



SHAW WALLACE INVESTMENTS PLC
Annual Report 2022

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WHO WE ARE

Shaw Wallace Investments PLC is an investment trust listed on the Colombo Stock Exchange. The Company actively manages a portfolio of listed equity, debt investments, private equity and investments in alternate asset classes.

CULTURE AND VALUES

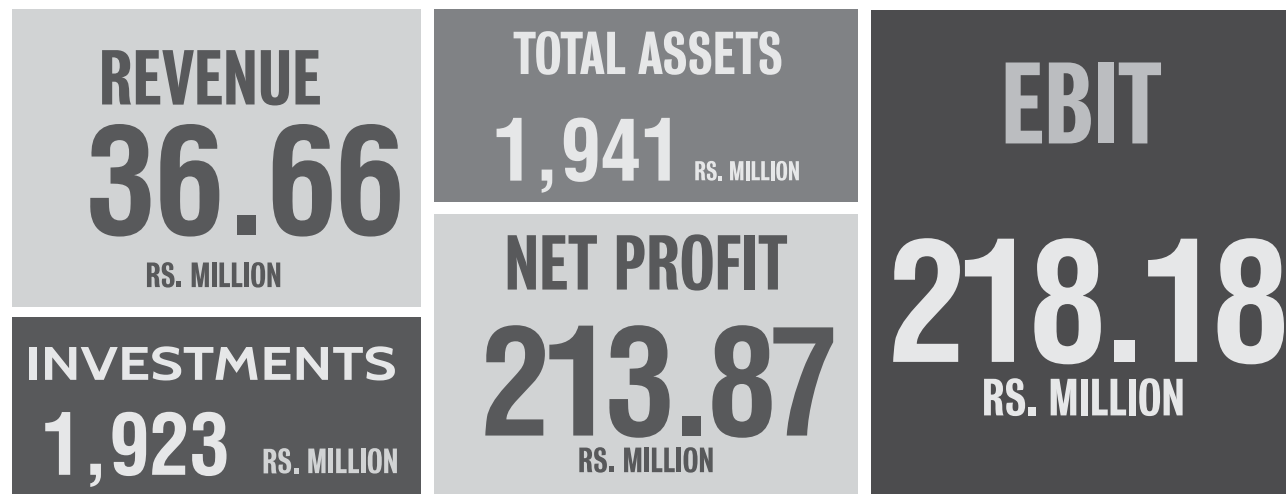
Renuka's culture reflect more than a structure, it is a statement of values. Our commitment to a Responsive, Enterprising, Nurturing, Unrelenting, Knowledgeable and Accountable workplace enables us to build relationships with clients and with colleagues, on honesty and trust. It drives our ability to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



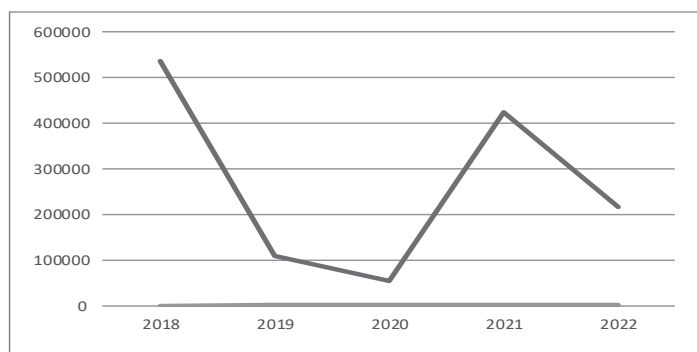
RESPONSIVE
ENTERPRISING
NURTURING
UNRELENTING
KNOWLEDGEABLE
ACCOUNTABLE

OUR VISION

To be a leading investment trust focused on value investing and wealth creation with a medium to long term perspective.



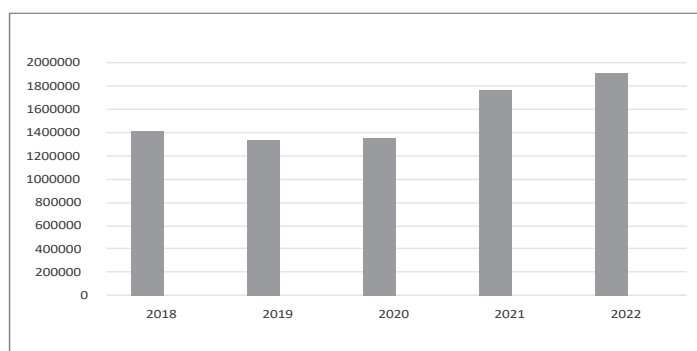
PROFIT (EBIT)



● EBIT ALL THE CURRENCY VALUES ARE IN RS. 000

218.18 Mn.
EBIT in Year 2021 / 2022

TOTAL ASSETS AND LIABILITIES



● Assets ● Liabilities ALL THE CURRENCY VALUES ARE IN RS. 000

1,941 Mn.
Assets as at 31.03.2022

2 Mn.
Liabilities as at 31.03.2022

Chairman's Review

It is a pleasure to welcome you to the 65th Annual General Meeting of the Company and to place before you the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March 2022 and convey to you that your company emerged from a Challenging year and looking at even more challenged in context of the Economic, Social and Political changes taking place in Sri Lanka at the time of this message.

The Company

Shaw Wallace Investments PLC is the investment arm of the Renuka Group. While building a listed portfolio of shares, the Company also owns equity accounted investees of the Renuka Group.

The Company recorded a profit of Rs. 213.87 Mn for the financial year ended 31st March 2022 against the previous year profit of Rs. 423.26 Mn. Further, equity accounted investments reported a profit of Rs. 43.13Mn during the financial year where as previous year it was a profit of Rs. 40.31 Mn.

The Net Asset Value of your Company as at the end of the financial year was Rs. 11.15 per share as against Rs. 10.12 per share in the previous year. The fair value of quoted investments as at 31st March 2021 and 31st March 2022 were Rs. 553.5Mn and Rs. 2.5 Mn respectively. Based on the dividend income and the performance of the Company your Board recommends a First & Final Dividend of Rs. 0.20 per share in the form of a Scrip Dividend for the financial year ended 31st March, 2022.

The Sri Lankan Economy

The Sri Lankan economy after one of the turbulent years in recent times following the outbreak of the Covid 19 rebounded during 2021 expanding 3.7% after a 3.6% contraction in 2020. The agriculture sector which is the largest in terms of employment expanded 2.0%, while industry grew 5.3% and services grew 3.0%. However, 2022 will be one of the toughest for Sri Lanka, as the country faces an acute foreign exchange shortage coupled with political instability which is threatening to bring

economic activity to a grinding halt. The instability in Europe, supply chain disruptions, and a looming global recession could aggravate the current situation as foreign direct investment, tourism, and export growth could be curtailed. Though annual average inflation in 2021 was only 7%, year-on-year inflation at the end of December was 14%. The Central Bank of Sri Lanka decided to allow the Sri Lankan rupee to float in March 2022, which led to a sharp depreciation of the currency. The rupee which was trading in the 198-200 range to the US dollar during 2021 is now trading at 350. The sharp depreciation, rising fuel costs, and increasing raw material prices across the world have led to inflation rising to 45% as at May 2022. With the Central Bank hiking interest rates by 700bps in early April, it is anticipated that inflation will start to trend downwards towards the 2nd quarter of the upcoming financial year. It is also noteworthy to mention that the Sri Lankan Government announced a standstill on all foreign debt in April 2022 in order to preserve foreign exchange to purchase essential imports

Taking in to consideration a year with extraordinary challenges during the pandemic, I wish to express my sincere gratitude to my fellow Directors on the Board for their support and to my colleagues in the Group who have worked tirelessly to add to shareholder value for their dedication and commitment. I also extend my gratitude to the shareholders and other stakeholders for the support and confidence placed in us for the challenges that lie ahead as well.

Sgd.
Mr.S.V.Rajiyah
Chairman
12th August 2022

Directors' Profiles

Mr. S. V. Rajiyah

(Executive Chairman)

Mr. S. V. Rajiyah is the Executive Chairman of the Company. He is also the Managing Director of Renuka Holdings PLC, Renuka Foods 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 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. P. Gunathilake

(Executive Director)

Mr. P. Gunathilake is an Executive Director, a fellow member of the Chartered Institute of Management Accountants (UK), and a member of Chartered Institute of Australia. He has more than 20 years of local and international experience of which 10 years with Renuka Group.

Mr. B. V. Selvanayagam

(Non-Executive/ Independent)

Mr. B.V. Selvanayagam is a Director of Loops Creative (Pvt) Ltd, a leading integrated advertising agency in Sri Lanka working with several leading brands and Fortune 500 Companies. Loops Solutions (Pvt) Ltd has offices in Australia, Malaysia, Japan and Qatar.

He is an Associate Member of the Chartered Institute of Management Accountants (UK), Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Fellow Member of the Chartered Institute of Marketing (UK), Fellow Member of the Certified Management Accountants of Sri Lanka and Chartered Member of the Chartered Institute for Securities & Investment (UK).

He is the Past Chairman of the Chartered Institute of Marketing Sri Lanka and was a member of the Audit & Risk Committee of the Chartered Institute of Marketing (UK).

He is presently also an Independent Non Executive Director of Renuka Agri Foods PLC, Galle Face Capital Partners PLC and the Immediate Past President of the Rotary Club of Colombo West.

He counts over 20 years of work experience in fields covering auditing, banking and financial services, property development and education. He is also a Justice of the Peace for the whole Island.

Mr. M.R. Ratnasabapathy

(Non-Executive/ Independent)

Mr. M.R. Ratnasabapathy is an Independent Non - Executive Director of the Company. He is a Chartered Global Management Accountant (CGMA), FCMA (UK) and holds a MBA from PIM, University of Sri Jayewardenepura. He has over 25 years experience in finance, in a range of different industries from audit, trade, agribusiness, power & energy and telecoms, most of the latter in senior positions. He is a Director of The Autodrome PLC, where he is a member of the Related Party Transaction Review Committee and the Remuneration Committee, and chairs the Audit Committee.

Mr. Kapila Liyanagamage

(Non-Executive/ Independent)

Mr. Kapila Liyanagamage is an Independent Non-Executive Director of the Company and an Attorney-at-Law of the Supreme Court of Sri Lanka with more than 20 years of experience in the field of Civil & Commercial Law. He holds a degree of Master of Laws in Law of International Trade from the University of Wales. He is presently serving as the Legal Consultant of Sri Lanka Ports Authority and as a director of Renuka Agri Foods PLC and Galle Face Properties Ltd.

Management Discussion and Analysis

Operating Environment

During the year under review, the Sri Lankan economy recovered in 2021 from the contraction in 2020 induced by the pandemic. As per the provisional national accounts estimates of the Department of Census and Statistics (DCS), the Sri Lankan economy recorded a growth of 3.7 per cent in 2021, in real terms, compared to the contraction of 3.6 per cent recorded in the preceding year. All sectors of the economy registered growth during the year (agriculture, forestry and fishing by 2.0 per cent; industry by 5.3 per cent; and services by 3.0 per cent).

In nominal terms, the Sri Lankan economy recorded a notable growth of 11.9 per cent in 2021, compared to the tepid expansion of 0.2 per cent observed in 2020. Accordingly, the overall size of the economy expanded to US dollars 84.5 billion in 2021 from US dollars 81.0 billion in the previous year. Per capita GDP grew to US dollars 3,815 in 2021 from US dollars 3,695 in 2020.

While the steady recovery of the economy led to the decline in the unemployment rate, the increase in both the labour force and inactive population led to a decline in labour force participation during the year. The unemployment rate declined to 5.1 per cent in 2021 from the 5.5 per cent recorded during the previous year.

However, early 2022, due to the unprecedented socio-political tensions and dried up liquidity in the domestic foreign exchange market, created adverse impact to the Economy of the Country as a whole.

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 Shaw Wallace Investments PLC.

Management Discussion and Analysis Contd..

Movement	Cause	SHAW WALLACE INVESTMENTS PLC
<p>Economy Sri Lankan economy recorded a growth of 3.7 per cent in 2021, in real terms, compared to the contraction of 3.6 per cent recorded in the preceding year.</p>	<p>All sectors of the economy registered growth during the year (agriculture, forestry and fishing by 2.0 per cent; industry by 5.3 per cent; and services by 3.0 per cent).</p> <p>The performance of the agriculture, forestry and fishing sector was buoyed by the notable growth recorded in the subcategories of growing of cereals (except rice), oleaginous fruits, and tea, while the contraction in the growing of rice and other beverage crops weighed negatively on the sectoral performance.</p> <p>The majority of subcategories within the industries sector registered robust growth. A notable exception was manufacturing activities related to coke and refined petroleum products which recorded a contraction of 30.5 per cent due to occasional refinery shutdowns during the year.</p> <p>All subcategories in the services sector registered growth with IT programming, consultancy, and related activities, and the telecommunications sectors recording sizeable growth of 21.7 per cent and 16.2 per cent, respectively, highlighting the increased usage of telecommunications services amid the pandemic and growth in the Information Technology/ Business Process Outsourcing (IT/BPO) sector.</p>	<p>Due to the improvements in Goss Domestic Production (GDP) in the early part of the financial year, the Company was able to report a gain on Fair Value of Investments Measured at Fair value Through Profit or Loss.</p>

Management Discussion and Analysis Contd..

Movement	Cause	SHAW WALLACE INVESTMENTS PLC
<p><u>Inflation</u> Headline inflation accelerated in 2021 driven mainly by global and domestic supply side disturbances, the surge in global commodity prices and upward revisions to administered prices, while core inflation also accelerated reflecting the lagged effect of significant monetary accommodation.</p>	<p>As reflected by the year-on-year change in both the National Consumer Price Index (NCPI, 2013=100) and the Colombo Consumer Price Index (CCPI, 2013=100), the acceleration in headline inflation was attributed to the acceleration in both food and non food inflation, though food inflation accounted for a larger share. Several upward revisions made to energy prices and other administrative prices reflected the rise in prices in the international market as well as volatile food prices stemming from the pandemic related supply side disruptions and the loss of production of certain items, mostly contributed to such acceleration in inflation. Spillover of the aforementioned revisions alongside external shock absorption methods, such as the removal of maximum retail prices also partly contributed to the rise in inflation. Accordingly, year-on-year headline inflation, as measured by the CCPI, which was recorded at 4.2 per cent at end 2020, accelerated to 12.1 per cent by end 2021, breaching the target level of 4-6 per cent.</p>	<p>Increase in the rate of deposits, thus impacting investments in CSE, Further, cost of doing business increased during the period under review.</p>
<p><u>Domestic Interest Rates</u> The extremely accommodative monetary policy stance, which was maintained by the Central Bank from the onset of the pandemic in early 2020 through mid August 2021, helped reduce market interest rates to historically low levels.</p> <p>However, 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 August 2021 onwards.</p>	<p>Considering the possible build-up of excessive inflationary pressures and the imbalances that emerged in the external sector and financial markets, the Central Bank, which deployed unprecedented monetary stimulus measures since 2020, commenced monetary tightening measures in mid-August 2021 and provide adequate liquidity to the domestic money market, thereby helping individuals and businesses affected by the pandemic, while facilitating economic recovery.</p> <p>The Central Bank continued to provide extraordinary financial support to the Government by way of purchasing Treasury bills from the primary market, as well as direct allocations to the Central Bank to meet the emergency funding needs of the Government amidst disruptions to its cashflows resulting from low revenue mobilisation and high expenditure during the pandemic.</p>	<p>Less impact to the Company due to no significant Financial Assets as at the reporting date, that are directly relating to the interest rate.</p>

Management Discussion and Analysis Contd..

Movement	Cause	SHAW WALLACE INVESTMENTS PLC
<p>Exchange Rates The rupee exhibited some volatility with a pressure to depreciate, particularly during the first four months of 2021 due to limited foreign currency liquidity in the domestic foreign exchange market.</p> <p>Overall, the Central Bank intervened in the domestic foreign exchange market by way of supplying USD 747 mn on a net basis in 2021.</p> <p>The Real Effective Exchange Rate (REER) indices remained below the base year level (2017=100) in 2021, indicating the continued competitiveness of the Sri Lanka rupee.</p> <p>The notable pressures witnessed in the domestic foreign exchange market caused a large overshooting, subsequent to the allowing of more flexibility in exchange rate determination.</p>	<p>The pressures witnessed on the exchange rate amidst dried up liquidity in the domestic foreign exchange market were amplified in 2021 and early 2022, warranting a measured adjustment that was allowed in the exchange rate in early March 2022, compared to the level that prevailed in the market amidst concerns about the adverse impact of any large depreciation of the exchange rate on the society. However, the outcome of the exchange rate flexibility that was thereafter allowed also in early March 2022, fell short of expectations due to the large overshooting by market forces, reflecting the significant liquidity pressures that prevailed in the domestic foreign exchange market as well as the delay in market correction.</p>	<p>Less impact to the Company due to the less exposure to foreign currency transactions.</p>
<p>Share Market The Colombo Stock Exchange (CSE) recorded an improvement in 2021, despite negligible contribution by foreign investors.</p>	<p>This was mainly supported by the improved appetite of domestic investors for equity investments.</p>	<p>Due to the positive performance of Stock Market, the Company was able to report a profit on disposal of investments.</p>

Capital Management Review

Being in the investment business, we seek creation of long term sustainable value to our shareholders while safeguarding the financial stability of the Company.

Financial Capital Trading Investment portfolio:

The Company was able record a gain of Rs. 147.7Mn from its fair value investment measured at Fair Value through Profit or Loss during the year, against a profit of Rs. 113.5 Mn during the previous year.

Strategic Investment Portfolio:

To have a well balanced portfolio, the management of the Company has focused on strategic investments during the year, where 78% of the total equity has been invested in associate investments and balance 22% of the total equity is invested in investments measured at Fair Value Through Profit or Loss.

Short term Deposits:

Excess funds in the Company had invested in less than six months deposits in order to meet short term fund requirements of the Company, on need basis.

Report of the Board of Directors

The Board of directors have pleasure in presenting the report of the affairs of the Company and the Audited Financial Statements of the Company for the year ended 31st March 2022 together with auditor's Report and pertinent information required under section 168 of Companies Act No. 07 of 2007, Colombo Stock Exchange Listing Rules and the recommended best practices on Corporate Governance.

