fair value particularly on the grounds of little biological transformation has taken place and impact of the biological transformation on price is not material.

When such plantation become mature, the additional investment since taken over to bring them to maturity are transferred from immature to mature.

The fair value of managed trees (Timber) was ascertained in accordance with LKAS 41 – "Agriculture". The Valuation was carried out by an independent Chartered Valuation Surveyor Mr. W.M. Chandrasena FIV (SL) MRICS (UK), Chartered valuation surveyor using discounted Cash Flows (DCF) method.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Ceylon Forestry (Private) Limited

The biological asset is on leased land owned by Ceylon Botanicals (Private) Limited (a subsidiary company of the ultimate holding Company Renuka Holdings PLC), for which rent has been paid by Ceylon Forestry (Private) Limited. The total extent of the land is 67A- 3R-03.00P. The timber planted area is 42 acres and pepper is 05 acres. Number of Timber Trees are 13,997 Last year and Pepper trees are 3,500.

Managed trees include commercial teak timber plantations and pepper plantation cultivated on the estates in Matale. The cost of immature trees up to 5 years from planting are treated as approximate fair value particularly on the grounds of little biological transformation has taken place and impact of the biological transformation on price is not material.

When such plantation become mature, the additional investment since taken over to bring them to maturity are transferred from immature to mature.

The fair value of managed Timber trees was ascertained in accordance with LKAS 41 – "Agriculture" which is applicable only for managed agricultural activity in terms of the ruling issued by the Institute of Chartered Accountants of Sri Lanka. The Valuation was carried out by an independent Chartered Valuation Surveyor Mr. W.M. Chandrasena FIV (SL) MRICS (UK) using discounted Cash Flows (DCF) method.

Valuation of biological assets are considered as a level III valuation, and details of the valuation are given below.

17.1 Biological Assets at Fair value

Biological Assets as at 31st March 2024 consists of Ceylon Forestry (Pvt) Limited's investments made for Teak and Mahogany Plants, Kandy Plantations Limited's investment in Coconut Plant Nursery and Coco Lanka (Private) Ltd, Investments made on Chashew and timber plants.

17.1.1 Kandy Plantation (Private) Limited

The biological asset is on the land owned by Kandy Plantation (Private) Limited, for which rent has been paid by Ceylon Forestry (Private) Limited. The total extent of the land is 67 A-3R-03 00P. The timber planted area is 42 acres and pepper is 5 acres. Number of timber trees are 11,924 and Pepper trees are 3,500.

Managed trees include commercial teak timber plantations and pepper plantation cultivated on the estates in Matale. The cost of immature trees up to 5 years from planting are treated as approximate fair value particularly on the grounds of little biological transformation has taken place and impact of the biological transformation on price is not material.

When such plantation become mature, the additional investment since taken over to bring them to maturity are transferred from immature to mature.

The valuation was carried out by an independent Chartered Valuation Surveyor Mr.W. M. Chandrasena FIV (SL) MRICS (UK) using Discounted Cash Flows (DCF) method.

Valuation of biological assets are considered as a level III valuation, and details of the valuation are given below.

17.1.2 Coco Lanka (Private) Limited

The biological asset is on the land owned by Coco Lanka (Pvt) Ltd. The total extent of the land is 165 Acres.

Managed trees include commercial teak timber plantations and coconut nursery on the estates in Puttalam. The cost of immature trees up to 5 years from planting are treated as approximate fair value particularly on the grounds of little biological transformation has taken place and impact of the biological transformation on price is not material.

When such plantation become mature, the additional investment since taken over to bring them to maturity are transferred from immature to mature.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

17.1.3 Factors Considered in valuation are as follows

Variable	Comment
Timber Content	Estimated based on the girth (range between 30 to 48 inch), height (range between 15 to 39 nears) and considering the growth and present age of the trees of each species in different geographical regions, factoring all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company approved by the Forestry Department.
Economic Useful Life	Estimated based on normal life (25-35 years) span of each species by factoring the forestry plan of the Company approved by the Forestry Department.
Selling Price	Estimated based on prevailing Sri Lankan market prices is Rs. 950/- to Rs. 3,000/- per cubic ft.(2023- Rs.800/- to Rs. 1,350/-) factoring all the conditions to be fulfilled in bringing the trees in to salable condition
Discount Rate	Future cash flows are discounted at the rate of 18% (2022 / 23 -19%)

The valuations, as presented in the external valuation models based on net present values, take into account the long-term exploitation of the timber plantation. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realizable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long-term price projections are highly unpredictable. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in the LKAS 41 against his own assumptions.

Inter-relationship between key unobservable inputs and fair value measurement:	The estimated average future sales price of timber may increase or decrease within a +10% to -10% range.
	Inter-relationship between key unobservable inputs and fair value measurement: The estimated average future sales price of timber may increase or decrease within a +10% to -10% range. The risk-adjusted discount rate of 18% may stimulate an increase or a decrease between the ranges +1% to -1%

17.1.4 Sensitivity Analysis

Sensitivity variation on sales price

Values as appearing in the Statement of Financial Position are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber, shows that an increase or a decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

Sales price fluctuation	+10%		-10%
Manage Timber	Rs.	Rs.	Rs.
As at 31st March 2024	72,444,625	65,858,750	59,272,875

Sensitivity variation on discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber, shows that an increase or a decrease by 1% of the estimated discount rate has the following effect on the net present value of biological assets:

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Discount rate fluctuation

	+1%		-1%
	Rs.	Rs.	Rs.
As at 31st March 2024	61,123,045	65,858,750	71,073,236

Biological Assets at cost less depreciation include coconut nursery. The nursery is for replant vacant areas of the plantation held by Kandy Plantations Ltd and Coco Lanka (private) Limited.

18. INVESTMENT IN SUBSIDIARIES

	Number of Shares	Effective Holding	Effective Holding	Company	
		% 2024	% 2023	31.03.2024 Rs.	31.03.2023 Rs.
Direct-Subsidiaries					
Renuka Agri Foods PLC	570,592,361	74.07%	65.12%	822,140,095	791,047,245
Renuka Agri Organics (Pvt) Ltd	2,000,000	79.07%	79.07%	152,499,000	152,499,000
Shaw Wallace Ceylon Ltd	295,000,000	85.03%	85.03%	1,244,603,190	1,244,603,190
Richlife Dairies Ltd	40,580,000	100.00%	100.00%	1,105,000,000	1,105,000,000
Sub-Subsidiaries					
Renuka Development (Pvt) Ltd	15,509,660	65.12%	65.12%	-	-
Kandy Plantation Ltd	20,500,000	55.56%	63.04%	-	-
Ceylon Forestry (Pvt) Ltd	350,000	26.02%	37.82%	-	-
Shaw Wallace Properties Limited	7,333,335	85.03%	85.03%	-	-
Renuka Trading (Pvt) Ltd.	33,121,400	85.03%	0.00%	-	-
Coco Lanka (Pvt) Ltd	2,400,000	49.34%	63.61%	-	-
				3,324,242,285	3,293,149,435

Balance as at 01.04.2023	3,293,149,435
Acquisition during the year	31,092,850
Balance as at 31.03.2024	3,324,242,285

Consolidation of entities in which the Group holds less than a majority of voting rights

Consolidation of entities in which the Group holds less than a majority of voting rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1. The contractual arrangement with the other vote holders of the investee
2. Rights arising from other contractual arrangements; and
3. The Group's voting rights and potential voting rights

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

18.1 GROUP INVESTMENTS IN SUBSIDIARIES

The following transaction is an investment made by the group.

Renuka Trading (Pvt) Limited

On 28th November 2023, Shaw Wallace Ceyon Limited incorporated a subsidiary named Renuka Trading (Pvt) Ltd investing in 33,121,400 ordinary voting shares of at Rs.100 per share for a consideration of Rs. 331,214,500/- whereby the company obtains 100% stake of the stated Capital of Renuka Trading (Pvt) Ltd (Effectively group held 85%).

Renuka (Pvt) Limited

On 1st September 2023, Renuka Agri Organics purchased of Renuka (Pvt) Ltd., 3,010,120 ordinary voting shares & 302,024 non, voting shares at Rs.100 per share for a consideration of Rs. 331,214,400/- whereby the company acquired 100% stake of the stated Capital of Renuka (Pvt) Ltd (Effectively group held 79.07%). By the aforesaid transaction, the Group obtained the power to govern the financial and operating policies of Renuka (Pvt) Ltd.

Following table summarised the acquisition of Renuka Trading (Pvt) Limited and Renuka (Pvt) Ltd.

	Rs. Renuka (Pvt) Limited
A. Consideration transferred	
Cash consideration paid	331,214,400
Total Consideration	331,214,400
B. Identifiable assets acquired, and liabilities assumed	
The following information summarizes the recognized amount of assets acquired and liabilities assumed at the date of acquisition.	
Assets	
Investment Property	300,000,000
Trade and Other Receivables	14,424,977
Income tax receivable	374,790
Cash and Cash Equivalents	30,836,300
	345,636,067
Liabilities	
Deferred Tax Liability	(36,600,000)
Total identifiable net assets as at acquisition date	309,036,067
C. Goodwill	
Goodwill arising from the acquisition has been recognized as follows;	
Total cash consideration transferred (A)	331,214,400
(-) Cash consideration attributable to NCI	(69,324,158)
Cash consideration attributable to Parent	261,890,242
NCI at acquisition, based on their proportionate net assets acquired	64,682,167
(-) Fair value of identifiable net assets acquired (B)	(309,036,067)
Goodwill raised from the business combination	17,536,341

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

There after, Renuka (Pvt) Ltd merged with Renuka Trading on 28th February 2024 and surviving entity was Renuka Trading (Pvt) Limited.

Shaw Wallace Ceylon Limited

On 28th Novemeber 2023, Shaw Wallace Ceylon Limited purchased 3,312,144 ordinary shares of Renuka Trading (Pvt) Ltd at Rs 10.00 per share for Rs. 331,214,400.

Renuka Agri Organics (Pvt) Ltd

On 28th Novemeber 2023, Renuka Agri Organics (Pvt) Limited sold 3,312,144 ordinary shares in Renuka (Pvt) Ltd to Renuka Trading (Pvt) Ltd for Rs 331,214,400.

On 12th January 2024, Renuka Agri Organics (Pvt) Ltd has additionally invested in 6,400,015 shares of Kandy Plantations Limited.

Renuka Organics (Pvt) Limited

On 15th February 2024, Renuka Organics (Pvt) Ltd has invested in 614 and 839 shares in Shaw Wallace Ceylon Limited amounting to Rs. 9,532

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

18.2 PRINCIPAL SUBSIDIARIES

The following disclosure excerpt highlights the Group composition and the proportion of ownership interests held by NCI.

