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WHO WE ARE

Renuka Agri Foods PLC is an Agribusiness organisation listed on the Colombo Stock Exchange. We are an organisation engaged in plantations, manufacturing and distribution, integrated across the value chain. As an organisation focused on results, the emphasis has been towards the creation of long term shareholder value in all our businesses, while being a socially responsible corporate citizen.



RESPONSIVE
ENTERPRISING
NURTURING
UNRELENTING
KNOWLEDGEABLE
ACCOUNTABLE

VISION

To be a leading global manufacturer, marketer and center of excellence for agriculture based food and beverage products.

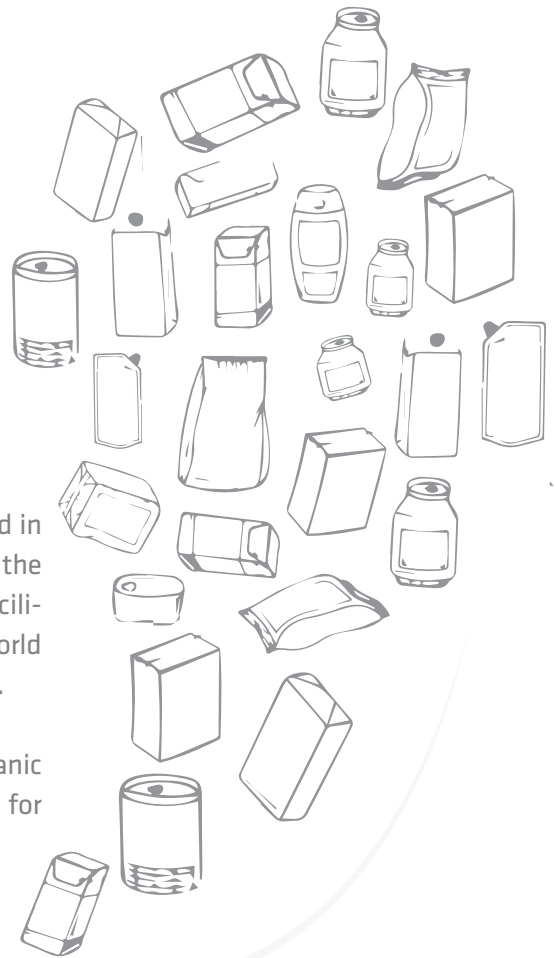
CULTURE AND VALUES

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.

MANUFACTURING

Renuka Agri Foods PLC and Renuka Agri Organics Ltd are involved in the manufacture of coconut based food and beverage products for the local and international markets. Our state of the art production facilities are geared to meet the demands set out by clientele the world over and brings out the best taste in different forms of packaging.

Renuka Developments (Pvt) Ltd is the license holder for our organic plantations and factories thus ensuring that the world demand for organic coconut products is sustainable on a long term basis.



PLANTATIONS

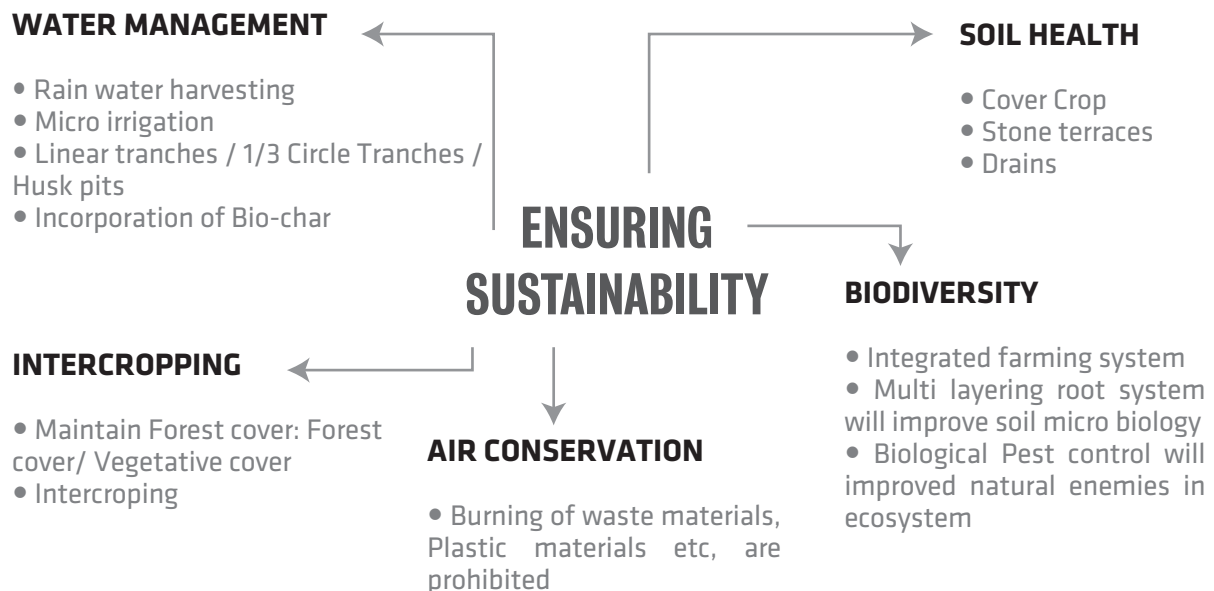
Kandy Plantation Ltd today is one of Sri Lanka's largest, integrated organic certified farms contributing to uplift the rural communities around the region. Coco Lanka (Pvt) Ltd is establishing a state of the art drip irrigation organic coconut farm, while Ceylon Botanicals (Pvt) Ltd is engaged in sustainable cultivation of trees.

SUSTAINABILITY GOALS

Our philosophy in preserving and sustaining our surroundings is an utmost priority, Mother Nature is the core of our organic products and it's our turn to take care of her in whatever ways possible. It's well understood that in today's world we are destroying more than what we can build, deforestation and pollution is taking a toll on the delicate bio diversity surrounding us, the life which supports us. Though we are caught in this vicious cycle we ensure that we are not part of this unwanted destruction.

Our plantations are equipped with some of the irrigation methods Sri Lankans Kings used in ancient times; which is a construction of soil dams across streams at different elevations with overflows, thus a large capacity of rainwater is harvested in water reservoirs. Rainwater collected in reservoirs at different elevation along the stream leads to uplift the ground water table which in turn has benefited coconut production. The ponds are used effectively as ideal water sources for irrigation during dry season and also serve as watering holes to different small animals which live in the plantations.

Our factories require a vast amount of steam for production, furnace oil is the easiest but polluting option, yet nature always had the answer and we listened. Our plantations generate tonnes of coconut shells and we put to use this natural energy source by installing coconut shell boilers which now generates the total steam required to operate the entire plant. Furthermore all waste water is channeled back to watering the plants surrounding the factory premises.



SOIL HEALTH



BIODIVERSITY



WATER MANAGEMENT

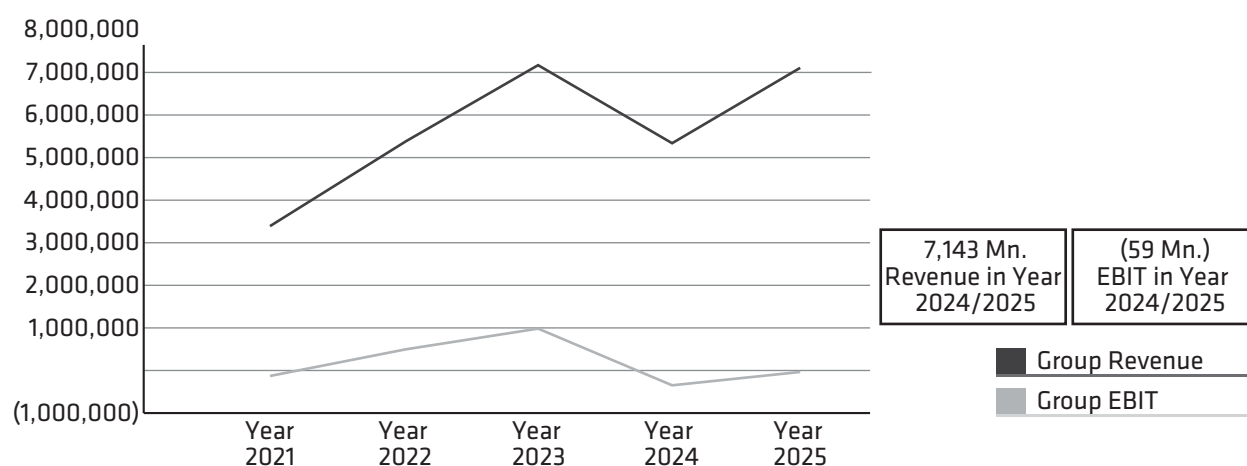
REVENUE
7,143
RS. MILLION

TOTAL ASSETS
8,403
RS. MILLION

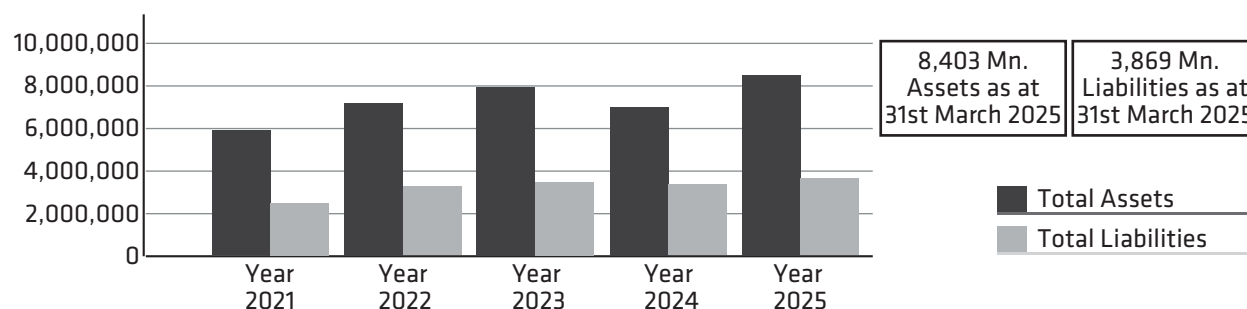
**GROSS
PROFIT**
662
RS. MILLION

EMPLOYEES **600** NOS.

GROUP REVENUE AND EBIT



TOTAL ASSETS & LIABILITIES



ALL THE CURRENCY VALUES ARE INDICATED IN LKR '000

PROFILE OF DIRECTORS

Dr. S.R. Rajiyah

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

Mrs. I.R. Rajiyah

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

Mr. S.V. Rajiyah

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

Mr. V. Sanmugam

Mr V. Sanmugam is a Executive Director of the Company and he holds a Bachelor of Engineering Degree from the Mangalore University. He counts over 40 years of industrial work experience, out of which, 28 years have been with the Renuka Group Companies. He has extensive experience in New Plant Establishment, Project Planning & Management, Supply Chain/ Inventory Management, Statutory & Regulatory Compliance, besides others. He is an Executive Director of Renuka Agri Foods PLC, Shaw Wallace Ceylon Ltd, Richlife Dairies Ltd and Non Executive Director of Renuka Holdings PLC.

Mr. D.S. Arangala

(Non-Executive/ Independent)
Resigned with effect from 17th June 2025

Mr. Daya Sumith Arangala was appointed to the Board on 8th September 2023 as an Independent Non-Executive Director. He functioned as the Chief Executive Officer (CEO) of LVL Energy Fund PLC during the period May 2016 to August 2023 and of Lanka Ventures PLC during the period July 2002 to April 2016. Prior to that he functioned as the Assistant General Manager of Capital Development and Investment Company Limited, the pioneer venture capital company in Sri Lanka. He commands considerable knowledge and experience in investing in private equity, venture capital and capital markets being associated with the industry for over 35 years. He is a Bachelor of Engineering from the Royal Melbourne Institute of Technology (RMIT), Melbourne, Australia and holds a Graduate Diploma in Quality Technology from the same institute. He is a Graduate member of the Institute of Engineers, Australia. He is also an Independent Non-Executive Director of Renuka Foods PLC.

Mr.E.A. P. Ekanayake

(Non-Executive/ Independent)

Priyadharshana Ekanayake is a seasoned finance professional with over 30 years of experience leading financial operations across five countries. His most recent role was as Chief Financial Officer for Unilever West Africa and Executive Finance Director for Unilever Ghana PLC. He is a Fellow of the Chartered Institute of Management Accountants (CIMA).

Priyadharshana has a strong track record in driving financial performance in dynamic and challenging markets. He has in-depth expertise in governance and risk management, having worked closely with boards, audit committees, and regulators to ensure compliance and maintain robust internal controls.

He has successfully led organizational transformations, implementing impactful cost-saving initiatives and delivering long-term value. His international experience has also equipped him with exceptional cultural adaptability and the ability to build strong relationships with stakeholders from diverse backgrounds. In addition, Priyadharshana is passionate about leveraging technology and data to improve decision-making and enhance governance.

Throughout his career, Priyadharshana has held a number of key leadership roles within the Unilever group. These include CFO for Unilever West Africa and Executive Finance Director for Unilever Ghana PLC (June 2020 – October 2023), Executive Finance Director for Unilever Sri Lanka (June 2016 – June 2020), and Director of Finance Control for Unilever UniOps centers in India, the UK, Brazil, and the Philippines (April 2015 – May 2016). He has also served in finance business partnering roles at Hindustan Unilever Limited in Mumbai, India (2011 – 2015), and as Regional Treasury Manager for Unilever Asia companies based in Singapore (2008 – 2011).

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

(Non-executive /independent)

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

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

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

***Mr. M. S. Dominic**

(Independent Director)

Resigned w.e.f 30.09.2024)*

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

Mr. M. R. Ratnasabapathy

(Non-Executive/ Independent)

Appointed with effect from 17th June 2025

Mr. M. R. Ratnasabapathy is a Chartered Global Management Accountant (CGMA), a Fellow of the Chartered Institute of Management Accountants (FCMA, UK), and holds an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura. He also holds a Master's degree in Financial Economics from the University of Colombo. Mr. Ratnasabapathy has over 25 years of experience in finance, covering a wide range of industries including audit, trade, agribusiness, power and energy, and telecommunications—most of which have been in senior leadership roles.

FIT AND PROPER

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

CHAIRMAN'S REVIEW

It is a pleasure to welcome you to the 26th Annual General Meeting and to present the Audited Financial Statements and the Annual Report for the year ended 31st March 2025.

Severe Shortfalls, Strategic Shifts

This year posed many challenges; among them were volatility of raw material prices, which affected our ability to secure long-term contracts with international partners and high production costs. The Agri Exports sector was significantly impacted by a national coconut production shortfall early in 2025. Between January and April, yields fell short by nearly 200 million nuts, reflecting a broader downward trend—from 3.35 billion nuts in 2022 to 2.68 billion in 2024. This sustained decline has been driven by a combination of factors: ageing plantations, insufficient replanting, high fertilizer costs, limited availability of inputs, damage caused by pests and inconsistent past policies.