1. Overview

Shaw Wallace Investments PLC (formerly known as "Renuka Capital PLC") is a public limited Company incorporated in Sri Lanka on 26th June 1958 under the Companies Ordinance, No. 51 of 1938 and subsequently re-registered on 22nd May 2008 under Companies Act No. 07 of 2007. The Ordinary shares of the company are quoted on Colombo Stock Exchange since 1958. With effect from 26th August 2021 the name of the Company has been changed from "Renuka Capital PLC" to "Shaw Wallace Investments PLC

The registered Office of the company is situated at "Renuka House", No. 69, Sri Jinaratana Road, Colombo 02.

Section 168 of the Companies Act No 07 of the 2007, specifies the information to be published in the Annual Report, Prepared for the year ended 31st March 2022 and compliance status of same is given in the Corporate Governance Report on pages No. 15 to 27 to this Annual Report.

2. Review of Business

2.1 Principal Business Activities and business review
The principal activity of the Company is to invest in equity, debt and other alternate asset classes in order to act as a holding company. The Chairman's Review contains the performance of the Company and the future developments. Further risk involvement analysis and measures taken to mitigate the risks are given in the Management Discussion and Analysis and the Risk Management Report.

2.2 Associate Companies

The company invested in the following associate company.

Shaw Wallace & Hedges Ltd

The Company operates as the holding company of property development sector companies.

2.3 The company has disposed bellow associate company during the year

The Cargo Boat Despatch Investments (Private) Limited

The Company engages in investment activities.

The Company disposed The Cargo Boat Despatch Investments (Private) Limited on 23rd March 2022

2.4 Subsidiary Company

During the year the Company has further invested in 5,199,950 ordinary voting share of Guardian Capital Partners PLC (GCP PLC) on 17 th February 2022. Subsequent to the said investment, GCP PLC became a direct subsidiary of the Company. With effect from 24th February 2022 the name of GCP PLC has been changed to "Galle Face Capital Partners PLC".

3. Future Developments

Future development activities of the Company is discussed in the Chairman's Review on the page No. 3 to this Annual Report.

4. Financial Statements of the Company

The Financial Statements of the Company duly approved by two Directors in compliance with the requirements of sections 151, and 168(1) (b) of the Companies Act No 07 of 2007 are given on page No. 48 to this Annual Report.

5. Directors' Responsibility for Financial Statements

The Directors are responsible for the preparation of Financial Statements of the Company to reflect the state of its affairs. The Directors are of the view that Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement

Report of the Board of Directors Contd..

of Changes in Equity, Statement of Cash Flows presented on pages No. 50 to 51 have been prepared in accordance with the requirements of the Sri Lanka Accounting Standards as mandated by the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Companies Act No. 07 of 2007. Further, these Financial

Statements are also comply with the requirements of listing rules of the Colombo Stock Exchange. The Report of "Directors' Responsibilities" appearing on pages No. 41 to 42 of this Annual Report forms an integral part of this report.

6. Auditor's Report

The Auditors of the Company, Messrs KPMG Chartered Accountants performed the audit on the Financial Statements for the year ended 31st March 2022 and the Independent Auditor 's Report on the Financial Statements is given on pages No. 43 to 47 of this Annual Report as required by section 168(1)(c) of the Companies Act No. 07 of 2007.

7. Accounting Policies and Changes During the Year

The Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standards (LKAS/ SLFRS) which were in effect up to year end under review. The significant accounting policies adopted in the preparation of Financial Statements of the Company are given on pages No. 52 to 80 to this Annual Report as required by Section 168 (1) (d) of the Companies Act No. 07 of 2007. The Board confirms that there were no changes to the Accounting Policies used by the Company during the year.

8. Financial Results and appropriations

The Company turnover for the year ended 31st March 2022 was Rs. 36.66 Mn compared to Rs. 17.74 Mn in the previous year. Further net profit after tax of the Company was Rs. 213.87 Mn compared with the net profit of Rs. 423.26 Mn for the previous year. Detailed analysis of the Revenue is given in Note No. 13 to the Financial Statements.

9. Dividends and Reserves

9.1 Profit appropriations

The Company had a profit of Rs. 216.54 Mn before tax for the year ended 31st March 2022 compared to Profit of Rs. 427.13 Mn in 2021 and Net Profit after tax was Rs. 213.87 Mn (2021 net profit after tax of Rs. 423.26 Mn).

9.2 Dividends on Ordinary Shares

The Board of Directors has recommended Rs. 0.20 per share for 2021/22 (2020/21 Rs. 0.10 per share) by way of Scrip Dividend. The Directors are confident that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act of No. 7 of 2007 immediately after the proposed final dividend distribution.

9.2.1 Solvency Test

Solvency test has been carried out by the Board of Directors before the payment of the final dividend as required by the Companies Act No. 7 of 2007.

A solvency certificate has been received in respect of the first and final dividend of Rs. 0.20 per share by way of scrip dividend (2020/21 - Rs. 0.10) proposed to be issued to the share holders of the Company.

9.3 Provision for Taxation

The taxable income of the Company is taxed at 14% & 24% (2021 - 24% & 28%). Taxable income is arising from the operations of the Company and has been disclosed in accordance with Sri Lanka Accounting Standards. The Company has provided deferred tax on all known temporary differences under the liability method, as permitted by the Sri Lanka Accounting Standard - LKAS 12 on "Income Taxes" Information on Income Tax Expenses & Deferred Taxes are given in Notes No. 15 to the Financial Statements.

9.4 Reserves

The Reserves of the Company are given in the Changes in Equity Statement to the Financial Statements on page No. 50 to this Annual Report.

Report of the Board of Directors Contd..

10. Investments

The Group has a share portfolio in quoted shares amounting to Rs. 339.73 Mn. Detailed portfolio of the investments held by the Company is given in Note No. 6.1 to the Financial Statements.

11. Property, Plant & Equipment and Capital Expenditure

There were no Property, Plant & Equipment held by the Company.

12. Market value of Freehold Properties and Investment Properties

There are no Freehold or Investment Properties held by the Company.

13. Stated capital

The Stated capital of the Company as at 31st March 2022 was Rs. 878,252,200/- Comprised of 173,798,500 Ordinary shares (2021 - Rs. 878,252,200 comprising 173,798,500 Ordinary Shares).

14. Share Information

14.1 Information on earnings, net assets and market values

Information relating to earnings and net assets are given with five year summary appearing on page No. 81 to this Annual Report. Market value details of the ordinary shares are appearing with Shareholders' Information on pages No. 82 to 84 of this Annual Report.

14.2 Distribution schedule is given on pages No. 82 to 83 this Annual Report together with Shareholders' and investors' information.

15. Major Shareholdings

Details of the twenty largest shareholders with the percentage of their respective shareholdings as at 31st March 2022 are given on page No. 84 together with comparative shareholdings.

16. Interest Register

The Interests Register is maintained by the Company Secretary, as per the Section 168(1) (e) of the Companies Act No. 7 of 2007. All Directors have made their declarations as provided for in section 192(1) & (2) of the Companies Act aforesaid. The Share ownership of Directors is disclosed on page No. 12 to this Annual Report, Entries were made in the Interests Register on share transaction and Directors' interest in contracts. The Interest Register is available for inspection by shareholders or their authorised representatives as required by the section 119 (1) (d) of the Companies Act No. 07 of 2007.

17. 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.

18. Public Holding

There were 2,934 (2021-1,386) registered shareholders as at 31st March 2022 with the percentage of shares held by the public, as per the Colombo Stock Exchange rules, being 49.94% (2021 - 22.08%).

19. Information to Shareholders

The Board strives to be transparent and provide accurate information to shareholders in all public material.

The quarterly financial information during the year has been sent to the Colombo Stock Exchange in a timely manner.

20. Board of Directors

20.1 List of Directors

The names of the Directors who held office during the financial year are given below. The brief profile of the Board of Directors appear on page No. 4 to this Annual Report.

Report of the Board of Directors Contd..

Name of Director	Executive	Non-Executive	Independent
Mr. S. V. Rajaiyah	X		
Mr. P. Gunathilake	X		
Mr. B. V. Selvanayagam		X	X
Mr. M.R. Ratnasabapathy		X	X
Mr. K. Liyanagamage		X	X

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

20.2 Recommendation for re-election

To re-elect M.R.Ratnasabapathy as a Director who retires by rotation in terms of Article 28 (1)

20.3 Directors Meetings

Details of the meetings of the Board of Directors are presented on page No. 16 to this Annual Report.

20.4 Directors' Interest in transactions

The Company carried out transactions in the ordinary cause of business with the entities which a Director of the Company is a Director. The transactions with the 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 18 to the Financial Statements. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

20.5 Directors' Interest in Shares

Directors of the Company and who have relevant interest in 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.

Directors holdings, in Ordinary Shares of the Company are given in the below table.

Name of Director	As at 31st March 2022	As at 1st April 2021
Mr S. V. Rajiyah	-	4,098,850
Mr. P. Gunathilake	-	-
Mr.B.V.Selvanayagam	-	-
Mr. M.R. Ratnasabapathy	-	-
Mr. K. Liyanagamage	-	-

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

20.6 Remuneration of Directors

The remuneration of Directors in respect of the Company for the year ended 31st March 2022 is given in Note 18 to Financial Statements.

20.7 Directors Responsibility for Financial Reporting
The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true & fair view of the status 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.

20.8 Board Committees

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

Audit Committee

The Audit Committee comprising of Non- Executive Directors are provided on pages No. 35 to 36 of this Annual Report. Detailed scope of the Audit Committee and their work during the year disclosed in Audit Committee Report given on page No. 35 of this Annual Report.

Report of the Board of Directors Contd..

Related Party Transactions Review Committee (RPTR)

Related Party Transactions Review Committee (RPTR) comprise of three independent non executive Directors. RPTR Committee of Renuka Holdings PLC, the ultimate parent company, act as the RPTR Committee of Shaw Wallace Investments PLC. Detailed scope and the meetings held during the year under review is given in the RPTR Committee Report on pages No 37 to 38 in this Annual Report.

Remuneration Committee

Remuneration Committee of ultimate parent company, Renuka Holdings PLC, act as the Remuneration Committee of Shaw Wallace Investments PLC. The scope and meetings of the Remuneration Committee is given in the Remuneration Committee report on pages No. 39 in this Annual Report.

Nomination Committee

Nomination Committee of ultimate parent company, Renuka Holdings PLC, act as the Nomination Committee of Shaw Wallace Investments PLC. The scope and meetings of the Nomination Committee is given in the Nomination Committee report on pages No. 40 in this Annual Report.

21. Related Party Transactions

The Board of Directors has given the statement in respect of the related party transactions. The related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee and are in compliance with the Section 09 of the CSE Listing Rules.

22. Statutory Payment

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

Declaration relating to statutory payments is made in the Statement of Directors' Responsibilities on the pages No. 41 to 42 to this Annual Report.

23. Environmental Protection

The Directors, to the best of their knowledge and belief are satisfied that the Company has not engaged in any activities, which have caused adverse effects on the environment and it has complied with the relevant environmental regulations.

24. Events Occurring After the Reporting Date

There are no events of material and significance nature that requires adjustment to the Financial Statements, occurred subsequent to the date of the reporting date , other than those disclosed in Note No. 21 to the Financial Statements.

25. Going Concern

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance code, have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore the going concern basis has been adopted in the preparation of the Financial Statements as disclosed in Note No. 2.7 to the Financial Statements.

26. Corporate Donations

The Company has not made any donations during the year under review.

27. Risk Management

The Company has a structured risk management process in place to support its operations. The Shaw Wallace Investments PLC's Board, Audit Committee play a major role in this process. The Risk Management Report elaborates these processes and the Company's risk factors.

28. Internal Controls

The Directors acknowledge their responsibility for the Company's system of internal control. The system is designed to give assurance, inter alia, regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated.

However, any system can only ensure reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period. The Board, having reviewed the system of internal controls, is satisfied with the Group's adherence to and effectiveness of these controls for the year up to the date of signing the Financial Statements.

29. Capital Commitments

No significant capital commitments exist as at 31st March 2022 other than those disclosed in Note No. 20 to this Financial Statements.

Report of the Board of Directors Contd..

30. Compliance with Laws and Regulations

The Company has complied with all applicable laws and regulations. A compliance checklist is signed-off on a quarterly basis by responsible officers and any violations are reported to the Board Audit Committee. Detailed report of the Audit Committee is given on pages No. 35 to 36 to this Annual Report.

31. Contingent Liabilities

There are no contingent liabilities existed as at the Balance Sheet date except what is disclosed in the Note No. 19 to the Financial Statements.

32. Outstanding Litigations

There are no litigations pending against the Company as at the Balance Sheet date.

33. Code of Conduct

The Company demands 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.

34. 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 15 to 27 detailed this further.

35. Compliance with Transfer Pricing Regulations

All transactions are entered in to with associated persons during the period are comparable with transactions carried out with non-associated parties.

36. Employees and industrial Relations

There are no employees attached to Shaw Wallace Investments PLC.

37. Appointment of Auditors

Messrs KPMG, Chartered Accountants, who are the Company Auditors during the year, are deemed reappointed, in terms of Section 158 of the Companies Act No.7 of 2007, as Auditors of the Company. The retired auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors of the company and authorizing directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

38. Auditors' Remuneration and Interest in Contracts

The fee amount paid/payable for the services provided to the Company during the year with corresponding figures for the previous year is present in Note No. 16 to Financial Statements.

39. Annual Report

The Board of Directors approved the Company Financial Statements on 12th August 2022. The appropriate No. of copies of this report will be submitted to Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

40. Annual General Meeting

Following the issuance of guidelines by the Colombo Stock Exchange (CSE) due to the COVID-19 pandemic situation in the county, 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 65th Annual General Meeting of Shaw Wallace Investments PLC will be held as a virtual meeting on Wednesday, 07th September 2022 at 2.45 p.m.

41. Acknowledgment of the contents of the Report

As required by section 168(1) (k) of the Companies Act No.07 of 2007 the Board of Directors hereby acknowledge the contents of this report.

Sgd.
S.V.Rajiyah
Chairman

Sgd.
P.Gunatilake
Director

Sgd.
Renuka Enterprises
Company Secretaries
12th August 2022

Report on the Corporate Governance

Shaw Wallace Investments PLC is involved in Investing and trading in equity and other alternative asset classes. Therefore, structured and sound Corporate Governance is required to mitigate the risk involved and to provide added value to its shareholders and other stakeholders. The Renuka Group Corporate Governance frame work facilitates Shaw Wallace Investments PLC too to adhere and adopt a well sound corporate governance framework that facilitates effective management of corporate relationship and deliver continuous values to its stakeholders. Core principles of accountability, participation and transparency have been in-built to the corporate governance system and manages the wider range of Companies in the Renuka Group.

This is a robust framework of structures, principles, policies, procedures, codes and processes to ensure that our Group values and standards are maintained throughout the Companies in the Group. Corporate Governance essentially involves balancing the interests of the shareholders and many stakeholders of the Company - which extend to Management, Customers, Suppliers, Financiers, Government and the Community. Since Corporate Governance also provides the framework for attaining the objectives of the Company, 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 Company image.

The Company is committed to the highest standards of integrity, ethical values and professionalism in all its activities.

At the Group level, 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. This applies to Shaw Wallace Investments PLC as well.

Corporate Governance System

The Board of Directors who are appointed by the shareholders are the ultimate governing body of the Company having the highest decision making authority and overall responsibility for determining the strategic directions of the Company. In all actions taken, the Board of Directors are expected to exercise their business judgment considering the best interest of the Company. The Corporate Governance frame work is subject to continuous reviews, assessments and improvements to provide best interest to its stakeholders.

BOARD LEADERSHIP

Composition of the Board

The Board comprised of five Directors as at the date of Financial Statements are approved, of which two Directors are Executive and three Directors are Non- Executive and Independent. The status of Directors are given below.

Executive Directors	Non - Executive and Independent Directors
Mr. S. V. Rajiyah	Mr. B. V. Selvanayagam
Mr. P. Gunathilake	Mr. M. R. Ratnasabapathy
	Mr. K. Liyanagamage

The Board determined that the Independence of the Directors are measured in accordance with the Colombo Stock Exchange Rules and the Independent Non-Executive Directors have submitted signed confirmation of their Independence. The profiles of the Directors are given in page No. 04 to this Annual Report which states

Report on the Corporate Governance Contd..

that all the Directors are having diverse experience, being eminent professionals and dynamic entrepreneurs in the corporate world.

Role & Responsibilities of the Board

The Board aims at fulfilling its responsibilities by creating value for all the 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 to enhance the long term value of the Company. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence.

Whilst the management provides information to the Board on regular basis, relating to the Company operations, the Board meets quarterly and gives full consideration to the followings:

- Reviewing of strategic and key business performances
- Reviewing of profit/loss and asset position and quarterly management accounts
- Providing advice and guidelines to senior Managers
- Approving major Investments
- Approving the Interim and Annual Reports
- Risk management and adequacy of internal controls of the Company
- Seeking business developments and expansions in the Company
- Reviewing reports of Related Party Transactions, Compliance with legal and regulatory requirement

Board Composition

The composition of Executive and Non-Executive Independent 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.

Board Meetings and Attendance

The Board convened three times during the year ended 31st March 2022 and the Directors attendance at the meetings is as follows.

Name of the Director	Eligible to Attended	Attended
Mr.S.V.Rajiyah (Chairman)	3	3/3
Mr. P.Gunathilake	3	3/3
Mr. M.R.Ratnasabapathy	3	3/3
Mr. B.V.Selvanayagam	3	3/3
Mr. K.Liyanagamage	3	3/3

Chairman's Role

The Chairman is responsible for ensuring the effectiveness and conduct of the Board whilst the Management has overall responsibilities over the operating units, organizational effectiveness of the implementation of Board policies and decisions.

The Chairman ensures that Board members have access to adequate information and are provided with sufficient opportunity to obtain clarifications on the matters before the meetings through presentations and documents prepared by the management and their teams. Board members also have access to key management personnel for any clarifications. Chief Executive Officer - Shared Services, present the updates on performance of the Company, compliance with regulatory requirements such as Colombo Stock Exchange Listing rules, Companies Act requirements and compliance with tax regulations.

Financial Acumen

The Board constitutes with members who are having multiple disciplines and experiences in Finance, Marketing, Economic, Legal and Human Resources. As a result well balanced members in the Board have the capability in providing constructive debates and reviews to assist in developing capable strategies.