Company and Country of Incorporation/ Operation	Principal Activities	Location	Class of Shares Held	As at 31st March 2024			As at 31st March 2023		
				Proportion of class held	Group Interest (%)	Non-controlling interest (%)	Proportion of class held	Group Interest (%)	Non-controlling interest (%)
Renuka Agri Foods PLC	Manufacture & export of coconut based products	Wathupitiwala	Ordinary	74.07%	74.07%	25.93%	65.12%	65.12%	34.88%
Renuka Agri Organics Ltd	Manufacture & export of coconut based products	Wathupitiwala	Ordinary	79.07%	79.07%	20.93%	79.07%	79.07%	20.93%
Shaw Wallace Ceylon Ltd	Manufacturing & distribution of Fast Moving Consumer Goods	Ekala Colombo 9	Ordinary	85.03%	85.03%	14.97%	85.03%	85.03%	14.97%
Richlife Dairies Ltd	Manufacturing of dairy & fruit juice based products	Wadduwa	Ordinary	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%
Renuka Developments (Pvt) Ltd	Investment in plantation / farm & vertical integration projects	Unagahadeniya	Ordinary	65.12%	65.12%	34.88%	65.12%	65.12%	34.88%
Kandy Plantations Ltd	Engaged in organic certified cultivation of agriculture	Matale	Ordinary	55.56%	55.56%	44.44%	63.04%	63.04%	36.96%
Ceylon Forestry (Pvt) Ltd	Planting & managing of forestry	Matale	Ordinary	26.02%	26.02%	73.98%	37.82%	37.82%	62.18%
Shaw Wallace Properties (Pvt) Ltd	Providing warehousing facilities	Paliyagoda	Ordinary	85.03%	85.03%	14.97%	85.03%	85.03%	14.97%
Coco Lanka (Pvt) Ltd	Plantation	Puttalam	Ordinary	49.34%	49.34%	50.66%	63.61%	63.61%	36.39%
Renuka Trading (Pvt) Ltd	Providing warehousing facilities	Colombo 9	Ordinary	85.03%	85.03%	14.97%	85.03%	85.03%	14.97%

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

18.2 PRINCIPAL SUBSIDIARIES (CONTD...)

Non-controlling interest represent the equity in subsidiaries that are not attributable, directly or indirectly to the parent Company. Profit or loss and each component of other comprehensive income are attributed to the Company and non-controlling interests. Losses are attributed to non-controlling interests even if the noncontrolling interests balance reported in the consolidated statement of financial position in negative.

Non-controlling interests are directly recognized as the difference between the proceeds received and the carrying amount of the acquired interests. The difference is recorded as a reduction or increase in equity under transactions with non-controlling interests. Upon disposal of rights in a subsidiary that does not result in a loss of control, an increase or decrease in equity is recognized as the difference between the consideration received by the Group and the carrying amount of the non-controlling interests in the subsidiary adjusted for the disposal of goodwill in the subsidiary, if any, and amounts recognized in other comprehensive income, if any. Transaction costs in respect of transaction with non-controlling interests as also recorded in equity.

Significant inter group balances and transaction and gain or loss resulting from intergroup transactions are eliminated in full in the consolidated financial statements.

The financial statement of the Company and of the consolidated investees are prepared as of the same date and period. The accounting policies in the financial statements of those investees are applied consistently and uniformly with the policy applied in the financial statement of the Company.

18.3 NON CONTROLLING INTERESTS (NCI)

The following table summarises the information relating to the Group's subsidiaries that have Non- Controlling Interest

	Renuka Agri Foods PLC	Renuka Agri Organics Ltd	Shaw Wallace Ceylon Ltd
NCI Percentage	25.93%	20.93%	14.97%
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Non Current Assets	3,693,918,800	539,740,499	1,976,891,720
Current Assets	2,034,964,556	609,371,823	744,733,244
Non Current Liabilities	(391,908,425)	(94,870,941)	(220,803,777)
Current Liabilities	(2,486,889,132)	(337,251,303)	(550,882,711)
Net Assets	2,850,085,799	716,990,078	1,949,938,476
Net Assets attributable to NCI before elimination adjustments	738,959,648	150,068,154	291,821,801
Revenue	4,679,017,063	1,104,427,038	2,764,876,604
Loss for the year	(568,813,586)	(15,062,555)	(22,107,818)
Other Comprehensive Income/ (Expenses)	5,839,062	(1,210,634)	(214,044,245)
Total Comprehensive Expenses	(562,974,524)	(16,273,189)	(236,152,063)
Loss allocated to NCI	(147,479,871)	(3,152,638)	(3,308,588)
OCI allocated to NCI	1,513,930	(253,389)	(32,033,204)
Cash flows from / (used in) operating activities	(177,184,744)	565,409,588	(368,797,281)
Cash flows from / (used in) investment activities	(37,917,129)	(1,854,240)	575,335,039
Cash flows from / (used in) finance activities	(307,900,604)	(325,678,162)	(239,013,295)

- Richlife Dairies Ltd is fully owned subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

18.4 CHANGES IN INTEREST WITHOUT A CHANGE IN CONTROL

- a) On 12th January 2024, Renuka Agri Organics (Pvt) Ltd has additionally invested in 6,400,015 shares of Kandy Plantations Limited .
- b) On 07th September 2023, Shaw Wallace Ceylon Limited purchased 60,087,633 shares of Renuka Agri Foods PLC from outside the group.

	Kandy Plantations Limited	Renuka Agri Foods PLC	Total
Change in effective interest of NCI (%)	-5.00%	8.95%	
Consideration Paid (Rs.)	147,200,345	298,098,375	445,298,720
Carrying amount of NCI acquired (Rs.)	76,471,816	(243,504,094)	(167,032,278)
Increase in equity attributable to owners of the Company (Rs.)	223,672,161	54,594,281	278,266,442

As a result the effective interest of the subsidiaries has change the Group effective interest of the following subsidiaries

	Effective Holding %	Change in NCI (Rs.)
Ceylon Forestry (Private) Limited	4.49%	3,035,437
Coco Lanka (Private) Lintied	-3.63%	(9,167,294)
Renuka (Pvt) Ltd	-5.96%	(18,426,332)
Increase in equity attributable to owners of the Company (Rs.)		(24,558,190)
Net decrease in equity attributable to owners of the Company (Rs.)		(191,590,468)

The net decrease in equity attributable to owners of the Company comprised of;

- a increase in the revaluation reserves of Rs. 1,799,364; and
- a decrease in the retained earnings of Rs. 108,316,802.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

19. INVESTMENT IN FVOCI FINANCIAL ASSETS

The Group designated the investment shown below as equity securities at FVOCI because these equity securities represent investments that the group intends to hold for the long term for strategic purposes

As at 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Non Current				
Shaw Wallace & Hedges Limited (19.1)	-	556,572,883	-	-
Total	-	556,572,883	-	-

19.1 INVESTMENT IN FVOCI FINANCIAL ASSETS

	Fair value as at 31st March		Dividend Income Recognized	
	2024	2023	2024	2023
Shaw Wallace & Hedges Limited	-	556,572,883	-	-
Total	-	556,572,883	-	-

20. INTANGIBLE ASSETS

As at 31st March	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Goodwill (Note 20.1)	203,598,916	203,598,916	-	-
Computer Software (Note 20.2)	900,757	1,107,222	-	-
Trade Marks (Note 20.3)	6,232,952	7,742,952	-	-
Total	210,732,625	212,449,090	-	-

20.1 GOODWILL

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at the beginning of the year	203,598,916	203,598,916	-	-
On Acquisition during the year	17,536,342	-	-	-
Disposal of subsidiary	-	-	-	-
Impairment during the year	(17,536,342)	-	-	-
Balance as at the end of the year	203,598,916	203,598,916	-	-

20.1.1 The Group goodwill has been allocated to the following cash generating units, for impairment testing.

As at 31st March	2024 Rs.	2023 Rs.
Renuka Agri Foods PLC	28,455,402	28,455,402
Richlife Dairies Ltd	133,024,682	133,024,682
Shaw Wallace Ceylon Ltd	40,062,623	40,062,623
Ceylon Forestry (Pvt) Ltd	1,519,005	1,519,005
Kandy Plantations Ltd	537,204	537,204
Total	203,598,916	203,598,916

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

20.1.2 Renuka Agri Foods PLC

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Estimated Recoverable value exceeded carrying value by Rs.571Mn

The key assumptions used in the estimation of the recoverable amount are set out below. Key assumptions are determined based on management experience, expectation of future outcome taking into account past experience adjusted for anticipated growth, historical data and industry norms.

Discount rate	15%
Revenue growth rate	Year 2 to Year 6 – 10%
Terminal growth rate	1%

20.1.3 Richlife Dairies Limited

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Estimated Recoverable value exceeded carrying value by Rs.2,181Mn

The key assumptions used in the estimation of the recoverable amount are set out below. Key assumptions are determined based on management experience, expectation of future outcome taking into account past experience adjusted for anticipated growth, historical data and industry norms.

Discount rate	15%
Revenue growth rate	Year 2 to Year 6 – 7%
Terminal growth rate	1%

20.1.4 Shaw Wallace Ceylon Limited

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Estimated Recoverable value exceeded carrying value by Rs.175Mn

The key assumptions used in the estimation of the recoverable amount are set out below. Key assumptions are determined based on management experience, expectation of future outcome taking into account past experience adjusted for anticipated growth, historical data and industry norms.

Discount rate	15%
Revenue growth rate	Year 2 to Year 6 – 10%
Terminal growth rate	1%

The following table shows the amount by which the key assumptions would need to change individually for the estimated recoverable amounts to be equal to the carrying value.

	Renuka Agri Food Plc	Richlife Dairies Ltd	Shaw Wallace Ceylon Ltd
Discount Rate	13.44%	18.25%	3.25%
Growth Rate	-1.00%	-2.00%	-1.00%

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

20.2 Computer Software

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at the Beginning of the Year	1,107,222	1,912,743	-	-
Additions made during the year	120,460	-	-	-
Amortization during the year	(326,925)	(805,521)	-	-
Balance as at the End of the Year	900,757	1,107,222	-	-

20.3 Trade Mark

	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at the Beginning of the Year	7,742,952	10,596,788	-	-
Amortization during the year	(1,510,000)	(2,853,836)	-	-
Balance as at the End of the Year	6,232,952	7,742,952	-	-

Mayfair Foods (Pvt) Ltd has acquired the "Mayfair" trade mark for a sum of Rs. 15Mn during the year 2016/17. The Management is of the opinion that the trade mark has a useful economic life of 10 years. With the amalgamation with Shaw Wallace Ceylon Limited, the same is reflected in Shaw Wallace Ceylon Limited.

Total Intangible Assets	210,732,625	212,449,090	-	-
--------------------------------	--------------------	--------------------	----------	----------

21. INVENTORIES

AS AT 31ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Raw Materials & Consumables	623,006,573	356,425,333	-	-
Finished Goods	1,172,734,234	1,678,879,488	-	-
Harvested Crops	5,385,831	-	-	-
Spares & Consumables	421,310,007	385,229,611	-	-
Packing Material & Chemicals	211,854,604	665,916,650	-	-
Work in Progress	58,496,770	177,644,296	-	-
Goods in Transit	9,845,811	33,398,741	-	-
	2,502,633,830	3,297,494,119	-	-
Provision for Slow moving items (Note 21.1)	(85,342,403)	(177,768,202)	-	-
	2,417,291,427	3,119,725,917	-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

21.1 Provision for Obsolete Inventories

	GROUP		COMPANY	
AS AT 31ST MARCH	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April	177,768,202	136,185,322	-	-
Provision/(Reversal) made during the year	(92,425,799)	41,582,880	-	-
Balance as at 31st March	85,342,403	177,768,202	-	-

22. TRADE & OTHER RECEIVABLES

	GROUP		COMPANY	
AS AT 31ST MARCH	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade & Other Receivables				
Trade Debtors & Bills Receivable	1,848,580,401	1,737,236,843	-	-
VAT Recoverable	3,248,615	7,708,067	-	-
Deposits & Pre-Payments	350,581,751	321,106,777	180,000	180,000
Taxes Recoverable	471,101	82,030	-	82,030
WHT Recoverable	1,989,606	778,483	54,351	40,516
Advances Payments	14,661,429	58,106,202	36,488	-
Staff Advances	6,649,109	10,520,370	-	-
Other Receivables	117,635,900	100,893,109	-	36,488
	2,343,817,912	2,236,431,878	270,839	339,034
Provision for doubtful debts (Note 22.1)	(36,406,652)	(38,736,472)	-	-
Balance as at 31st March	2,307,411,260	2,197,695,406	270,839	339,034