The resulting shortage led to a sharp surge in coconut prices, directly affecting our value proposition and competitiveness in international markets. In response, we undertook a strategic reassessment of our sourcing model and production capacity, focusing on operational efficiencies and cost mitigation.

The Group continues to explore medium- and long-term interventions—including alternative sourcing, investment in high-yield plantations, and increased product diversification—to safeguard continuity and growth.

We remain confident that despite these cost and operational challenges, our commitment to quality, high standards, and our reputation as a preferred manufacturer will continue to thrive. We are dedicated to implementing innovative solutions/ diversified product strategies and efficiency improvements to mitigate these challenges. Through resilience and adaptability, we are determined to overcome these obstacles and sustain our growth trajectory.

The company recorded a turnover of 5,904 Mn. while the Group recorded a turnover of 7,143 Mn. While the company posted a net loss of 220 Mn. and the Group a Net loss of 242 Mn,

Future Outlook

As we navigate the evolving landscape, our focus will be on implementing strategic pricing, driving productivity gains, and maintaining tight cost controls. This integrated approach will ensure we remain competitive while continuing to deliver products and services of exceptional quality.

As we close this year, I would like to sincerely thank our employees for their unwavering dedication and outstanding contribution to the organization's progress. Your efforts continue to be the driving force behind our achievements. I also extend my appreciation to my fellow Directors for their guidance and steadfast support in shaping our strategic direction during these times.

On behalf of the Board of Directors, I extend our deepest gratitude to our Shareholders and Stakeholders for your continued trust and encouragement. Your belief in our purpose and direction motivates us to aim higher and do better. Together, we are committed to building a stronger, more sustainable future for our business and the communities we serve.

Sincerely,
Dr S. R. Rajiyah
Chairman
29th August 2025

MANAGEMENT DISCUSSION ANALYSIS

OPERATING ENVIRONMENT

The global economy showed relative stability in 2024, reflecting a cautious return to normalcy after several years of economic shocks. While this marks a period of relative stability, growth remains lower than pre-pandemic levels. The slower-than expected global recovery was primarily driven by ongoing geopolitical tensions in various regions which disrupted global supply chains, contributing to heightened economic uncertainty. Global trade in goods and services also rebounded in 2024. Goods trade picked up pace in the second half of the year. This resurgence was partly supported by precautionary inventory build-ups in response to anticipated trade disruptions, and proposed tariff increases in the United States.

The Sri Lankan economy also continued to recover steadily in 2024/25 as post-crisis reforms continued to deliver positive outcomes. After two years of annual contraction, the Sri Lankan economy rebounded strongly in 2024/25 with a growth of 5% compared to the 2.3% contraction in 2023/24. Growth was mainly attributable to Industrial activities, driven by the revival of manufacturing and construction activities. Services activities also contributed supported by the sustained growth in tourism and transport activities. Meanwhile, Agriculture activities also contributed positively to the growth.

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

MOVEMENT	CAUSE	IMPACT TO RENUKA AGRI FOODS PLC
ECONOMY After two years of annual contraction, the Sri Lankan economy rebounded strongly in 2024/5 with a growth of 5% compared to the 2.3% contraction in 2023.	Agriculture sector of the economy registered a growth of 1.2 percent whilst Industrial sector grew by 11 percent and the Services sector grew by 2.4 The performance of the agriculture, forestry and fishing sectors were impacted due to the adverse weather conditions which resulted in challenging conditions for the recovery of the sector.	Due to the tightening of the supply chains, together with environmental factors, and the depreciation of the currency in the previous years, the Company had to face challenges in sourcing essential imported raw materials. The Company is actively addressing these challenges while exploring alternative sourcing options to mitigate the impact on its operations.
INFLATION Headline inflation, as measured by the year-on year change in the CCPI recorded a slower deflation of 2.6% in March 2025 Looking forward, deflationary conditions are expected to ease further in the coming months, with inflation projected to turn positive by mid-2025 and gradually converge to the targeted level of 5% over the medium term.	During the year inflation declined significantly mainly due to corrective action taken by Central Bank of Sri Lanka. Further the relative stability of the rupee parity maintained by the CBSL also contributed to the lower inflation. The decline in inflation reflected a complex interplay of multiple factors impacting the overall economy, requiring careful monitoring and potential policy interventions to manage the situation effectively.	The company and Group was significantly impacted by the high cost of manufacturing, which posed challenges to its operations. To mitigate the negative effects on the company, measures were taken to improve product margins and enhance manufacturing efficiency. These steps were necessary to offset the increased costs and maintain competitiveness in the market. By implementing these strategies, the company aimed to safeguard its financial stability and maintain its position in the industry amid the challenging cost environment.
DOMESTIC INTEREST RATES Due to the relaxing of the monetary policy stance by The Central Bank, overall interest rates have been decreased from a high of 27% to Around 8%.	To preempt the build-up of excessive inflationary pressures over the medium term and to address imbalances in the external sector and financial markets, measures were taken to commence tightening the monetary policy stance from early 2022/23 onwards. The decline in interest rates in 2024 was driven by a combination of moderating inflation, moderate inflation expectations, and reduced risk premia following the near finalization of the debt restructuring process, a need to stimulate economic growth, external financial support, and evolving market conditions. The adjustment in interest rates was part of a broader strategy to balance economic stabilization with growth objectives.	The Company successfully faced the high interest cost period and is now enjoying the fruit of the hardship in the past. These proactive measures enabled the Company to mitigate the financial impact of borrowing expenses. By optimizing product margins and streamlining manufacturing processes, the Company demonstrated its resilience and ability to adapt to challenging market conditions. These efforts contributed to maintaining the Company's financial stability and competitiveness in the industry.

MANAGEMENT DISCUSSION ANALYSIS (CONT.)

OPERATING ENVIRONMENT

MOVEMENT	CAUSE	IMPACT TO RENUKA AGRI FOODS PLC
EXCHANGE RATES In 2024/25, the Sri Lanka rupee appreciated marginally against the US dollar by 3 percent from Rs. 302 as at end 2024 to Rs. 292 as at end 2025.	The pressures that was witnessed on the exchange rate amidst dried up liquidity in the domestic foreign exchange market in the past was reversed by the foreign exchange inflows from tourism and other services exports as well as workers' remittances.	Appreciation of the Rupee had negatively impacted on our export receipts and on the company bottom line.
SHARE MARKET The Colombo Stock Exchange (CSE) recorded a growth of 33 percent in 2024/25, mainly responding to the general market sentiment and the interest rates prevailing in the market.	During the year ended 31st March 2025 the Colombo Stock Exchange (CSE) performance showed mainly an upward trend. The overall trend of the market reflected the evolving economic and global conditions, as well as various internal and external factors that influenced investor sentiment. In the first quarter of the period, the market experienced some volatility, influenced by uncertainties. However, as the year progressed, the market showcased significant growth. The performance of individual sectors in the CSE varied, with some sectors experiencing significant growth and others facing challenges. Factors such as changes in interest rates, government policies, corporate earnings, and global market dynamics played a role in shaping the market performance. Additionally, investor sentiment was influenced by domestic economic conditions, political developments, and global events.	Highest share price of the company recorded at Rs. 4.30 & lowest at Rs. 2.70 during the year under review. It was closed at Rs. 3.30 as at 31st March 2025.

Capital Management Review

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

Financial Capital

The Group achieved a revenue of Rs. 7.1 Billion, 29% decrease compared to the previous year's revenue of Rs. 5.5 Billion. Group reported a Loss after tax attributable to equity holders amounting to Rs. 241 Million for the year.

Furthermore, the Group's gross profit reached Rs. 662 Million, with an increase of Rs. 372 Million compared to the previous year.

MANUFACTURED CAPITAL

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

NATURAL CAPITAL

Environmental sustainability is highly regarded and embedded into the corporate governance framework of the Renuka Agri Sector whilst managing the natural resources and meeting corporate obligations towards protecting the environment around us. Through our organic certified plantation's and factories we ensure that our customers all around the world get organic coconut products which is sustainable in the long term as well. Focus on energy management, waste management, maintaining clean business environment, water management are a few initiatives taken by the Group during the year. We also continue to harness the benefits of "Net Plus" solar power project at our factory by installing roof top solar panels which reduced our electricity consumption within the Group. We also provide guidance to farmers on sustainable agricultural practices with the objective of preserving soil health, forestry and bio diversity. Management of natural capital is a critical imperative as it accounts for significant portion of our total assets. We are heavily dependent on natural resources, water, energy and are significantly impacted by climate change in our plantations.

MANAGEMENT DISCUSSION ANALYSIS (CONT.)

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

HUMAN CAPITAL

The Group strongly believes in people development and encourages knowledge sharing. As a result management launched its organization structures and strategy for 2024/25 to its senior management team and emphasized the roles that each one of our employee needs to play in the coming years. Having sought insights from internal and external stakeholders, some of the business processes, operations and departments reporting have been revisited and streamlined.

SOCIAL AND RELATIONSHIP CAPITAL

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

INTELLECTUAL CAPITAL

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

OUTLOOK

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

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

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

Profile of **Mr.D.S.Arangala** is given on page 8 of this report.

In compliance with Section 9.6.3. 2 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company appointed me as the Senior Independent Director (SID) of the Company with effect from 1st October 2023. I held this position until my resignation from the Board on 17th June 2025.

At Renuka Agri Foods PLC Dr Skantha Ranjit Rajiyah who is an Executive Director functions as the Chairman. Section 9.6.3. 2 of the Listing Rules requires that in the event the Chairman is an Executive Director a SID shall be appointed.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR (SID)

The SID provides guidance to the Chairman on matters of governance of the Company.

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

ACTIVITIES DURING THE YEAR

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

The Company remains focused on navigating the challenges and opportunities that lie ahead. Renuka Agri Foods PLC's strategic priorities will continue to be underpinned by its commitment to sound corporate governance, effective risk management, and sustainable growth. As SID, I was confident that the processes and practices established by Renuka Agri Foods PLC effectively facilitates the performance of SID contributing to robust governance.

The independence and objectivity of SID along with regular engagement with both the Board and shareholders helped to maintain transparency, accountability and trust in Company's corporate governance framework. I remain confident that my successor will be committed to upholding these standards and will continue to work closely with the Board to ensure that the Company aligns with the best practices of corporate governance.

D.S.Arangala

Senior Independent Director
29th August 2025
Colombo

CORPORATE GOVERNANCE

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

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

INTERNAL GOVERNANCE STRUCTURE BOARD OF DIRECTORS

The Board of Directors are the ultimate governing body of the Company with diverse experience, professionalism and has a wide range of expertise in various fields as set out on page 06.

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

The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence.

COMPOSITION OF THE BOARD AND DIRECTORS INDEPENDENCE

Composition of the Board of Directors as at 31st March 2025 consists of 7 members of which

- 4 Executive Directors
- 3 Non-Executive Independent Directors

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

Name of the Director	Executive	Non-Executive	Independent
Dr. S. R. Rajiyah	✓		
Mrs. I.R. Rajiyah	✓		
Mr. S.V. Rajiyah	✓		
Mr. V. Sanmugam	✓		
Mr. D.S. Arangala		✓	✓
Mr.E.A.P. Ekanayake		✓	✓
Mr.A.M.P.C.K. Abeykoon		✓	✓

BOARD RESPONSIBILITIES

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

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

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

BOARD BALANCE

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

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

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

CORPORATE GOVERNANCE (CONT.)

BOARD MEETINGS AND ATTENDANCE

There were 4 Board Meeting for the year ended 31st March 2025 on a quarterly basis and attendance to meeting is as follows;

Name of the Director	Eligible to Attended	Attended
Dr. S.R. Rajiyah -Chairman	4	3/4
Mrs. I.R.Rajiyah	4	3/4
Mr. S.V.Rajiyah	4	4/4
Mr. V.Sanmugam	4	4/4
Mr. D.S.Arangala	4	4/4
Mr.M.S.Dominic**	1	1/1
Mr. E.A.P.Ekanayake*	3	3/3
Mr. A.M.P.C.K. Abeykoon*	3	3/3

**Mr. M.S.Dominic (Resigned wef 27.09.2024)

* Mr. E.A.P.Ekanayake and Mr. A.M.P.C.K. Abeykoon appointed w.e.f 27.09.2024

AUDIT COMMITTEE MEETINGS

The audit committee met Three times on a quarterly basis during the year From 01.04.2024 to 31.03.2025.

Name of the Director	Eligible to Attended	Attended
Mr. E.A.P.Ekanayake**	3	3/3
Mr. A.M.P.C.K. Abeykoon	4	4/4
Mr. D.S.Arangala*	4	4/4

** E.A.P.Ekanayake appointed wef 27.09.2024

RELATED PARTY REVIEW COMMITTEE MEETINGS

the Related Party Review Committee met Three times on a quarterly basis during the financial year ending 31st March 2025.

Name of the Director	Eligible to Attended	Attended
Mr. E.A.P.Ekanayake Chairman	3	3/3
Mr.A.M.P.C.K.Abeykoon	4	4/4
Mr.D.S.Arangala	4	4/4

REMUNERATION COMMITTEE MEETING

Name of the Director	Eligible to Attended	Attended
Mr. D.S. Arangala Chairman	1	1/1
Mr. E.A.P.Ekanayake	0	0/0
Mr.A.M.P.C.K.Abeykoon	1	1/1

NOMINATION & GOVERNANCE COMMITTEE MEETING

Name of the Director	Eligible to Attended	Attended
Mr. D.S. Arangala Chairman	1	1/1
Mr. E.A.P.Ekanayake	0	0/0
Mr.A.M.P.C.K.Abeykoon	1	1/1

APPOINTMENT RE-ELECTION OF DIRECTORS

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

PROCEDURE FOR DIRECTORS TO OBTAIN PROFESSIONAL ADVICE

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

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

The Report of the Audit Committee is presented on page 18 and the duties of the Audit Committee are included therein.

CORPORATE GOVERNANCE (CONT.)

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

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

The Report of the Related Party Transactions Review Committee is Presented on Page 22.

REMUNERATION COMMITTEE

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

The Remuneration Committee of Renuka Agri Foods PLC appointed by and responsible to the Board of Directors, it consists of three Non-Executive Independent Directors. The Managing Director may also be invited to join in the deliberation as required. The Chairman of the Committee is an Independent Non-Executive Director. The report of the remuneration committee is presented on page 23.

NOMINATION & GOVERNANCE COMMITTEE

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

NOMINATION & GOVERNANCE COMMITTEE

The Nomination & Governance committee of Renuka Agri Foods PLC appointed by and responsible to the Board of Directors. The report of the nomination committee is presented on page 24.

SHAREHOLDER RELATIONS

The Board considers the Annual General Meeting as a prime opportunity to communicate with shareholders. The Shareholders are given the opportunity of exercising their rights at the Annual General Meeting. The notice of the Annual General Meeting and the relevant documents required are published and sent to the shareholders within the statutory period. The Company circulates the agenda for the meeting and shareholders vote on each issue separately. All shareholders are invited and encouraged to participate at the Annual General Meeting.