Report on the Corporate Governance Contd..

Information to the Board

Directors are provided with monthly reports on the performance of the Company. Chairman ensures that Managers provide all clarifications and documentations to the Board with minutes and Board papers which are circulated among Directors prior to seven days of the Board meeting.

Board Appointment and Re-election of Directors

The Board follows a formal process to appoint Directors to the Board mainly through the recommendation of the Nomination Committee.

The Articles of Association of the Company require one third of the Non-Executive Directors retire at each Annual General Meeting and the Directors who retire are those who have served the longest periods after their respective appointments/re-appointments.

Access to Independent Professional Advice

In the process of preserving the independence of the Board and the effective decision making, the Directors obtain independent and professional advice where necessary.

Access to Advice and Services of the Company Secretaries

All the Directors have access to the advice and services of the Company Secretarial function provided by Renuka Enterprises (Pvt) Ltd, which is responsible for ensuring that Board procedures are followed, compliance with rules and regulation, directions and statutes, recording minutes and maintaining required records of the Company.

Independent Judgment

Directors bring independent judgment to bearing on issues of strategy, performance, resources and standards on business conduct. Composition of the Board ensures that there is a sufficient balance of power and contribution by all the Directors without any domination by one or few Directors on Board processes or decision making.

Dedication of Adequate Time and Effort to Matters of the Board and the Company

Directors ensure that they dedicate adequate time and effort to the matters of the Board and the Company and that the duties and responsibilities owed to the Company are satisfactorily discharged. Accordingly dates of quarterly Board meetings and Board Sub-Committee meetings are scheduled well in advance and the relevant papers and documents are circulated a week prior to each meeting giving sufficient time for review. There is provision to circulate papers closer to the meeting on an exceptional basis.

Disclosure of information on Directors to Shareholders

Information relating to each Director is disclosed with the profile given on page No. 04 of this Annual Report. Director's profiles include name, qualifications, experience, material business interest.

Membership in sub-committees are given on pages No. 12 to 13 this Annual Report together with attendance at such meetings. Attendance at Board meeting is given on page No. 16 to this Annual Report.

Remuneration paid to Director is disclosed in the Note No. 16 to the Financial Statements. Related Party Transactions had with Directors are disclosed in the Note No. 18.1 to the Financial Statements. Further any Directorships in Listed Companies established in Sri Lanka are included in the profile of each Director on page No. 04 to this Annual Report.

Report on the Corporate Governance Contd..

Directors' Remuneration Procedure

Remuneration Committee determines and sets out the guidelines for remuneration of the management staff in the Group. Scope of Remuneration Committee and its composition are included on page No. 39 of this Annual Report.

The Board determines the remuneration of Non- Executive Directors who are paid a Directors Fee for attending the Board meetings and sub-committee meetings. However they are not paid a performance based incentive payment.

Stakeholder Management and Shareholder Relationship

Communication with Shareholders

The Board considers the Annual General Meeting as a prime opportunity to communicate with the shareholders of the Company. 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 circulated to the shareholders within the statutory period.

The Company circulates the agenda of the meeting and shareholders' vote on each issue separately. All the shareholders are invited and encouraged to participate the Annual General Meeting. The Annual General Meeting provides an opportunity for the 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. The Company publishes quarterly accounts and Annual Report in a timely manner as its principal mode of communication with shareholders and others. This enables stakeholders to make a rational judgment of the Company.

Disclosure of Material Proposed Transactions

During the year under review there were no material proposed transactions entered in to by Shaw Wallace Investments PLC which would materially affect the Net Assets base of the Company other than those disclosed in the Note No. 20 to this Annual Report.

Accountability and Audit

The Board through the Chief Executive Officer-Shared Service and the Management is responsible for the preparation and presentation of Financial Statements of the Company in Accordance with the Sri Lanka Accounting Standards comprising SLFRS and LKAS. This responsibility is monitored by the completion of a check list before finalizing the Interim and full year Financial Statements from the respective sector Financial Controllers, Chief Financial Officer and the Chief Executive Officer - Shared Services.

The Directors' Responsibility Statement for Financial Reporting is included on pages No. 41 and 42 to this Annual Report.

Risk Management and Internal Controls

The Board is responsible for the Company's internal controls and their effectiveness. Internal controls are established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision making. It covers all the 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.

Report on the Corporate Governance Contd..

Board Sub Committees

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

The Four Board Sub Committees are as follows.

- i. Audit Committee
- ii. Remuneration Committee
- iii. Related Party Transactions Review Committee
- iv. Nomination Committee

Audit Committee

The Board has established an Audit Committee which has oversight responsibility for financial reporting system of the Company considering how they should select and apply accounting policies, financial reporting, establish internal controls and maintain an appropriate relationship with the External Auditors.

The Members of the Audit Committee consist of Independent Non-executive Directors who are appointed by and responsible to the Board of Directors. The Executive Director, Chief Executive Officer – Shared Services and Chief Financial Officer attended the meetings by invitation. Other members of the Board, members of the Management as well as External Auditors were present when required. The Company Secretaries serve as Secretaries to the Committee.

The Audit Committee reviews the Accounting Policies and presentation for external audit function and ensures that the objectives and professional relationships are maintained with the External Auditors. Also Audit Committee reviews and assists the Board in maintaining a sound system of internal control.

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 Directors present at least once a year, in line with good Corporate Governance Practice.

The Report of the Audit Committee is present on pages No. 35 to 36 and the duties of the Audit Committee are included therein.

Related Party Transactions Review Committee

The objective of the Committee is to exercise oversight on behalf of the Board of Shaw Wallace Investments PLC and its listed associate Companies, to ensure compliance with the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka (“The Code”) and with the Listing Rules of the Colombo Stock Exchange (CSE). The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka and the CSE. The Related Party Transactions Review Committee of ultimate holding Company Renuka Holdings PLC, acts as the Related Party Transactions Review Committee of Shaw Wallace Investments PLC.

The Related Party Transactions Review Committee consists of three Independent Non-Executive Directors who are appointed by and responsible to the Board.

The Executive Director, Chief Executive Officer – Shared Services and Chief Financial Officer attended the meetings by invitation and the Company Secretaries serve as Secretaries to the Committee.

The Report of the RPTR Committee is presented on pages No. 37 to 38 and the duties of the Committee are included therein.

Report on the Corporate Governance Contd..

Remuneration Committee

The Remuneration Committee determines the remuneration of the Chairman/Chief Executive and the Executive Directors and sets guidelines for the remuneration of the key management staff within the Group. The Remuneration Committee of ultimate holding Company Shaw Wallace Investments PLC acts as the Remuneration Committee of Shaw Wallace Investments PLC.

The Remuneration Committee consists of three Directors who are independent and Non-Executive. The Chairman of the Committee is an Independent Non- Executive Director and the Company Secretaries serve as Secretaries to the Committee.

The Report of the Remuneration Committee is presented on page No. 39 and the duties of the Remuneration Committee are included therein.

Nomination Committee

The Committee objective 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 sets out the scope comprising tasks such as assessing skills required to be on the Board, periodic review of the extent of skills required to represent the Board, Review the clear description of role and capabilities required for a particular Board appointment and Identify and recommend suitable candidates to the Board. The Nomination Committee of ultimate holding company, Renuka Holding PLC, acts as the Nomination Committee of Shaw Wallace Investments PLC.

All three Directors in the Nomination Committee are Non-Executive and Independent.

The Report of the Nomination Committee is presented on page No. 40 and the duties of the Committee are included therein.

Institutional Investors

The Shareholders are provided with Interim Financial Statements and Audited Financial Statements together with Annual Report which contains the periodic/ annual performance of the Company and its Associate Companies. This information is available in the web site of Colombo Stock Exchange. Further Board of Directors ensure that Shareholders are given a fair chance to communicate at the Annual General Meeting and clarify any information relating to the Company. Board also encourages discussions of a high level on the strategic decisions and achievement of goals of the Company at the Annual General Meeting. Further the Board disseminates any information which is price sensitive to the shareholders by announcing to the Colombo Stock Exchange.

Other Investors

The Board expects any investor to carry out analysis on the information published in the Colombo Stock Exchange web site and to seek independent advice on their investment decisions to invest or divest the shares.

Information Technology Governance

The Board is vigilant on the impact of the technology towards the business. The Board is concerned about the threat and the need for the management of IT and Cyber security risk. Chief Information Technology Officer in the Group is entrusted with formulation of the Group Information Technology policy and Information Security Policy.

Management of IT and Cyber security is reviewed at monthly meetings with Directors and they are informed of any risks, issues and precautionary.

Report on the Corporate Governance Contd..

Compliance Summary

Statement of compliance under Section 7.6 of the Listing Rules of Colombo Stock Exchange on Annual Report disclosures.

Corporate Governance Compliance Statement

Shaw Wallace Investments PLC has fully complied with the Corporate Governance listing requirements of the Colombo Stock Exchange and adheres to the different regulating authorities including,

- 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

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
(i)	Names of persons who were Directors of the entity	Compliant	Refer Report of the Board of Directors Report on pages No. 09 to 14 to this Annual Report.
(ii)	Principal activities of the entity during the year and any changes therein	Compliant	Refer Note No. 1 to Financial Statements.
(iii)	The names and the No. of shares held by the 20 largest holders of voting shares and the percentage of such shares held	Compliant	Refer Shareholders' and Investors' information on pages No. 82 to 84 to this Annual Report.
(iv)	The public holding percentage	Compliant	Refer Shareholders details on page No. 82 to 84 to 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	Compliant	Refer Report of the Board of Directors on page No. 09 to 14 to this Annual Report.
(vi)	Information pertaining to material foreseeable risk factors of the Entity	Compliant	Refer Report on the Risk management on page No. 30 to 34 to this Annual Report.
(vii)	Details of material issues pertaining to employees and industrial relation of the Entity	Not Applicable	There are no employees in the Company.
(viii)	Extent, Locations, Valuations and the number of buildings of the Entity's land holding and investment properties	Not Applicable	
(ix)	Number of shares representing the Entity's Stated Capital	Compliant	Refer Note No. 10 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	Compliant	Refer Shareholders' and Investors' information on page No. 82 to 84 to this Annual Report.
(xi)	Financial ratios and market price information	Compliant	Refer Five year summary given on page No. 81 to this Annual Report.

Report on the Corporate Governance Contd..

Compliance Summary Contd...

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
(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	Not Applicable	
(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, 7.10.5 c. and 7.10.6.c. of Section 7 of the Listing Rules	Compliant	Refer Report on the Corporate Governance on page No. 15 to 27 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.	Compliant	Refer Note No. 18 to Financial Statements.
7.10	COMPLIANCE		
a./b./c.	Compliance with Corporate Governance Rules	Compliant	This report declares the confirmation on compliance and refer Page No. 21 for "CORPORATE GOVERNANCE COMPLIANCE STATEMENT".
7.10.1	NON-EXECUTIVE DIRECTORS (NED)		
a.	At least 2 members or 1/3 of the Board, whichever is higher should be NEDs	Compliant	Three out of five Directors are Non-Executive Directors.
b.	The Total number of Directors is 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.
c.	Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	Not Applicable	
7.10.2	INDEPENDENT DIRECTORS		
a.	2 or 1/3 of NEDs, whichever is higher shall be 'Independent'	Compliant	All Non-Executive Directors are independent.
b.	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.

Report on the Corporate Governance Contd..

Compliance Summary Contd...

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
7.10.3	DISCLOSURES RELATING TO DIRECTORS		
a./b.	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.
c.	A brief resume of each Director should be included in the Annual Report including the Directors' experience	Compliant	Refer page No. 04 for a brief resume of each Director.
d.	Provide a resume of new Directors appointed to the Board along with details	Compliant	Refer page No. 04 for a brief resume of each Director.
7.10.4	CRITERIA FOR DEFINING INDEPENDENCE		
a. - h.	Requirements for meeting the criteria to be an Independent Director	Compliant	As per 7.10.2 a & b in determining of the independence or otherwise of NEDs, Board reviewed the criteria for defining independence as per 7.10.4 a to h
7.10.5	REMUNERATION COMMITTEE		
a.1	Remuneration Committee shall comprise of NEDs, a majority of whom will be independent	Compliant	The Remuneration Committee comprises of 3 Non-Executive Directors of all are Independent.
a.2	One Non-Executive Director shall be appointed as Chairman of the Committee by the Board of Directors	Compliant	Refer page No.39 for Chairman of Remuneration Committee.
b.	Remuneration Committee shall recommend the remuneration of the CEO and the Executive Directors	Compliant	Refer page No. 39 for Remuneration Committee scope.
c.1	Names of Remuneration Committee members	Compliant	Refer page No. 39 for names of the Committee members.
c.2	Statement of Remuneration policy	Compliant	Refer pages No. 39.
c.3	Aggregate remuneration paid to EDs and NEDs	Compliant	Refer to Note No. 18 of the Financial Statements.

Report on the Corporate Governance Contd..

Compliance Summary Contd...

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
7.10.6	AUDIT COMMITTEE		
a.1	Audit Committee shall comprise of NEDs, or a majority of whom should be independent	Compliant	The Audit Committee comprises of three Non-Executive Directors of whom all three are independent.
a.2	A NED shall be the Chairman of the Committee	Compliant	The Chairman of the Committee is an Independent Non-Executive Director.
a.3	CEO and CFO should attend Audit Committee meetings	Compliant	Refer pages No. 35 to 36 of the Report of Audit Committee.
a.4	The Chairman of the Audit Committee or one member should be a member of a professional accounting body	Compliant	One member of the Audit Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.
b.	Functions of the Audit Committee		
b.1	Overseeing of the preparation, presentation and adequacy of disclosure in the financial statements	Compliant	Refer pages No. 35 to 36 for Audit Committee Report.
b.2	Overseeing the compliance with financial reporting requirements, information requirements as per the laws and regulations	Compliant	Refer pages No. 35 to 36 for Audit Committee Report.
b.3	Ensuring the internal controls and risk management are adequate to meet the requirements of the SLFRS/LKAS	Compliant	Refer pages No. 35 to 36 for Audit Committee Report.
b.4	Assessment of the independence and performance of the Entity's External Auditors	Compliant	Refer pages No.35 to 36 for Audit Committee Report.
b.5	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 No. 35 to 36 for Audit Committee Report.
c.1	Names of the Audit Committee members shall be disclosed	Compliant	Refer pages No. 35 to 36 for Audit Committee Report.
c.2	Audit Committee shall make a determination of the independence of the external Auditors	Compliant	Refer pages No. 35 to 36 for Audit Committee Report.
c.3	Report on the manner in which Audit Committee carried out its functions	Compliant	Refer pages No. 35 to 36 for Audit Committee Report.

Report on the Corporate Governance Contd..

Compliance Summary Contd...

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
9.2	RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (RPTR)		
9.2.1	Reviewing of Related Party Transactions except the transactions mentioned under rule No. 9 should be carried out by the Committee prior to entering or completion of the transaction	Compliant	Refer Related Party Transactions Review Committee Report on pages No. 37 to 38 to this Annual Report.
9.2.2	The Committee should comprise a combination of non-executive directors and independent non-executive directors. The composition of the Committee may also include executive directors, at the option of the Listed Entity. One independent non- executive director shall be appointed as Chairman of the Committee.	Compliant	Refer Related Party Transactions Review Committee Report on pages No.37 to 38 to this Annual Report.
9.2.3	Holding Company RPT Committee to function as the RPT Committee of subsidiaries	Compliant	Refer Related Party Transactions Review Committee Report on pages No. 37 to 38 to this Annual Report.
9.2.4	Frequency of Meetings	Compliant	Refer Related Party Transactions Review Committee Report on pages No. 37 to 38 to this Annual Report.

Report on the Corporate Governance Contd..

Compliance Summary Contd...

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
9.3	RPTR COMMITTEE DISCLOSURE IN THE ANNUAL REPORT		
	Immediate Disclosure:		
9.3.1	<p>a) Any non-recurrent related Party transaction with a value exceeding 10 percent of the Equity or 5 percent of Total Assets which ever is lower, OR if the aggregate value of all non-recurrent Related Party Transactions entered in to with the same Related Party during the same Financial year amounts to 10 percent of the equity or 5 percent of the Total assets of the Entity as per the latest Audited Financial Statements</p> <p>b) Any subsequent Non-Recurrent Transaction after it exceeds 5 percent of Equity entered with the same related party</p>	Compliant	Refer Note No. 18 to Financial
9.3.2 (a)	Details pertaining to Non-Recurrent Related Party Transactions	Compliant	Refer Note No. 18 to the Financial Statements.
9.3.2 (b)	Details pertaining to Recurrent Related Party Transactions	Compliant	Refer Note No. 18 to the Financial Statements.
9.3.2 (c)	Report of the Related Party Transactions Review Committee	Compliant	Refer pages No. 37 to 38 for Report of the Related Party Transactions Review Committee.
9.3.2 (d)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules pertaining to Related Party Transactions, or a negative statement otherwise	Compliant	Refer pages No. 37 to 38 for Report of the Related Party Transactions Review Committee.

Report on the Corporate Governance Contd..

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

Section	Corporate Governance Principles	Compliance status	Reference
168 (1) (a)	The state of the Company's affairs and nature of the business of the Company together with any change thereof during the accounting period	Compliant	Refer Note No. 01 to the Financial Statements.
168 (1) (b)	Signed Financial Statement of the Company for the accounting period completed	Compliant	Refer page No. 48 of this Annual Report.
168 (1) (c)	Auditors Report on Financial Statements of the Company	Compliant	Refer pages No. 43 to 47 of this Annual Report.
168 (1) (d)	Accounting Policies and any changes therein	Compliant	Refer Note No. 02 to the Financial Statements.
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Compliant	Refer page No. 11 of this Annual Report.
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Compliant	Refer Note No. 18 to the Financial Statements.
168 (1) (g)	Corporate donations made by the Company during the accounting period	Compliant	Refer page No. 13 of this Annual Report.
168 (1) (h)	Names of the Directors of the Company at the end of the accounting period and name of Directors who ceased to hold office during the accounting period	Compliant	Refer page No. 12 of this Annual Report.
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 No. 16 to the Financial Statements.
168 (1) (j)	Other relationships or any interest of Auditors with the Company.	Compliant	Refer pages No. 35 to 36 of the Audit Committee Report.
168 (1) (k)	Acknowledgment of the content of this report and signature on behalf of the Board	Compliant	Refer page No. 14 of the Annual Report for Report of the Board of Directors.