22.1 Impairment provision

	GROUP		COMPANY	
AS AT 31ST MARCH	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April	38,736,472	34,413,583	-	-
Provision / (Reversal) made during the year	(2,329,820)	4,322,889	-	-
Balance as at 31st March	36,406,652	38,736,472	-	-

23. AMOUNTS DUE FROM RELATED COMPANIES

	GROUP		COMPANY	
AS AT 31ST MARCH	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Ceylon Land & Equity PLC	321,757	595,000,000	-	-
Renuka Holding PLC	104,501	-	-	-
Renuka Enterprises (Pvt) Ltd	-	14,729,061	-	-
Renuka Agro Exports Limited	303,238	-	-	-
Balance as at 31st March	729,496	609,729,061	-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

24. CASH & CASH EQUIVALENTS

24.1 Favorable Balances

	GROUP		COMPANY	
AS AT 31ST MARCH	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Favourable Balances	35,776,519	145,709,541	-	-
Call Deposits	282,143,940	744,475,985	13,026,527	18,851,184
Cash at bank	317,920,459	890,185,526	13,026,527	18,851,184

24.2 Unfavorable Balances

	GROUP		COMPANY	
AS AT 31ST MARCH	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Bank Overdraft	(291,001,762)	(194,893,563)	-	-
Cash & Cash Equivalents for Cashflow Purpose	26,918,697	695,291,963	13,026,527	18,851,184

Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

	GROUP		COMPANY	
AS AT 31ST MARCH	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
25. STATED CAPITAL				
No of Shares				
Voting Shares				
At the Beginning of the year	117,960,106	117,960,106	117,960,106	117,960,106
Issued during the year	2,043,439	-	2,043,439	-
At the End of the year	120,003,545	117,960,106	120,003,545	117,960,106
Non Voting Shares				
At the Beginning of the year	4,773,346	4,773,346	4,773,346	4,773,346
Issued during the year	97,854	-	97,854	-
At the End of the year	4,871,200	4,773,346	4,871,200	4,773,346
Balance as at 31st March	124,874,745	122,733,452	124,874,745	122,733,452

The holders of ordinary shares are entitled to receive dividends as declared from time to time and only voting shareholders are entitled to one vote per individual present of meetings of the shareholders or one vote per share in the case of a poll.

On 12th September 2023 company has issued 2,043,439 new ordinary voting shares and 97,854 non voting shares as script dividend.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

25.1 Value of Issued and Fully Paid Ordinary Shares

AS AT 31ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At the Beginning of the year	2,241,842,234	2,241,842,234	2,241,842,234	2,241,842,234
Issued during the year	47,436,536	–	47,436,536	–
At the End of the year	2,289,278,770	2,241,842,234	2,289,278,770	2,241,842,234

26. RESERVES

AS AT 31ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revaluation Reserve (Note 26.1)	669,402,484	662,164,336	–	–
At the End of the year	669,402,484	662,164,336	–	–

26.1 Revaluation Reserve

AS AT 31ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at Beginning of the Year	662,164,336	737,310,185	–	–
Other Comprehensive Income, net of tax	5,438,785	(75,145,849)	–	–
Acquisition of NCI without changes in control	10,679	–	–	–
Impact due to changes in effective holdings of subsidiaries	1,788,685	–	–	–
Balance as at the End	669,402,484	662,164,336	–	–

Revaluation reserve relates to the revaluation of land and buildings.

AS AT 31ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
27. Deferred Tax Liability				
Balance As at 1st April	653,677,915	470,301,364	–	–
Acquisition through amalgamation	41,559,446	–	–	–
Acquisition of Subsidiary	36,600,000	–	–	–
Impact of Rate Difference	–	97,516,548	–	–
Provision Made/(Reversal) during the year (Note 27.2)	(135,923,369)	85,860,003	–	–
Balance as at the End of the Year	595,913,992	653,677,915	–	–

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

27.1 Provision for Deferred Tax is attributable to the followings.

AS AT 31ST MARCH	2024		2023	
	Temporary Differences	Tax Effect	Temporary Differences	Tax Effect
	Rs.	Rs.	Rs.	Rs.
On Property Plant and Equipment	1,918,837,330	372,943,261	1,745,071,785	348,506,107
On Right of use Asset	97,584,436	19,829,557	136,618,120	31,565,041
On Investment properties	678,084,562	203,425,369	542,309,116	110,958,260
Fair Value Gain on Investment	80,802,433	24,240,730	161,336,883	48,401,065
Revaluation of Land & Building	963,273,861	284,358,114	971,651,721	286,871,472
On Retirement Benefit Obligation	(108,680,009)	(24,978,241)	(100,216,225)	(21,480,471)
On Carried Forward Tax Losses	(1,162,164,983)	(212,602,927)	(205,745,141)	(61,723,542)
On lease liability	(182,538,776)	(37,260,821)	(165,359,796)	(35,573,564)
On Provision for bad debts/ Stocks	(120,540,886)	(34,041,049)	(217,498,470)	(53,846,453)
	2,164,657,967	595,913,992	2,868,167,993	653,677,915

27.2 Reconciliation of Deferred Tax Provision

AS AT 31ST MARCH	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
(Reversal) /Recognized in Profit or Loss	110,499,046	(84,338,971)	-	-
(Reversal) /Recognized in OCI	25,424,323	(99,037,580)	-	-
Tax Effect	135,923,369	(183,376,551)	-	-

27.3 The Group has not recognized the deferred tax asset on tax losses arising from Kandy Plantations Limited, amounting to Rs. 9,729,826 as these companies are exempted from income tax under agro forming for five years of assessments commencing from 1st April 2021 as per the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto. Further in relation to these companies related other temporary differences also not recognized, as the management is of the opinion that the realization of the same is remote. Further Rs 152,902,560 tax loss of Richlife Diaries Ltd & Rs 132,509,945 tax loss of Shaw Wallace Ceylon Ltd not consider when calculating deferred tax loss.

27.4 Renuka Agri Foods PLC have applied the effective tax rate of 15% (2022/23 - 14%) whereas, 30% was applied by Renuka Developments (Pvt) Ltd, Richlife Dairies Ltd and Shaw Wallace Properties (Pvt) Ltd respectively for the calculation of deferred tax liability as at the reporting date.

28. INTEREST BEARING BORROWINGS

AS AT 31ST MARCH	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at the Beginning of the year	2,358,625,266	2,536,877,667	-	-
On Acquisition of Subsidiaries	-	-	-	-
Addition due to amalgamation	133,800,000	-	-	-
Addition During the year	12,828,407,338	7,577,205,522	-	-
Disposal of subsidiary	-	-	-	-
Interest accrued	-	203,807	-	-
Payments During the year	(12,245,658,858)	(7,755,661,730)	-	-
	3,075,173,746	2,358,625,266		
Payable within one year	2,823,785,546	1,998,903,466	-	-
Payable after one year	251,388,200	359,721,800	-	-
Balance as at 31st March	3,075,173,746	2,358,625,266	-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

28.1 Renuka Agri Foods PLC

Details of loans obtained by the Company are set out below.

Financial Institution	Facility Obtained	Outstanding Balance		Repayment	Assets Pledged
		2024	2023		
Sampath Bank PLC	Short Term Loan	320,000,000	420,000,000	Repayable on Demand	-
Hatton National Bank PLC	Short Term Loan	1,012,000,000	1,053,000,000	Repayable on Demand	-
Hatton National Bank PLC	Term Loan	212,500,000	287,500,000	Commencing from March 2021	Negative pledge over Coconut milk processing plant for UHT
Commercial Bank PLC	Term Loan	147,221,800	180,555,400	71 monthly installments of Rs. 2,777,800/- & Rs. 2,776,200 as final.	Rs. 200 mn. Corporate Guarantee from Renuka Foods PLC
National Development Bank PLC	Packing Credit Loan	-	-	Repayable on Demand	Lodgment of confirmed orders
National Development Bank PLC	Short Term Loan	100,211,946	150,000,000	Repayable on Demand	-
		1,791,933,746	2,091,055,400		

28.2 Shaw Wallace Ceylon Ltd

Details of loans obtained by the Company are set out below.

Financial Institution	Facility Obtained	Outstanding Balance		Repayment	Assets Pledged
		2024	2023		
Hatton National Bank PLC	Term Loan	100,000,000	182,428,000	Payable within 120 days from draw down date.	Board Resolution dated 4th January 2021
Nations Trust Bank	Term Loan	-	5,434,783	Payable within 90 days from draw down date.	Board resolution dated 21.01.2020
Commercial Bank	Term Loan	150,000,000		Payable within 90 days from draw down date.	Board resolution dated 21.07.2023
		250,000,000	187,862,783		

28.3 Kandy Plantations Ltd

Details of loans obtained by the Company are set out below.

Financial Institution	Facility Obtained	Outstanding Balance		Repayment	Assets Pledged
		2024	2023		
Commercial Bank	Working Capital Financing	-	2,594,154	Interest to be paid during the Grace Period of 6 months. Thereafter it is repayable in 17 equal monthly installments of Rs.555,600/- and a final installment of Rs.554,800/- plus interest	Corporate Gurantee of Renuka Foods PLC for Rs. 10,000,000/-
		-	2,594,154		

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

28.4 Renuka Agri Organic Ltd.

Details of loans obtained by the Company are set out below.

Financial Institution	Facility Obtained	Outstanding Balance		Repayment	Assets Pledged
		2024	2023		
Commercial Bank of Ceylon PLC	Term Loan	-	8,780,493	56 monthly installments	Rs. 300 million Corporate Grantee from Renuka Foods
Hatton National Bank PLC	Packing Credit Loan	150,000,000	-	Repayable on demand	Lodgment of confirmed orders
Total		150,000,000	8,780,493		

28.5 Richlife Dairies Limited

Details of loans obtained by the Company are set out below.

Financial Institution	Facility Obtained	Outstanding Balance		Repayment	Assets Pledged
		2024	2023		
Hatton National Bank PLC	Working Capital Loan	300,000,000	60,000,000	Payable within 90 days from draw down date.	Stock and Book Debt
Commercial Bank	Working Capital Loan	350,000,000	-	Payable within 90 days from draw down date.	Stock and Book Debt
Peoples Bank PLC	Working Capital Loan	-	8,332,437	24 Monthly Installments	Stock and Book Debt
Sampath Bank PLC	Working Capital Loan	233,240,000	-	Payable within 90 days from draw down date.	Stock and Book Debt
		883,240,000	68,332,437		
Total		3,075,173,746	2,358,625,267		

		GROUP		COMPANY	
AS AT 31ST MARCH		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
29. RETIREMENT BENEFIT OBLIGATION					
At the beginning of the year		99,518,118	101,919,111	-	-
Charge to Profit or Loss (Note 29.1)		31,244,135	26,695,642	-	-
Charge to OCI (Note 29.1)		(4,480,355)	(6,769,080)	-	-
Payment made during the year		(15,954,450)	(22,327,552)	-	-
		110,327,448	99,518,121	-	-

		GROUP		COMPANY	
AS AT 31ST MARCH		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
29.1 Movement in the Present Value of Defined Benefit Obligation					
Provision for PV – DBO as at 01 April		99,518,118	101,919,111	-	-
Interest Cost for the period		19,406,033	13,759,080	-	-
Current Service Cost for the period		11,838,102	12,936,562	-	-
Payments during the year		(15,954,450)	(22,327,552)	-	-
Actuarial (Gain) / Loss on PV-DBO		(4,480,355)	(6,769,080)	-	-
Benefit obligation as at 31 March		110,327,448	99,518,121	-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

- 29.2** Gratuity Liability is based on the Actuarial Valuation carried out by Mr Poopalanathan, M/S. Actuarial and Management Consultants (Pvt) Limited. Actuaries, on 31 March 2024, as per the LKAS 19 Employee Benefits. The Principal assumptions used in the 2024 actuarial valuation are as follows;

	2024	2023
Retirement Age	60	60
Discounting Rate	11%	19.50%
Salary Increment Rate	10%	15%
Withdrawal Rate assumed	32%	30%
Demographic Assumptions	A1967/70 Mortality	A1967/70 Mortality

Weighted Average Duration of the Defined Benefit Obligation is 2.7 years.