The Annual General Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company and to informally meet the Directors. The external Auditors are also present at the Annual General Meeting to render any professional assistance that may be required. Shareholders who are not in a position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their Choice.

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

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

INTERNAL AUDIT AND CONTROL

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

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

EXTERNAL AUDIT

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

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

CORPORATE GOVERNANCE (CONT.)

MAJOR TRANSACTION

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

GOING CONCERN

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

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

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

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

COMPLIANCE SUMMARY

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

CSE RULE REFERENCE	CORPORATE GOVERNANCE PRINCIPAL	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION
(i)	Names of persons who were Directors of the entity	Complied	Refer Directors' Report on pages 30 to 33 in this Annual Report.
(ii)	Principal activities of the entity during the year and any changes there in	Complied	Refer Note 1 to Financial Statements.
(iii)	The names and the no. of shares held by the 20 largest holders of voting and non voting shares and the percentage of such shares held	Complied	Refer Shareholders and Investor information and largest share holders on page 90 - 92 to this Annual Report
(iv)	The public holding percentage	Complied	Refer Shareholders and Investor information on page 89-91 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	Complied	Refer Directors' Report on pages 30 to 33 to this Annual Report
(vi)	Information pertaining to material foreseeable risk factors of the Entity	Complied	Refer Risk management Report on pages 25 to 27 to this Annual Report.
(vii)	Details of material issues pertaining to employees and industrial relation of the Entity	Complied	Refer Directors' Report on pages 30 to 33 to this Annual Report
(viii)	Extent, Locations, Valuations and the number of buildings of the Entity's land holding and investment properties	Complied	Refer Real Estate Portfolio on page 88 to this Annual Report
(ix)	Number of shares representing the Entity's Stated Capital	Complied	Refer Note 25 to Financial Statements and pages 70
(x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	Complied	Refer Shareholders and Investor information on page 90-92 to this Annual Report
(xi)	Financial Ratios and Market Price Information	Complied	Refer five year summary on pages 99 this annual report
(xii)	Significant change in the Company's fixed assets and market value of Land, if the value differs substantially from the book value as at the end of the year	Complied	Refer note 12 to Financial Statements

CORPORATE GOVERNANCE (CONT.)

CSE RULE REFERENCE	CORPORATE GOVERNANCE PRINCIPAL	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	Not Applicable	-
(xiv)	Information in respect of Employee Share Ownership or Stock option Scheme	Not Applicable	-
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5c. & 7.10.6.c.of Section 7 of the Listing Rules	Complied	Refer Corporate Governance Report on pages 11 to 19 to this Annual Report
(xvi)	Related Party Transactions exceeding 10 percent of the equity or 5 percent of the total assets of the entity as per Audited Financial Statements, whichever is lower.	Complied	Refer Note 32 to Financial Statements
(xvii)	Disclosures on Foreign Currency Denominated Security	Not Applicable	-
(xviii)	Disclosures on listed Green Bonds	Not Applicable	-
(xix)	Disclosures on listed perpetual Debt Securities	Not Applicable	-

Extent of Compliance with the Listing Rules set out in Section 9 of the Colombo Stock Exchange's on Corporate Governance, are summarized below. (Mandatory Provisions – Fully Complied) and subject to transitional provision which will be complied in line with the effective date as a 1.10.2024

CSE RULE REFERENCE	CORPORATE GOVERNANCE PRINCIPAL	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION
9.1/9.11.1/ 9.1.2	COMPLIANCE		
	Compliance with Corporate Governance Rules	Compliant	This report declares the confirmation on compliance and refer Page 15 for "CORPORATE GOVERNANCE COMPLIANCE STATEMENT"
9.18.1	NON-EXECUTIVE DIRECTORS (NED)		
	At least 2 members or 1/3 of the Board, whichever is higher should be NEDs	Compliant	Three out of Seven Directors are Non-Executive Directors
	The Total number of Directors are to be calculated based on the number as at the conclusion of the immediately preceding Annual General Meeting		Calculation is based on number as at the conclusion of the immediately preceding Annual General Meeting
b.	Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	Not Applicable	
9.8.2	INDEPENDENT DIRECTORS		
	2 or 1/3 of NEDs, whichever is higher shall be 'independent'	Compliant	All Three Non-Executive Directors are independent
9.8.3	Each NED to submit a signed and dated declaration annually of his/her independence or nonindependence	Compliant	All Non-Executive Independent Directors have submitted their confirmation on independence

CORPORATE GOVERNANCE (CONT.)

9.10	DISCLOSURES RELATING TO DIRECTORS		
	Board shall annually determine the independence or otherwise of NEDs	Compliant	The Board assessed the independence declared by Directors and determined the Directors who are independent.
9.10.4	A brief resume of each Director should be included in the annual report including the directors' experience	Compliant	Refer page 06 for a brief resume of each Director
	Provide a resume of new Directors appointed to the Board along with details	Compliant	Refer page 06
9.8.3	CRITERIA FOR DEFINING INDEPENDENCE		
	Requirements for meeting the criteria to be an Independent Director	Compliant	As per 9.8.3 i to viii in determining of the independence or otherwise of NEDs, board reviewed the criteria for defining independence as per 7.10.4 a to h also till subject to transtional provision which will be complied in line with the effective date as a 1.10.2024
9.12	REMUNERATION COMMITTEE		
2.1	A listed company shall have a Remuneration Committee	Compliant	The remuneration committee of Renuka Agri Foods PLC is appointed by the board.
	Remuneration Committee shall comprise of NEDs, a majority of whom will be independent	Compliant	The remuneration Committee comprises of 3 Non-Executive Directors all of whom are independent.
9.12.6.3	One Non-Executive Director shall be appointed as Chairman of the Committee by the board of directors	Compliant	Mr. D.S. Arangala was the chairman of the committe during the financial year, who was independent/ non-executive Director.
	Remuneration Committee shall recommend the remuneration of the CEO and the Executive Directors	Compliant	Refer Page 23 for Remuneration Committee scope
	Names of Remuneration Committee members	Compliant	Refer page 23 for names of the Committee members
	Statement of Remuneration policy	Compliant	Refer page 23
	Aggregate remuneration paid to EDs and NEDs	Compliant	Refer to Note 8 and 32
9.13	AUDIT COMMITTEE		
	A listed company shall have an Audit Committee.	Compliant	The Company has its own Audit Committee.
3	Audit Committee shall comprise of NEDs, or a majority of whom should be independent	Compliant	The Audit Committee comprises of three Independent Non-Executive Directors
5	A NED shall be the Chairman of the committee	Compliant	The Chairman of the Committee is an Independent Non-Executive Director
6	CEO and CFO should attend Audit Committee meetings	Compliant	Refer to page 20
7	The Chairman of the Audit Committee or one member should be a member of a professional accounting body	Compliant	The Chairman of the Audit Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, also a member of Association of Certified Management Accountants of Sri Lanaka

CORPORATE GOVERNANCE (CONT.)

CSE RULE REFERENCE	CORPORATE GOVERNANCE PRINCIPAL	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION
9.13.4	FUNCTIONS OF THE AUDIT COMMITTEE		
(i)	Overseeing of the preparation, presentation and adequacy of disclosure in the financial statements in accordance with SLFRS/LKAS	Compliant	Refer page 20 of Audit Committee Report
	Overseeing the compliance with financial reporting requirements, information requirements as per the laws and regulations	Compliant	Refer page 20 of Audit Committee Report
	Ensuring the internal controls and risk management, are adequate, to meet the requirements of the SLFRS/LKAS	Compliant	Refer page 20 of Audit Committee Report
	Assessment of the independence and performance of the Entity's external auditors	Compliant	Refer page 20 of Audit Committee Report
	Make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	Compliant	Refer page 20 of Audit Committee Report
	Names of the Audit Committee members shall be disclosed	Compliant	Refer page 20 of Audit Committee Report
	Audit Committee shall make a determination of the independence of the external auditors	Compliant	Refer page 20 of Audit Committee Report
	Report on the manner in which Audit Committee carried out its functions	Compliant	Refer page 20 of Audit Committee Report
9.14	RELATED PARTY TRANSACTIONS REVIEW COMMITTEE(RPTR)		
	Related Party Review Committee	Compliant	The Functions of the Committee are stated in the Report of the Related Party Transaction Review Committee on Page 22
9.14.2	Composition	Compliant	Refer the report of RPTR committee on page 22
9.14.4	Meetings	Compliant	Refer the report of RPTR committee on page 22
9.14.7	Immediate Disclosures	Compliant	Please refer Note 32 of the Notes to the Accounts on Pages 76
9.14.8 (1)&(2)	Disclosure of recurrent and non-recurrent Related Party Transactions	Compliant	Please refer Note 32 of the Notes to the Accounts on Pages 76
9.14.8 (3)	Report by the Related Party Transactions Review Committee	Compliant	Refer the report of RPTR committee on page 22
	A declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on page 34

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

CORPORATE GOVERNANCE (CONT.)

SECTION		COMPLIANCE STATUS	REFERENCE
168 (1) (a)	The state of the Company's affairs and nature of the business of the Company or any of its subsidiaries together with any change thereof during the accounting period	Compliant	Refer Note 1 of the Financial Statements
168 (1) (b)	Signed Financial Statement of the Company and its subsidiaries for the accounting period completed	Compliant	Refer page 40 of the Annual Report
168 (1) (c)	Auditors Report on Financial Statements of the Group and the Company	Compliant	Refer page 35 to 38 of the Annual Report
168 (1) (d)	Accounting Policies and any changes therein	Compliant	Refer Note 1-5 of the Financial Statement
168 (1) (e)	Particulars of the entries made in the interests Register during the accounting period	Compliant	Refer Annual Report of the Board of Directors on pages 30 to 33
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Compliant	Refer Note 8 of the Financial Statements
168 (1) (g)	Corporate donations made by the Company during the accounting period	Compliant	Refer page 33 of the Annual Report
168 (1) (h)	Names of the Directors of the Company and its Subsidiaries at the end of the accounting period and name of Directors who ceased to hold office during the accounting period	Compliant	Refer pages 13 and 96 of the 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 8 of the Financial Statement
168 (1) (j)	Other relationships or any interest of Auditors with the Company and its subsidiaries	Compliant	Refer page 20 of the Annual Report, Audit Committee Report
168 (1) (k)	Acknowledgement of the content of this report and signature on behalf of the Board	Compliant	Refer page 33 of the Annual Report, report of the Board of Directors

AUDIT COMMITTEE REPORT

The Audit Committee of Renuka Agri Foods PLC is appointed by the Board of Directors and operates in line with the Code of Best Practice on Corporate Governance-issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka and the Listing Rules of the Colombo Stock Exchange. During the 2024/25 financial year, the Committee directed its primary focus toward enhancing the financial reporting processes, strengthening the internal audit function, and establishing a formal risk management framework for the Company.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee appointed by and responsible to the Board of Directors, comprises three Non-Executive Directors of whom all three are independent during the financial year ended 31st March 2025 as follows:

From 01.04.2024 to 27.09.2024

Mr. A.M.P.C.K. Abeykoon - Chairperson (IND/NED)
Mr. D.S. Arangala (IND/NED)
Mr. M.S. Dominic (IND/NED)

From 27.09.2024 to 31.03.2025

Mr. E.A.P. Ekanayake - Chairperson (IND/NED)
Mr. A.M.P.C.K. Abeykoon - (IND/NED)
Mr. D.S. Arangala (IND/NED)
(IND-Independent Director; NED-Non-Executive Director)

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

Brief profiles of each member are given on page 05 of this report.

AUDIT COMMITTEE MEETING ATTENDANCE

Members	Eligible to Attended	Attended
Mr. E.A.P. Ekanayake Chairperson	3	3/3
Mr. A.M.P.C.K. Abeykoon	4	4/4
Mr. D.S. Arangala	3	3/3
Mr. M.S. Dominic	1	1/1

Manager – Legal acts as the Secretary to the committee. Executive director and Chief Financial Officer attend the Audit committee meeting by invitation.

FINANCIAL REPORTING

The Committee reviewed the quarterly and annual financial statements with Management, discussing the appropriateness of significant accounting policies and key judgements. It also examined management's compliance reports on social and welfare payments, tax, legal, secretarial, IT, Board of Investment regulations, and pending litigation. The Committee agreed upon specific actions to strengthen financial reporting controls. These actions were documented in the Committee's minutes, and their implementation was in progress at the end of the financial year. The Committee will continue to monitor the progress of these initiatives.

INTERNAL AUDIT

The Internal Audit function provides independent assurance to the Board and the Audit Committee on the effectiveness of the Company's internal controls, risk management, and governance processes. The committee reviewed the internal audit plans for the year. The annual internal audit plan scheduled twelve audits, of these two were completed since seven ad-hoc internal audits were carried out alongside. The committee noted that execution of the plan was constrained by resource limitations. The audit committee recognized the need to improve the audit plan coverage, timeliness of reporting and follow-up recommendations.

The Committee has approved an action plan for 2025/26 to enhance the effectiveness of internal audit, including:

- Developing a Comprehensive Risk-Based Plan:** An internal audit plan for the 2025/26 financial year has been developed and approved by the Committee.
- Securing Adequate Resources:** The internal audit team has been strengthened with co-sourced external expertise to ensure the approved annual plan is completed.
- Enhancing Committee Oversight:** Table completed internal audit reports to the Audit Committee for discussion, with the audit team present, at quarterly meetings.
- Establishing a Formal Follow-up Process:** A formal tracking and follow-up mechanism will be implemented to monitor the status of all audit recommendations. A summary report on the implementation status will be presented to the Committee on a quarterly basis.

The Committee will closely monitor the execution of this plan to ensure the Internal Audit function provides the level of assurance required by the Board.

AUDIT COMMITTEE REPORT (CONT.)

STRENGTHENING THE RISK MANAGEMENT PROCESS

In line with Section 9 of the listing rules, the Board has formally delegated the performance of Risk Functions to the Audit Committee, effective May 2025.

The Committee reviewed the Company's current risk management activities. It noted that while a process is in place and production and financial operational risks are being monitored, the framework can be further strengthened to provide a more comprehensive and enterprise-wide risk management process.

Key areas identified for improvement include:

- Formalizing a risk management policy and framework,
- Broadening the scope of risk identification beyond finance and supply chain to include strategic, investment, governance, environmental, social and system security in view of the changing global dynamics which are impacting the country and company.
- Prioritizing risks from the existing risk registers of principal risks.

Improving the Risk Management Process

In consultation with management, the Committee has agreed on a program of enhancements to be implemented during the 2025/26 financial year. The objective is to build on the existing processes and integrate risk management more closely into strategic planning and operational decision-making.