Report on the Sustainability of the Company

Overview

Sustainability of the Company is the key element which is incorporated to Corporate Governance frame work where the utilization of resources efficiently, environmentally responsible provision of services that deliver sustainability benefits which can leverage commercial advantage for the Company. Based on each stakeholder expectations and company desire to deliver sustainable stakeholder values over time, the Company designed appropriate strategies to face the challenge of fulfilling stakeholder expectations.

The key business drives for sustainability are internal operations and stakeholder engagement. The first focuses on our internal operations and provision of our services more efficiently using limited resources. This approach helps us to reduce costs of supply 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 among 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.

Impact on Economic Performance

In economic performance, Company focused on operational excellence across all its business divisions and value addition to economic development. Operational excellence measured in terms of efficiency and effectiveness of internal process, improvements to processes and reduces waste. Further investment in IT/ERP helps measurement of operational results on time with increase accuracy.

Shaw Wallace Investments PLC Sustainability Policy and Guidelines

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

- Investors
- Customers
- Key suppliers and business partners
- Environment

Shaw Wallace Investments PLC has formulated sustainability strategies to create value for those identified stakeholders. We have created formal and informal channels in line with ultimate Group (Renuka Holdings PLC) policies to develop effective communication systems and engagement programs to involve our stakeholders and implement continuous monitoring systems through the management team in order to gauge our impact on the stakeholders.

Shaw Wallace Investments PLC has strive to ensure that all processes will not knowingly harm people and will minimize the negative impact our businesses will have on human life as well as environment.

Our Stakeholder Engagement Process

Investors Support

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

Report on the Sustainability of the Company Contd..

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.

Customers Support

The Company uses its competencies and decades of experiences to identify the needs and wants of our customers in order to provide quality product and services creating value-for-money.

Suppliers Support

We always try to build business relationships all over the world and not only centered in Sri Lanka.

Renuka Group considers engagement to be an increasingly important component of its corporate citizenship strategy. Our engagement efforts help Renuka Group 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 on the 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. Proactive risk management is vital for the Group since our business is exposed risk arising out of economic, demographic and political factors.

Each Business sector of the Company carries out sector risk assessments on periodic basis and reviewed at the Group management meetings.

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 Company's business objectives. The process of embedding risk management system within our company 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

Shaw Wallace Investments PLC follows the risk management governance framework of Renuka Group set by the Ultimate Parent Company.

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

01. **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 Company.

02. **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 Company.

03. **Financial Risk**- The likelihood of loss inherent in financing procedures which may weaken the ability to deliver adequate return to the Company. 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. Shaw Wallace Investments PLC 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.

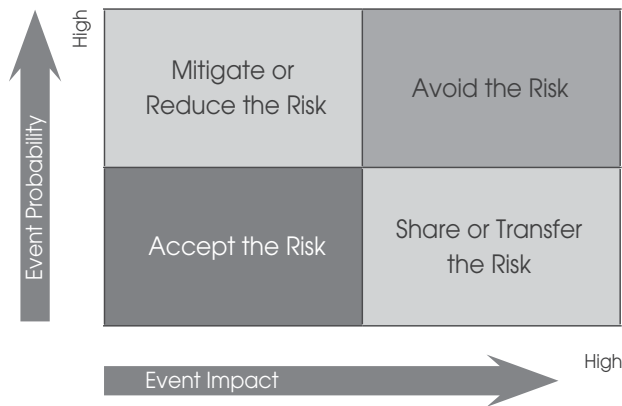
		Impact		
		Low	Medium	High
Probability	High			
	Medium			
	Low			

Report on the Risk Management Contd..

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.

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

Strategic Risk

Risk	Impact	Risk Management Strategies
Competitive Risk		
Risk 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 Company's service excellence, uniqueness of properties, innovative product and service developments and the strength of its brands enables the Group to eliminate threats from new and existing players.</p>

Report on the Risk Management Contd..

Strategic Risk

Risk	Impact	Risk Management Strategies
Operational Risk		
IT systems and infrastructure	<p>Inability to obtain timely and accurate information due to failures in IT systems.</p> <p>Potential disruption to operations.</p> <p>Significant financial losses.</p>	<p>Implementation of effective IT infrastructure and to ensure consistency of delivery.</p> <p>Engage with service providers to mitigate IT related risks through effective policy and procedures as well as increased awareness.</p> <p>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.</p> <p>All shared service divisions are bound by the code of conduct to safeguard the Group's information, irrespective of its physical form.</p> <p>A dedicated central IT team is in place to support all IT related aspects of the Group.</p>

Report on the Risk Management Contd..

Operational risk contd...

Risk	Impact	Risk Management Strategies
Operational Risk		
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 reduce 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 Shaw Wallace Investments PLC 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.</p>

Report on the Risk Management Contd..

Operational risk contd...

Risk	Impact	Risk Management Strategies
Breakdown of Internal Controls	<p>Wastage of management Time and resources.</p> <p>Possible loss of data.</p> <p>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>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. The Company uses comprehensive general and specific reporting and monitoring systems to identify, assess and manage risks.</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 which in turn, prevents errors, irregularities and fraud.</p>

Financial Risk

Financial risk management obligations and policies have been described in note No. 23 to the Financial Statements.

Report of the Audit Committee

The Board appointed the Audit Committee to be in line with the Code of the Best Practice on Corporate Governance and the requirement of the Securities and Exchange Commission for Public Listed Companies. The Audit committee functions, authority and duties have been clearly identified in the Audit Committee Charter.

Role of the Audit Committee

The main role and the responsibilities of the Audit Committee include;

- Assisting the Board in discharging its responsibilities by satisfying the Board oversight responsibilities in relation to quality and integrity of the Financial Statements of the Company. This includes preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards.
- The overall responsibility in ensuring that the Internal controls systems and risk management systems of the Company are adequate and comply with legal and regulatory requirements.
- Oversight responsibility to ensure compliance in relation to financial reporting requirement and the information requirement as required by Companies Act No. 07 of 2007 and other relevant financial reporting related regulations and requirements.
- Assessing the independence, qualifications and performance of External Auditors.
- Making recommendations to the board pertaining to appointment, re-appointment and removal of external auditors and approval of the remuneration and terms of engagement of the external auditors.
- Discussion of the audit plan, key audit issues and their resolution and management responses.
- Discussion of the Company's Annual Audited Financial Statements and Interim Financial Statements with management and the Auditors.

The Audit Committee also reviews the nature and extent of non-audit services provided by the auditors to ensure that auditors are able to maintain objectivity and independence.

Composition of the Audit Committee

The Audit Committee consists of Independent Non-Executive Directors who are appointed by, and are responsible to the Board of Directors.

Audit Committee Members

Mr. M. R. Ratnasabapathy – Chairman
(Independent Non-Executive Director)

Mr. B.V. Selvanayagam
(Independent Non-Executive Director)

Mr. K. Liyanagamage
(Independent Non-Executive Director)

Brief profiles of each member are given on page 4 of this Annual 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.

Audit Committee Meetings

The committee has met 4 times during the year under review. The attendance of the members of Audit Committee meeting is stated in the table below.

Name of Director	Eligible to Attend	Attended
Mr. M.R. Ratnasabapathy	4	4/4
Mr. B.V. Selvanayagam	4	4/4
Mr. K. Liyanagamage	4	4/4

Company Secretary acts as the Secretary to the Audit Committee. The Executive Director, Chief Executive Officer – Shared Services and Chief Financial Officer, attended the meetings by invitation. Other members of the Board, Management members as well as External Auditors were presented when required.

Report of the Audit Committee Contd...

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 are followed.

Functions of the Audit Committee

The proceedings of the Audit Committee are regularly reported to the Board of Directors.

Controls and Risks

During the year, the Committee reviewed the effectiveness of the Company’s system of Internal Control. The Committee also assessed the major business and control risks and the control environment prevalent in the Company and advised the Board on action to be taken where weaknesses were observed. The Audit Committee is satisfied that the Company’s accounting policies and operational controls provide reasonable assurance that affairs of the company are managed in accordance with company policies and that Company assets are properly accounted for and adequately safeguarded.

External Audit

The Committee met with the External Auditors in relation to the scope of the audit and also to discuss the Key Findings at the conclusion of the Audit.

The Committee reviewed the Audited Financial Statements with the External Auditors who are responsible to express an opinion on its conformity with the Sri Lanka Accounting Standards. 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 Company’s 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 Messrs. KPMG to be appointed as Auditors for the financial year ending 31st March 2023 and to authorize the Directors to determine their remuneration complying with code of best practices issued by SEC and CASL subject to the approval of the shareholders at the Annual General Meeting to be held on 07th September 2022.

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.
M. R. Ratanasabapathy
Chairman
12th August 2022

Report of Related Party Transactions Review Committee

The Related Party Transactions Review Committee (RPTR) was constituted with an objective of keeping in line with the Code of Best Practice on Corporate Governance and the requirement of the Securities and Exchange Commission with a view to ensure that the interests of shareholders as a whole are taken into account by Shaw Wallace Investments PLC and are consistent with the Code when entering into Related Party Transactions and made required disclosures in a timely manner. The committee has also adopted the Best Practices as recommended by the Institute of Chartered Accountants of Sri Lanka and Colombo Stock Exchange.

RPTR Committee of ultimate parent Company, Renuka Holdings PLC Shaw Wallace Investments PLC, acts as the RPTR Committee of Shaw Wallace Investments PLC.

Composition of the Related Party Transactions Review Committee (RPTR)

The committee comprises three Independent Non executive Directors who are appointed by and responsible to the Board of Directors.

The Committee comprised of following members as at 31st March 2022.

Mr. T. K. Bandaranayake – Chairman
(Independent Non-Executive Director)

Mr. M. S. Dominic
(Independent Non-Executive Director)

Dr. J. M. Swaminathan
(Independent Non-Executive Director)

Brief profiles of each members are given below.

Mr T. K. Bandaranayake

Mr. T. K. Bandaranayake is an Independent Non-Executive Director of Renuka Holdings PLC, which is the Ultimate Parent Company 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 40 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, Micro Holdings Ltd and Browns & Company PLC.

Mr. M. S. Dominic

Mr. M.S. Dominic is an Independent Non-Executive Director of Renuka Holdings PLC, which is the Ultimate Parent Company of the Company. He 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 and Sithijaya Fund. He is a trustee of the George Keyt Foundation.

Dr. J. M. Swaminathan

Dr. J.M.Swaminathan is an Attorney-at- Law with over 57 years in practice. 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. He also serves on the Boards of Several Public and private Companies.

Related Party Transactions Review Committee Meetings

The Committee has met four times during the period under review. The attendance of the members of Committee meeting is stated in the table below.

Report of Related Party Transactions Review Committee Contd..

NAME OF DIRECTOR	ELIGIBLE TO ATTEND	ATTENDED
Mr. T.K.Bandaranayake	4	4/4
Mr. M.S.Dominic	4	4/4
Dr. J.M.Swaminathan	4	4/4

Company Secretary acts as the Secretary to the Related Party Transactions Review Committee. The Executive Chairman and Chief Executive Officer – Shared Services attended the meetings by invitation.

Policies and procedures of Related Party Transactions Review Committee

- Establishing and defining the threshold values of each listed related party transaction as per the Code which require discussion in detail and disclose.
- Identifying related party transactions that need pre-approval from the Board of Directors and need immediate market disclosure. And identify transactions that need shareholder approval and disclosure in the Annual Report.
- Formulating a standard template to implement to all listed subsidiaries in the Group to follow when documenting RPT when presenting to RPTR Committee.
- Establishing proper guide lines to identify recurrent & non-recurrent Related party transactions to review economic and commercial substance of the related party transaction.
- Establishing a method of having access to adequate knowledge or expertise to assess all aspects of proposed related party transactions where necessary and procedure for obtaining appropriate professional and expert advice from appropriately qualified persons.
- Providing guidelines which senior management must follow dealing with related parties.

- Quarterly review to ensure that adequate disclosures have been done in the market or Annual Report as required by the Code.
- The Committee communicates its comments/ observations to the Board of Directors after each review of related party transactions.

Task of the Committee

The Committee reviewed the related party transaction presented to them by the management and their compliance in Shaw Wallace Investments PLC and communicated the same to the Board of Directors.

The Board of Directors declared that no RPT falling within the scope of the Code was entered into by the Company during the financial year 2021/2022 other than discuss in Note No. 18 to the Financial Statements.

Sgd.
T. K. Bandaranayake
Chairman
12th August 2022

Report of the Remuneration Committee

Composition of the Committee

The committee consists of three non-executive directors who are independent. The members of the committee have wide experience and knowledge of the business industry we are engage in.

The Remuneration Committee of ultimate parent Company, Renuka Holdings PLC, acts as the Remuneration Committee of Shaw Wallace Investments PLC.

Members of Remuneration Committee

Mr. M. S. Dominic - Chairman
(Independent Non- Executive)

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

Dr. J. M. Swaminathan – appointed with effect from 07th January 2022.
(Independent Non-Executive)

Mr. L. M. Abeywickrama – resigned with effect from 07th January 2022.
(Independent Non-Executive)

The brief profiles of Mr. M.S.Dominic, Mr. T.K. Bandaranayake and Dr. J.M.Swaminathan are given on page No 37 of this Annual Report.

Remuneration Committee Meeting Attendance

The Committee met once during the financial year under review. Attendances of the directors in such meetings are given below.

NAME OF DIRECTORS	ELIGIBLE TO ATTEND	ATTENDED
Mr. M. S. Dominic	1	1/1
Mr. T. K. Bandaranayake	1	1/1
Mr. L. M. Abeywickrama	1	1/1
Dr. J. M. Swaminathan*	-	-

* Appointed with effect from 07th January 2022

The Managing Director may attend the committee meetings on invitation and consult on the performance and remuneration of the Key management staff to make recommendations.

Independence of the Committee

The committee is independent from the management of the business and not involve in 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 equally and fairness between the various employees is maintained.

Activities during 2022

The Remuneration Committee reviewed the remuneration policy for Key Management Personnel and was satisfied that the existing framework was satisfactory. The total sum that was paid as Directors Remunerations in the year under review is set out in Note 18 to the Financial Statements.

Sgd.
M.S. Dominic
Chairman
12th August 2022

Report of the Nomination Committee

The Nomination Committee of Shaw Wallace Investments PLC as at 31st March 2022 was consist of three Non-Executive Directors who are independent.

The Nomination Committee of ultimate parent Company, Renuka Holdings PLC, acts as the Nomination Committee of Shaw Wallace Investments PLC.

Members of the Nomination Committee

Mr. M. S. Dominic - Chairman
(Independent Non-Executive appointed as Chairman w.e.f.07.01.2022)

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

Mrs. J.J.B.A.Rajiah
(Non Executive Director appointed w.e.f.07.01.2022)

Mr. L. M. Abeywickrema (Independent Non-Executive resigned w.e.f.07.01.2022)

Brief profiles of Mr. T. K. Bandaranayake and Mr. M. S. Dominic are given on page No. 37 and of profiles of Mrs. J.J.B.A.Rajiah is given Below.

Mrs. J. J. B.A. Rajiyah

Mrs. J. J. B. A. Rajiyah is a Non - Executive Director of Renuka Holdings PLC. 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 Mercury Ltd., and Tourama (Pvt) Ltd.

Attendance of Nomination Committee Meetings

During the financial year under review, the Committee had met once, with all members in attendance. The attendances of the meetings are given below.

NAME OF DIRECTORS	ELIGIBLE TO ATTEND	ATTENDED
Mr. M.S. Dominic (Chairman)	1	1/1
Mr. T.K. Bandaranayake	1	1/1
Mrs. J.J.B.A.Rajiyah	1	1/1
Mr. L.M. Abeywickrema	-	-

* Mrs. J.J.B.A.Rajiyah appointed w.e.f 07/01/2022

The Company Secretary Acts as the Secretary to the Committee.

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 which are represent on the Board.
- Review description of role and capabilities required for a particular Board appointment and Identify and recommend suitable candidate to the Board.

Company Secretaries act as the secretaries to the Committee.

Sgd.

M.S.Dominic
Chairman
Nomination Committee
12th August 2022

Statement of Directors' Responsibility

The Board of Directors of the Company is responsible for preparation and presentation of Financial Statements for the year ended 31st March 2022 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.

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 comprising:

- a. A statement of Income and Statement of Comprehensive Income of the Company 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 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 retained earnings for the financial year
- d. A Cash Flow Statement which presents a true and fair view of the flow of cash in and out of the Company for the financial year; and notes to the Financial Statements and which comply with the requirements of the Act.

The Board of Directors are of the view that prevailing Corporate Governance frame, Internal Control systems, risk management policies established in the Company ensure that there are reasonable assurance that all assets are safeguard and all transactions are properly

authorized by the management and recorded on time, hence any material misstatements or irregularities are prevented or bring to the notice of the management within a reasonable time.

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 judgments and estimates have been made so that the form and substance of transactions 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 also to reflect the transparency of transactions and to ensure that the Financial Statements presented comply with the requirements of the Companies Act.

Statement of Directors' Responsibility Contd..

The External Auditors, Messrs. KPMG, Chartered Accountants, 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 the Financial Statements. The Report of the Auditors, shown on page 43-47 set out their responsibilities in relation to the Financial Statements. The Directors are also of the view that the Company have adequate resources to continue in operations and have applied the going concern basis in preparing these Financial Statements.

As required by Companies Act, the Board of Directors has authorized distribution of the dividend now proposed, being satisfied based on information available to it that the Company would satisfy the solvency test after such distribution in accordance with the Section 57 of the Companies Act, and have obtained/sought in respect of the dividend now proposed, a certificate of solvency from the Auditors.

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 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
12th August 2022



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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Independent Auditor's Report

TO THE SHAREHOLDERS OF SHAW WALLACE INVESTMENTS PLC (FORMERLY KNOWN AS RENUKA CAPITAL PLC)

Opinion

We have audited the financial statements of Shaw Wallace Investments PLC ("the Company"), and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 2022, 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 Company in accordance with the Code of Ethics 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.