The above rates were changed to reflect the market rates.

A long-term treasury bond rate of 11% (2023-13.5%) has been used to discount future liabilities taking in to consideration the remaining working life of the eligible employees. The effect of this change resulted in an actuarial loss as the liability was higher due to lower discounting of the liability to the valuation date.

29.3 Sensitivity of assumptions employed in Actuarial Valuation

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would affect the defined benefit obligation by the amounts shown below.

AS AT 31ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Discount Rate – (1% Increase)	106,668,390	92,516,642	–	–
Discount Rate – (1% decrease)	112,005,442	101,343,908	–	–
Salary Increment Rate – (1% Increase)	112,292,786	101,887,303	–	–
Salary Increment Rate – (1% decrease)	105,808,753	91,989,197	–	–

Maturity Analysis

The following payments are expected on employee benefit plan gradually in future years **GROUP 2024**

	Rs.
Within the next 12 months	39,807,162
Between 1-2years	31,304,254
Between 2-5 years	27,374,316
Between 5-10 years	10,630,548
Beyond 10 years	1,211,168
Total	110,327,448

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

AS AT 31ST MARCH	GROUP		COMPANY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
30. TRADE AND OTHER PAYABLES				
Trade Creditors	647,830,280	653,171,057	-	-
VAT Payable	-	52,518,317	-	-
Advance Received from Customer	-	34,878	-	-
Staff Creditors	1,281,250	-	-	-
Accrued Expenses	606,335,941	521,265,829	3,424,749	2,772,014
Other Payables	427,376,031	293,433,372	30,327	30,327
	1,683,823,502	1,520,423,453	3,455,076	2,802,341
31. AMOUNTS DUE TO SUBSIDIARY COMPANIES				
Renuka Agri Foods PLC	-	-	10,931,164	10,878,271
	-	-	10,931,164	10,878,271
31.1 AMOUNT DUE TO RELATED COMPANIES				
Shaw Wallace & Hedges Ltd	-	404,548	-	-
Ceylon Botanicals (Pvt) Limited	-	99,996	-	-
Renuka Teas (Ceylon) Pvt Ltd	-	4,400	-	-
Galle Face Properties Ltd	-	1,426,081,617	-	-
	-	1,426,590,561	-	-
32. DIVIDEND PAYABLE				
Unclaimed Dividends	13,317,004	13,038,580	5,285,003	5,326,107
	13,317,004	13,038,580	5,285,003	5,326,107

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

33. RELATED PARTY DISCLOSURE

Related Party Transactions

The Company Carries out transactions with parties who are defined as related parties in Sri Lanka Accounting Standard 24 Related Party Disclosures; the details of which are reported below.

The related party transactions are carried out at the terms and conditions indicated below for the respective transactions.

33.1 Parent and Ultimate Control Party

The immediate parent of the Company is Renuka Agro Exports (Pvt) Ltd and the Ultimate Parent of the Company is Renuka Holdings PLC.

33.2 Transactions With Related Companies

33.2.1 Transactions with Related Companies – Recurring Transactions – Company

RELATED COMPANY	RELATIONSHIP	NAME OF THE COMMON DIRECTOR/S	NATURE OF TRANSACTIONS	AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS ENTERED IN TO FINANCIAL YEAR	AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS AS A % OF NET REVENUE/ INCOME	BALANCE OUTSTANDING		TERMS AND CONDITIONS OF THE RELATED PARTY TRANSACTION
						2024 Rs	2023 Rs	
Kandy Plantations Limited	Subsidiary	Dr.S.R.Rajiyah	Payment for Coconuts	12,814,294	33%	513,399	6,903,186	Settlement based on Market Rate
		Mr. R.F.N. Jayasooriya						
		Mr T A P Peiris	Net Coconut Purchase	(6,903,355)	-18%			Comparable Uncontrolled Price
Richlife Dairies Limited	Subsidiary	Mrs.I.R.Rajiyah	Interest Income	407,039	1%			Interest @ AWPLR
		Mr.S.V.Rajiyah						
		Mr.S.Vasantha Kumara						
		Mr. R.F.N. Jayasooriya	Net of Fund (Received) / Payments	(20,880,256)	0.90%	582,631	2,425,584	Actual Basis
		Mrs.J.J.B.A. Rajiyah						
		Mrs. S T R E Wijesuriya	Contract packing	19,037,303	0.96%		28,491,810	Comparable Uncontrolled Price
Renuka Enterprises Ltd	Subsidiary of Ultimate Parent	Dr.S.R.Rajiyah	Reimbursement of Expenses Net of Fund (Received) / Payments	(20,342,429)	-0.42%	-	14,626,664	Resale Price Method
		Mrs.I.R.Rajiyah		4,077,950	-0.42%			
		Mr.S.V.Rajiyah	Interest Income	1,637,835				Actual Basis

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

RELATED PARTY DISCLOSURE CONTD...

RELATED COMPANY	RELATIONSHIP	NAME OF THE COMMON DIRECTOR/S	NATURE OF TRANSACTIONS	AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS ENTERED IN TO DURING THE FINANCIAL YEAR	AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS AS A % OF NET REVENUE/ INCOME	BALANCE OUTSTANDING		TERMS AND CONDITIONS OF THE RELATED PARTY TRANSACTION
						2024 Rs	2023 Rs	
Shaw Wallace Ceylon Limited	Subsidiary	Dr.S.R.Rajiyah	Sales	430,228,713	12.58%	11,421,906	94,080,679	Resale Price Method
		Mr. R.F.N. Jayasooriya	Net of Fund (Received) / Payments	(514,124,088)	13.48%			Actual Basis
		Mr.S.V.Rajiyah						
		Mrs.J.J.B.A. Rajiyah						
		Mr. N. D. Nalliah	Interest Income	1,236,603	0.10%			Actual Basis
Renuka Agri Organics Ltd	Subsidiary	Mrs.I.R. Rajiyah						
		Mr.S. Vasantha Kumara						
		Dr.S.R.Rajiyah	Net of Fund (Received) / Payments	(337,893,384)	0.88%	53,674,587	85,938,129	Actual Basis
Galle Face Properties Ltd	Subsidiary of Ultimate Parent Renuka Holdings	Mrs.I.R.Rajiyah	Purchase of materials	305,629,841	-1.63%			Actual Basis
		Mr.S.V.Rajiyah	Purchase of materials		0.45%			Comparable Uncontrolled Price
		Mr.S.V.Rajiyah						
Renuka International	Director	Mr.S.V.Rajiyah	Interest Expenses	(5,706,058)	-0.43%	-	(4,271,206)	Intreset @ AWPLR
		Mr.S.V.Rajiyah	Royalty Payments	31,580,022		-	-	Comparable Uncontrolled Price

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

33.2.2 Transactions with Related Companies – Recurring Transactions as per CSE listing rules 9.3.2

There are no recurrent transactions other than stated above, that have been entered in to with Related Entities during the year which are more than 10% of the Company turnover that require disclosure in this Annual Report in Terms of Section 9.3.2 of the Listing Rules of Colombo Stock Exchange.

RELATED PARTY DISCLOSURE(CONTINUED)

33.3 Transactions with Related Companies – Non Recurring Transactions

REPORTING ENTITY	RELATED COMPANY	RELATIONSHIP	VALUE OF THE RELATED PARTY TRANSACTIONS ENTERED IN TO DURING THE FINANCIAL YEAR RS	VALUE OF RELATED PARTY TRANSACTIONS AS A % OF		TERMS AND CONDITIONS OF THE RELATED PARTY TRANSACTION	THE RATIONALE FOR ENTERING INTO THE TRANSACTIONS
				EQUITY	TOTAL ASSETS		
Renuka Agri Foods PLC	Renuka Agro Export (Pvt) Ltd	Subsidiary Ultimate parent	300,000	7.6%	5.7%	Based on Net Assets Value per Share	Inter Company Loan
Renuka Agri Foods PLC	Shaw Wallace Ceylon Ltd	Subsidiary	150,000,000	8.7%	6.4%	Based on Net Assets Value per Share	Inter Company Loan
Renuka Agri Foods PLC	Shaw Wallace Ceylon Ltd	Subsidiary	-150,000,000	0.2%	0.2%	Based on Net Assets Value per Share	Inter Company Loan Payment

33.4 Transactions with Related Companies – Non Recurring Transactions disclosure as per CSE Listing Rules 9.3.2

Transactions with Related Entities – Group

NAME OF THE COMPANY / PARTY	NAME OF THE COMMON DIRECTOR/S	RELATIONSHIP	NATURE OF TRANSACTION	AGGREGATE VALUE OF THE RELATED PARTY TRANSACTIONS ENTERED IN TO DURING THE FINANCIAL YEAR (Rs)	TERMS AND CONDITIONS OF THE RELATED PARTY TRANSACTION
Mrs. I R Rajiyah	Mrs.I.R.Rajiyah	Director	Rent Expenses	(11,328,000)	Comparable Uncontrolled Price
Renuka intanational Ltd	Mr.S.V.Rajiyah	Common Director	Royalty Payment	(33,836,452)	Comparable Uncontrolled Price

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

33.5 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standards 24 – Related Party Disclosures, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive & Non-Executive Directors) of the Company has been classified as Key Management Personnel of the Company. The transactions with Key Management Personnel are as follows.

AS AT 31ST MARCH	GROUP		COMPANY	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Short Term Employee Benefits	87,350,506	99,817,680	–	130,000
Rent Paid	11,520,000	11,520,000	–	–
Salary Increment Rate – (1% decrease)	98,870,506	111,337,680	–	130,000

33.5.1 Transactions, Arrangements and Agreements Involving KMP and their Close Family Members (CFM)

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the entity. They may include KMP's domestic partner and children, children of the KMP domestic partner and dependants of the KMP or the KMP domestic partner. CFM are related parties to the Group. There were no transaction carried out with above parties.

The Board of Directors declared that no related party transactions falling within the scope of the code was entered into by the company during the financial year 2023/24 other than those disclosed in note 34 of the financial statements above.