The key milestones of this plan are:

1. **Update Board-Approved Risk Management Policy:** To update and document the Company's approach to risk management, including roles, responsibilities, and the risk appetite set by the Board.
2. **Conduct a Comprehensive Risk Assessment:** To reassess and identify the full spectrum of risks to which the Company is exposed.
3. **Establish a Prioritization within the Risk Register:** To consolidate and classify all identified risks, allowing for the creation of a prioritized register of principal risks based on their potential impact and likelihood.
4. **Review & Update Mitigation and Reporting Plans:** For each principal risk, develop a comprehensive plan documenting mitigation actions, key risk indicators (KRIs), and assigning clear ownership.
5. **Integrate Risk into Decision-Making:** To embed risk discussions into the agenda management reviews, audit committee and board meetings.
6. **Enhance Committee and Board Oversight:** The consolidated risk register and the status of mitigation plans will be a standing agenda item for all future Audit Committee meetings to ensure continuous and effective oversight.

EXTERNAL AUDITORS

The Audit Committee evaluated the independence of the External Auditors and the effectiveness of the audit process.

The Committee reviewed the Audited Financial Statements with the External Auditors who were responsible to expressing an opinion on it in conformity with the Sri Lanka Accounting Standards.

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 that 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 evaluated the independence of the External Auditors and recommended to the Board of Directors that Messrs. KPMG be appointed as Auditors for the financial year ending 31st March 2026 subject to the approval of the shareholders at the Annual General Meeting.

Sgd.

Mr. E.A.P.Ekanayake

Chairman

29th August 2025

RELATED PARTY TRANSACTION REVIEW COMMITTEE

The board formed the related party transactions committee in compliance with Sections 9 and 9.14 of the Listing Rules of the Colombo Stock Exchange (the 'Rules'). The committee's functions are as described in the Rules.

Composition of the Related Party Transactions Review (RPTR) Committee

Related Party Transactions Review Committee Members as at 31st March 2025:

Mr. E.A.P.Ekanayake (IND/NED) -Chairman
from 27.09.2024 to 31.03.2025

Mr. A.M.P.C.K.Abeykoon (IND/NED)
from 27.09.2024 to 31.03.2025

Mr. D.S.Arangala (IND/NED)
from 1/4/2024 to 31.03.2025
(IND - Independent Director, NED - Non-Executive Director)

This composition meets the requirements set out in the Rules. Brief profiles of the members are provided on page 6 of the annual report.

Committee Meetings

The Committee has met three times during the year from 1st April 2024 to 31st March 2025.

MEETING ATTENDANCE

Members	Attendance
Mr. E.A.P.Ekanayake Chairperson	3/3
Mr. A.M.P.C.K. Abeykoon	3/3
Mr. D.S.Arangala	3/3

The Executive Director and Chief Financial Officer attended the meetings by invitation.

The Manager – Legal acts as the secretary to the committee.

Activities of the committee

In the meetings listed above, the committee conducted a review of the non-recurrent and recurrent transaction lists submitted by the Chief Financial Officer and the Finance Manager.

The committee identified and documented in the minutes that there were no related party transactions, recurrent or non-recurrent, in the list presented that exceeded the thresholds specified in the Rules.

DUTIES AND RESPONSIBILITIES OF THE RPTR COMMITTEE

- Establish the definitions and set out the threshold values of each related party transaction as per the Code which require discussion and disclosure.
- Identify related party transactions that need preapproval from the Board of Directors, immediate market disclosure, transactions that need shareholder approval and disclosure in the Annual Report.
- Formulate a standard template to implement in the group to follow when documenting related party transaction when presenting to the Related Party Transaction Review Committee.
- Establish proper guidelines to identify recurrent & non-recurrent related party transactions by the Company and its subsidiaries.
- Develop a process to access sufficient knowledge or expertise for evaluating all aspects of proposed related party transactions when necessary and establish a method for obtaining appropriate professional and expert advice from qualified individuals.
- Periodic review by the Committee to ensure that required disclosures are made in the market or annual report as required by the Listing Rules of Colombo Stock Exchange.

Sgd.
Mr. E.A.P.Ekanayake
Chairman
29th August 2025

REMUNERATION COMMITTEE REPORT

The Remuneration Committee of Renuka Agri Foods PLC is appointed by and responsible for the Board of Directors, consists of Three Non-Executive Independent Directors. The Managing Director may also be invited to join in the deliberations as required. The Chairman of the Committee is an Independent Non-Executive Director.

The members as at 31st March 2025 are as follows:

- 1.Mr. D.S.Arangala (IND/NED) -Chairman
- 2.Mr. A.M.P.C.K.Abeykoon (IND/NED)
- 3.Mr. E.A.P.Ekanayake (IND/NED)

(IND - Independent Director, NED - Non-Executive Director) The brief profile of the members are listed below.

Mr. D.S.Arangala – Chairman

Mr. Daya Sumith Arangala was appointed to the Board on 8th September 2023 as an Independent Non-Executive Director. He functioned as the Chief Executive Officer (CEO) of LVL Energy Fund PLC during the period May 2016 to August 2023 and of Lanka Ventures PLC during the period July 2002 to April 2016. Prior to that he functioned as the Assistant General Manager of Capital Development and Investment Company Limited, the pioneer venture capital company in Sri Lanka. He commands considerable knowledge and experience in investing in private equity, venture capital and capital markets being associated with the industry for over 35 years. He is a Bachelor of Engineering from the Royal Melbourne Institute of Technology (RMIT), Melbourne, Australia and holds a Graduate Diploma in Quality Technology from the same institute. He is a Graduate member of the Institute of Engineers, Australia. He is also an Independent Non- Executive Director of Renuka Foods PLC.

Mr. E.A.P.Ekanayake

Priyadharshana Ekanayake is a seasoned finance professional with over 30 years of experience leading financial operations across five countries. His most recent role was as Chief Financial Officer for Unilever West Africa and Executive Finance Director for Unilever Ghana PLC. He is a Fellow of the Chartered Institute of Management Accountants (CIMA).

Priyadharshana has a strong track record in driving financial performance in dynamic and challenging markets. He has in-depth expertise in governance and risk management, having worked closely with boards, audit committees, and regulators to ensure compliance and maintain robust internal controls.

He has successfully led organizational transformations, implementing impactful cost-saving initiatives and delivering long-term value. His international experience has also equipped him with exceptional cultural adaptability and the ability to build strong relationships with stakeholders from diverse backgrounds. In addition, Priyadharshana is passionate about leveraging technology and data to improve decision-making and enhance governance.

Throughout his career, Priyadharshana has held a number of key leadership roles within the Unilever group. These include CFO for Unilever West Africa and Executive Finance Director for Unilever Ghana PLC (June 2020 – October 2023), Executive Finance Director for Unilever Sri Lanka (June 2016 – June 2020), and Director of Finance Control for Unilever UniOps centers in India, the UK, Brazil, and the Philippines (April 2015 – May 2016). He has also served in finance business partnering roles at Hindustan Unilever Limited in Mumbai, India (2011 – 2015), and as Regional Treasury Manager for Unilever Asia companies based in Singapore (2008 – 2011).

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

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

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

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

The Remuneration Committee held a meeting during the year to review the Company remuneration policy and made its recommendations.

INDEPENDENCE OF THE COMMITTEE

The Committee is independent from the Management of the business and not involved in any business operations.

THE SCOPE OF THE COMMITTEE

- The Committee studies 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 evaluating the performance of employees. The policy ensures equality and fairness among all employees are maintained.

Sgd.
D.S. Arangala
Chairman
29th August 2025

NOMINATION & GOVERNANCE COMMITTEE REPORT

The Nomination & Governance Committee is appointed by and responsible for the Board of Directors, consists of Three Non-Executive Independent Directors.

Composition of Nomination Committee as at 31st March 2025

- 1.Mr. D.S.Arangala (IND/NED) -Chairman
- 2.Mr. A.M.P.C.K.Abeykoon (IND/NED)
- 3.Mr. E.A.P.Ekanayake (IND/NED)

Mr. D.S.Arangala - Chairman

Mr. Daya Sumith Arangala was appointed to the Board on 8th September 2023 as an Independent Non-Executive Director. He functioned as the Chief Executive Officer (CEO) of LVL Energy Fund PLC during the period May 2016 to August 2023 and of Lanka Ventures PLC during the period July 2002 to April 2016. Prior to that he functioned as the Assistant General Manager of Capital Development and Investment Company Limited, the pioneer venture capital company in Sri Lanka. He commands considerable knowledge and experience in investing in private equity, venture capital and capital markets being associated with the industry for over 35 years. He is a Bachelor of Engineering from the Royal Melbourne Institute of Technology (RMIT), Melbourne, Australia and holds a Graduate Diploma in Quality Technology from the same institute. He is a Graduate member of the Institute of Engineers, Australia. He is also an Independent Non- Executive Director of Renuka Foods PLC.

Mr. E.A.P.Ekanayake

Priyadharshana Ekanayake is a seasoned finance professional with over 30 years of experience leading financial operations across five countries. His most recent role was as Chief Financial Officer for Unilever West Africa and Executive Finance Director for Unilever Ghana PLC. He is a Fellow of the Chartered Institute of Management Accountants (CIMA).

Priyadharshana has a strong track record in driving financial performance in dynamic and challenging markets. He has in-depth expertise in governance and risk management, having worked closely with boards, audit committees, and regulators to ensure compliance and maintain robust internal controls.

He has successfully led organizational transformations, implementing impactful cost-saving initiatives and delivering long-term value. His international experience has also equipped him with exceptional cultural adaptability and the ability to build strong relationships with stakeholders from diverse backgrounds. In addition, Priyadharshana is passionate about leveraging technology and data to improve decision-making and enhance governance.

Throughout his career, Priyadharshana has held a number of key leadership roles within the Unilever group. These include CFO for Unilever West Africa and Executive Finance Director for Unilever Ghana PLC (June 2020 – October 2023), Executive Finance Director for Unilever Sri Lanka (June 2016 – June 2020), and Director of Finance Control for Unilever UniOps centers in India, the UK, Brazil, and the Philippines (April 2015 – May 2016). He has also served in finance business partnering roles at Hindustan Unilever Limited in Mumbai, India (2011 – 2015), and as Regional Treasury Manager for Unilever Asia companies based in Singapore (2008 – 2011).

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

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

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

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

The directives of the Committee are,

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

Company Secretaries act as the secretaries to the Committee.

Sgd.
D.S.Arangala
Chairman
29th August 2025

RISK MANAGEMENT

Enterprise Risk Management (ERM)

At Renuka Agri Foods PLC, Enterprise Risk Management (ERM) is embedded into the core of our strategic and operational activities. We recognize that managing risk effectively is critical to delivering long-term sustainable value, protecting our stakeholders, and achieving our business objectives amidst an increasingly complex and volatile environment.

Our ERM framework provides a structured and proactive approach to identifying, assessing, mitigating, and monitoring key risks across the Group's value chain – from plantation operations to global distribution. It enables informed decision-making and strengthens organizational resilience, especially within Sri Lanka's dynamic agri-food sector.

OUR RISK MANAGEMENT PHILOSOPHY

Guided by our values of being Responsive, Enterprising, Nurturing, Unrelenting, Knowledgeable, and Accountable, we cultivate a culture of risk awareness and disciplined decision-making. Risk management is not viewed as a stand-alone function but as an integral component of our strategic planning and day-to-day operations.

RISK GOVERNANCE STRUCTURE

Renuka Agri Foods PLC follows the Three Lines of Defence model to clearly delineate roles and responsibilities in risk management:

Line of Defence Responsibility

First Line	Operational Management – Own and manage risks through effective internal controls, procedures, and compliance with standards.
Second Line	Risk Management, Compliance, Quality Assurance – Monitor and guide risk-related activities, develop policies, and provide specialized oversight.
Third Line	Internal Audit – Provides independent assurance to the Board and Audit Committee on the adequacy and effectiveness of risk controls and governance.

The Board of Directors has ultimate accountability for risk oversight, supported by the Audit Committee, which regularly reviews ERM effectiveness, internal control integrity, and risk exposure reporting.

RISK MANAGEMENT PROCESS

Our enterprise-wide risk management process consists of:

- **Risk Identification:** Through engagement with internal and external stakeholders and environmental scanning.
- **Risk Assessment:** Based on likelihood and potential impact using a standardized risk matrix.
- **Risk Mitigation Planning:** Development of mitigation strategies with clearly assigned ownership and timelines.
- **Risk Monitoring and Reporting:** Continuous tracking of risk indicators and reporting to senior management and the Board.
- **Continuous Improvement:** Regular review of controls, incorporating lessons learned and evolving risks.

RISK APPETITE AND TOLERANCE

Renuka Agri Foods PLC operates within a defined Risk Appetite Framework that balances value creation with control. While the company encourages calculated risk-taking in innovation and expansion, it maintains low tolerance for risks related to regulatory compliance, product safety, and financial integrity. The Board periodically reviews and adjusts the appetite to reflect evolving internal and external dynamics.

RISK ASSESSMENT MATRIX

As part of our comprehensive Risk Management Framework, Renuka Agri Foods PLC utilizes a structured Risk Assessment Matrix to evaluate and prioritize potential risks. The matrix plots risks according to their likelihood of occurrence and potential impact, enabling management to implement appropriate mitigation strategies. High risks require immediate action, medium risks are managed with planned controls, and low risks are monitored or accepted as part of operational realities. This approach ensures proactive identification, assessment, and management of risks aligned with our business objectives and stakeholder expectations.

IMPACT	IMPACT	PLAN FOR ACTION (Mitigate or transfer)	PLAN FOR ACTION (Mitigate or transfer)	IMMEDIATE ACTION (Mitigate or share)
	MODERATE	NO ACTION (Accept or void)	NO ACTION (Accept or void)	IMMEDIATE ACTION (Mitigate or share)
	MINOR	NO ACTION (Accept)	NO ACTION (Accept)	PLAN OR ACTION (Mitigate or transfer)
		LOW	MEDIUM	HIGH
LIKELIHOOD				

This heat map supports prioritization and resource allocation in the Group's ERM process and also informs risk prioritization for internal audit planning and strategic decision-making.

RISK MANAGEMENT (CONT.)

1. STRATEGIC RISK

RISK	POTENTIAL IMPACT	MITIGATION STRATEGIES
Market Competition & Consumer Trends	Loss of market share due to evolving customer preferences and intense global and local competition.	Continuous R&D and innovation; expanding certified organic product portfolio; targeted branding; market diversification.
Macroeconomic & Geopolitical Instability	Adverse impacts from inflation, currency depreciation, or international disruptions.	Geographic diversification; prudent capital allocation; proactive hedging strategies; scenario planning.
Reputation & Brand Image	Damage from product recalls, ethical concerns, or misinformation.	Compliance with global food safety standards; transparent ESG disclosures; stakeholder engagement; crisis communication planning.