P. Y. S. Perera FCA	C. P. Jayatilake FCA	T. J. S. Rajakarier FCA
W. J. C. Perera FCA	Ms. S. Joseph FCA	Ms. S.M.B. Jayasekara FCA
W. K. D. C. Abeyrathne FCA	S. T. D. L. Perera FCA	G. A. U. Karunaratne FCA
R.M.D.B. Rajapakse FCA	Ms. B.K.D.T.N. Rodrigo FCA	R. H. Rajan FCA
M.N.M. Shameel FCA	Ms. C.T.K.N. Perera ACA	A.M.R.P. Alahakoon ACA
Ms. P.M.K. Sumanasekara FCA		

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, W. A. A. Weerasekara CFA, ACMA, MRICS



Independent Auditor’s Report Contd..

Key audit matters

01. Accounting for acquisition of subsidiary	
<i>Refer to the accounting policies in Note 03: Investment in subsidiary”, “Note 2.8 to the Financial Statements: Use of Estimates and Judgments” and “Note 05 to the Financial Statements: Investment in subsidiary.</i>	
Risk Description	Our responses
<p>During the current financial year, the Company acquired 50.1% of the equity interest in Galle Face Capital Partners PLC for a total purchase consideration of Rs. 421,626,786/-. The acquisition of the subsidiary was accounted for using a common control transaction.</p> <p>Accounting for the acquisition of subsidiary was a key audit matter due to;</p> <p>The amounts involved in the transaction being material to the consolidated financial statements; and</p> <p>Significant management judgment and estimates involved in the purchase price allocation to the identifiable assets acquired and liabilities assumed.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Testing the relevant supporting documents for the investments made during the year. • Testing the assets and liability recognition and common control adjustments based on our discussion with the management and our understanding of the acquired company. • Assessing adequacy of the disclosure in the financial statements in line with the requirements of relevant accounting standards.



Independent Auditor's Report Contd..

Other Information

The Directors are 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.



Independent Auditor's Report Contd..

- 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 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 in accordance with Code of Ethics regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charge 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.



Independent Auditor's Report Contd..

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.

A handwritten signature in black ink, appearing to be 'KPMG'.

KPMG
Chartered Accountants
12th August 2022

Statement of Financial Position

AS AT 31ST MARCH

		Group 2022	Company 2022 2021	
	Note	Rs	Rs.	Rs.
ASSETS				
Non current assets				
Equity - Accounted Investees	4	1,498,888,167	1,498,888,167	1,206,110,870
Investment in Subsidiary	5	-	421,626,786	-
Investments - Measured at Fair Value Through Profit or Loss	6	339,737,453	2,516,106	553,558,234
Total non current assets		1,838,625,620	1,923,031,059	1,759,669,104
Current assets				
Trade and other receivables	7	26,400,961	-	-
Cash and cash equivalents	8	212,667,900	17,742,514	1,898,443
Assets held for Sale	9	143,829,312	-	-
Total Current assets		382,898,173	17,742,514	1,898,443
Total assets		2,221,523,793	1,940,773,573	1,761,567,547
EQUITY & LIABILITIES				
Equity				
Stated capital	10	878,252,200	878,252,200	878,252,200
Retained earnings		989,727,628	1,060,429,873	881,315,418
Equity Attributable to the Owners of the Company		1,867,979,828	1,938,682,073	1,759,567,618
Non Controlling Interest	5	349,523,644	-	-
Total Equity		2,217,503,472	1,938,682,073	1,759,567,618
Current liabilities				
Trade and other payables	11	1,549,534	940,784	425,136
Income tax payable	12	2,432,812	1,150,716	1,054,457
Bank overdraft	8.1	37,975	-	520,336
Total current liabilities		4,020,321	2,091,500	1,999,929
Total equity and liabilities		2,221,523,793	1,940,773,573	1,761,567,547

The financial statements are to be read in conjunction with the related notes, on pages 52 to 80 which form an integral part of these financial statements.


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


P. Gunathilake
 Chief Executive Officer / Group Director – Shared Services

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

Approved and signed for and on behalf of the Board of Directors.


S. V. Rajiyah
 Director


M. R. Rathnasabapathy
 Director

12th August 2022
 Colombo

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH	Note	Group	Company	
		2022 Rs.	2022 Rs.	2021 Rs.
Revenue	13	37,135,425	36,662,818	17,741,341
Gross Profit		37,135,425	36,662,818	17,741,341
Administrative Expenses		(5,362,103)	(5,069,697)	(3,314,140)
Gain on Fair Value of Investments Measured at Fair Value Through Profit or Loss	6	46,705,530	147,740,712	113,526,206
Share of profit from Equity - Accounted Investees	4.2	43,142,952	43,142,952	40,316,066
(Loss) / Gain on disposal of Investment in Associates	4.3	(4,296,343)	(4,296,343)	255,152,629
Profit from Operation		117,325,461	218,180,442	423,422,102
Finance Income	14	2,173,134	419,396	3,711,265
Finance Cost	14	(2,059,610)	(2,057,609)	-
Profit before Taxation		117,438,985	216,542,229	427,133,367
Income tax expense	15	(3,088,074)	(2,668,074)	(3,872,753)
Profit for the year		114,350,911	213,874,155	423,260,614
Profit attributable to Equity share holders		164,013,010	-	-
Profit attributable to Non controlling Interest		(49,662,099)	-	-
Total comprehensive income for the year		114,350,911	213,874,155	423,260,614
Earnings per Share	17.1	0.94	1.27	2.44
Dividend per share	17.2	0.20	0.20	0.10

The accounting policies and notes on pages 52 to 80 form an integral part of these Financial Statements.

Statement of Changes In Equity

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Company			
Balance as at 01st April 2020	878,252,200	475,353,508	1,353,605,708
Profit for the year	-	423,260,614	423,260,614
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year		423,260,614	423,260,614
Dividend Paid	-	(17,379,850)	(17,379,850)
Amalgamation Reserve in respect of Equity Accounted Investees	-	81,146	81,146
Balance as at 31st March 2021	878,252,200	881,315,418	1,759,567,618
Profit for the year	-	213,874,155	213,874,155
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year	-	213,874,155	213,874,155
Dividend Paid	-	(34,759,700)	(34,759,700)
Balance as at 31st March 2022	878,252,200	1,060,429,873	1,938,682,073

	Stated Capital Rs.	Retained Earnings Rs.	Non Controlling Interest Rs.	Total Rs.
Group				
Balance as at 01st April 2021	878,252,200	881,315,418	-	1,759,567,618
Total Comprehensive Income for the Period				
Profit/ (Loss) For the Period		164,013,010	(49,662,099)	114,350,911
Transactions with the owners of the Company				
Acquisition of Subsidiary - Common Control Transaction	-	(20,841,100)	399,185,743	378,344,643
Dividend Paid	-	(34,759,700)	-	(34,759,700)
Balance as at 31 March 2022	878,252,200	989,727,628	349,523,644	2,217,503,472

The notes to the Financial Statements are on pages 52 to 80 form an integral part of these Financial Statements.

Statement of Cash Flows

FOR THE YEAR ENDED 31ST MARCH	Note	Group 2022 Rs.	Company 2022 Rs.	2021 Rs.
Cash Flows from Operating Activities				
Profit before Taxation		117,438,985	216,542,229	427,133,367
Adjustments :				
Interest Expenses	14	2,059,610	2,057,609	-
Interest Income	14	(2,173,134)	(419,396)	(3,711,265)
Gain on Disposal of Quoted Shares	13	(28,012,588)	(28,443,428)	(16,895,803)
(Gain) on Investments - Measured at Fair Value Through Profit or Loss	6	(46,705,530)	(147,740,712)	(113,526,206)
(Gain)/Loss on Disposal of Investment in Associates		4,296,343	4,296,343	(255,152,629)
Profit share of Investment in Associates	4	(43,142,952)	(43,142,952)	(40,316,066)
Operating cash flow before working capital changes		3,760,735	3,149,693	(2,468,602)
Changes in Working Capital				
(Increase) / Decrease in Other Current Assets		9,757,396	-	-
Increase / (Decrease) in Trade & Other Payables	11	790,563	515,649	17,710
Cash flows used in operating activities		14,308,694	3,665,342	(2,450,892)
Dividend Received from Equity - Accounted Investees		-	-	17,524,573
Interest Paid	14	(2,059,610)	(2,057,609)	-
Income Tax Paid	12	(2,571,816)	(2,571,815)	-
Investment in Quoted Shares	6	(187,025,185)	(12,258,530)	(718,459,271)
Proceeds from Disposal of Quoted Shares		806,920,958	739,484,798	186,216,397
Investment in Subsidiaries	5	(131,803,971)	(421,626,786)	-
Investments in Equity Account Investees	4	(397,760,000)	(397,760,000)	(691,251,050)
Proceeds from Disposal of Equity account investees		143,829,312	143,829,312	1,222,749,441
Net Cash flows generated from Operating Activities		243,838,384	50,704,711	14,329,198
Cash Flow from Investing Activities				
Interest Received		(2,173,134)	419,396	3,711,265
Net Cash flows generated from Investing Activities		(2,173,134)	419,396	3,711,265
Cash Flows from Financing Activities				
Dividend Paid		(34,759,700)	(34,759,700)	(17,379,850)
Net Cash flows used in Financing Activities		(34,759,700)	(34,759,700)	(17,379,850)
Net (decrease) / increase in cash and cash equivalents		211,151,818	16,364,407	660,613
Cash and cash equivalents at the beginning of the year		1,378,107	1,378,107	717,494
Cash and cash equivalents at the end of the year	8	212,629,925	17,742,514	1,378,107

The notes to the Financial Statements are on pages 52 to 80 form an integral part of these Financial Statements.

Notes To The Financial Statements

1. CORPORATE INFORMATION

1.1. REPORTING ENTITY

Shaw Wallace Investments PLC (Formerly known as RENUKA CAPITAL PLC) is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on Colombo Stock Exchange. The Company's Registered Office and the Principal Place of Business is located at "RENUKA HOUSE", No. 69, Sri Jinaratana Road, Colombo 02.

The name of the Company was changed to SHAW WALLACE INVESTMENTS PLC with effect from 26th August 2021.

The consolidated financial statements of the Company as at and for the year ended 31st March 2022 comprise the Company and its subsidiary. The Subsidiary Company, Galle Face Capital Partners PLC is engaged in the Business of investing and trading in debt, equity and other alternative asset classes.

1.2. PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The Company is in the Business of investing and trading in debt, equity and other alternative asset classes.

1.3. PARENT ENTERPRISE AND ULTIMATE PARENT ENTERPRISE

The Company's parent company is Renuka Enterprises (Pvt) Ltd and the Company's ultimate parent Enterprise is Renuka Holdings PLC which effectively holds 50.06% of the shares of the Company.

1.4. COMMON CONTROL COMBINATION

The Group adopted the Statement of Recommended Practice (SORP) for Merger Accounting for Common Control Combinations approved by the Council of

The Institute of Chartered Accountants of Sri Lanka on 19 December 2012, on merger accounting for common control combinations for annual periods beginning on or after 1 April 2020. The SORP is applicable for Consolidated Financial Statements. The Group adopted the SORP for Merger Accounting for Common Control Combinations, in preparing the Consolidated Financial Statements.

1.5. CONSOLIDATED FINANCIAL STATEMENTS

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity should be recorded at the book values as stated in the financial statements of the controlling party. No amount is recognized as goodwill which arises as a result of difference between the consideration and the net asset acquired. In applying book value accounting no entries are recognized in profit or loss. Instead the result of the transaction is recognized in equity as arising from a transaction with shareholders.

1.6. ASSETS HELD FOR SALE

Non-Current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less cost to sell.

1.7. 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

Notes To The Financial Statements Cont..

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.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure

of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. STATEMENT OF COMPLIANCE

The Consolidated Financial Statements of the Group as at 31st March 2022 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.

2.2. BASIS OF PREPARATION

These consolidated financial statements for the year ended 31st March 2022 are prepared in accordance with Sri Lanka Accounting Standards (SLFRS & LKAS) effective for the periods beginning on or after 01st January 2012.

The consolidated Financial Statements have been prepared on a historical cost basis, except for the financial instruments which have been measured at fair value.

The preparation and presentation of these Financial Statements is in compliance with the Companies Act No. 07 of 2007.

2.3 FOREIGN CURRENCY TRANSLATION

The Company's financial statements are presented in Sri Lankan Rupees, which is also the Parent Company's functional currency.

2.4. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied by the Company are consistent with those used in the previous year.

Notes To The Financial Statements Cont..

2.5 RELATED PARTY TRANSACTIONS

Disclosures are made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies or decisions of the other irrespective of whether price is being charged.

2.6 EVENTS OCCURRING AFTER THE REPORTING PERIOD

All material events occurring after the Reporting period have been considered and where necessary adjustments to or disclosure have been made in the Financial Statements.

2.7 GOING CONCERN

The Management has made an assessment on 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, management is not aware of any material uncertainties that may cast significant doubt upon the Companies' ability to continue as a going concern.

Such includes management's assessment of the existing and anticipated effects of COVID-19 on the Company and its associate entities. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.8 USE OF ESTIMATES & JUDGMENTS

The preparation of the Consolidated Financial Statements in conformity with SLFRSs Financial Statements 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 estimate is revised and in any future periods affected.

Information about critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the following Note No. 19 - Contingent Liabilities.

2.8.1 Transfer pricing regulation

The Company is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations, necessitated using management judgment to determine the impact of transfer pricing regulations. Accordingly critical judgments and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgments. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

2.9 MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are

Notes To The Financial Statements Cont..

reasonable in the circumstances.

2.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Cash Flow Statement, Cash and Cash Equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

2.11 INVESTMENT IN ASSOCIATES (EQUITY-ACCOUNTED INVESTEEES)

The Company Investment in Associate Companies are accounted for using the equity method. An associate is an entity in which the Company has significant influence.

Under the equity method, the investment is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of investment since acquisition date. Goodwill relating to the investment is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The Income Statement reflects the Company's share of results of operations of the equity accounted investees. When there has been a change recognized directly in the equity of associates, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and associates are eliminated to the extent of the interest in the associate.

The Company's share of the profit or loss of an associate is shown on the face of the Income Statement.

The Financial Statements of associates are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associates. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognizes the amount in 'share of losses of an associate in the Income Statement.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the investment upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Summarised financial information of the equity-accounted investee of the Company together with the Company's interests is given in Note 4 of the Financial Statements.

2.12 PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Notes To The Financial Statements Cont..

2.13 CAPITAL COMMITMENTS AND CONTINGENCIES

All material capital commitments and contingencies of the Company as at the Statement of Financial Position date are disclosed in the notes to the Financial Statements.

2.14 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

2.15 FINANCIAL INSTRUMENTS-INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

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 at FVPL, 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through Other Comprehensive Income (OCI) with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss **Financial assets at amortised cost (debt instruments)**

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Profit or Loss and computed in

Notes To The Financial Statements Cont..

the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company does not classify any instrument under this category as of 31 March 2022.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to Statement of Profit or Loss.

Dividends are recognised as revenue in the Statement of Profit or Loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not classify any instrument under this category as at 31st March 2022.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or

repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or Loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks

Notes To The Financial Statements Cont..

and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL, if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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. The EIR amortisation is included as finance costs in the Statement of Profit or Loss. This category generally applies to interest bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

Loss allowance for debt instruments is measured at 12-month ECL unless credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) of the debt instrument has not increased significantly since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since

Notes To The Financial Statements Cont..

initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-

impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

2.17 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 categorised 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:

Notes To The Financial Statements Cont..

- 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
- 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 Company 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 Company establishes fair value using a valuation technique. Valuation techniques include using recent 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 Company 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.

Notes To The Financial Statements Cont..

2.18 EARNINGS PER SHARE

The financial statements present earnings per share (EPS) for its ordinary shareholders. The 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.

2.19 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is higher of asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That the increased amount cannot

exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

2.20 REVENUE RECOGNITION

a) Revenue

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a good or service to a customer.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur.

b) Other Income

Other Income is recognized on an accrual basis.

c) Dividend Income

Dividend income is recognised in the income statement on the date that the Company's right to receive payment is established, which is generally when the dividend is declared.

d) Gains and Losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non current assets, including investments, are accounted for in the statement of comprehensive income, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

2.21 EXPENDITURE RECOGNITION

a) Revenue Expenditure

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency, has been charged to revenue in arriving at the profit or loss for the year.

Notes To The Financial Statements Cont..

b) Capital Expenditure

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure. For the purpose of presentation of the Income Statement, the Directors are of the opinion that function of expenses method fairly present the elements of the Company's performance, hence such presentation method is adopted.

c) Finance Cost

Finance Cost comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

2.22 INCOME TAX

Income Tax expense comprises current and deferred tax. Income tax expense is recognized in income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Income Tax has been computed in accordance with the provisions of the Inland Revenue Act No.24 of 2017 and amendments thereto.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

2.23 NEW STANDARDS AND INTERPRETATION NOT YET ADOPTED AS AT REPORTING DATE

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

- SLFRS 17 - Insurance contracts Amendments

to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4

- Amendments to SLFRS 16 - COVID - 19 related rent concessions beyond June
- Onerous Contracts - Costs of fulfilling a contract - amendments to LKAS 37
- Amendments to references to the conceptual framework in SLFRS standards
- Property, plant and equipment: Proceeds before intended Use - amendments to LKAS 16
- Amendments to LKAS 1: Classification of liabilities as current or non-current
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to LKAS 12)
- Onerous Contracts - Cost of fulfilling a contract (Amendments to LKAS 37)
- Annual improvements to SLFRS Standards 2018-2020
- Disclosure of Accounting policies (Amendments to LKAS 1)
- Disclosure of Accounting policies (Amendments to LKAS 1)

3. INVESTMENTS IN SUBSIDIARIES

Investment in Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Notes To The Financial Statements Cont..