DIRECTORS OF GROUP COMPANIES											
Directors of Group Companies	RF	RAF	RAO	RDL	KPL	COCO	CFL	RLDL	SWCL	SWPL	RT
Mrs. I.R.Rajiyah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. S.R.Rajiyah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr.S.V.Rajiyah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs.J.J.B.A.Rajiyah	-	-	✓	-	-	-	-	✓	✓	-	-
Mr. S.Vasanthakumara	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr R F N Jayasooriya	✓	-	-	-	✓	✓	✓	✓	✓	-	-
Mrs. S T R E Wijesuriya	-	-	✓	-	-	-	-	✓	-	-	-
Mr T A P Peiris	-	-	-	-	✓	✓	✓	-	-	-	✓
Mr. N. D. Nalliah	-	-	-	-	-	-	-	-	✓	-	-
Mr.M.S.Dominic	✓	✓	-	-	-	-	-	-	-	-	-
Dr.J.A.S.Felix	✓	-	-	-	-	-	-	-	-	-	-
Mr.D.S.Arangala	✓	✓	-	-	-	-	-	-	-	-	-
Mr K Liyanagamage	-	-	-	-	-	-	-	-	-	-	-
Mr.A.M.P.C.K.Abeykoon	✓	-	-	-	-	-	-	-	-	-	-

RF Renuka Foods PLC

RAF Renuka Agri Foods PLC

RAO Renuka Agri Organics Ltd

RDL Renuka Developments (Private) Limited

KPL Kandy Plantations Limited

RT Renuka Trading Pvt Ltd

COCO Coco Lanka (Pvt) Ltd

CFL Ceylon Forestry (Pvt) Ltd

RLDL Richlife Dairies Limited

SWCL Shaw Wallace Ceylon Limited

SWPL Shaw Wallace Properties Limited

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

34 Comparative Information

The previous year's figures have been re-arranged wherever necessary to confirm to the current year's presentation and disclosure.

35 Contingent Liabilities

There were no significant contingent liabilities as at the reporting date which require adjustments or disclosures in the Financial Statements other than the following;

Kandy Plantations Limited

Case 01: Land Reform Commission has filed a case in the District Court of Attanagalla against the Trustees of John Leo De Cross Trust for which Kandy Plantation is a respondent. In the opinion of the Lawyers, that there is a strong likelihood of the outcome of this case being in favour of the trustees The John Leo De Croos Trust.

Case 2: Kandy Plantation Limited has filed a case against the former watcher (Security) and his wife had been substituted to the case after his death. Kandy Plantation Limited filed the case demanding that the watchers family should vacate the land owned by the company premises and pay a rent of Rs. 1000/- per day until the land is reinstated starting from 21st April 2011. The case was postponed until 2nd July 2024.

36 Capital Commitments

There were no material commitments as at the reporting date that require disclosure in the Financial Statements.

37 Events occurring after the Reporting Period

There have been no material events occurring after the reporting period that require adjustment to disclose in the financial statement other than below,
29th May 2024 the company has issued 62,437,372 shares as rights amounting to Rs. 619,502,520 and increased its stated capital

38 Going Concern of Subsidiaries

The Management has made an assessment on the Company's and Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's and Group's ability to continue as a going concern.

39 Financial Risk Management

Overview

The Group has exposure to the following risks arising from financial instrument:

- Market risk
- Credit risk
- Liquidity risk

The note presents information about the Group's exposure to each of the above risk, the Group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

40 Financial Risk Management

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers cash at bank amount due from related company, FVIOCI investment.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Carrying Amount	
	2024 Rs.	2023 Rs.
Trade Receivables	1,848,580,401	1,737,236,843
Other Receivables	117,635,902	100,893,109
Amount due from Related Companies	729,496	609,729,061
Cash at Bank	317,920,459	890,185,856
	2,284,866,258	3,338,044,869

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

Each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Write - Off

The gross carrying amount of a financial asset is written off when the Group has no reasonable exceptions of recovering a financial asset in its entirety or a portion thereof, based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable exceptions of recovery due.

Impairment Losses

The Group establishes an allowance for impairment that represents its estimate for incurred losses in respect of trade receivable. The main components of this allowance are a specific component that relate to individually significant exposures, and a collective loss component established for Groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The maximum exposure to credit risk for trade & other receivables at the reporting date by geographic region was as follows.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

40 Financial Risk Management (Contd...)

Group	2024			2023		
	Gross carrying value (Rs.)	Loss allowance (Rs.)	Impaired	Gross carrying value (Rs.)	Loss allowance (Rs.)	Impaired
Current (not past due)	945,735,515	-	No	842,143,409	-	No
31-60 days past due	195,961,489	-	No	344,210,859	-	No
61-90 days past due	348,822,564	-	No	204,314,207	4,506,966	Yes
91-180 days past due	241,051,580	-	No	229,557,496	30,565,600	Yes
More than 180 days	117,009,250	36,406,652	Yes	17,010,872	3,663,906	Yes
Total	1,848,580,400	36,406,652		1,737,236,843	38,736,472	

The gross inflows /(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and are which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled and are gross cash inflows and outflow amounts for derivatives that have simultaneous gross cash settlements, e.g. forward exchange contracts.

It is not expected that the cash flows included in the maturity analysis would not occur significantly earlier or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

40 Financial Risk Management (Contd...)

	Carrying Amount	
	2024 Rs.	2023 Rs.
Domestic	1,128,272,304	1,020,955,265
Europe	424,792,664	547,816,788
Middle East	432,535	20,258,376
Asia	40,733,665	65,996,131
United State	232,764,741	82,210,283
Australia	6,504,066	-
East Africa	15,080,425	-
	1,848,580,401	1,737,236,843

Respective credit ratings of banks which company cash balances held are as follows:

Hatton National Bank PLC – A-(lka)
 People's Bank- A-(lka)
 Commercial Bank of Ceylon PLC-A-(lka)
 National Development Bank PLC – A-(lka)
 Seylan Bank PLC – A-(lka)
 Nations Trust Bank PLC – A(lka)
 Habib Bank LTD -A+(lka)
 Sampath Bank PLC -AA-(lka)

(ii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

	Carrying Amount Rs.	Contractual Cash flow Rs.	0-12 Months Rs.	More than 1 year Rs.
As at 31st March 2024				
Financial Liabilities (Non-Derivate)				
Interest Bearing Borrowings	3,075,173,746	3,244,111,999	2,800,004,401	444,107,598
Lease liability	156,845,966	332,331,377	26,025,245	306,306,132
Trade and other Payables	1,682,925,726	1,682,925,726	1,682,925,726	-
Bank overdraft	291,001,762	291,001,762	291,001,762	-
Total	4,914,945,438	5,259,369,102	4,508,955,372	750,413,730
As at 31st March 2023				
Financial Liabilities (Non-Derivate)				
Interest Bearing Borrowings	2,358,625,266	2,795,856,839	2,227,756,328	568,100,511
Lease liability	170,028,264	425,710,291	48,865,879	376,853,412
Amount due to Related Companies	1,426,590,561	1,426,590,561	1,426,590,561	-
Trade and other Payables	1,520,423,453	1,520,423,453	1,520,423,453	-
Bank overdraft	194,893,563	194,893,563	194,893,563	-
Total	5,670,561,107	6,363,474,707	5,418,529,784	944,953,923

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

40 Financial Risk Management (Contd...)

The following table sets out a maturity analysis of interest bearing borrowings and lease liability.

AS AT 31ST MARCH	INTEREST BEARING BORROWINGS		LEASE LIABILITY	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Less than one years	2,715,451,946	1,998,903,466	4,099,374	23,108,974
One to Two year	108,333,600	108,333,600	30,874,208	15,895,338
Two to Three year	108,333,600	108,333,600	24,874,208	15,895,338
Three to Four year	95,833,600	95,833,600	17,452,063	13,045,083
Four to Five years	33,333,600	33,333,600	17,452,063	8,695,338
More than five years	13,887,400	13,887,400	52,941,528	85,566,182
Total	3,075,173,746	2,358,625,266	147,693,444	162,206,253

The gross inflows /(outflows) disclosed in the previous table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and are which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled and are gross cash inflows and outflow amounts for derivatives that have simultaneous gross cash settlements, e.g. forward exchange contracts.

It is not expected that the cash flows included in the maturity analysis would not occur significantly earlier or at significantly different amounts.

(iii) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Currency Risk

The risk that the fair value or future cash flows of financial instruments fluctuates due to changes in foreign exchange rates.

The Group is exposed to currency risk on sales, purchases that are denominated in a currency other than Sri Lankan Rupees (LKR). The currencies in which these transactions primarily are denominated is US Dollars.

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts.

The Company and the Group involves with foreign exchange transactions and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

	Carrying Amount	
	2024	2023
	USD	USD
Trade and other Payables	3,869,333	(1,982,207)
Trade and other Receivables	3,969,091	1,778,411
Cash and cash equivalents	85,044	370,881
Gross Statement of Financial Position Exposure	1,157,802	167,085

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

40 Financial Risk Management (Contd...)

The following significant exchange rates were applicable during the year

	Average Rate		Reporting Date Spot Rate	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
US Dollars	313.83	360.01	300.44	327.14

Sensitivity Analysis

A strengthening of the LKR, as indicated below, against the US Dollar and at 31st March 2024 would have increased/ (decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant

	Strengthening Profit or Loss Rs.	Weakening Profit or Loss Rs.
31st March 2024 USD (10% movement)	92,348,842	(92,348,842)
31st March 2023 USD (10% movement)	177,231,694	(177,231,694)

b. Interest rate risk

The risk that the fair value or future cash flows of a financial instrument fluctuates due to changes in market interest rates.

At the reporting date, the Company's interest-bearing financial instruments were as follows:

	Carrying Amount – Group		Carrying Amount – Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Fixed Rate Instruments				
Financial Assets				
Bank Deposits	290,341,773	890,185,526	13,026,527	18,851,184
Variable Rate Instruments				
Financial Liabilities				
Loans and borrowings	(3,075,173,746)	(2,358,625,266)	–	–
Bank overdraft	(291,001,762)	(194,893,563)	–	–
	(3,366,175,508)	(1,663,333,303)	–	–

Cash flow sensitivity analysis for variable rate instruments

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of the ordinary shares, retained earnings and non controlling interest of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to the ordinary shareholders.

The Group's net debt to adjusted equity ratio at the reporting date was as follows

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(IV) Capital Management Risk

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of the ordinary shares, retained earnings

and non controlling interest of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to the ordinary shareholders. The Group's net debt to adjusted equity ratio at the reporting date was as follows The following significant exchange rates were applicable during the year

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Net Debt (Borrowing, Bank over draft & Lease)	3,513,868,952	2,723,547,093	-	-
Total Equity	5,003,698,726	6,233,425,703	3,317,868,406	3,290,171,988
Net Debt to Equity Ratio	70.23%	43.69%	0.00%	0.00%

(v) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Development of contingency plans
- Training and professional development

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

41. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Fair Value Hierarchy

The Group/Company uses the following hierarchy for determining and disclosing financial instruments by valuation techniques.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Group	Carrying Amount				Fair Value			
	Financial Assets at Amortised cost	FVTOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	2024 Rs.	2024 Rs.	2024 Rs.	2024 Rs.	2024 Rs.			
31st March 2024								
Financial assets not measured at fair value								
Trade and other receivables	1,848,580,401	-	-	1,848,580,401	-	-	1,848,580,401	1,848,580,401
Amounts due from related companies	729,496	-	-	729,496	-	-	729,496	729,496
Cash and cash equivalents	290,341,773	-	-	290,341,773	-	-	290,341,773	290,341,773
	2,596,683,882	-	-	2,596,683,882	-	-	2,596,683,882	2,596,683,882
Financial liabilities not measured at fair value								
Bank overdrafts	-	-	291,001,762	291,001,762	-	-	291,001,762	291,001,762
Secured bank loans	-	-	3,075,173,746	3,075,173,746	3,075,173,746	-	-	3,075,173,746
Lease liabilities	-	-	143,594,070	143,594,070	-	-	143,594,070	143,594,070
Trade and other payables	-	-	1,683,523,539	1,683,523,539	-	-	1,683,523,539	1,683,523,539
	-	-	5,193,293,117	9,929,628,669	3,075,173,746	-	2,849,309,896	9,929,628,669