2. OPERATIONAL RISK

RISK	POTENTIAL IMPACT	MITIGATION STRATEGIES
Supply Chain Disruption	Unavailability of key raw materials; delays or cost inflation.	Diversified supplier base; own plantations; long-term supplier contracts; inventory buffers.
Production Inefficiencies	Downtime, higher costs, or reduced output quality.	Preventive maintenance; process automation; adoption of lean manufacturing; operator training.
Food Safety and Quality Failures	Legal action, loss of consumer trust, or regulatory penalties.	HACCP, GMP, ISO certifications; farm-to-fork traceability systems; product recalls protocols.
Human Capital Risks	Difficulty attracting or retaining talent, leading to operational inefficiencies.	Talent development programs; HRIS implementation; performance-based culture; succession planning.
IT System Failures	Operational disruption, data loss, cybersecurity threats.	Centralized IT governance; cybersecurity protocols; data backups; disaster recovery plans.

3. FINANCIAL RISKS

RISK	POTENTIAL IMPACT	MITIGATION STRATEGIES
Foreign Exchange Volatility	Erosion of export earnings or cost inflation.	Natural hedging; forward contracts; diversified currency portfolio.
Inflation & Interest Rates	Increased borrowing costs, margin pressure.	Cost optimization; debt restructuring; fixed-rate financing options.
Credit Risk	Customer or counterparty defaults.	Credit evaluation procedures; collection controls; strong banking relationships.

4. COMPLIANCE & REGULATORY RISKS

RISK	POTENTIAL IMPACT	MITIGATION STRATEGIES
Regulatory Non-Compliance	Fines, license revocation, business disruption.	Proactive compliance reviews; legal support; policy updates; staff awareness and training.
Environmental Compliance	Legal penalties; community resistance; ESG reputational risks.	Environmental management systems; wastewater and emission control investments; green certifications.

RISK MANAGEMENT (CONT.)

5. ENVIRONMENTAL AND CLIMATE RISKS

RISK	POTENTIAL IMPACT	MITIGATION STRATEGIES
Extreme Weather Events	Crop failure, reduced yields, logistical delays.	Climate-resilient farming practices; diversified geographies; irrigation infrastructure; crop insurance.
Pest and Disease Outbreaks	Reduced agricultural productivity.	Integrated Pest Management (IPM); R&D with agri-institutes; early detection protocols.

6. BREAKDOWN OF INTERNAL CONTROLS RISK

RISK	POTENTIAL IMPACT	MITIGATION STRATEGIES
Control Failures or Fraud	Asset loss, reputational harm, compliance failures.	Internal audit reviews; staff rotation; whistleblower mechanism; process automation; ethics and code of conduct enforcement.

Future Outlook & Continuous ERM Evolution

As global and local uncertainties continue to evolve – from geopolitical tensions and climate variability to rapid technological shifts – Renuka Agri Foods PLC is committed to strengthening our risk management capabilities.

Key future initiatives include:

- Regular risk awareness training across the organization.
- Collaborating with third-party experts for specialized risk assessments.
- Our goal is to embed a risk-intelligent culture that empowers every employee to take ownership of risks in their areas and align risk-taking with the company's long-term vision.

RISK	IMPACT	RISK MANAGEMENT STRATEGIES
Breakdown of Internal Controls	Wastage of management time and resources.	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.
	Possible loss of data. Increased possibility of fraud and misuse.	The Company uses comprehensive general and specific reporting and monitoring systems to identify, assess and manage risks.
	Disruptions to the normal course of operations.	Making each employee accountable for ethical behavior, high standards for business conduct and adherence to laws ensures that transactions occur in a reliable way.
	Lack of ability to track performance against budgets, forecasts and schedules.	Staff rotation and special verification audits across the Group. Internal auditors are also engaged to carry out special reviews wherever necessary.
	Illegal transactions including theft or misappropriation of assets by employees	The Company uses comprehensive general and specific reporting and monitoring systems to identify, assess and manage risks. Ensuring that only trained, trustworthy, knowledgeable and competent personnel perform tasks, prevents errors, irregularities and fraud.

FINANCIAL RISK

Financial risk management obligations and policies have been described in the note No. 38 to the Financial Statements.

SUSTAINABILITY REPORT

OVERVIEW

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

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

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

RENUKA IMPACT ON ECONOMIC PERFORMANCE

In Economic Performance, Group focused on operational excellence across all its business divisions and subsidiaries and value addition to economic development. Operational excellence measured in terms of efficiency and effectiveness of manufacturing process, process improvement, development of new standard operating procedures and waste reduction. Further investment in IT/ERP helps measurement of operational results on time with increased accuracy. Group has made substantial investment during the year to improve value addition to economic development. These investments have helped to improve resource utilization as well as minimization of waste and pollution.

RENUKA SUSTAINABILITY POLICY AND GUIDELINES MANAGEMENT

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

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

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

ENVIRONMENTAL IMPACT

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

- Our Stakeholder Engagement Process

INVESTORS SUPPORT RENUKA BUSINESS ACTIVITIES

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

METHOD OF ENGAGEMENT

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

• Employees at Renuka work place

At Renuka we have created a work place policy and created employee awareness for the total group. With an employee base of over 550 a creation of Group identity and belongings is priority. We care for our employees and health and safety is priority, giving much attention at work place including factories.

SUSTAINABILITY REPORT (CONT.)

METHOD OF ENGAGEMENT

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

Our Concern

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

• Customers

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

METHOD OF ENGAGEMENT

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

Our Concern

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

SUPPLIERS AND BUSINESS PARTNERS

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

METHOD OF ENGAGEMENT

- We look at our business partners as a resource base to develop business efficiency and innovative products.
- Develop long term purchase contracts with our business partners & suppliers to support responsible supply chain
- Participate for industry exhibitions and trade fairs
- **Our Concern**
We maintain effective long term relationship with our business partners and suppliers who benefit from our growth, and knowledge sharing.

OUR SOCIETY

Renuka has been actively involved in supporting the rural farmer network for our coconut division. Renuka procures over Rs. 2Bn worth of produce from our farmer network.

METHOD OF ENGAGEMENT

- We conduct farmer training programs, medical camps, veterinary services which assist in improving the livelihood and wellness of the communities within Sri Lanka.
- Local engagement through purchasing
- **Our Concern**
We take measures to carryout our operations minimizing carbon foot print and saving energy by effective utilization of limited resources while reducing wastage in order that we have only a minimal negative impact on society and the environment.

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

REPORT OF THE DIRECTORS

OVERVIEW

The Board of Directors of Renuka Agri Foods PLC have pleasure in presenting the Annual Report of your Company together with the Audited Consolidated Financial Statements for the year ended 31st March 2025. The details set out herein provide the required information under Companies Act No.7 of 2007, the Colombo Stock Exchange Listing Rules and the recommended best practices on Corporate Governance.

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

Principle Activities of the Company and the Group

The Principle activity of the company is manufacturing and sale of coconut related food and beverage products. Further Renuka Agri Foods PLC is a holding company that owns, directly or indirectly, investments in the numerous companies constituting the Renuka Agri Foods Group and provides services to its Group companies. The Group consists of a portfolio of diverse business operations. The main subsidiaries of Renuka Agri Foods PLC are listed on page 95.

The Principle activities of the Group are categorized into manufacturing and plantation business segments and segmental reporting is provided in page 80 to 81 of the Annual Report.

Vision, Mission and Corporate conduct

The Corporate vision and mission are provided on the page 2 of this report. In achieving its vision and mission, all Directors and employees conduct their activities with the highest level of ethical standards and integrity.

Review of Business and Future Developments

The review of the Group Progress and Performance during the year with comments on the financial results and prospects is contained in the Chairman's Review on page 7, as required under Section 168 (1) (a) of the Companies Act. These reports form an integral part of the report of the Directors and together with the audited financial statement reflect the state of affairs of the Company.

Directors Responsibilities for Financial Statements

The Statement of Directors responsibilities for the Financial Statements is given on page 34.

Financial Statements of the Company and Group

The Financial Statements of the Company and Group are given on pages 39 to 86.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The accounting policies adopted in the preparation and presentation of the Financial Statements are given on pages 44 to 54. Further Accounting Standards issued but not yet effective are disclosed on page 54.

GROUP TURNOVER

The Turnover of the Group was Rs. 7.1 Bn as compared with Rs 5.5 Bn in the previous year. A detailed analysis of the Group Turnover is given in Note No. 6 of the Financial Statements.

GROSS PROFIT

The Group Gross Profit for the year was Rs.662 Mn, compared with the Group Gross Profit of Rs. 290 Mn for the previous year.

NET PROFIT/ (LOSS)

The Group Loss after Taxation for the year was Rs. 242 Mn, compared with the Group Loss of Rs. 656 Mn for the previous year.

GROUP INVESTMENTS

Investments of the Company in Subsidiaries, Associates, Joint Ventures and Other long term External equity investment amounted to Rs. 1,757 Mn (2024 - 2,005 Mn). Detailed description of the Subsidiaries, Associates, Joint Ventures and Other long term external equity investments held at the Reporting date are given in Note No. 17 to 18 in the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Group has incurred Capital Expenditure during the year on Property, Plant & Equipment (including capital work-in-progress), amounting to Rs. 125 Mn (2024 - Rs. 252Mn).

Detailed information relating to capital expenditure on Property, Plant & Equipment (including capital work-in-progress), is given in Note 12 to the Financial Statements.

Extent, Locations, number of buildings and Valuations of the properties of the Group are given under Real Estate Portfolio on page 88 the market values of the Land and Buildings owned by the Company and Group are included on the basis of valuation carried out by a professionally qualified valuer is given in Note No. 12 to the Financial Statements.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2025 was Rs. 1,813 Mn comprising of Voting Ordinary Shares of 798,829,305.

REPORT OF THE DIRECTORS (CONT.)

RESERVES

Total Group Reserves as at 31st March 2025 amounts to Rs. 2.2 Bn (2024 - Rs, 1.9Bn) representing Revenue Reserve and the detailed movement of the Reserves shown in the Statement of Changes in Equity in the Financial Statements.

MAJOR SHAREHOLDINGS

Details of the twenty largest shareholders with the percentage of their respective holdings are given on Page 92 together with comparative shareholding as at 31st March 2025.

PUBLIC HOLDING

There were 5,998 (2024- 6,005) registered shareholders as at 31st March 2025, with the percentage of shares held by the public, as per the Colombo Stock Exchange Rules, being 24% (2024 - 23.98%)

SHARE HOLDINGS /SHARE INFORMATION

Information relating to earnings, dividend, net assets, market value per share, share trading and distribution of shareholding is given on Pages 89 and 92.

RATIOS AND MARKET PRICE INFORMATION

The ratios relating to equity as required by the listing requirement of the Colombo Stock Exchange are given in Page 89 and 90 to this report.

EQUITABLE TREATMENT TO ALL SHAREHOLDERS

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

INFORMATION TO SHAREHOLDERS

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

DIRECTORS

The names of the Directors who held office during the financial year ended 31st March 2025 are given below. The brief profiles of the Board of Directors appear on Page 6.

Name of the Director	Executive	Non-Executive	Independent
Dr. S. R. Rajiyah	✓		
Mrs. I.R. Rajiyah	✓		
Mr. S.V. Rajiyah	✓		
Mr. V. Sanmugam	✓		
Mr. A.M. P. C.K. Abeykoon		✓	✓
Mr. E.A.P.Ekanayake		✓	✓
Mr. D.S.Arangala		✓	✓

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

KEY CHANGES TO THE BOARD DURING THE PERIOD UNDER REVIEW

Recommendation for re-election

1. To re-elect Mr. M.R. Ratnasabapathy as a Director as per Article 28 (2) of Article of Association.
2. To re-elect Mr. E.A.P.Ekanayake as a Director who retires by rotation in terms of Article 30 (1).
3. To re-elect Mr. A.M. P. C.K.Abeykoon as a Director who retires by rotation in terms of Article 30 (1).
4. To re-appoint Dr. S.R. Rajiyah who is over 70 years of age, as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Dr. S.R. Rajiyah.
5. To re-appoint Mrs. I.R. Rajiyah who is over 70 years of age, as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mrs. I.R. Rajiyah.

ENTRIES IN THE INTEREST REGISTER

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

DIRECTORS' INTEREST IN TRANSACTIONS

The Company carried out transactions in the ordinary course of business with the entities which a Director of the Company is a Director. The transactions with entities where a Director of the Company either has control or exercises significant influence have been classified as related party transaction and disclosed in Note 32 to Financial Statements.

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

REPORT OF THE DIRECTORS (CONT.)

DIRECTORS INTEREST IN SHARES

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

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

Name of Director	At at 31st March 2025	At at 31st March 2024
Dr. S.R. Rajiyah	-	-
Mrs. I.R. Rajiyah	-	-
Dr. S.R. Rajiyah (Jointly with Mrs. I.R. Rajiyah)	-	153,851
Mr. S.V. Rajiyah (Jointly with Mrs. J.J.B.A. Rajiyah)	-	1,922,925
Mr. V. Sanmugam	10,025	10,025
Mr. E.A.P. C.K.Abeykoon		
Mr. E.A.P.Ekanayake		
Mr. D.S.Arangala		
	10,025	2,096,776

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

REMUNERATION OF DIRECTORS

The remuneration of the Directors in respect of the Company for the year ended 31st March 2025 is given in Note 8 to the Financial Statements.

DIRECTORS MEETINGS

Details of Board meetings and Board subcommittee meetings are presented on Page 13 of the Annual Report.

DIRECTORS RESPONSIBILITY FOR FINANCIAL REPORTING

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

The composition of the Board Audit Committee comprising of Non- Executive Directors is provided on Page 20. The Executive Directors, Chief Financial Officer and Internal and External auditors attend the meeting by invitation. Detail scope of Audit Committee and their work during the year is disclosed in Audit Committee report given on Page No. 20.

REMUNERATION COMMITTEE

The composition of the Board Remuneration Committee comprising of Non-Executive Directors is provided on Page 23.

The remuneration committee of Renuka Agri Foods PLC, appointed by and responsible to the Board of Directors consists of Three Non-Executive Independent Directors. The Managing Director may also be invited to join in the deliberations as required. The Chairman of the Committee is an independent Non- Executive Director.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The composition of the Board Related Party Transactions Review Committee comprising of Non-Executive Directors is provided on Page 22. The Executive Directors and Chief Financial Officer attend the meeting by invitation. Detail scope of Related Party Transaction Review Committee and their work during the year is disclosed in Related Party Transactions Review Committee report given on Page 19.

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

NON - RECURRENT RELATED PARTY TRANSACTIONS

All the Non -Recurrent Related Party transactions of which the aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per audited Financial Statements of 31st March 2025, which required additional disclosures in the Annual Report of 2024/25 under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission directive issued under Section 13(c) of the Securities and Exchange Commission Act are disclosed in Note 32 in the Financial statements.

RECURRENT RELATED PARTY TRANSACTIONS

All the Recurrent Related Party Transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31st March 2025 audited Financial Statements are disclosed under Note 32, If any, to the Financial Statements as required by Colombo Stock Exchange Listing Rules 9.3.2 and Code of Best Practices on Related Party transactions under the Securities and Exchange Commission directive issued under Section 13(c) of the Securities and Exchange Commission Act.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government, other regulatory institutions and those related to employees have been made on time. The declaration relating to statutory payments is made in the Statement of Directors Responsibilities on Page No. 34.