4. Equity - Accounted Investees

	Group				Company				
	Percentage of	No. of	Balance as at	Percentage of Holding	No. of Shares	Balance as at	Balance as at		
	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2021	31.03.2022	31.03.2021		
			Rs.				Rs.		
On'ally Holdings PLC (Note 4.1.1)	-	-	-	-	-	-	-	-	
The Cargo Boat Despatch Company Investments (Pvt) Ltd (Note 4.1.2)	-	-	-	-	47.03%	-	99,056	-	151,027,411
Shaw Wallace & Hedges Ltd (Note 4.1.3)	22.3%	122,635,000	1,498,888,167	22.3%	18.86%	122,635,000	88,635,000	1,498,888,167	1,055,083,459
			<u>1,498,888,167</u>					<u>1,498,888,167</u>	<u>1,206,110,870</u>

4.1.1 On'ally Holdings PLC

	Group	Company	
	Balance as at 31.03.2022	Balance as at 31.03.2022	Balance as at 31.03.2021
	Rs.	Rs.	Rs.
Balance on 1st April	-	-	944,853,144
Share of Comprehensive Income (Net of Tax)	-	-	40,268,241
Dividend Received during the year	-	-	(17,524,573)
Disposed during the year	-	-	(967,596,812)
Balance as at 31st March	<u>-</u>	<u>-</u>	<u>-</u>

4.1.2 The Cargo Boat Despatch Investments (Private) Limited

	Balance as at 31.03.2022	Balance as at 31.03.2022	Balance as at 31.03.2021
	Rs.	Rs.	Rs.
Balance on 1st April	151,027,411	151,027,411	150,898,440
Share of Comprehensive Income (Net of Tax)	(2,901,756)	(2,901,756)	47,824
Disposal of Shares	(143,829,312)	(143,829,312)	-
Share of Amalgamation Reserve	-	-	81,147
Profit /(Loss) of Disposal of shares	(4,296,343)	(4,296,343)	-
Dividend Received during the year	-	-	-
Balance on 31st March	<u>-</u>	<u>-</u>	<u>151,027,411</u>

Notes To The Financial Statements Cont..

4.1.3 Shaw Wallace & Hedges Limited

	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
Balance on 1st April	1,055,083,459	1,055,083,459	-
Amount Invested during the year	397,760,000	397,760,000	1,055,083,459
Share of Comprehensive Income/(Loss) (Net of Tax)	46,044,708	46,044,708	-
Disposed during the year	-	-	-
Balance on 31st March	1,498,888,167	1,498,888,167	1,055,083,459

During the year the Company has invested in 34,000,000 shares of Shaw Wallace & Hedges Ltd for a value of Rs. 397,760,000.00 increasing the holding percentage from 18.86% to 22.3% when compared to last year.

4.2 Share Of Profit And Summarized Financial Information Of Associates

Share of Profit Before Tax of Associates

On'ally Holdings PLC (4.2.1)	-	-	40,268,241
The Cargo Boat Despatch Investments (Private) Limited (4.2.2)	(2,901,756)	(2,901,756)	47,825
Shaw Wallace & Hedges Ltd (4.2.3)	46,044,708	46,044,708	-
	43,142,952	43,142,952	40,316,066

4.2.1 On'ally Holdings Plc

Share Of Profits

For the period

	31.03.2022	31.03.2022	30.11.2020
	Rs.	Rs.	Rs.
Revenue	-	-	201,223,526
Other Operating Income	-	-	13,531,827
Other Operating Expenses	-	-	(71,091,040)
Operating Profit	-	-	86,212,890
Finance Income	-	-	35,448,711
Fair Value Gain on Investment Property	-	-	-
Profit Before Tax	-	-	53,312,114
Company's Share of Profit Before Tax	-	-	(13,043,873)
(-) Company's Share of Tax	-	-	-
Company's Share of Profit (Net of Tax)	-	-	-
Company's Share of Other Comprehensive Income	-	-	40,268,241

Notes To The Financial Statements Cont..

4.2.2 The Cargo Boat Despatch Investments (Private) Limited

Share Of Profits

Share of profit

For the year ended

	Group 2022 Rs.	Company 2022 Rs.	2021 Rs.
Revenue	(6,937,481)	(6,937,481)	175,728
Cost of Sales	-	-	-
Gross Profit /(Loss)	(6,937,481)	(6,937,481)	175,728
Administrative Expense	(98,109)	(98,109)	(146,381)
Finance and Other Charges	(10,507)	(10,507)	(4,500)
Finance Income	191,017	191,017	76,843
Profit /(Loss) Before Tax	(6,855,080)	(6,855,080)	101,690
Company's Share of profit before Tax	(2,901,756)	(2,901,756)	47,825
(-) Company's share of Tax on Associate Results	-	-	-
Company's Share of profit After Tax	(2,901,756)	(2,901,756)	47,825

Summarized Financial Information

	Balance as at 31.03.2022 Rs.	Balance as at 31.03.2021 Rs.
Non Current Assets	-	299,888,400
Current Assets	-	5,653,732
Total Assets	-	305,542,132
Non Current Liabilities	-	-
Current Liabilities	-	68,000
Total Liabilities	-	68,000
Net Asset	-	305,474,132
Company Share of net Asset	-	143,664,484
Goodwill	-	7,362,927
	-	151,027,411

4.2.3 Shaw Wallace & Hedges Ltd

Share of profit

For the year ended 31st March

	Group 2022 Rs.	Company 2022 Rs.	2021 Rs.
Revenue	-	-	-
Cost of Sales	-	-	-
Gross Profit /(Loss)	-	-	-
Finance Income	112,474,610	112,474,610	-
Changes in Fair value of Investment Property	97,750,000	97,750,000	-
Other Income	84,878,944	84,878,944	-
Selling and Distribution expenses	-	-	-
Administration Expense	(35,442,767)	(35,442,767)	-
Finance Costs	(2,109,301)	(2,109,301)	-
Profit Before Tax	257,551,486	257,551,486	-
Company's Share of profit before Tax	57,433,981	57,433,981	-
(-) Company's share of Tax on Associate Results	(11,389,273)	(11,389,273)	-
Company's Share of profit after Tax	46,044,708	46,044,708	-

Notes To The Financial Statements Cont..

Summarized Financial Information

	Group	Company	
	Balance as at 31.03.2022	Balance as at 31.03.2022	Balance as at 31.03.2021
	Rs.	Rs.	Rs.
Non Current Assets	4,478,442,272	4,478,442,272	3,898,231,260
Current Assets	2,681,919,884	2,681,919,884	2,025,962,832
Total Assets	7,160,362,156	7,160,362,156	5,924,194,092
Non Current Liabilities	310,759,291	310,759,291	286,828,869
Current Liabilities	103,672,419	103,672,419	43,073,287
Total Liabilities	414,431,710	414,431,710	329,902,156
Net Asset	6,745,930,446	6,745,930,446	5,594,291,936
Company Share of net Asset	1,504,342,490	1,504,342,490	1,055,083,459
Goodwill	-	-	-
	1,504,342,490	1,504,342,490	1,055,083,459

4.3 Loss on disposal of Equity- Accounted Investees

	31.03.2022	31.03.2022	31.03.2021
	Rs.	Rs.	Rs.
Gain/(Loss) on disposal of equity accounted Investees (Note 4.3.1)	(4,296,343)	(4,296,343)	255,152,629
	(4,296,343)	(4,296,343)	255,152,629

4.3.1 Loss on disposal of equity-accounted investees

During the year the Company has disposed the equity accounted investees in The Cargo Boat Despatch Investments (Private) Limited and the loss on disposal is as follows:

	31.03.2022	31.03.2022	31.03.2021
	Rs.	Rs.	Rs.
Proceeds from the disposal	143,829,312	143,829,312	-
Carrying value of equity accounted Investees			
The Cargo Boat Despatch Investments (Private) Limited	(148,125,655)	(148,125,655)	-
On'ally Holdings Plc	-	-	-
Loss on disposal of equity accounted investees	(4,296,343)	(4,296,343)	-

Notes To The Financial Statements Cont..

5. Investment In Subsidiary

Galle Face Capital Partners PLC

5.1 Investment In Subsidiary

	31.03.2022		
	Holding percentage	No. of shares	Cost
	Rs.	Rs.	Rs.
Galle Face Capital Partners PLC	50.1%	12,942,750	421,626,786

The Company has invested in 5,199,950 ordinary voting share of Guardian Capital Partners PLC (GCP PLC) on 17.02.2022. Subsequent to the said investment GCP PLC became a direct subsidiary of the Company, which did not result any changes in the ultimate control by Renuka Holdings PLC. Therefore it is recorded as a Common Control Transaction.

5.2 Impact of Common Control Transaction

Summarized Financial Information	28.02.2022 Rs.
Non Current Assets	475,186,185
Current Assets	325,981,175
Total Asset	801,167,361
Non Current Liabilities	
Current Liabilities	1,195,932
Total Liabilities	1,195,932
Net Asset	799,971,429
Company Share of net Asset	400,785,686
Consideration paid	421,626,786
Excess of consideration over net assets acquired	20,841,100
Non Controlling Interest	399,185,743

6. Investments - Measured At Fair Value Through Profit Or Loss

	Group 2022	Company 2022	2021
Balance as at 1st April	553,558,234	553,558,234	254,725,762
Additions during the year	135,886,463	12,258,530	718,459,270
Acquisition of subsidiary	475,186,185	-	-
Disposals during the year	(871,598,959)	(711,041,370)	(533,153,004)
Fair Value Gain / (Loss) on Investments	46,705,530	147,740,712	113,526,206
Balance on 31st March	339,737,453	2,516,106	553,558,234

Notes To The Financial Statements Cont..

6.1 Investments Measured At Fair Value Through Profit Or Loss

Name of the Company	GROUP		COMPANY			
	31.03.2022		31.03.2022		31.03.2021	
	No. of Shares	Market Value Rs.	No. of Shares	Market Value Rs.	No. of Shares	Market Value Rs.
Quoted Shares						
Access Engineering PLC	395,642	5,934,630	-	-	-	-
Aitken Spence PLC	100	7,370	100	7,370	100	5,550
Asiri Hospital Holdings PLC	824	30,900	824	30,900	824	21,012
Asiri Surgical Hospital PLC	11,000	165,000	11,000	165,000	11,000	151,800
Blue Diamonds Jewellery Worldwide PLC	100	50	100	50	100	90
Brown & Company PLC	100	13,350	100	13,350	100	15,525
Capital Alliance Limited	15,000	142,500	15,000	142,500	-	-
Cargills (Ceylon) PLC	50,589	9,232,493	114	20,805	114	26,790
Cargo Boat Development Company PLC	1,167	65,469	1,167	65,469	1,167	70,020
Carson Cumberbatch PLC	100	27,000	100	27,000	100	27,850
Central Finance Company PLC	215	14,642	215	14,642	212	17,108
Ceylon Hospitals Plc (Durdans)	400,000	41,800,000	-	-	402,823	40,785,829
Chevron Lubricants Lanka PLC	200	17,420	200	17,420	200	18,000
Cic Holdings PLC	328,573	11,494,565	400	15,240	400	20,360
Commercial Bank Of Ceylon PLC	501,910	31,469,757	1,910	119,757	1,868	159,714
Dfcc Bank PLC	109	5,232	109	5,232	104	6,198
Dialog Axiata PLC	1,000,100	10,001,000	100	1,000	100	1,300
Diesel & Motor Engineering PLC	104	50,752	104	50,752	100	53,025
Expolanka Holdings PLC	100	20,775	100	20,775	100	4,470
Hatton National Bank PLC	-	-	-	-	506,030	63,759,780
Hatton National Bank PLC (Non Voting)	-	-	-	-	400,000	38,880,000
Hemas Holdings PLC	416,934	19,262,351	103	4,759	103	8,590
Hayleys PLC	225,850	17,367,865	-	-	-	-
Hela Apparel Holdings Limited	134,500	1,735,050	-	-	-	-
John Keells Holdings PLC	322,000	46,690,000	-	-	1,000,000	148,500,000
L B Finance PLC	720	41,760	720	41,760	720	34,128
Lankem Ceylon PLC	100	2,800	100	2,800	100	2,710
Lee Hedges PLC	500	41,900	500	41,900	500	32,500
Melstacorp PLC	-	-	-	-	291,178	12,811,832
Mtd.walkers PLC	7,500	111,000	7,500	111,000	7,500	111,000
National Development Bank PLC	2,354	131,118	2,354	131,118	1,614	130,411
Nations Trust Bank PLC	43,376	1,956,258	110	4,961	104	5,751
Nestle Lanka PLC	100	93,875	100	93,875	100	114,650
Overseas Realty (Ceylon) PLC	10,140	158,184	10,140	158,184	10,140	157,170
Printcare PLC	100	2,700	100	2,700	100	2,730
Renuka City Hotel PLC	1,036	304,584	1,036	304,584	1,036	234,395
Renuka Hotels PLC	2,016,646	138,946,909	1,646	113,409	4,029,687	229,692,159
Richard Pieris And Company PLC	100	1,330	100	1,330	100	1,680
Sampath Bank PLC	2,766	126,683	2,766	126,683	2,766	148,811
Singer (Sri Lanka) PLC	900	12,600	900	12,600	900	15,660
Softlogic Holdings PLC	124	4,662	124	4,662	124	1,463
Sri Lanka Telecom PLC	100	3,490	100	3,490	100	3,270
Sunshine Holdings PLC	303	11,090	303	11,090	303	8,030
The Autodrome PLC	5,377	618,355	5,377	618,355	5,377	376,928
The Colombo Fort Land & Building PLC	122,100	1,611,720	100	1,320	100	1,290
United Motors Lanka PLC	150	8,265	150	8,265	150	8,655
Watawala Plantations PLC	-	-	-	-	300,000	17,130,000
		339,737,453		2,516,106		553,558,234

Notes To The Financial Statements Cont..

	Group	Company	
	2022	2022	2022
	Rs.	Rs.	Rs.
7. Trade and other receivables			
Investment in Money Market Funds	26,400,961	-	-
	26,400,961	-	-
8. Cash And Cash Equivalents			
Cast at Bank	26,116,948	17,742,514	1,898,443
Investment in Capital Alliance Investment Grade Fund (AA-)	7,171,368	-	-
Investment in NDB Wealth Management Ltd (A+(Ika))	179,379,584	-	-
	212,667,900	17,742,514	1,898,443
8.1 Bank Overdraft			
	37,975	-	520,336
	37,975	-	520,336
Cash and cash equivalents for the purpose of statement of cash flows	212,629,925	17,742,514	1,378,107

		Group		Company	
	Percentage of	Number of shares	Balance as at	Balance as at	
	Holding	31.03.2022	31.03.2022	31.03.2022	31.03.2022
	31.03.2022	Rs.	Rs.	Rs.	Rs.
9. Assets Held for Sale					
The Cargo Boat Despatch Company Investments (Private) Ltd	37.63%	99,056	143,829,312	-	-
			143,829,312	-	-

The Management has acquired the shares of The Cargo Boat Despatch Company Investments (Private) Limited in February 2022 with the intention to dispose within a short period of time. Accordingly, said investment is presented as a assets held for sale. Further, Management has disposed said investment on 31st May 2022.

Notes To The Financial Statements Cont..

10. Stated Capital

	Numbers	Numbers
Number of Ordinary Shares Issued and Fully Paid		
Balance as at 1st April	173,798,500	173,798,500
Balance as at 31st March	<u>173,798,500</u>	<u>173,798,500</u>
	2022	2021
	Rs.	Rs.
Stated Capital		
Stated Capital on 1st April	878,252,200	878,252,200
Stated Capital on 31 st March	<u>878,252,200</u>	<u>878,252,200</u>

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

	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
11. Trade and Other Payable			
Financial Liabilities			
Director Fee Payable	60,000	-	-
Audit Fee	214,915	-	-
Unclaimed Dividend	333,835	-	-
Expense Creditors	940,784	940,784	425,136
	<u>1,549,534</u>	<u>940,784</u>	<u>425,136</u>
	2022	2022	2021
	Rs.	Rs.	Rs.
12. Income tax payable			
Balance on 1st April	1,738,686	1,054,457	44,054
Provision for the year	6,675,496	1,150,715	1,010,404
Under/ (Over) provision in respect of previous year	1,517,359	1,517,359	-
	<u>9,931,541</u>	<u>3,722,531</u>	<u>1,054,457</u>
Payments made during the year	(7,498,729)	(2,571,815)	-
Balance on 31st March	<u>2,432,812</u>	<u>1,150,716</u>	<u>1,054,457</u>
	2022	2022	2021
	Rs.	Rs.	Rs.
13. Revenue			
Dividend Income	9,122,837	8,219,390	845,538
Gain on disposal of Quoted Shares	28,012,588	28,443,428	16,895,803
	<u>37,135,425</u>	<u>36,662,818</u>	<u>17,741,341</u>

Notes To The Financial Statements Cont..

	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
14. Finance Income and Finance Cost			
Finance Income			
Interest Income from Fixed Deposits	26,964	26,964	433,839
Interest Income from Money Market Investments	584,375	391,574	1,487,044
Interest Income from Unit Trust Investments	1,561,795	858	1,790,382
	2,173,134	419,396	3,711,265
Finance Cost			
Other Finance Charges	2,059,610	2,057,609	-
	2,059,610	2,057,609	-
15. Taxation			
Current Income Tax Expense			
Income tax on profit for the year	1,570,715	1,150,715	1,010,404
Income Tax under provision for the previous year	1,517,359	1,517,359	-
	3,088,074	2,668,074	1,010,404
Deffered Income Tax Expense			
Deferred Tax charged to income statement	-	-	2,862,350
	3,088,074	2,668,074	3,872,753
	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
15.1 Tax Reconciliation Statement			
Accounting Profit before tax	117,438,985	216,542,229	427,133,367
Less : Profit from Associate Companies	(43,142,952)	(43,142,952)	(40,316,066)
: Gain on FVTL Investmnets	(46,705,530)	(147,740,712)	(113,526,206)
	27,590,503	25,658,565	273,291,095
Aggregate Disallowed Items	7,127,306	7,127,306	3,314,140
Tax exempt Income	(24,329,024)	(24,147,085)	(272,048,432)
Other Sources of Income	(10,388,786)	(8,638,786)	(4,556,803)
Taxable Loss from Ordinary Activities	-	-	-
Other Income	10,388,786	8,638,786	22,081,376
Dividend Received from Associate Companies			
Tax Loss Claimed	(419,396)	(419,396)	(14,864,207)
Taxable Income	9,969,390	8,219,390	7,217,169
Taxable Rate	14% & 24%	14%	14%
Tax on profit for the year	1,570,715	1,150,715	1,010,403

Notes To The Financial Statements Cont..