31st March 2023	Carrying Amount				Fair Value			
	Financial Assets at Amortised cost	FVTOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	2023 Rs.	2023 Rs.	2023 Rs.	2023 Rs.	2023 Rs.			
Financial assets not measured at fair value								
Trade and other receivables	2,197,695,409	-	-	2,197,695,409	-	-	2,197,695,409	2,197,695,409
Amounts due from related companies	609,729,061	-	-	609,729,061	-	-	609,729,061	609,729,061
Cash and cash equivalents	890,185,526	-	-	890,185,526	-	-	890,185,526	890,185,526
	3,697,609,996	-	-	3,697,609,996	-	-	3,697,609,996	3,697,609,996
Financial liabilities not measured at fair value								
Bank overdrafts	-	-	194,893,563	194,893,563	-	-	194,893,563	194,893,563
Secured bank loans	-	-	2,358,625,266	2,358,625,266	2,358,625,266	-	-	2,358,625,266
Amounts due to related companies	-	-	1,426,590,561	1,426,590,561	-	-	1,426,590,561	1,426,590,561
Lease liabilities	-	-	24,692,295	24,692,295	-	-	24,692,295	24,692,295
Trade and other payables	-	-	1,520,423,453	1,520,423,453	-	-	1,520,423,453	1,520,423,453
	-	-	5,525,225,138	5,525,225,138	2,358,625,266	-	2,971,706,309	5,525,225,138

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

41 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Company	31st March 2024	Carrying Amount				Fair Value			
		Financial Assets at Amortised cost	FVTOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		2024	2024		2024	2024			
		Rs.	Rs.	Rs.	Rs.	Rs.			
Financial assets not measured at fair value									
	Trade and other receivables	270,839	-	-	270,839	-	-	270,839	270,839
	Amounts due from related companies	-	-	-	-	-	-	-	-
	Cash and cash equivalents	13,026,527	-	-	13,026,527	-	-	13,026,527	13,297,366
		13,297,366	-	-	13,297,366	-	-	13,297,366	13,297,366
Financial liabilities not measured at fair value									
	Secured bank loans	-	-	-	-	-	-	-	-
	Amounts due to related companies	-	-	10,931,164	10,931,164	-	-	10,931,164	10,931,164
	Lease liabilities	-	-	-	-	-	-	-	-
	Trade payables	-	-	3,455,078	3,455,078	-	-	3,455,078	3,455,078
		-	-	171,889,067	171,889,067	-	-	171,889,067	171,889,067
31st March 2023									
Company	31st March 2023	Carrying Amount				Fair Value			
		Financial Assets at Amortised cost	FVTOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		2024	2024		2024	2024			
		Rs.	Rs.	Rs.	Rs.	Rs.			
Financial assets not measured at fair value									
	Trade and other receivables	339,034	-	-	339,034	-	-	339,034	339,034
	Amounts due from related companies	-	-	-	-	-	-	-	-
	Cash and cash equivalents	18,851,184	-	-	18,851,184	-	-	18,851,184	18,851,184
		19,190,218	-	-	19,190,218	-	-	19,190,218	19,190,218
Financial liabilities not measured at fair value									
	Lease obligation	-	-	-	-	-	-	-	-
	Trade and Other payables	-	-	2,802,341	2,802,341	-	-	2,802,341	2,802,341
		-	-	2,802,341	2,802,341	-	-	2,802,341	2,802,341

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

The fair value of loans and receivables is not significantly different from the value based on amortised cost methodology.

The management assessed that, cash and short-term investments, trade receivables, trade payables, bank overdrafts, Short term borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair Value Hierarchy

Non financial assets – Group

- Level 1 – Quoted (unadjusted) Market prices in active markets for identical assets or liabilities
- Level 2 – Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

	Level 1		Level 2		Level 3	
	2024	2023	2024	2023	2024	2023
Asset measured at Fair value						
Land & Buildings	-	-	-	-	3,012,105,621	3,020,598,468
Investment property	-	-	-	-	674,118,818	350,955,376
Biological Assets	-	-	-	-	108,986,808	128,101,107

In determining the fair value, highest and best use of the property including the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the values have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

42 MATERIAL PARTLY-OWNED SUBSIDIARIES

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations

31 March 2024	Renuka Agri Foods PLC	Shaw Wallace Ceylon Limited	Shaw Wallace Properties Limited	Renuka Agri Organics Ltd	Other individually immaterial subsidiaries	Total
NCI percentage	25.93%	14.97%	14.97%	20.93%		
Non-current assets	3,693,918,800	1,976,891,720	703,451,036	539,740,499		
Current assets	2,034,964,556	744,733,244	23,206,334	609,371,823		
Non-current liabilities	–	220,803,777	116,647,839	94,870,941		
Current liabilities	2,486,889,132	550,882,711	1,614,725	337,251,303		
Net assets	3,241,994,224	1,949,938,476	608,394,806	716,990,078		
Carrying amount of NCI	840,572,207	291,821,801	91,050,497	150,068,154	(369,779,709)	1,003,732,950
Revenue	4,679,017,063	2,764,876,604	4,835,713	1,104,427,038		
Profit	(568,813,586)	(22,107,818)	2,833,995	(15,062,555)		
OCI	5,839,062	(214,044,245)	318,961.00	(1,210,634.00)		
Total Comprehensive Income	(562,974,524)	(236,152,063)	3,152,956	(16,273,189)	(747,843,140)	(747,843,140)
Profit allocated to NCI	(168,253,532)	(4,193,997)	254,739	680,117	(16,651,129)	(187,994,405)
OCI allocated to NCI	1,513,930	(23,568,353)	47,735	(253,389)	(922,090)	(23,182,168)
Cash flows from operating activities		(368,797,281)	(20,900,441)	565,409,588	(907,444,298)	(731,732,432)
Cash flows from Investment activities		575,335,039	–	(1,854,240)	(1,079,998,364)	(506,517,565)
Cash flows from financing activities		(239,013,295)	–	(325,678,162)	1,117,031,845	552,340,388
Net increase (decrease) in cash and cash equivalents	–	(32,475,537)	(20,900,441)	237,877,186	(877,136,628)	(665,909,609)

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

43 Operating Segments

Segment Information is presented in respect of the group's operating segments. Operating Segments are based on the Group's management and Internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment Capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than a period of one year.

The Group comprises the following main operating segments:

Agri Business
FMCG

	AGRI FOOD EXPORT		CONSUMER BRANDS		GROUP TOTAL	
AS AT 31ST MARCH	2024	2023	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	5,822,502,511	7,270,662,529	9,403,750,168	10,531,022,687	15,226,252,679	17,801,685,216
Inter Segment Revenue	(31,092,850)	(582,521,619)	(8,349,684)	(83,832,945)	(39,442,534)	(666,354,564)
Segment Revenue	5,791,409,661	6,688,140,910	9,395,400,484	10,447,189,742	15,186,810,145	17,135,330,652
Cost of Sales	(5,539,034,209)	(5,081,989,248)	(7,934,841,985)	(8,801,403,211)	(13,473,876,194)	(13,883,392,459)
Inter Segment cost	-	-	-	-	-	-
Gross Profit	252,375,452	1,606,151,662	1,460,558,499	1,645,786,531	1,712,933,951	3,251,938,193
Other Income	31,131,066	(5,066,750)	51,483,090	39,777,926	82,614,156	34,711,176
Administrative Expenses	(430,335,450)	(414,673,507)	(459,133,818)	(275,826,203)	(889,469,268)	(690,499,710)
Change in Fair Value of Investment Properties	-	-	-	30,197,682	-	30,197,682
Selling & Distribution Expense	(155,726,241)	(189,946,212)	(917,258,287)	(947,697,421)	(1,072,984,528)	(1,137,643,633)
Other Expenses	-	-	-	-	-	-
Operating Profit	(302,555,173)	996,465,193	135,649,484	492,238,515	(166,905,689)	1,488,703,708
Finance Income	312,079,913	426,908,675	10,260,186	4,749,970	322,340,099	431,658,645
Finance Costs	(816,151,543)	(776,159,981)	(280,440,836)	(388,271,956)	(1,096,592,379)	(1,164,431,937)
Profit before Tax	(806,626,803)	647,213,887	(134,531,166)	108,716,529	(941,157,969)	755,930,416
Income Tax Expense	138,877,136	(93,505,788)	3,212,124	(162,964,778)	142,089,260	(256,470,566)
Profit	(667,749,667)	553,708,099	(131,319,042)	(54,248,249)	(799,068,709)	499,459,850

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

43 Operating Segments (Continued..)

AS AT 31ST MARCH	AGRI FOOD EXPORT			CONSUMER BRANDS			GROUP TOTAL		
	2024	2023	Rs.	2024	2023	Rs.	2024	2023	Rs.
	Rs.	Rs.		Rs.	Rs.		Rs.	Rs.	
Property, Plant and Equipment	2,330,635,272	2,284,192,844		2,745,146,552	2,293,899,319		5,075,781,824	4,578,092,163	
Right of use assets	111,691,929	118,341,153		(9,146,812)	-		102,545,117	118,341,153	
Investment Property	319,692,174	-		3,451,036	350,955,376		323,143,210	350,955,376	
Segment Property, Plant and Equipment & Investment Property	2,762,019,375	2,402,533,997		2,739,450,776	2,644,854,695		5,501,470,151	5,047,388,692	
Biological Assets	92,270,767	75,250,032		68,716,041	52,851,075		160,986,808	128,101,107	
Investment in Available for Sale Financial Assets	-	-		-	556,572,883		-	556,572,883	
Intangible Assets and Goodwill	2,783,124	2,876,149		207,949,501	209,572,941		210,732,625	212,449,090	
Segment Other Non Current Assets	95,053,891	78,126,181		276,665,542	818,996,899		371,719,433	897,123,080	
Segment Total Non Current Assets	2,857,073,266	2,480,660,178		3,016,116,318	3,463,851,594		5,873,189,584	5,944,511,772	
Inventories	1,168,425,098	1,643,005,706		1,248,866,329	1,476,720,211		2,417,291,427	3,119,725,917	
Trade and Other Receivables	1,252,696,347	1,029,541,961		1,054,714,914	1,168,153,448		2,307,411,261	2,197,695,409	
Current Tax Assets	4,036,703	3,588,075		-	5,366,243		4,036,703	8,954,318	
Amounts Due from Related Companies	407,739	14,729,061		321,757	595,000,000		729,496	609,729,061	
Cash and Cash Equivalents	212,292,562	749,578,373		105,627,897	140,607,153		317,920,459	890,185,526	
Segment Current Assets	2,637,858,449	3,440,443,176		2,409,530,897	3,385,847,055		5,047,389,346	6,826,290,231	
Total Segment Assets	5,494,931,715	5,921,103,354		5,425,647,215	6,849,698,649		10,920,578,930	12,770,802,003	
Liabilities									
Deferred Tax Liability	192,755,580	178,899,986		403,158,412	474,777,929		595,913,992	653,677,915	
Interest Bearing Borrowings	251,388,200	359,721,800		-	-		251,388,200	359,721,800	
Lease Liabilities	149,201,549	145,335,969		-	-		149,201,549	145,335,969	
Retirement Benefit Obligation	61,905,800	57,988,987		48,421,648	41,529,134		110,327,448	99,518,121	
Segment Non Current Liabilities	655,251,129	741,946,742		451,580,060	516,307,063		1,106,831,189	1,258,253,805	
Trade and Other Payables	908,580,888	763,974,587		774,242,614	756,448,866		1,682,823,502	1,520,423,453	
Amounts Due to Related Companies	-	239,780,150		-	1,186,810,411		-	1,426,590,561	
Dividend Payable	6,366,081	6,046,553		6,950,923	6,992,027		13,317,004	13,038,580	
Current Portion of Interest Bearing Borrowings	1,690,545,546	1,742,708,247		1,133,240,000	256,195,219		2,823,785,546	1,998,903,466	
Lease Liabilities	13,678,146	24,692,295		(9,578,772)	-		4,099,374	24,692,295	
Current Tax Payable	1,857,519	96,722,579		(808,510)	3,857,998		1,049,009	100,580,577	
Bank Overdraft	159,009,127	394,168		131,992,635	194,499,395		291,001,762	194,893,563	
Segment Current Liabilities	2,780,037,307	2,874,318,579		2,036,038,890	2,404,803,916		4,816,076,197	5,279,122,495	
Total Segment Liabilities	3,435,288,436	3,616,265,321		2,487,618,950	2,921,110,979		5,922,907,386	6,537,376,300	