COMPLIANCE WITH LAWS AND REGULATIONS

The company has taken all reasonable measures to ensure that it has complied with all applicable laws and regulations. A compliance checklist is signed-off on a monthly basis by responsible officers and any violations are reported to the Board Audit Committee. Refer Page 15 for a statement of compliance.

CODE OF CONDUCT

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

SYSTEM OF INTERNAL CONTROL

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

REPORT OF THE DIRECTORS (CONT.)

Corporate Governance

The Company has complied with the Corporate Governance rules laid down under the listing rules of the Colombo Stock Exchange. Refer pages 12 to 19 for further details

Going Concern

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

Risk Management

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

The group exposure to risk and structure to manage and mitigate risk is discussed in more detail to Risk Management Report on page No. 25 to 27.

Compliance with the transfer pricing regulations

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

Event after the Reporting period

No event of material significance that requires adjustment to the Financial Statements have occurred subsequent to the date of the reporting date, other than those disclosed in Note 35 to the Financial Statements.

Capital Commitments

No significant capital commitments exist as at 31st March 2025 other than those disclosed in Note 34 to the financial statements.

Contingencies and Outstanding Litigation

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

Corporate Donations

No donation by the Group for the year ended 31st March 2025. (2024 - Rs 0) No donations were made for political purposes.

Employees and Industrial Relations

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

Auditors

Company's Auditors during the year under review were M/s KPMG, Chartered Accountants.

The fee amount paid/payable for the services provided to the company during the year, with corresponding figures for the previous year is presented below.

	2025 Rs.	2024 Rs.
Audit and Audit related fees	1,456,000	1,456,000
Non audit fees	376,000	376,000

Based on the declaration from Messrs. KPMG and as far as Directors are aware, the Auditors do not have any other relationship or interest with the Company or its Subsidiaries other than that of an auditor of the Company.

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

Auditors Report

Auditors Report on the financial statements is given on page 35 to 38 of this annual report.

Environmental Protection

The group effort in minimizing and conserve scarce and nonrenewable resources as well as environmental objectives are discussed in detail in Sustainability Report on page No. 28 to 29.

Employment Policies

The Group employment policies respect the individuals and offer equal career opportunities, regardless of sex, race or religion and consider the relationship with the employees to be good. The number of persons employed in the Company and its subsidiaries as at 31st March 2025 was 550 (2024 - 500)

Annual Report

The Board of Directors approved the Consolidated Financial Statement along with Company Financial Statements on 29th August 2025. The appropriate number of copies of this report will be submitted to Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

Annual General Meeting

Following the issuance of guidelines by the Colombo Stock Exchange (CSE). The 26th Annual General Meeting of Renuka Agri Foods PLC will be held virtually on 29th August 2025 at 3.00pm at No. 69, Sri Jinaratana Road, Colombo 02.

Acknowledgment of the content of the report

As required by the section 168(1)k of the Companies Act No. 7 of 2007 the Board of Directors hereby acknowledge the content of this report.

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

Sgd.
Mr. S.V. Rajiyah

Sgd.
Dr. S.R. Rajiyah

Sgd.
Company Secretaries
Renuka Enterprises (Pvt) Ltd
29th August 2025

STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors in relation to the Financial Statements for the year ended 31st March 2025 which have been prepared and presented in accordance with the requirements of the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange and the Companies Act No.7 of 2007 is set out in the following statement.

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

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

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

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

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

The External Auditors, M/s KPMG who were deemed reappointed in terms of the Companies Act No. 07 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on pages 33 to 36 set out their responsibilities in relation to the Financial Statements.

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

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

COMPLIANCE REPORT

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

By order of the Board

Sgd.
Company Secretaries
Renuka Enterprises (Pvt) Ltd
29th August 2025

INDEPENDENT AUDITOR'S REPORT



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

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

TO THE SHAREHOLDERS OF RENUKA AGRI FOODS PLC Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Renuka Agri Foods PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, set out on pages 44 to 87.

In our opinion, the accompanying 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 31st March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company 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.

01. Impairment Assessment of goodwill on consolidation

Refer to Note 2.4 (Use of Estimates and judgements), Note 15.1 (Goodwill)

Risk Description	Our response
The Company has recorded goodwill on consolidation amounting to Rs. 561 Mn in the consolidated financial statements as at 31st March 2025.	Our audit procedures included: <ul style="list-style-type: none">Obtaining an understanding of management's impairment assessment process.

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

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

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.G.H. Raddella ACA,

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

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

INDEPENDENT AUDITOR'S REPORT (CONT.)



Risk Description	Our response
The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less costs of disposal, has been derived from discounted forecast cash flow models.	<ul style="list-style-type: none"> Assessing the accuracy of management's assumptions comparing with externally derived data as well as our own assessments in relation to key inputs such as projected economic growth, competition, cost inflation and discount rates. Assessing the adequacy of disclosures in the Financial Statements in relation to goodwill on consolidation.

02. Valuation of Land and Buildings

Refer to Note 2.4 (Use of Estimates and judgements), Note 12 (Property, Plant and Equipment), to the Financial Statements.

Risk Description	Our response
<p>The Group and the Company carried freehold lands and buildings classified as Property, Plant and Equipment at fair value amounting to Rs. 707 Mn, Rs. 1,144 Mn and Rs. 90 Mn and Rs. 700 Mn, respectively as at 31 st March 2025. Accordingly, the Group and the Company have recognized a fair value gain of Rs. 322 Mn and Rs. 74 Mn respectively during the year ended 31st March 2025.</p> <p>Management's assessment of the fair value of the land and buildings are based on valuation performed by a qualified independent property valuer in accordance with recognized industry standards.</p> <p>We identified valuation of Lands and Buildings as a key audit matter because, the determination of the fair values involves significant judgments and estimation, particularly determining the appropriate valuation methodology to be used, and in estimating the key assumptions applied. This key assumption includes market value per perch/ square feet used, taking into consideration for differences such as location and size. A change in the key assumptions will have a significant impact on the fair value of lands and buildings.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the objectivity, independence, competency, and capability of the external valuer engaged by the management. Reading the professional valuer's report and assessing the key estimates made by external valuer in deriving the fair value of the lands and buildings. Engaging our own internal specialized resources to assess the reasonability of the valuation technique and the market value per perch/square feet used. Assessing the adequacy of disclosures made in relation to the fair value of land and buildings in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include 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.

INDEPENDENT AUDITOR'S REPORT (CONT.)



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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as 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, 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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.

INDEPENDENT AUDITOR'S REPORT (CONT.)



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3029.


Chartered Accountants
Colombo, Sri Lanka
29th August 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH	Note	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	6	7,143,495,229	5,517,184,305	5,904,606,787	4,679,017,063
Cost of Sales		(6,481,006,208)	(5,226,931,501)	(5,276,608,246)	(4,522,617,139)
Gross Profit		662,489,021	290,252,804	627,998,541	156,399,924
Other Operating Income	7	79,497,551	38,842,026	2,666,705	21,322,077
Administration Expenses		(590,013,360)	(415,725,124)	(488,587,944)	(309,209,769)
Selling and Distribution Expenses		(211,689,688)	(166,988,541)	(166,488,331)	(125,568,512)
Loss from Operations	8	(59,716,476)	(253,618,835)	(24,411,029)	(257,056,280)
Finance Income		146,301,779	324,304,235	145,096,450	311,829,282
Finance Cost		(406,210,490)	(831,766,209)	(385,914,300)	(771,381,856)
Net Finance Costs	9	(259,908,711)	(507,461,974)	(240,817,850)	(459,552,574)
Share of Profit/ (Loss) for Equity Accounted Investees	18	4,912,930	(71,096,885)	-	-
Loss Before Tax		(314,712,257)	(832,177,694)	(265,228,879)	(716,608,854)
Income Tax Expense	10	72,839,155	176,139,053	45,223,479	147,795,273
Loss for the year		(241,873,102)	(656,038,641)	(220,005,400)	(568,813,581)
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Revaluation Surplus of Property, Plant and Equipment		327,813,330	-	73,592,644	-
Actuarial Gain on Defined Benefit Plan	26	5,772,913	3,584,176	3,440,299	6,869,485
EAI- Share of OCI Defined Benefit Plan & changes in FVOCI		(14,313,995)	(20,807,028)	-	-
EAI - Share of OCI of Revaluation Surplus		123,476,739	-	-	-
Deferred Tax impact on Revaluation Surplus		(69,360,329)	-	(11,038,897)	-
Deferred Tax effect on actuarial Gain on Defined Benefit Plans		(1,209,964)	(667,233)	(516,045)	(1,030,423)
Other Comprehensive Income/ (Expense) for the Year, Net of Tax		372,178,694	(17,890,085)	65,478,001	5,839,062
Total Comprehensive Income/ (Expense) for the Year		130,305,592	(673,928,726)	(154,529,399)	(562,974,519)
Profit/ (Loss) Attributable to:					
Equity Holders of the Company		(259,958,965)	(658,482,421)	(220,005,400)	(568,813,581)
Non Controlling Interest		18,085,863	2,443,780	-	-
Loss for the Year		(241,873,102)	(656,038,641)	(220,005,400)	(568,813,581)
Total Comprehensive Income Attributable to :					
Equity Holders of the Company		74,435,521	(675,728,879)	(154,529,399)	(562,974,519)
Non Controlling Interest		55,870,071	1,800,153	-	-
Total Comprehensive Income/ (Expense) for the Year		130,305,592	(673,928,726)	(154,529,399)	(562,974,519)
Earnings Per Share					
Basic Loss Per Share (Rs.)	11.1	(0.34)	(1.15)	(0.29)	(1.00)
Diluted Loss Per Share (Rs.)	11.2	(0.34)	(1.15)	(0.29)	(1.00)

Figures in brackets indicate deductions

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Group set out on pages 44 to 86.

STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
AS AT 31ST MARCH	Note	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	12	2,813,536,621	2,533,673,601	1,686,473,762	1,625,743,653
Biological Assets	14	244,171,903	160,986,808	-	-
Intangible Assets	15	561,769,813	561,135,745	634,068	-
Right of use Assets	16	112,357,219	124,698,740	60,690,867	62,971,826
Investment In Subsidiaries	17	-	-	1,756,661,617	2,005,203,321
Investment In Equity Accounted Investees	18	1,034,643,768	920,568,094	-	-
Deferred Tax Asset	29	26,869,149	-	26,869,149	-
		4,793,348,473	4,301,062,988	3,531,329,463	3,693,918,800
Current Assets					
Inventories	19	1,274,465,908	1,169,816,728	1,033,168,022	846,101,031
Trade and Other Receivables	20	2,113,757,575	1,247,949,728	1,919,388,530	1,049,947,110
Tax Recoverable	21	9,655,180	7,892,599	-	-
Amounts Due from Related Companies	22	2,655,773	25,244,220	1,439,556	76,299,371
Cash and Cash Equivalents	23	210,083,329	184,700,337	173,045,099	62,617,050
		3,610,617,765	2,635,603,612	3,127,041,207	2,034,964,562
TOTAL ASSETS		8,403,966,238	6,936,666,600	6,658,370,670	5,728,883,362
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	25	1,812,794,060	1,242,201,700	1,812,794,060	1,242,201,700
Revaluation Reserve	26	443,461,352	228,683,474	181,807,490	119,253,743
Retained Earnings		1,781,847,214	1,718,866,843	1,271,549,214	1,488,630,360
Equity attributable to Owners of the Company		4,038,102,626	3,189,752,017	3,266,150,764	2,850,085,803
Non Controlling Interest		496,003,889	394,914,842	-	-
		4,534,106,515	3,584,666,859	3,266,150,764	2,850,085,803
Non- Current Liabilities					
Retirement Benefit Obligations	26	66,414,943	62,068,244	56,578,111	50,838,408
Loans and Borrowings	27	143,054,600	251,388,200	143,054,600	251,388,200
Lease Obligation	28	142,464,261	157,217,245	76,750,978	83,207,588
Deferred Tax Liability	29	120,438,180	95,520,146	-	6,474,230
		472,371,984	566,193,835	276,383,689	391,908,426
Current Liabilities					
Loans and Borrowings	27	2,424,138,698	1,690,545,546	2,269,138,698	1,540,545,546
Lease Obligation	28	16,157,281	20,878,146	5,754,866	6,115,445
Trade and Other Payables	30	908,974,624	908,956,252	815,008,294	776,322,142
Amounts Due to Related Companies	31	1,141,232	-	4,465,193	513,398
Dividend Payable		6,366,081	6,366,081	5,016,081	5,016,081
Income Tax Payable		484,662	1,049,009	481,180	873,696
Bank Overdraft	23	40,225,161	158,010,872	15,971,905	157,502,825
		3,397,487,739	2,785,805,906	3,115,836,217	2,486,889,133
TOTAL LIABILITIES		3,869,859,723	3,351,999,741	3,392,219,906	2,878,797,559
TOTAL EQUITY AND LIABILITIES		8,403,966,238	6,936,666,600	6,658,370,670	5,728,883,362

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Group set out on pages 44 to 86.

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

Sgd.
A.R.D. Perera
Chief Financial Officer

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

Sgd.
S.V. Rajiyah
Director
29th August 2025
Colombo

Sgd.
Dr. S.R. Rajiyah
Director

STATEMENT OF CHANGES IN EQUITY

	Equity Attributable to Owners			Non Controlling Interest	Total Equity
	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.		
FOR THE YEAR ENDED 31ST MARCH					
Group					
Balance as at 1st April 2023	1,194,452,950	239,485,514	2,516,689,084	329,517,859	4,280,145,407
Profit for the Year	-	-	(658,482,421)	2,443,780	(656,038,641)
Other Comprehensive Income, (Net of Tax)	-	-	(17,246,458)	(643,627)	(17,890,085)
Total Comprehensive Income	-	-	(675,728,879)	1,800,153	(673,928,726)
Transactions with Owners of the Company, Recognized Directly in Equity					
- Effect of change in interest in subsidiaries without a change in control (Note 17.5)	-	(10,802,040)	(52,794,790)	63,596,830	-
- Share of net assets of equity-accounted investees directly recorded in equity	-	-	(13,570,401)	-	(13,570,401)
- Impact from Amalgamation (Note 13)	-	-	446,829	-	446,829
- Script Dividend	47,748,750	-	(56,175,000)	-	(8,426,250)
Total Transactions with Owners of the Company	47,748,750	(10,802,040)	(122,093,362)	63,596,830	(21,549,822)
Balance as at 31st March 2024	1,242,201,700	228,683,474	1,718,866,843	394,914,842	3,584,666,859
Balance as at 1st April 2024	1,242,201,700	228,683,474	1,718,866,843	394,914,842	3,584,666,859
(Loss)/ Profit for the Year	-	-	(259,958,965)	18,085,863	(241,873,102)
Other Comprehensive Income, (Net of Tax)	-	234,921,423	99,473,063	37,784,208	372,178,694
Total Comprehensive Income	-	234,921,423	(160,485,902)	55,870,071	130,305,592
Transactions with Owners of the Company, Recognized Directly in Equity					
- Right Issue	570,592,360	-	-	-	570,592,360
- Effect of change in interest in subsidiaries without a change in control (Note 17.5)	-	(20,143,545)	223,466,273	45,218,976	248,541,704
Total Transactions with Owners of the Company	570,592,360	(20,143,545)	223,466,273	45,218,976	819,134,064
Balance as at 31st March 2025	1,812,794,060	443,461,352	1,781,847,214	496,003,889	4,534,106,515

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Group set out on pages 44 to 86.