16. Profit before Taxation	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.

Profit before taxation is stated after charging all the expenses including the followings;

Director Fees	450,000	390,000	60,000
Audit Fee	500,665	285,000	250,000

17. Earnings per share

17.1 Earning Per Share

The Basic Earnings / (Loss) per share is calculated by dividing the Profit / (Loss) for the year attributable to ordinary shareholders by weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed number of ordinary shares outstanding without corresponding change in the resources such as share split.

	Group	Company	
	As at	As at	2021
	31.03.2022	31.03.2022	31.03.2021
Amounts used as Numerator			
Profit Attributable to Equity holders of the Company for Basic earnings per share (Rs.)	164,013,010	213,874,156	423,260,614
Number of Ordinary Shares used as the Denominator			
Weighted average Number of Ordinary Shares in issue applicable to basic earnings per share	173,798,500	173,798,500	173,798,500
Earnings per share	0.94	1.23	2.44
Diluted Earnings / (Loss) Per Share			
Amount used as the Numerator			
Profit Attributable to equity holders of the Company for Basic Diluted Earnings / (Loss) per share (Rs.)	164,013,010	213,874,156	423,260,614
Number of Ordinary Shares used as Denominator			
Weighted Average number of Ordinary Shares in issue applicable to Diluted Earnings per Share	173,798,500	173,798,500	173,798,500
Diluted Earning per Share	0.94	1.23	0.97

Diluted earnings per share is calculated by dividing the net Profit / (Loss) 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.

As at 31.03.2022 and 31.03.2021 there were no dilutive potential ordinary Shares. Hence diluted earnings per share is same as basic earnings per share.

Notes To The Financial Statements Cont..

17.2 Dividend per share

	Group	Company	
	31.03.2022	31.03.2022	31.03.2021
Total Dividend paid (Rs.)	34,759,700	34,759,700	17,379,850
Number of Ordinary shares	173,798,500	173,798,500	173,798,500
Dividend per share	0.20	0.20	0.10

18. Key management personnel

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. All the members of the Board of Directors of the Company have been classified as KMP of the Company.

There are no transactions with Key Managerial persons during the year other than transaction listed below :

	Group	Company	
	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
	Rs.	Rs.	Rs.
Directors Fees	450,000	390,000	60,000

18.1 Related party transaction

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS) 24 - "Related Party Disclosures". Transactions with related parties were made on the basis of the price lists in force with non-related parties but subject to approved discounts. Outstanding balances with related parties other than balances relating to investment related transactions as at the reporting date are unsecured. Settlement will take place in cash. Such outstanding balances have been included under respective assets and liabilities. Details of related party transactions are reported below:

Name of the Company	Nature of relationship	Name of the common Directors	Nature of transactions	Aggregate value of the related party transactions entered in to during the financial year	Balance as at 31.03.2022	Balance as at 31.03.2021
Renuka Enterprises (Pvt) Ltd	Subsidiary of Ultimate Parent Renuka Holdings PLC	Mr. S. V. Rajiyah Mr. P. Gunathilake	Interest Expense	-	-	-
			Interest Settlement	-	-	-
			Short Term Loan Granted	8,000,000	-	-
			Settlement of Short Term Loan	(8,000,000)	-	-
			Shared Services	(1,796,850)		
			Settlement of Invoice	1,796,850		
Shaw Wallace & Hedges Ltd	Subsidiary of Ultimate Parent Renuka Holdings PLC	Mr. S. V. Rajiyah Mr. P. Gunathilake	Short Term Loan Granted	11,650,000	-	-
			Settlement of Short Term Loan	(11,650,000)	-	-

Notes To The Financial Statements Cont..

Related Company	Relationship	Nature of Transactions	Name of the Common Directors	Aggregate Value of related Party transactions Entered in to During the year Rs.	Aggregate Value of Related party Transactions as a % of Net Income	Terms and Conditions of the Related Party Transactions
Renuka Enterprises (Pvt) Ltd	Subsidiary of Ultimate Parent Company Renuka Holdings PLC	Shared Services Settlement of Invoices	Mr. S. V. Rajiyah Mr. P. Gunathilake	1,796,850 (1,796,850)	10.13% 10.13%	Comparable uncontrolled Price Actual Basis

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.

Similarly there are no non-recurrent transactions other than stated below, that have been entered in to with Related Entities during the year which are more than 10% of Equity and 5% of Total assets which ever is lower that require disclosure under the same provision.

Related Company	Relationship	Description of transaction	Aggregate Value of related Party transactions Entered in to During the year Rs.	Value of Related party Transactions as a % of Equity %	Value of Related party Transactions as a % of Total Assets %	Terms and Conditions of the Related Party Transactions	Rationale for entering in to the transaction
Shaw Wallace & Hedges Ltd	Associaite Company	Purchase of 19,000,000 new ordinary voting shares @ Rs. 11.54 per share (August 7.6mn, September 4mn, November 7.4mn 2021) and purchased 15,000,000 new ordinary Voting shares at Rs 11.90 per share March (2022)	397,760,000	20.52%	20.49%	Based on Net Assest Value per share	Investment
Galle Face Capital Partners PLC	Subsidiary	Sold 99,056 Ordinary Voting shares of Cargo Boat Despatch Company Investments (Private) Limited at Rs.1,452/- per share	143,829,312	7.42%	7.41%	Based on Net Assest Value per share	Investment

Notes To The Financial Statements Cont..

19. Contingent Liabilities

There are no material contingent liabilities which would require adjustments to or disclosure in the Financial Statements as at the reporting date.

20. Capital commitments

There were no material capital commitments which have been approved as at the reporting date.

21. Events occurring after the reporting date

There are no other instances which would require adjustments to or disclosure in the financial statements other than following,

The Directors have recommended Rs. 0.20 per share for the year ended 31.03.2022 by way of scrip dividend which will be declared at the Annual General Meeting to be held on 07.09.2022. In accordance with the Sri Lanka Accounting Standard 10 - "Event Occurring after the Reporting Date" this proposed First and Final dividend has not been recognised as a liability in the Financial Statements for the year ended 31.03.2022.

The Management has acquired the shares of The Cargo Boat Despatch Company Investments (Private) Limited in February 2022 with the intention to dispose within a short period of time. Accordingly, said investment is presented as a assets held for sale. Further, Management has disposed said investment on 31st May 2022.

22. Impact due to uncertain and volatile macro economic conditions

In the immediate aftermath of the COVID-19 outbreak in Sri Lanka, measures have been taken by the Management to reduce the risks by implementing social distance work environment, work from home and implementation of the procedures laid out by the Ministry of Health and Indigenous Medical Services in the office premises. Key impacts are summarized below:

Risk factor	Measures
People	In line with the Group guidelines, the Company has implemented comprehensive measures to ensure the safety of all our employees.
Strategies	In line with the guidelines issued by the Group, the Company has introduced a range of measures to preserve liquidity and curtail losses in this challenging period; these measures include deferment of non-essential expenditure, recruitment and advertising/promotion expenses as well as renegotiation with suppliers and banks.

The country's current economic crisis presents the most significant threat in our immediate risk landscape. We are aware of the inevitable short-term pressures that will arise from these conditions and have taken corrective measures to minimize these impacts.

As at end March 2022 inflation rate was 18.7%. However, it has been escalated up to 55% at the end June 2022. Exchange rates also observed a notable fluctuation after the balance sheet date and has not adjusted in the current year financial statements since the conditions that gave rise to the gain/(loss) did not exist as of 31st March 2022.

Notes To The Financial Statements Cont..

The Monetary Board of the Central Bank of Sri Lanka (CBSL) has decided to increase the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR). The depletion of foreign reserves has put restrictions on imports and affected supplies.

23. Financial risk management

Introduction and overview

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
 - a. Interest risk

Introduction and overview

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout this financial statements.

23.1 Risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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.

Credit risk

Credit risk is the risk of financial loss to the Company if a shareholder or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each shareholders.

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;

Notes To The Financial Statements Cont..

23. Financial risk management (Contd...)

	Group	Company	
	Carrying Amount	Carrying Amount	
	2022	2022	2021
	Rs.	Rs.	Rs.
Cast at Bank	26,116,948	17,742,514	1,898,443
Investment in Capital Alliance Investment Grade Fund (AA-)	7,171,368	-	-
Investment in NDB Wealth Management Ltd (A+(Ika))	179,379,584	-	-
	212,667,900	17,742,514	1,898,443

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
Trade and Other payable	1,549,534	940,784	425,136
	1,549,534	940,784	425,136

Market risk

The market risk is the risk that changes in market prices, such as interest rates will affect the Company'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. Interest rate risk

Interest rate risk is the risk that the fair value of the cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises on interest bearing financial instruments recognized in the statement of financial position.

The interest rate risk of the Company arises from financial instruments which are exposed to variable or fixed rate interest rates. Variable interest rates expose the Company to cash flow due to the impact on the quantum of interest payable. Financial instruments with fixed interest rates are subject to variations in fair values due to market interest movements.

	Group	Company	
	2022	2022	2021
	Rs.	Rs.	Rs.
Cash at bank	26,116,948	604,804	103,674
Investment in Money Market Funds	186,550,952	17,136,779	1,794,769
Bank overdraft	37,975	-	(520,336)

Notes To The Financial Statements Cont..

23.2 FAIR VALUE HIERARCHY

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

Group

31 March 2022	Carrying amount				Carrying amount				
	Financial assets at amortized cost Rs.	FVTPL	FVTOCI Rs.	Financial liabilities at amortized cost Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial assets measured at fair value									
Investments - Measured at Fair Value Through Profit or Loss		339,737,453	-	-	339,737,453	339,737,453	-	-	339,737,453
	-	339,737,453	-	-	339,737,453	339,737,453	-	-	339,737,453
Financial assets not measured at fair value									
Cash and cash equivalents	212,667,900	-	-	-	212,667,900	-	-	-	-
	212,667,900	-	-	-	212,667,900	-	-	-	-
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	37,975	37,975	-	-	-	-
Trade Other payable	-	-	-	1,549,534	1,549,534	-	-	-	-
	-	-	-	1,587,509	1,587,509	-	-	-	-

Notes To The Financial Statements Cont..

Company

31 March 2022	Carrying amount				Carrying amount				
	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value									
Investments - Measured at Fair Value Through Profit or Loss		2,516,106	-	-	2,516,106	2,516,106	-	-	2,516,106
	-	2,516,106	-	-	2,516,106	2,516,106	-	-	2,516,106
Financial assets not measured at fair value									
Cash and cash equivalents	17,742,514	-	-	-	17,742,514	-	-	-	-
	17,742,514	-	-	-	17,742,514	-	-	-	-
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	-	-	-	-	-	-
Trade Other payable	-	-	-	940,784	940,784	-	-	-	-
	-	-	-	940,784	940,784	-	-	-	-

Notes To The Financial Statements Cont..

23.2 FAIR VALUE HIERARCHY (Contd...)

31 March 2021	Carrying amount				Carrying amount				
	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value									
Investments - Measured at Fair Value Through Profit or Loss	-	553,558,234	-	-	553,558,234	553,558,234	-	-	553,558,234
	-	553,558,234	-	-	553,558,234	553,558,234	-	-	553,558,234
Financial assets not measured at fair value									
Cash and cash equivalents	1,898,443	-	-	-	1,898,443	-	-	-	-
	1,898,443	-	-	-	1,898,443	-	-	-	-
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	520,336	520,336	-	-	-	-
Trade Other payable	-	-	-	425,136	425,136	-	-	-	-
	-	-	-	945,472	945,472	-	-	-	-

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.

Five year Summary

Year Ended 31st March	2022	2021	2020	2019	2018
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
a) Summary of Operation					
Revenue	36,662	17,741	4,689	5,771	2,353
Profit/ (Loss) before net finance cost and tax	218,180	423,422	55,338	109,238	536,000
Profit/ (Loss) before taxation	216,542	427,133	55,524	115,801	562,509
Taxation	(2,668)	(3,873)	(5,309)	(177,881)	(32,621)
Profit/ (Loss) after tax	213,874	423,260	50,215	(62,079)	529,888
Profit/ (Loss) attributable to equity holders of the company	213,874	423,260	50,215	(62,079)	529,888
b) Summary of Financial Position					
As At 31 March					
	2022	2021	2020	2019	2018
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Equity					
Stated capital	878,252	878,252	878,252	878,252	878,252
Retained earnings	1,060,430	881,315	475,354	447,038	530,206
Total Equity	1,938,682	1,759,567	1,353,606	1,325,290	1,408,458
Liabilities					
Current liabilities	2,091	2,000	451	253	3,213
Total Liabilities	2,091	2,000	451	253	3,213
Total Equity and Liabilities	1,940,773	1,761,567	1,354,057	1,325,543	1,411,671
Assets					
Investment in Equity - Accounted Investees	1,498,888	1,206,111	1,095,752	1,188,461	1,093,686
Investment in Subsidiary	421,627	553,558	254,726	130,200	178,574
Investment measured at FVTPL	2,516	553,558	254,726	130,200	178,574
Deferred Tax Asset	-	-	2,862	2,482	3,751
Current assets	17,743	1,898	717	4,400	135,661
Total Assets	1,940,774	1,761,567	1,354,057	1,325,543	1,411,672
c) Key Indicators					
Earnings /(Loss) per share (Rs.)	1.23	2.44	0.29	(0.36)	4.10
Net assets value per share (Rs.)	11.15	10.12	7.79	7.63	8.10
Current ratio (times)	8.48	0.95	1.59	17.39	42.22
d) Dividend per share (Rs.)	0.20	0.10	0.13	0.13	-

Shareholders' and Investors' information

SHARE INFORMATION

	2022	2021
Total No. of shareholders	2,935	1,391
Total No. of Shares	173,798,500	173,798,500

PUBLIC SHARE HOLDING

	2022	2021
The percentage of Ordinary Shares held by the public	49.94%	22.08%
Total number of shareholders representing the public holding	2,934	1,386

The float adjusted market capitalization was Rs. 207.2 Mn as at 31st March 2021. The Company has over 10% public shareholding and over 200 public shareholders meeting the minimum thresholds for compliance on minimum public holding under the option "2" of Section 7.13.1 (b) of continuing listing requirements.

SHARE TRADING INFORMATION

1st of April to 31 st March	2022	2021
	Voting	Voting
Share Price		
Highest (Rs.)	18.8	10.5
Lowest (Rs.)	5.4	1.4
As at 31st March	7.3	5.4
Market Capitalization	2022	2021
As at 31st March (Rs. '000)	1,268,729,050	938,512
No. of Traders	16,692	6,654
No. of Shares Traded	80,168,366	68,322,480
Value of Shares Traded (Rs)	1,195,855,549	576,907,387

Voting Shares Details

VOTING SHARES

No of Shares Held	31st March 2022			31st March 2021		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	1,216	412,957	0.24%	707	198,207	0.11%
1,001 - 10,000	1,081	4,962,775	2.86%	387	1,759,192	1.01%
10,001 - 100,000	539	17,159,471	9.87%	227	7,639,499	4.40%
100,001 - 1,000,000	94	24,993,146	14.38%	62	17,169,005	9.88%
1,000,001 & Over	5	126,270,151	72.65%	8	147,032,597	84.60%
	2,935	173,798,500	100.00%	1,391	173,798,500	100.00%

VOTING SHARES

Analysis of Shareholders	31st March 2022			31st March 2021		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	2,739	30,651,012	17.64%	1,304	63,803,269	36.71%
Institutions	196	143,147,488	82.36%	87	109,995,231	63.29%
Total	2,935	173,798,500	100.00%	1,391	173,798,500	100.00%

ANALYSIS OF SHAREHOLDERS - VOTING

Analysis of Shareholders	31st March 2022			31st March 2021		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Resident	2,922	173,595,825	99.88%	1,378	173,643,798	99.91%
Non Resident	13	202,675	0.12%	13	154,702	0.09%
Total	2,935	173,798,500	100.00%	1,391	173,798,500	100.00%

ANALYSIS OF SHAREHOLDERS - VOTING

Analysis of Shareholders	31st March 2022			31st March 2021		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Related Companies	1	87,000,000	50.06%	1	89,401,000	51.44%
Directors and Spouses	-	-	-	4	46,021,336	26.48%
Public	2,934	86,798,500	49.94%	1,386	38,376,164	22.08%
Total	2,935	173,798,500	100.00%	1,391	173,798,500	100.00%

Top 20 Major Shareholders

No	Name	Voting as at 31.03.2022		Voting as at 31.03.2021	
		No. of Shares	%	No. of Shares	%
1	Renuka Enterprises (Pvt) Ltd	87,000,000	50.06%	89,401,000	51.44%
2	Hatton National Bank Plc/ Almas Organisation (Pvt) Ltd	30,711,904	17.67%	-	-
3	Hatton National Bank Plc/ Carlines Holdings (Pvt) Ltd	4,093,615	2.36%	-	-
4	Commercaill Bank Of Ceylon Plc/A.N.Weerakkody	2,501,481	1.44%	-	-
5	Dr. N. D. Gunawardena	1,963,151	1.13%	-	-
6	Citizens Development Business Finance Plc/C U Gamage	903,168	0.52%	-	-
7	Amana Bank Plc/ Almas Organisation (Pvt) Ltd	819,669	0.47%	-	-
8	peoples Leasing & Finance Plc/ Sadaharitha Capital Trust Ltd	800,000	0.46%	-	-
9	Dfcc Bank Plc/Maskeliya Tea Exports (Pvt) Ltd	770,899	0.44%	-	-
10	Lolc Finance Plc/L.S.C.fernando	740,000	0.43%	-	-
11	Peoples Leasing & Finance Plc/ Mr.D.C.Udage	712,000	0.41%	-	-
12	Hatton National Bank Plc/Jude Nishantha Weerakoon	625,000	0.36%	-	-
13	Citizens Development Business Finance Plc/H. D. D. Gayan	610,000	0.35%	-	-
14	Dialog Finance Plc / A. L. Tennegedara	593,600	0.34%	-	-
15	Dialog Finance Plc / B M A Fernando	550,000	0.32%	-	-
15	Merchant Bank Of Sri Lanka & Finance Plc / A. C. Senanka	550,000	0.32%	-	-
17	Hatton National Bank Plc/ R.S. Weerasekera	500,100	0.29%	500,100	0.29%
18	Mr. S.M. Ahmed Naseef	500,000	0.29%	-	-
19	Mr.A.M.Ilyas	487,507	0.28%	487,507	0.28%
20	Seylan Bank Plc/Millawithana Arachchige Don Chandima Nalin Wickramaratna	411,000	0.24%	-	-
		135,843,094	78.16%	90,388,607	52.01%

Notice of Meeting

Notice is hereby given that the Sixty Fifth (65th) Annual General Meeting (AGM) of Shaw Wallace Investments PLC (the 'Company') will be held on Wednesday, September 7th, 2022 at 2.45 p.m. as a virtual meeting using a digital platform for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company, the statement of Compliance and the Financial Statement for year ended 31st March 2022 with the Report of the Auditors thereon.
2. To declare a dividend as recommended by the Board of Directors and to consider to pass the following resolutions:

a. Declaration of a first and final dividend

THAT a first and final dividend of Rs. 0.20 cents per issued and fully paid ordinary shares constituting a total sum of Rs.34,759,700 based on the issued ordinary shares as at 8th August, 2022;

THAT the shareholders entitled to such dividend would be those shareholders, whose names have been duly registered in the Shareholders' Register maintained by the Registrars of the Company [i.e. SSP Corporate Services (Pvt) Ltd., No. 101, Inner Flower Road, Colombo 03] and also those shareholders whose names appear on the Central Depository Systems (Pvt) Ltd. ('CDS') as at end of trading on the Record Date [i.e. the third (3rd) market day from and excluding the date of the meeting] (the 'Entitled Shareholders');

THAT subject to the shareholders and (a) approving the proposed allotment and issue of new ordinary shares by passing the resolutions set out in Items 2(i) and 2(ii) below, the declared first and final dividend of Rs. 0.20 cents per issued and fully paid ordinary share be distributed and satisfied by the allotment and issue of new ordinary shares (the 'distribution scheme') based on the share prices of ordinary shares as at August 9th, 2022 to the Entitled Shareholders;

- The allotment and issue of new ordinary shares of Rs. 0.20 cents per share dividend entitlement (subject to applicable government taxes).