REAL ESTATE PORTFOLIO

COMPANY	LOCATION	LAND/ BUILDING	LAND EXTENT (PERCHES)	BUILDING		CLASSIFICATION COMPANY	CLASSIFICATION GROUP	ORIGINAL COST OF PURCHASE	WDV AS AT 31.03.2024
				NO OF BUILDINGS	BUILDING IN SQ.FT				
Renuka Agri Foods PLC	Unagahadeniya	Land	150	-	-	PPE	PPE	17,203,000	17,203,000
		Land	70.4	-	-	PPE	PPE	21,428,000	21,120,000
		Building	-	1	968	PPE	PPE	-	903,000
	Wathupitiwela	Building	-	9	111,379	PPE	PPE	158,452,264	596,502,980
	Giriulla	Building	-	2	8,031	PPE	PPE	-	16,062,000
Renuka Developments (Pvt) Ltd	Unagahadeniya	Land	303.3	-	-	PPE	PPE	22,702,880	75,825,000
		Building	-	7	17,789	PPE	PPE	23,851,270	21,986,500
Kandy Plantation Ltd	Giriulla	Building	-	4	10,598	PPE	PPE	15,927,250	7,178,400
	Matale	Land	3,217.92	-	-	PPE	PPE	57,900,000	72,601,194
Coco Lanka (Pvt) Ltd	Puttalam	Land	26,445	-	-	PPE	PPE	127,482,760	180,448,000
		Building	-	5	6,447	PPE	PPE	-	8,804,005
Renuka Agri Organics Ltd	Wathipitiwala	Building	-	3	69,225	PPE	PPE	74,073,652	248,883,943
	Colombo -9	Land	4.7	-	-	PPE	PPE	17,500,000	18,800,000
	Colombo -9	Land	40	-	-	PPE	PPE	114,699,000	320,000,000
Shaw Wallace Ceylon Ltd	Colombo -9	Building	-	1	66,828	PPE	PPE	289,341,098	551,331,000
	Ekala	Land	59.8	-	-	PPE	PPE	16,445,000	29,900,000
	Ekala	Building	-	2	10,185	PPE	PPE	36,555,000	44,547,885
	Ekala	Land	214.75	-	-	PPE	PPE	104,691,840	107,375,000
	Ekala	Building	-	11	40,698	PPE	PPE	9,721,060	29,519,075
Shaw Wallace Properties (Pvt) Ltd	Peliyagoda	Land	215.59	-	-	IP	PPE	95,000,000	394,793,573
		Building	-	3	62,714	IP	PPE	119,980,471	234,367,778
Richlife Dairies Ltd	Wadduwa	Land	886	-	-			128,552,000	158,568,000
		Building	-	6	63,986	PPE	PPE	194,843,169	195,042,075
Renuka Trading Pvt Ltd	Dematagoda	Land	7561	-	-	IP	IP	69,418,872	69,418,872
		Building	-	3	31,363			250,273,302	250,273,302

FIVE YEAR SUMMARY

Year Ended 31st March	2024	2023	2022	2021	2020
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
a) Summary of Operation					
Revenue	14,178,550	17,135,331	10,695,305	8,674,439	7,815,364
Gross Profit	1,712,933	3,251,938	1,780,786	1,036,283	1,838,558
(Loss) / Profit before net finance cost and tax	(166,905)	1,488,704	804,926	(283,965)	416,786
(Loss) / Profit before taxation	(941,158)	755,930	870,153	(355,567)	270,716
Taxation	(142,089)	(256,471)	(136,881)	(10,152)	4,989
Loss from discontinued operation	-	-	-	-	(36,850)
Profit/(Loss) after tax	(799,068)	499,460	733,272	(384,857)	238,855
(Loss) / Profit attributable to equity holders of the company	(611,074)	367,859	554,351	(184,603)	136,285
b) Summary of Financial Position					
Capital and reserves	-				
Stated Capital	2,289,279	2,241,842	2,241,842	2,241,842	2,241,842
Capital reserve	669,402	662,164	737,310	755,457	709,987
Retained earnings	1,035,007	1,935,564	1,616,234	1,229,183	1,660,163
Shareholders' Fund	3,993,688	4,839,570	4,595,386	4,226,483	4,611,992
Minority interest	1,003,982	1,393,855	1,309,461	788,052	1,194,362
Total Equity	4,997,671	6,233,425	5,904,848	5,014,535	5,806,355
Liabilities	-				
Non-Current Liabilities	1,106,831	1,258,254	1,168,710	969,604	1,233,707
Current Liabilities	4,816,076	5,279,123	3,784,531	3,076,061	2,422,688
Total Liabilities	5,922,907	6,537,377	4,953,240	4,045,665	3,656,395
Total Equity and Liabilities	10,920,579	12,770,802	10,858,088	9,060,200	9,462,749
Assets					
Property, plant and equipment	5,075,781	4,578,092	4,672,435	4,436,758	4,541,831
Investment properties	323,143	350,955	320,758	303,390	292,996
Investments	-	556,573	1,140,676	559,429	1,273,538
Other non-Current assets	-	458,891	461,580	459,327	572,116
Current assets	5,047,389	6,826,290	4,262,639	3,301,296	2,782,268
Total Assets	10,920,579	12,770,802	10,858,088	9,060,200	9,462,749
c) Key Indicators					
Earnings per share (Rs.)	(4.89)	2.95	4.52	(1.50)	1.11
Net profit margin (%)	-5.60%	2.91%	6.86%	-4.26%	3.05%
Net assets value per share (Rs.)	40.02	50.79	48.11	34.43	37.57
Dividends per share (Rs.)	-	0.41	-	0.35	0.35
Dividends payout (%)	-	13.70%	-	-23.33%	31.53%
Dividend cover (times)	-	7.30	-	(4.28)	3.17
Interest cover (times)	(0.21)	0.85	4.40	(1.20)	2.01
Current ratio (times)	1.04	1.29	1.13	1.07	1.15
Gearing ratio (%)	66.70%	37.84%	30.50%	32.50%	18.20%
Return on equity (%)	-18.16%	8.00%	938.00%	-368.00%	1.70%

SHAREHOLDER AND INVESTOR INFORMATION

SHARE INFORMATION

	2024		2023	
	Voting	Non Voting	Voting	Non Voting
Total No of Shareholders	3,959	764	3,877	744
Total No of Shares	120,003,545	4,871,200	117,960,106	4,773,346

PUBLIC SHARE HOLDING

The percentage of Shares held by the Public	2024	2023
Voting	25.05%	24.71%
Non Voting	68.27%	68.89%

SHARE TRADING INFORMATION – VOTING

	31st March 2024	
No of Shares Holders	No of Share Held	%
3,150	1–1,000	0.63%
596	1,001–10,000	1.51%
174	10,001–100,000	3.81%
29	100,001–1,000,000	4.73%
10	Over 1,000,000	89.32%
3,959		100.00%

	31st March 2024			31st March 2023		
No of Shares Held	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Individuals	3,816	19,185,813	15.98%	3,735	23,916,779	20.28%
Institutions	143	100,817,732	84.01%	142	94,043,327	79.72%
Total	3,959	120,003,545	100.00%	3,877	117,960,106	100.00%

	31st March 2024			31st March 2023		
No of Shares Held	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Resident	3,942	90,785,282	75.65%	3,860	89,325,232	75.72%
Non Resident	17	29,218,263	24.35%	17	28,634,874	24.28%
Total	3,959	120,003,545	100.00%	3,877	117,960,106	100.00%

	31st March 2024			31st March 2023		
No of Shares Held	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Renuka Foods PLC & Affiliate Companies	4	66,747,003	55.62%	1	59,358,578	50.32%
Directors and Spouses	5	8,136,079	6.77%	9	14,649,538	12.42%
Holding of 10% or more	1	15,059,583	12.54%	1	14,803,147	12.55%
Public	3,949	30,060,880	25.05%	3,866	29,148,843	24.71%
Total	3,959	120,003,545	100.00%	3,877	117,960,106	100.00%

SHAREHOLDER AND INVESTOR INFORMATION (Contd...)

SHARE TRADING INFORMATION – NON VOTING

No of Shares Holders	31st March 2024	
	No of Share Held	%
530	1-1,000	1.82%
177	1,001-10,000	12.03%
48	10,001-100,000	23.87%
9	100,001-1,000,000	62.26%
-	Over 1,000,000	-
764		100.00%

No of Shares Held	31st March 2024			31st March 2023		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Individuals	716	2,659,750	54.60%	694	2,608,786	54.65%
Institutions	48	2,211,450	45.40%	50	2,164,560	45.35%
Total	764	4,871,200	100.00%	744	4,773,346	100.00%

No of Shares Held	31st March 2024			31st March 2023		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Resident	748	4,278,846	87.83%	730	4,182,390	87.62%
Non Resident	16	592,354	12.16%	14	590,956	12.38%
Total	764	4,871,200	100.00%	744	4,773,346	100.00%

No of Shares Held	31st March 2024			31st March 2023		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
Renuka Foods PLC & Affiliate Companies	1	778,215	15.97%	-	-	-
Directors and Spouses	-	-	-	1	762,583	15.98%
Holding of 10% or more	1	816,192	16.75%	1	722,384	15.13%
Public	762	3,276,793	67.26%	742	3,288,379	68.89%
Total	764	4,871,200	100.00%	744	4,773,346	100.00%

SHAREHOLDER AND INVESTOR INFORMATION (Contd...)

SHARE INFORMATION

	2024		2023	
	Voting	Non Voting	Voting	Non Voting
Highest	17.50	15.20	37.50	27.50
Lowest	13.90	12.00	11.50	8.60
As at 31st March (Last Trade)	14.00	12.30	21.40	16.70

SHARE INFORMATION

Market Capitalization	2024		2023	
	Voting	Non Voting	Voting	Non Voting
As at 31st March (Rs)	1,739,965,390		2,604,061,147	
Float Adjusted Market Capitalization (Rs)	461,156,874		678,701,170	
No.of Trades	3,139	760	8,262	2,578
No.of Shares Traded	8,507,680	412,917	15,626,042	2,790,552
Value of Shares Traded (Rs)	167,727,718	5,716,980	397,283,482	53,585,664

Option the Listed Entity complies with the Minimum Public Holding requirement

The Company complied with option 5 of the listing rules 7.14.1 (i) (a) – which requires a minimum public Holding of 20% for a company having a float adjusted market capitalization of less than Rs.2.5Bn.

The company has over 20% public shareholding and over 500 public shareholders meeting the minimum thresholds for compliance on minimum public holding, under option 5 as per the directive issued in terms of section 13(c) and 13(cc) of the Securities & Exchange Commission of Sri Lanka Act No.36 of 1987(as amended).