STATEMENT OF CHANGES IN EQUITY (CONT.)

FOR THE YEAR ENDED 31ST MARCH	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
COMPANY				
Balance as at 1st April 2023	1,194,452,950	119,253,743	2,107,779,879	3,421,486,572
Loss for the Year	-	-	(568,813,581)	(568,813,581)
Other Comprehensive Income, (Net of Tax)	-	-	5,839,062	5,839,062
Total Comprehensive Expense	-	-	(562,974,519)	(562,974,519)
Transactions with Owners of the Company, Recognized directly in Equity				
Dividend Paid	47,748,750	-	(56,175,000)	(8,426,250)
Total Transactions with Owners of the Company	47,748,750	-	(56,175,000)	(8,426,250)
Balance as at 31st March 2024	1,242,201,700	119,253,743	1,488,630,360	2,850,085,803
Balance as at 1st April 2024	1,242,201,700	119,253,743	1,488,630,360	2,850,085,803
Loss for the Year	-	-	(220,005,400)	(220,005,400)
Other Comprehensive Income, (Net of Tax)	-	62,533,747	2,924,254	65,478,001
Total Comprehensive Income/ (Expense)	-	62,533,747	(217,081,146)	(154,527,399)
Transactions with Owners of the Company, Recognized directly in Equity				
Right Issue	570,592,360	-	-	570,592,360
Total Transactions with Owners of the Company	570,592,360	-	-	570,592,360
Balance as at 31st March 2025	1,812,794,060	181,807,490	1,271,549,214	3,266,150,764

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Group set out on pages 44 to 86.

STATEMENT OF CASH FLOWS

		GROUP		COMPANY	
FOR THE YEAR ENDED 31ST MARCH	Note	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash Flows from Operating Activities					
Loss Before Tax from continue operations		(314,712,257)	(832,177,694)	(265,228,879)	(716,608,854)
Adjustments for					
Depreciation on Property, Plant and Equipment	12	172,907,083	195,315,626	131,004,574	147,728,466
Amortization of Right to use Assets	16.1	12,341,521	12,430,028	2,280,959	2,280,959
Fair Value Gain on Biological Assets	14	(66,022,635)	(13,254,207)	-	-
Provision for Retirement Benefit Obligation	26	14,593,152	18,234,095	11,465,674	14,815,341
Provision reversal of Obsolete Inventories	19.1	(11,521,063)	(73,027,440)	(11,494,938)	(57,347,360)
Provision for/ (Reversal of) Trade and Other Receivables	20	23,529,614	(2,321,567)	18,501,117	(2,321,567)
Provision for/ (Reversal of) Amount Due From Related Parties	22	(1,011,005)	-	(605,242)	(253,721)
Finance Income	9	(3,033,790)	(18,597,722)	(1,828,461)	(1,770,139)
Finance Expense	9	242,455,602	397,827,125	221,945,103	379,089,512
Profit on Disposal of Property, Plant and Equipment	7	-	(21,322,077)	-	(21,322,077)
Share of Loss of Equity Accounted Investees	18	(4,912,930)	71,096,885	-	-
Revaluation loss recognised previous year		(308,000)	-	(308,000)	-
Impairment on Goodwill recognised under business combination	15.1	-	10,101,732	-	-
Unrealized Exchange Gain		(9,595,381)	-	(5,266,688)	-
Inventory write off		35,303,410	-	35,303,410	-
Operating Profit/ (Loss) Before Working Capital Changes		90,013,321	(255,695,216)	135,768,629	(255,709,440)
Working Capital Changes					
(Increase)/Decrease in Inventories	19	(128,431,527)	547,015,142	(210,875,462)	597,007,998
Increase in Trade and Other Receivables	20	(889,337,461)	(211,740,202)	(887,942,537)	(130,786,044)
Decrease in Amount Due from Related Parties	22	23,599,452	100,464,202	75,465,057	137,938,985
Increase in Trade and Other Payables	30	18,372	144,895,484	38,686,152	104,554,259
Increase/(Decrease) in Amount Due to Related Parties	32	1,141,232	(239,780,150)	3,951,795	(239,162,356)
Cash (Used in) / Generated from Operations		(902,996,611)	85,159,260	(844,946,366)	213,843,403
Interest Paid		(242,455,602)	(387,121,557)	(221,945,104)	(374,550,030)
Tax Paid		(2,009,181)	(57,951,670)	(67,358)	(9,416,639)
Payment of Retirement Benefit Obligation	26	(4,473,540)	(10,673,072)	(2,285,672)	(7,061,479)
Net Cash Flows Used in Operating Activities		(1,151,934,934)	(370,587,039)	(1,069,244,500)	(177,184,744)
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment	12	(125,282,841)	(252,692,290)	(118,468,107)	(73,889,039)
Acquisition of Biological Assets	14	(17,162,460)	(19,631,493)	-	-
Proceeds from Disposal of Property, Plant and Equipment		-	34,201,770	-	34,201,771
Amalgamation impact, net of cash		-	175,191,729	-	-
Investment in equity accounted investees	18	-	(9,532)	-	-
Proceeds from disposal of investment in subsidiaries	17	248,541,704	-	248,541,704	-
Interest Received		3,033,790	18,597,722	1,828,461	1,770,139
Proceeds from Rights Issue		570,592,360	-	570,592,360	-
Net Cash Generated from/ (Used in) Investing Activities		679,722,553	(44,342,094)	702,494,418	(37,917,129)
Cash Flows from Financing Activities					
Loans and Borrowings obtained during the period	27	10,748,559,040	7,212,995,000	9,763,559,040	6,658,995,000
Repayment of Loans and Borrowings	27	(10,123,299,488)	(7,507,291,301)	(9,143,299,488)	(6,958,116,654)
Repayment of Lease Obligations	28	(9,878,468)	(23,461,614)	(1,550,501)	(8,778,950)
Net Cash Flows Generated From/(Used in) Financing Activities		615,381,084	(317,757,915)	618,709,051	(307,900,604)
Net Increase/ (Decrease) in Cash and Cash Equivalents		143,168,703	(732,687,048)	251,958,969	(523,002,477)
Cash and Cash Equivalents at the beginning of the Period		26,689,465	759,376,513	(94,885,775)	428,116,702
Cash and Cash Equivalents at the End of the Period (Note A & Note 23)		169,858,168	26,689,465	157,073,194	(94,885,775)
Note A - Analysis of cash and cash equivalents					
Call Deposits		53,177,523	7,744,714	36,630,411	7,744,714
Cash at Bank and in Hand		156,905,806	176,955,623	136,414,688	54,872,336
Bank Overdraft		(40,225,161)	(158,010,872)	(15,971,905)	(157,502,825)
		169,858,168	26,689,465	157,073,194	(94,885,775)

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Group set out on pages 44 to 86. The Audit Report is given on pages 35 and 38.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1. Domicile and Legal Form

Renuka Agri Foods PLC is a public quoted Company incorporated and domiciled in Sri Lanka under the Companies Act No. 17 of 1982, re registered under the Companies Act No. 07 of 2007. The registered office of the Company is located at No. 69, Sri Jinarathana Road, Colombo 2.

The consolidated financial statements of the Group as at and for the year ended 31st March 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activities of the Company is manufacturing and sale of coconut related food products. Ceylon Forestry (Private) Limited is engaged in a business of planting timber species in identified plots of land & manage them till harvest. Kandy Plantations Limited and Coco Lanka (Private) Limited are engaged in business of cultivating coconut, producing organic coconut and Renuka Developments (Private) Limited is involved in Investment in plantation / farm of vertical integration projects. Renuka Agri Organics Ltd, is engaged in manufacture and export of coconut based products.

1.2. Parent and Ultimate Parent Undertaking

The Company's immediate parent company is Renuka Foods PLC, and the Company's ultimate parent is Renuka Holdings PLC which is incorporated in Sri Lanka.

1.3. Financial Year

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

2. BASIS OF PREPARATION

2.1. Statement of compliance

The Consolidated Financial Statements of the Group as at 31st March 2025 have been prepared in accordance with the Sri Lanka Accounting standards (SLFRSs/LKASs) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Further, these financial statements comply with the requirements of the Companies Act No. 7 of 2007.

The Consolidated Financial Statements were authorized for issue by the Board of Directors on 29th August 2025.

These financial statements, except information on the cash flows, have been prepared following the accrual basis of accounting.

2.2. Basis of measurement

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

- Biological assets are measured at fair value less costs to sell,
- Retirement benefits obligation based on actuarial valuation has been measured at fair value.
- Land and Buildings are carried at fair value.

2.3. Functional and presentation currency

These Consolidated Financial Statements are presented in Sri Lankan rupees, which is the Group's functional currency. All financial information presented has been rounded to the nearest rupee unless otherwise indicated.

2.4. Use of estimates, judgements and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies that have significant effect on the amounts recognized in the Financial Statements is included in the following respective notes to the Financial Statements.

- Note No. 12.2 – Revaluation of Land and Buildings.
- Note No. 14 - deferring the fair value of biological assets on the basis of significant unobservable inputs.
- Note No. 15 - impairment test of goodwill
- Note No. 17.2 - acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.
- Note No. 26 - measurement of defined benefit obligations: key actuarial assumptions.
- Note No. 29 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary difference and tax losses carried forward can be utilized.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment included in respective notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

2.4.1. Transfer pricing regulation

The Group 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.

2.5. Going Concern

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

2.6. Presentation on Consolidated Financial Statements

The assets and liabilities of the Group presented in the statements of financial position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

2.7. Materiality and aggregation

Each material class of similar items is presented separately in the consolidated financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by LKAS 1 : Presentation of Financial Statements.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, only when there is legally enforceable right to offset the recognized amounts and there is an intention to settle on net basis, or realize the assets and settle the liabilities simultaneously.

3. MATERIAL ACCOUNTING POLICIES

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

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

3.1. Basis of consolidation

The consolidated Financial Statements include the Financial Statements of the Company, its subsidiaries and other companies over which it has control. The Group's Financial Statements comprise of the consolidated Financial Statements of the Company and the Group which have been prepared in compliance with the group's accounting policies.

3.1.1. Business combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

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

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

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

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

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.

3.1.2. Subsidiaries

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.)

3.1.3. Non-controlling interests

Non - controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

3.1.4. Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any Interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.5. Investment in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control over the financial and operating policies.

Interests in associate is accounted by using the equity method. It is initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

3.1.6. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated Financial Statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2. Foreign Currency

3.2.1. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that

are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognized in profit or loss.

3.3. Financial instruments

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

3.3.1 Recognition And Initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

3.3.2 Classification And Subsequent Measurement

3.3.2.1 Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair Value Through Other Comprehensive Income (FVOCI);
- Fair Value Through Profit or Loss (FVTPL).

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

AS MEASURED AT AMORTISED COST	<p>A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:</p> <ul style="list-style-type: none"> • it is held within a business model whose objective is to hold assets to collect contractual cash flows; and • its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. <p>The Group financial assets classified and measured at amortized cost are limited to its other receivables, short term investments, amounts due from related party and cash & cash equivalent.</p>
Subsequent Measurement	
FINANCIAL ASSETS AT AMORTISED COST	<p>These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.</p>

3.3.2.3 Financial Liabilities - Classification, Subsequent Measurement And Gains And Losses

Financial liabilities are classified as measured at amortised cost or FVTPL. 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.

3.3.3 Derecognition

3.3.3.1 Financial Assets

The Group derecognises a financial asset when:

- The contractual rights to the cash flows from the financial asset expire; or
- Transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- The Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3.3.3.2 Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Non-Derivative Financial Liabilities Measurement

A financial liability is classified as at Fair Value through Profit or Loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss. The Group classifies non derivative financial liabilities in to other financial liability category. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group has the following nonderivative financial liabilities: trade and other payables, bank overdrafts, loans and borrowings and financial guarantees. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

3.4 Measurement at Fair Value

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

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

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.4.1 Level 1

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

3.4.2 Level 2

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. Valuation techniques include using recent transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses, credit models, option pricing models and other relevant valuation models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, i.e. without modification or repackaging,

or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

3.4.3 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.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.5 Stated Capital

3.5.1 Ordinary shares

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

3.6 Property, Plant and Equipment

3.6.1 Recognition and Measurement

Property, Plant and Equipment are recognised, if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be measured reliably.

Property, Plant & Equipment are initially measured at its cost. All items of property, plant & equipment except lands and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When Significant parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

3.6.2 Cost Model

When Significant parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

3.6.3 Revaluation Model

The Group applies the revaluation model for the entire class of Free hold lands, and Buildings. Such assets are carried at a revalued amount, being their fair value at the date of revaluation, less subsequent accumulated impairment losses. Lands and the buildings of the Group are revalued at once in every 3-5 years on a roll over basis to ensure that the carrying amounts do not differ materially from the fair values at the reporting date. A revaluation is carried out when there is substantial difference between the fair value and carrying amount of the property and is undertaken by professionally qualified valuers. On revaluation of an asset, any increase in the carrying amount is recognized in Other Comprehensive Income and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Profit or Loss. In this circumstance, the increase is recognized as income to the extent of the previous write down.

3.6.4 Gains and losses on disposal

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognized net within "other income/other expenses" in profit or loss.

3.6.5 Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of Property, Plant and Equipment is included in profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.6.6 Subsequent costs

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

3.6.7 Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using a straightline basis over their estimated useful economic life. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

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

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Class of Assets	Useful Lifetime (Years)
Factory Buildings	40
Plant and machinery	10-20
Land Development	10-20
Electrical Installation	10
Workshop Tools	10
Laboratory Equipment	10
Factory Equipment	10
Office Equipment	10
Furniture and Fitting	10
Motor vehicle	05
Revalued Buildings	20-25

3.7 Intangible Assets and Goodwill

3.7.1 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Goodwill is measured at initial recognition in accordance with Note 3.1.1. Any goodwill that arises is tested annually for impairment.