By way of the allotment and issue of new shares:

The sum of:

- Rs. 34,759,700 to which the ordinary shareholders are entitled (subject to applicable government taxes); and shall be satisfied by the allotment and issue of new ordinary shares to the entitled shareholders of the ordinary shares respectively, on the basis of the following ratios:
- 01 new fully paid ordinary (voting) share for every 39.00000695 existing issued and fully paid ordinary shares calculated on the basis of the market value of the ordinary shares as at end of trading on August 9th, 2022;
By Order of the Board,

THAT the ordinary residual share fractions, respectively, arising in pursuance of the aforementioned allotment and issue of new ordinary shares after applying the formulas referred to in the sub heading "Residual fractions of shares" in the "Circular to the shareholders on the first and final dividend for 2022" dated August 12, 2022 be aggregated and

Notice of Meeting Cont..

the ordinary shares, arising consequent to such aggregation be will be donated to a charity or charities approved by the Board of Directors of the Company by way of cash;

THAT the new shares to be issued in pursuance of the said distribution scheme constituting a total issue of 4,456,371 new ordinary shares, based on the issued and fully paid ordinary shares as at August 8th, 2022, shall, immediately consequent to due allotment thereof to the entitled shareholders rank equal and pari passu in all respects with the existing issued and fully paid ordinary shares and the existing issued and fully paid ordinary shares of the Company respectively including the entitlement to participate in any dividend that may be declared after the date of allotment thereof and shall be listed on the Colombo Stock Exchange; and

a. (Dividend Resolution No. 2 i):

THAT a new issue of shares provided for by Article 5 (b) of the Articles of Association of Shaw Wallace Investments PLC (the 'Company'), be and is hereby issue of new shares to be effected by the Company for purposes of satisfying in first and final dividend for the year ended March 31, 2022:

"The allotment and issue of 4,456,371 new ordinary shares, credited as fully paid to entitled shareholders and which new shares shall rank equal and pari passu with the existing issued and fully paid ordinary shares of the Company including the right to participate in any dividend which may be declared after the date of allotment of such shares".

a. Approval of an issue of ordinary shares (Dividend Resolution No. 2 (ii)):

THAT the proposed allotment and issue of 4,456,371 new ordinary shares credited as fully paid to entitled shareholders and which new shares shall rank equal and pari passu with the existing issued and fully paid ordinary shares of the Company including the right to participate in any dividend which may be declared after the date of allotment of such shares be and is hereby approved in pursuance of Article 5 (b) of the Articles of Association of the Company; and

THAT accordingly the Company's management be and is hereby authorized to take all necessary steps to give effect to the aforesaid proposed issue of new ordinary shares of the Company.

- b. To re-elect Mr. M.R. Ratnasabapathy as a Director who retires by rotation in terms of Article 28 (1).
- c. (i) To reappoint Messrs KPMG, Chartered Accountants, as recommended by the Board of Directors as the Company's Auditors for the financial year ending March 31, 2022; and
(ii) To authorize the Board of Directors to determine the remuneration of the Auditors for the financial year ending March 31, 2022
- d. To authorize the Board of Directors to determine donations for the year 2022.

Sgd
By Order of the Board of Shaw Wallace Investments
PLC,
Renuka Enterprises (Pvt) Ltd
Company Secretaries
12th August 2022

Notice of Meeting Cont..

Notes

(i) A duly registered and entitled holder of the Company's ordinary shares is entitled to participate at the meeting by virtual means, speak and vote at the AGM and is entitled to appoint a proxy holder to participate by virtual means, speak, and vote in his/her stead.

(ii) A proxy holder need not be a shareholder of the Company.

(iii) A Form of Proxy is sent along with this Report. The Form of Proxy should be completed legibly and forwarded to the Company, to Company Secretary, No. 69, Sri Jinaratana Road Colombo 02, not later than forty-eight (48) hours before the time appointed for the holding of the AGM.

Circular to the Shareholders

Dear Shareholder/s,

First and Final Dividend for the year ended March 31, 2022 to be Satisfied by the Allotment and Issue of New Shares.

The Board of Directors of the Company, is pleased to inform its Shareholders that, a first and final dividend distribution of Rs. 0. 20 cents per each existing issued and fully paid ordinary shares has been recommended for the financial year ended March 31, 2022 for due declaration by the Shareholders at the Annual General Meeting ('AGM') to be held on Wednesday, September 7th, 2022 (the date of the AGM) at 2.45 p.m. to be held, virtually, by using a digital platform and such dividend so declared be paid out of the profits of the Company for the financial year ended March 31, 2022, which would be subject to applicable government taxes.

The Board of Directors is confident that, the Company will be able to satisfy the solvency test set out in Section 57 of the Companies Act No. 07 of 2007 (as amended) ['CA 2007'] immediately post- allotment of such dividend. A Certificate of Solvency has been provided by the Company's Auditors, Messrs KPMG, Chartered Accountants.

Subject to obtaining the approval of the Shareholders, the said dividend will be satisfied in accordance with a distribution scheme whereby:

(i) New ordinary shares will be allotted and issued, in satisfaction of the dividend entitlement, constituting a total sum of Rs. 34,759,700/- based on the issued and fully paid shares of the Company as at August 8th, 2022.

Accordingly, and in pursuance of the aforesaid distribution scheme, the Company proposes to issue:

4,456,371 number of new ordinary shares, calculated based on the issued and fully paid ordinary shares as at August 8th, 2022 and on the basis of their market value (closing price) as at end of trading on August 9th, 2022;

The said shares shall be issued in the following ratio to the entitled Shareholders of the Company:

a. 01 new fully paid ordinary share for every 39.00000695 existing issued and fully paid ordinary shares calculated on the basis of the market value of the ordinary shares as at end of trading on August 9th, 2022; and

The above share ratio is based on a value of Rs. 7.80 per ordinary share (subject to applicable government taxes) as at the end of trading on August 9th, 2022. The Board of Directors is satisfied that the aforementioned values which constitute the consideration for which the new shares are to be allotted and issued is fair and reasonable to the Company and to all its existing Shareholders.

Entitled Shareholders

Shareholders entitled to participate in the said dividend are those who are duly registered in the Company's Share Register and also those shareholders whose names appear on the Central Depository Systems (Pvt) Ltd ('CDS') as at end of trading on the Record Date [i.e. the third (3rd) market day from and excluding the date of the meeting] (the 'Entitled Shareholders').

Circular to the Shareholders Contd...

In calculating the number of shares held by a shareholder as at the relevant date for the proposed allotment and issue of new shares, the shareholding of the shareholder as appearing in the CDS and the Shareholders' Register maintained by the Registrars of the Company [SSP Corporate Services (Pvt) Ltd, No. 101, Inner Flower Road, Colombo 03] will not be aggregated. However, if a shareholder holds shares with multiple stockbrokers, the shares held with multiple stockbrokers will be aggregated for calculation purposes, and the shares arising as a result of the proposed issue and allotment of new shares will be uploaded proportionately to the respective CDS accounts held with each broker. The Company has obtained the approval in principle of the Colombo Stock Exchange ('CSE') for the proposed allotment and issue of new shares.

Residual Fractions of Shares

The residual fractions arising from the aforementioned allotment and issue of new ordinary shares respectively, will be aggregated and the shares arising consequent thereto will, subject to receiving the approval of the Shareholders therefore, such shares will be sold and the net sales proceeds arising therefrom be distributed to a charity/ charities approved by the Board of Directors. The donation will be effected by the Company within a reasonable period of time.

Residual fractions of ordinary shares above-mentioned shall mean the above-mentioned fractions arising after applying the following formula:

$$\frac{\text{For Ordinary shares shareholders -}}{\text{Number of shares held by a shareholder}} \\ \text{as at end of trading on the Record Date X 1} \\ \underline{\hspace{10em}} \\ 39.00000695$$

Status of the New Shares

The new ordinary shares to be so issued, immediately consequent to due allotment thereof to the entitled Shareholders, shall rank equal and pari passu in all respects with the existing issued and fully paid ordinary shares, of the Company.

Listing approval

An application has been made to the CSE for listing the new ordinary shares on the official list of the CSE. This application has been approved 'in principle' by the CSE.

Shareholder Approvals

The proposed method of satisfying the above mentioned first and final dividend is subject to Shareholders granting approval therefor by passing the resolutions set out in the attached Notice of Meeting pertaining to the following matters:

- Authorization to satisfy the first and final dividend by an allotment and issue of new shares:

Article 5 (b) of the Company's Articles of Association provides, in effect, that, subject to the provisions of CA 2007, the Board is empowered to pay a dividend by way of shares. the Board seeks the authorization of Shareholders for the satisfaction of the first and final dividend by the issue of new ordinary shares in the manner set out above.

Circular to the Shareholders Contd...

The relevant resolution to be passed by the Shareholders in this regard is set out in item 2(i) of the attached Notice of Meeting.

As mentioned previously, the first and final dividend is proposed to be satisfied, by the allotment and issue of new ordinary shares in the manner set out above and on the above-mentioned application of the above-mentioned share proportion.

The relevant resolution to be passed by the Shareholders in this regard is set out in item 2(i) of the attached Notice of Meeting.

The Company is required, in compliance with the above provisions, to seek Shareholder approval by an ordinary resolution for the proposed method of satisfaction of the first and final dividend by an allotment and issue of new ordinary shares in the manner set out above.

The relevant ordinary resolution to be passed by the Shareholders in this regard is set out in item 2(ii) of the attached Notice of Meeting.

Confirmation of Compliance

The Board of Directors hereby confirms that the allotment and issue of new shares is in compliance with the Articles of Association of the Company, the Listing Rules of the CSE and the provisions of the CA 2007.

Allotment of the New Shares

The Board of Directors emphasizes that the aforementioned allotment and issue of new shares is in satisfaction of the first and final dividend for the year ended March 31, 2022 and shall be dependent on and subject to the Shareholders passing the requisite resolutions.

Uploading of Shares in to CDS Accounts

In the event that the requisite resolution declaring the dividend (including its manner of satisfaction thereof) by way of the issue and allotment of new shares is passed by the Shareholders, the accounts of the Shareholders whose shares are deposited in the CDS would be directly uploaded with the new shares to the extent that such Shareholder has become entitled thereto.

The shares would be uploaded within five (05) market days from and excluding the Record Date. If a Shareholder holds multiple CDS accounts the total entitlement will be directly deposited to the respective CDS accounts proportionately. Pursuant to a Direction issued by the Securities and Exchange Commission of Sri Lanka ('SEC') pertaining to the dematerialisation of listed securities, the Shareholders who hold shares in scrip form (i.e. Share Certificates) as per the Share Register maintained by the Registrars of the Company, will not be issued Share Certificates for the new shares allotted and issued in their favour. Such Shareholders are accordingly requested to open an account with the CDS and to deposit their Share Certificates in the CDS prior to the date of the AGM of the Company. This will enable the Company to deposit the new shares directly into the Shareholder's CDS Account.

Circular to the Shareholders Contd...

If a Shareholder fails to deposit his/her existing ordinary shares in the CDS prior to the date of the AGM, such Shareholder's entitlement of new ordinary shares will be deposited by the Company after such Shareholder has opened a CDS Account and has informed the Company's Registrars in writing of his/her CDS account number. Until such CDS account is opened by a Shareholder as aforementioned, the new ordinary shares that are allotted in his/her favour will be registered in such shareholder's account in the Share Register maintained by the Registrars of the Company. Consequent to the opening of the CDS account by such Shareholder, the new shares will be credited to such CDS account. Direct uploads pertaining to written requests received from Shareholders to deposit such shares will be done on a weekly basis.

Annual General Meeting (AGM)

Attached hereto is the Annual Report comprising the Notice convening the AGM for September 7th, 2022 and setting out in item 2 thereof, the relevant resolutions to be passed by the Shareholders in the above regard.

Form of Proxy

Shareholders who are unable to participate at the meeting by virtual means are entitled to appoint a proxy to participate at the said meeting by virtual means and speak and also vote on their behalf, depending on their voting rights. If you wish to appoint such a proxy, kindly complete and return the enclosed Form of Proxy (in accordance with instructions to No. 69 Sri Jinaratana Road, Colombo 02, not later than forty-eight (48) hours before the time appointed for the holding of the AGM.

Yours faithfully,
By Order of the Board of Shaw Wallace
Investments PLC

Sgd
Renuka Enterprices (Pvt) Ltd
Company Secretaries
12th August, 2022

Form of Proxy

I / We of
 being a member/members of Shaw Wallace Investments
 PLC, hereby appoint;
 (NIC No.) of

Or failing her/him

Mr. S.V. Rajiyah or failing him
 Mr. P. Gunathilake or failing him
 Mr. K.Liyanagamage or failing him
 Mr. B.V. Selvanayagam or failing him
 Mr. M.R. Ratnasabapathy

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 7th day of September 2022 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1.	To receive and consider the Annual Report of the Board of Directors on the affairs of the Company, the Statement of Compliance and the Financial Statements for the year ended March 31, 2022 together with the Report of the Auditors thereon		
2.	To declare a dividend as recommended by the Directors and to pass the following resolutions set out in the attached Notice of Meeting: i. Declaration of a first and final dividend and approval of its method of satisfaction (Dividend Resolution No. 2 (i)) ii. Approval of an issue of ordinary shares (Dividend Resolution No. 2 (ii))		
3.	To re-elect Mr. M.R. Ratnasabapathy as a Director		
4.	(i) To re-appoint Messrs KPMG, Chartered Accountants as recommended by the Board of Directors, as Auditors to the Company for the Financial Year ending March 31, 2022. (ii) To authorize the Board of Directors to determine the remuneration of the Auditors for the Financial Year ending March 31, 2022.		
5.	To authorize the Board of Directors to determine donations for the year 2022.		

Dated this day of 2022.

.....
 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 the Company, at “Renuka House”, No. 69, Sri Jinaratana Road, Colombo 2, on or before 2.45p.m. on 5th September 2022 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

Shaw Wallace Investments PLC

Registration Number

PQ 149

Legal Form

Quoted Public Company with Limited Liability

Principal Activity

Investing and trading in listed equity, debt instruments, private equity and other alternate asset classes.

Associate Companies

Shaw Wallace & Hedges Ltd

Subsidiary Companies

Galle Face Capital Partners PLC

Board of Directors

Mr. S. V. Rajiyah

Mr. P. Gunathilake

Mr. B. V. Selvanayagam

Mr. M.R. Ratnasabapathy

Mr. K. Liyanagamage

Company Managers and Secretaries

Renuka Enterprises (Pvt) Ltd

No. 69, Sri Jinaratana Road

Colombo 02

Registrar

S S P Corporate Services (Pvt) Ltd

No. 546, Galle Road

Colombo 03

Registered Office

No. 69, Sri Jinaratana Road

Colombo 02, Sri Lanka

Telephone : 0094-11-2314750-5

Email: info@renukagroup.com

Fax: 0094-11-2445549

Stock Exchange Listing

Colombo Stock Exchange

Audit Committee

Mr. M.R. Ratnasabapathy-Chairman

Mr. B. V. Selvanayagam

Mr. K Liyanagamage

Related Party Transactions Review Committee

The Related Party Transactions Review committee of ultimate parent Company Renuka Holdings PLC, acts as the Related Party Transactions Review committee of Shaw Wallace Investments PLC.

Mr. T. K. Bandaranayake - Chairman

Mr. M. S. Dominic

Dr. J. M. Swaminathan

Remuneration Committee

The Remuneration Committee of ultimate parent Company Renuka Holdings PLC, acts as the Remuneration Committee of Shaw Wallace Investments PLC.

Mr. M. S. Dominic - Chairman

Mr. T. K. Bandaranayake

Dr.J.M.Swaminathan

Nomination Committee

The Nomination Committee of ultimate parent Renuka Holdings PLC, acts as the Nomination Committee of Shaw Wallace Investments PLC.

Mr. M. S. Dominic- Chairman

Mr. T. K. Bandaranayake

Mrs.J.J.B.A.Rajiyah

Auditors

KPMG Chartered Accountants

Legal Consultants

Heritage Partners -Attorney-at-Law

Bankers

Hatton National Bank PLC

National Development Bank PLC



“Renuka House” No. 69, Sri Jinarathana Road, Colombo 02, Sri Lanka.
Telephone : 0094-11-2314750-5 Fax : 0094-11-2445549
Email: info@renukagroup.com Website: www.renukagroup.com