RENUKA FOODS PLC – TOP 20 MAJOR SHAREHOLDERS

No.	Name	Voting as at 31.03.2024		Voting as at 31.03.2023	
		No. of Shares	%	No. of Shares	%
1	Renuka Agro Exports Ltd	60,386,854	50.32%	59,358,578	49.46%
2	CJ Patel & Company Limited	15,059,583	12.55%	14,803,147	12.34%
3	Eagle View Management Limited	13,617,031	11.35%	13,385,159	11.15%
4	Dr.S.R. Rajiyah & Mrs I.R Rajiyah (Jt)	6,002,580	5.00%	11,798,563	9.83%
5	The Cargo Boat Investment Company Limited	5,000,000	4.17%	-	-
6	Mr. S.V. Rajiyah	1,617,543	1.35%	940,000	0.78%
7	Mr. K.C Vignarajah	1,461,893	1.22%	1,437,000	1.20%
8	Mrs. S. Vignarajah	1,453,449	1.21%	1,428,700	1.19%
9	Renuka Group Limited	1,358,243	1.13%	351,779	0.29%
10	Renuka Hotels Plc	1,223,902	1.02%	1,203,062	1.00%
11	Mr. S.V. Rajiyah & Mrs. J.J.B. Aloysius Rajiyah	508,661	0.42%	500,000	0.42%
12	Mrs. N. Muljie	488,526	0.41%	480,208	0.40%
13	Miss J.A. Aloysius	406,929	0.34%	-	-
14	Mr. S. Vasudevan & Mrs. S. Vasudevan	316,366	0.26%	-	-
15	Hatton National Bank Plc/Almas Holdings (Private) Limited	310,772	0.26%	303,819	0.25%
16	Hatton National Bank Plc/ A. P. L. Fernando	285,000	0.24%	280,000	0.23%
17	Renuka Consultants & Services Limited.	284,850	0.24%	280,000	0.23%
18	Tranz Dominion L.L.C	223,811	0.19%	220,000	0.18%
19	Mr. N.A. Kalupathirana	203,465	0.17%	202,000	0.17%
20	Crescent Launderers and Dry Cleaners Pvt Limited	198,813	0.17%	195,428	0.16%
		110,408,271	92.00%	107,167,443	89.30%

RENUKA FOODS PLC – TOP 20 MAJOR SHAREHOLDERS (Contd...)

No.	Name	Non-Voting as at 31.03.2024		Non-Voting as at 31.03.2023	
		No. of Shares	%	No. of Shares	%
1	Mr. K.C Vignarajah	816,192	16.76%	722,384	14.83%
2	Renuka Group Limited	778,125	15.97%	762,583	15.65%
3	Hatton National Bank Plc/Almas Holdings (Private) Limited	456,006	9.36%	446,846	9.17%
4	Best Real Invest Co Services (Private) Limited	301,135	6.18%	295,086	6.06%
5	Amana Bank Plc/Mr. Abdul Majeed Mohammodu Risvi	175,860	3.61%	172,328	3.54%
6	Mrs. S.Vignarajah	144,001	2.96%	141,109	2.90%
7	Miss. N Harnam & Mrs. J.K.P Singh (Jt)	137,767	2.83%	138,450	2.84%
8	Tranz Dominion,L.L.C.	117,357	2.41%	115,000	2.36%
9	Mrs. J.K.P Singh	106,744	2.19%	104,600	2.15%
10	Almas Holdings (Private) Limited	98,586	2.02%	63,220	1.30%
11	Mr. R. Gautam	76,589	1.57%	82,000	1.68%
12	Mrs. F.R. Buhardeen	55,527	1.14%	52,819	1.08%
13	Mr. V.T.H. Vitharana	53,297	1.09%	-	-
14	Mr. S. U. Abeysooriya & T.B.M De Silva (Jt)	53,141	1.09%	52,074	1.07%
15	Odyssey Capital Partners (Pvt) Ltd	52,280	1.07%	-	-
16	Mrs. S. Umeshwary	51,965	1.07%	50,922	1.05%
17	Deutsche Bank AG Singapore A/C 2 (DCS CLT Acc for Deutsche Bank AG Singapore- PWM WM Client)	43,039	0.88%	42,175	0.87%
18	Mr. P. Somadasa	41,623	0.85%	60,877	1.25%
19	Mr. C.K.De Silva	39,922	0.82%	-	-
20	People'S Leasing & Finance Plc/Mr. P.A. Premajayantha	36,736	0.75%	39,000	0.79%
		3,635,892	74.64%	3,341,473	67.80%

NOTICE OF MEETING

Notice is hereby given that the 34th Annual General Meeting of the Company will be held at the Institute of Chartered Accountants of Sri Lanka at No. 30 A, Malalasekhara Road, Colombo 7 on Friday, 27th September 2024 at 3.00p.m. for the following purposes :-

1. To receive and consider the Report of the Directors and the Statement of the Audited Financial Statements for the year ended 31st March 2024 with the Report of the Auditors thereon.
2. To re-elect Mr A.M.P.C.K.Abeykoon as a Director who retires and eligible for re-election in terms of Article 26 (2).
3. To re-elect Mr. D.S.Arangala as a Director who retires and eligible for re-election in terms of Article 26 (2).
4. To re-elect Dr.J.A.S.Felix as a Director who retires by rotation in terms of Article 28 (1).
5. To re-appoint Dr. S.R. Rajiyah who is over 70 years of age, as a director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Dr. S.R. Rajiyah
6. To re-appoint Mrs. I.R. Rajiyah who is over 70 years of age, as a director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mrs. I.R. Rajiyah.
7. To authorise the Directors to determine the contribution to charity.
8. To re-appoint M/s KPMG, Chartered Accountants as the Auditors and authorise the Directors to determine their remuneration.
9. Special Resolution
- a. IT IS HEREBY RESOLVED THAT Article 14 to be deleted in entirety and be substituted with the following new Article 14 :

METHOD OF HOLDING MEETINGS

A meeting of shareholders (including a meeting where it is intended to propose a resolution as a special resolution) may be held (a) by a number of shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting.

Or (b) by means of audio, or audio visual communication method or platform specified by the Board by which all Shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

By Order of the Board,
Sgd.
Renuka Enterprises (Pvt) Ltd
Company Secretaries

27th August 2024

Note:-

- (i) A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of the member, such proxy need not be a member.
- (ii) A Form of Proxy is enclosed with this Annual Report.
- (iii) The completed Form of Proxy should be deposited at the Registered Office of the Company at "Renuka House", No. 69, Sri Jinaratana Road, Colombo 2, on or before 3.00 p.m. on 25th September 2024, being not less than 48 hours before the time appointed for the holding of the Meeting.

FORM OF PROXY

I / We Of
..... being a member/
members of Renuka Foods PLC, hereby appoint;
..... (NIC No.)
of Or failing her/him

Dr. S.R. Rajiyah or failing him
Mrs. I.R. Rajiyah or failing her
Mr. S.V. Rajiyah or failing him
Mr. V. Sanmugam or failing him
Mr. R.F.N.Jayasooriya or failing him
Mr. A.M.P.C.K.Abeykoon or failing him
Mr.D.S.Arangala or failing him
Mr. M.S. Dominic or failing him
Dr. J.A.S. Felix or failing him

as my/ our proxy to represent me / us and to speak and to vote on my / our behalf at the Annual General Meeting of the Company to be held on the 27th day of September 2024 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive and consider the Report of the Directors and the Statement of the Audited Financial Statements for the year ended 31st March 2024 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr A.M.P.C.K.Abeykoon as a Director	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr D.S.Arangala as a Director	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Dr.J.A.S.Felix as a Director	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Dr. S.R. Rajiyah as a Director	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Mrs. I.R. Rajiyah as a Director	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorise the Directors to determine the contribution to charity.	<input type="checkbox"/>	<input type="checkbox"/>
8. To re-appoint M/s KPMG, Chartered Accountants as Auditors to the Company and authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
9. Approval of Special Resolution	<input type="checkbox"/>	<input type="checkbox"/>
Dated this day of 2024.	<input type="checkbox"/>	<input type="checkbox"/>

.....
Signature of Shareholder

Note:

(a) A proxy need not be a member of the Company.

(b) Instructions regarding completion appear overleaf.

INSTRUCTIONS AS TO COMPLETION OF THE FORM OF PROXY

1. To be valid, the completed Form of Proxy should be deposited at the Registered Office of 3.00pm 25th September 2024 being not less than 48 hours before the time appointed for the holding of the Meeting.
2. In perfecting the Form of Proxy, please ensure that all the details are legible.
3. Please indicate with an 'X' in the space provided how your proxy to vote on each resolution. If no indication is given the proxy, in his discretion, will vote, as he thinks fit.
4. In the case of a Company / Corporation, the proxy must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.
5. In the case of proxy signed by the Attorney, the Power of Attorney must be deposited at the Registered Office at "Renuka House", No. 69, Sri Jinaratana Road, Colombo 2, for registration.

CORPORATE INFORMATION

Name of the Company

Renuka Foods PLC

Registration No.

PQ 216

Legal Form

Quoted Public Company With Limited Liability

Main Subsidiaries

Renuka Agri Foods PLC
Renuka Agri Organics Ltd
Richlife Dairies Ltd
Shaw Wallace Ceylon Ltd

Activity

It is the holding company for subsidiaries engaged in the business of Agri Food and Consumer Brands.

Board Of Directors – Company

Dr. S.R.Rajiyah – Chairman
Mrs. I.R.Rajiyah
Mr. S.V.Rajiyah
Mr. A.M.P.C.K. Abeykoon
Mr. V.Sanmugam
Dr. J.A.S.Felix
Mr. M.S.Dominic
Mr. R.F.N. Jayasooriya
Mr. D.S. Arangala

Audit Committee

Mr. A.M.P.C.K. Abeykoon – Chairman
Mr. D.S. Arangala
Dr. J.A.S.Felix

Related Party Transaction Review Committee*

Mr. T.K.Bandaranayake – Chairman
Dr. J.M.Swaminathan
Mr. M.S.Dominic

Remuneration Committee*

Mr. M.S.Dominic – Chairman
Mr. T.K.Bandaranayake
Dr. J.M.Swaminathan

Nomination & Governance Committee*

Mr. M.S.Dominic – Chairman
Mr. T.K.Bandaranayake
Mrs. J.J.B.A.Rajiyah

Company Secretaries

Renuka Enterprises (Pvt) Ltd
No.69, Sri Jinaratana Road,
Colombo 2

Registrar

S S P Corporate Services (Pvt) Ltd
546 Galle Road,
Colombo 3.

Immediate Parent Company

Renuka Agro Exports (Pvt) Ltd

Ultimate Parent Company

Renuka Holding PLC

Registered Office

"Renuka House"
69 Sri Jinaratana Road,
Colombo 2, Sri Lanka.
Telephone: 00941-11-2314750-5
Fax: 00941 11-2445549
Email: info@renukagroup.com

Postal Address

P.O. Box 1403, Colombo, Sri Lanka.

Stock Exchange Listing

Colombo Stock Exchange

Auditors

KPMG Chartered Accountants

Legal Consultant

Nithya Partners- Attorneys at Law
Heritage Partners – Attorneys at law
Varners – Attorneys at Law

Bankers

Commercial Bank of Ceylon PLC
Habib Bank Limited
Hatton National Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
Sampath Bank PLC
Seylan Bank PLC

*Related Party Transaction Review Committee, Remuneration Committee and Nomination Committee are represented by Ultimate Parent Company.



'RENUKA HOUSE', P. O. BOX 961, #69, Sri Jinaratana Road, Colombo 02, Sri Lanka
Tel: 94 - 11 - 2314750 - 5, 2422694, Fax: 94 - 11 - 2445549
E-mail: inquiries@renukagroup.com
Website: www.renukagroup.com