3.7.1.1 Subsequent Measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

3.7.2 Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

3.7.3 Subsequent expenditure

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

3.8 Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognized in profit or loss. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs. Biological assets are classified as mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Managed Timber, Tea, rubber, other plantations and nurseries are classified as biological assets. Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets includes managed timber those that are to be harvested as agricultural produce or sold as biological assets. The Group recognizes the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

The managed timber is measured on initial recognition and at the end of each reporting periods at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independence professional valuer. All other assumptions are given in Note 14 to the financial statements. The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in profit or loss for the period in which it arises.

3.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

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

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

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

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

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

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

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

The lease liability is measured at amortized cost using effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payments.

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

The Group presents right of use assets that do not meet the definition of investment property in 'right of use assets' and lease liabilities in 'lease Obligation' in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Short term leases and leases of low-value assets

The Group has elected not to recognize right of use assets and lease liabilities of leases of low-value assets and short-term leases. The group recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment properties includes the cost of replacing part of an existing investment properties, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to- day servicing of the investment properties. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are revalued annually by an accredited external, independent valuer. The most recent revaluation was carried out on 30th November 2023.

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use for a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted for using accounting policy for property, plant and equipment.

Investment property of the group is a result from the amalgamation with Matale Valley Estates (Pvt) Ltd which situated at Wiharagama Estates, Weragama, Owala Tenna Hacille and Durukewatte, Pallesiyapattu, Matale relates to leasehold lands in, given on rent to the Subsidiary, Ceylon Forestry (Pvt) Ltd for twenty five (25) years starts from October 2008 and expires on 30 September 2033.

The fair value of the investment property has been determined through an independent valuation conducted by Mr. G.J. Sumanasena, a Chartered Valuation Surveyor. The Market value has been used as the fair value in determining the fair value. The current condition of the properties and future usability have been considered. Also valuer has made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size, usage a location.

Measurement of fair value method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property. In this process, outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.

3.11. Amalgamation of Sub Subsidiary Company

Amalgamation with Matale Valley Estates Company (Private) Limited with Kandy Plantations Limited (Amalgamated Company) was approved by the shareholders by way of a circular resolution on 31 January 2024. The Amalgamation of Companies was effected in accordance with Section 244 (1) (a) of the Companies Act No. 07 of 2007, whereby the whole of the assets, undertakings, property, business and liabilities of Amalgamating companies were vested in Kandy Plantations Limited, without payment or other consideration.

The Registrar of Companies issued the Amalgamation Certificate stating the date of Amalgamation as 29 February 2024. Accordingly, the Amalgamation has taken effect on 29 February 2024, in terms of Section 245 (c) of the Companies Act, all the particulars relating to the amalgamating company has been removed from the Register of Companies by the Registrar of Companies on 29 February 2024 and ceases to exist thereafter.

The Amalgamation is not a business combination within the scope of SLFRS – 3 Business Combinations. Accordingly, the said merger has been accounted for in the books of Kandy Plantations Limited, the continuing entity as follows;

- 1) All assets and liabilities of Amalgamating company, as at 29 February 2024 has been taken over at their respective carrying values.
- 2) The difference between the net assets taken over and the carrying amount of the investment in Amalgamating Company, before the amalgamation is recognized in the Statement of Changes in Equity of Kandy Plantations Limited.

3.12 Premium paid on Leasehold premises

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

3.13 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the Inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost incurred in bringing inventories to the present location and condition is recognized as follows.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

- Raw Material - At cost determined at the factory on weighted average cost method
- Finished Goods - At factory cost of direct materials, direct labor and appropriate proportion of fixed production overheads at normal operating capacity.
- Goods in transit - At the actual cost
- Packing Material - At cost determined at the factory on weighted average cost method
- Harvested Crops - Inventory of harvested crop sold has been valued at realized price. Unsold harvested crop have been valued at estimated realizable value net of direct selling expenses. This basis has been adopted to recognize the profit/loss on perennial crops in the financial period of harvesting.

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

3.14 Impairment

3.14.1 Financial assets

The Group recognized loss allowances for ECLS on financial assets measured at amortized cost.

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

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

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

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

3.14.2 Non-financial assets

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

For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the group of CGUs that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes. The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

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

3.15 Employee benefits

3.15.1 Defined benefit plan-Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior period; that benefit is discounted to determine its present value.

The retirement benefit obligation of the Group is based on the actuarial valuation using Projected Unit Credit (PUC) methods as recommended by Sri Lanka Accounting Standards (LKAS 19) Employee Benefits. The calculation is performed by individual actuary using the projected unit credit method. The assumptions based on which the results of the actuarial valuation was determined, are included in Note 26 to the Financial Statements.

The Group recognizes all actuarial gains and losses arising from the defined benefit plans immediately in the statement of comprehensive income. The liability is disclosed under non-current liabilities in the statement of financial position and not externally funded. However, as per the Payment of Gratuity Act No. 12 of 1983 the liability to an employee arises only on completion of 5 years of continued services.

When the benefits of Plan are changed or when a Plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognise gain or losses on the settlement of a defined plan when the settlement occur.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

3.15.2 Defined contribution plan-Employee Provident Fund and Employee Trust Fund

All employees who are eligible for Employees Provident Fund contribution and Employees Trust Fund contribution are covered by relevant contribution funds in line with respective statutes and regulations. The Group contributes 12 % and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

3.16 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.17 Commitments and Contingent Liabilities

Contingent Liabilities are possible obligations whose existence will be confirmed only by occurrence or nonoccurrence of uncertain future events not wholly within the control of the Group or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital Commitment and Contingent Liabilities of the Company and the Group are disclosed in the respective notes to the Financial Statements.

3.18 Events after the Reporting Period

The materiality of the events after the reporting period has been considered and appropriate adjustments and provisions have been made in the Financial Statements wherever necessary.

3.18 Revenue

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

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

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

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

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

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

3.20 Finance income and finance costs

Finance Income comprises interest income on funds invested recognized in profit or loss using the effective interest method. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method. Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position. Dividend income recognized when the right to receive the dividend is established.

3.21. Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

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.

3.21.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

3.21.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting non taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.22 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "indirect method". Interest paid are classified as operating cash flows, interest received is classified as investing cash flows for the purpose of presenting Statement of Cash Flows.

3.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.24 Related Party Transactions

Disclosure has been 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/decisions of the other, irrespective of whether a price is charged.

3.25 Segment Reporting

Segment results that are to the Group's CEO (the Chief Operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Biological assets

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

4.2 Inventories

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

4.3 Trade and other receivables

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

5. New standards and interpretation not yet adopted as at the reporting date

The Institute of Chartered Accountants of Sri Lanka has issued following new amendments to Sri Lanka Accounting Standards (SLFRSs/LKASs) that are effective for annual periods beginning on or after 1st April 2025. Accordingly the Group has not applied these new standards in preparing these Financial Statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's Financial Statements.

SLFRS 51 - General requirements for disclosures of sustainability related financial information

SLFRS 52 - Climate-Related disclosures

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
FOR THE YEAR ENDED 31ST MARCH				
6 REVENUE				
Export Sales	6,270,529,238	4,620,215,520	5,023,642,661	3,878,311,704
Local Sales	872,965,991	896,968,785	880,964,126	800,705,359
	7,143,495,229	5,517,184,305	5,904,606,787	4,679,017,063
6.1 TIMING OF REVENUE RECOGNITION				
Products transferred at a point of time	7,143,495,229	5,517,184,305	5,904,606,787	4,679,017,063
Total Revenue with contract of customers	7,143,495,229	5,517,184,305	5,904,606,787	4,679,017,063
7 OTHER OPERATING INCOME				
Fair Value Gain on Biological Assets	66,022,635	13,254,207	-	-
Profit on Sale Property, Plant & Equipment	-	21,322,077	-	21,322,077
Sundry Income	13,474,916	4,265,742	2,666,705	-
	79,497,551	38,842,026	2,666,705	21,322,077
8 LOSS FROM OPERATIONS				
<i>Is stated after charging all the expenses including followings</i>				
Director's & Key Management Personnel Remuneration	99,687,680	99,687,680	99,687,680	99,687,680
Auditors' Fee	2,638,305	2,579,000	1,602,000	1,456,000
Non Audit Services (KPMG)	507,370	376,000	414,000	376,000
Depreciation on Property, Plant and Equipment	172,907,083	195,315,626	131,004,574	147,728,466
Amortization on Right of Use Assets	12,341,521	12,430,028	2,280,959	2,280,959
Write off of Inventories	35,303,410	-	35,303,410	-
Reversal of Provision for Obsolete Inventories	(11,521,063)	(73,027,440)	(11,494,938)	57,347,360
Impairment on Goodwill recognised under business combination	-	10,101,732	-	-
Personnel Costs (Note 8.1)	718,466,105	587,816,619	624,130,846	448,434,503
8.1 PERSONNEL COSTS				
Salaries, Wages and Related Expenses	651,484,437	520,457,121	524,460,160	394,451,765
Defined Contribution Plan Costs - EPF and ETF	52,388,516	49,125,403	88,205,012	39,167,397
Defined Benefit Plan Costs - Retirement Benefit Obligation	14,593,152	18,234,095	11,465,674	14,815,341
	718,466,105	587,816,619	624,130,846	448,434,503
9 NET FINANCING COSTS				
Finance Income				
Interest on - Call Deposit	1,762,740	2,299,898	1,334,625	1,646,344
- Savings Accounts	602,766	708,684	493,836	123,795
- Other Deposits	668,284	-	-	-
- Unit Trust	-	-	-	-
- Inter Company Loans	-	15,589,140	-	4,443,483
Exchange Gain	143,267,989	305,706,513	143,267,989	305,615,660
	146,301,779	324,304,235	145,096,450	311,829,282
Finance Costs				
Interest on - Bank Loans	(227,782,651)	(378,002,285)	(216,720,706)	(365,894,182)
- Bank Overdraft	(1,232,061)	(3,109,595)	(1,020,032)	(2,949,790)
- Lease Liabilities	(13,435,140)	(14,560,127)	(4,204,365)	(4,539,482)
- Packing Credit Loans	-	-	-	-
- Other	(5,750)	(30,539)	-	-
Inter company	-	(6,050,782)	-	(5,706,058)
Exchange Loss	(163,754,888)	(430,012,881)	(163,969,197)	(392,292,344)
	(406,210,490)	(831,766,209)	(385,914,300)	(771,381,856)
	(259,908,711)	(507,461,974)	(240,817,850)	(459,552,574)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

	GROUP		COMPANY	
FOR THE YEAR ENDED 31ST MARCH	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
10 TAXATION				
Income Tax Charge for the Year (Note 10.1)	555,949	2,045,650	548,538	1,864,086
Over Provision in Respects of Previous Years	(873,696)	(52,578,183)	(873,696)	(32,989,149)
Deferred Tax Provision for the Year (Note 29)	(72,521,408)	(125,606,520)	(44,898,321)	(116,670,210)
	(72,839,155)	(176,139,053)	(45,223,479)	(147,795,273)
10.1 Reconciliation Between Accounting Loss and Taxable Income				
Loss Before Tax	(314,712,257)	(832,177,694)	(265,228,879)	(716,608,854)
Share of Results of Equity Accounted Investees	(4,912,930)	71,096,885	-	-
Other Consolidation Adjustments	19,630,746	(583,215)	-	-
Loss Before Income Tax Before Adjustments	(299,994,441)	(761,664,024)	(265,228,879)	(716,608,854)
Aggregate Disallowable Expenses	114,350,846	641,610,117	52,657,993	599,861,221
Aggregate Allowable Expenses	(242,687,577)	(833,718,822)	(158,414,664)	(789,975,761)
Aggregate Other Income	(4,263,175)	(6,818,832)	(1,828,461)	(6,213,621)
Aggregate Exempt Income	(65,266,005)	-	-	-
Statutory Loss from Business	14,432,259	-	-	-
	(483,428,093)	(960,591,561)	(372,814,011)	(912,937,015)
Taxable Aggregate Other Income	4,263,175	6,818,832	1,828,461	6,213,621
Total Statutory Income	(479,164,918)	(953,772,729)	(370,985,549)	(906,723,394)
Brought Forward Loss Claimed during the Year	(2,696,588)	(4,714,465)	-	-
Tax losses incurred during the year	483,714,670	965,306,026	372,814,010	906,723,394
Taxable Income	1,853,163	6,818,832	1,828,461	6,213,621
Income Tax at 30%	555,949	2,045,650	548,538	1,864,086
	555,949	2,045,650	548,538	1,864,086
10.2 Accumulated Tax Losses				
Tax Losses Brought Forward	1,067,000,516	106,408,955	906,723,394	-
Adjustments to opening balance	(130,744,980)	-	(50,573,241)	-
Tax Losses during the year	483,714,670	965,306,026	372,814,010	906,723,394
Tax Losses Utilised	(2,696,588)	(4,714,465)	-	-
Tax Losses Carried Forward	1,417,273,618	1,067,000,516	1,228,964,164	906,723,394

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

10. TAXATION (CONTINUED)

10.3 Income tax rates applicable to the Company and Its subsidiaries

10.3.1 The Company

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

10.3.2 Subsidiaries

Renuka Developments (Private) Limited

According to the agreements entered into with Board of Investment of Sri Lanka, the profit and income of the Company were exempt from income tax for a period of five (5) years. This tax holiday period expired on 31st March 1999.

From the year of assessments 2006/2007, under section 16 of the inland revenue act No. 10 of 2006, the Company's profit was exempted from income tax for a period of five years. This tax holiday period expired on 31st march 2011. The Company is liable to income tax at 12% on profit from agriculture from the year of assessment 2011/2012.

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

10.3.3 Sub-subsidiaries

a) Renuka Agri Organics Limited

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

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

According to the recent amendments (notice No. PM/IT/2020-03 (Revised) dated 8 April 2020) to the Inland Revenue Act, No 24 of 2017 Profit from Export business income, Local Business income and other income liable for income tax at the rate of 14% , 18% & 24% respectively up to 30th September 2022 and 15% , 30% w.e.f. 1st October 2022.

b) Ceylon Forestry (Private) Limited

In accordance with the provisions of section 17 of the Board of Investment of Sri Lanka law No. 4 of 1978, the company is entitled to the following exemptions/benefits with regard to income tax;

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

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

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

c) Kandy Plantations Limited

According to the agreement with the BOI of Sri Lanka, the Profits and Income of Kandy Plantations Ltd were exempt for a period of 5 years from the year of assessment in which the enterprise commence to make profit (i.e. 2003/2004). Accordingly, the said tax holiday period was expired on 31st March 2008.

However, the profit from agriculture of the Company continued to be exempt from income tax for further 3 years of assessments ending 2010/2011, under section 16 of the inland revenue act No. 10 of 2006. This tax holiday was expired on 31st March 2011.

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

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

d) Coco Lanka (Private) Limited

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

11. EARNINGS PER SHARE

11.1 Basic Loss Per Share

The Computation of the basic earnings per share is based on the loss for the year attributable to ordinary shareholders for the year divided by the weighted average number of shares outstanding during the year and calculated as follows:

FOR THE YEAR ENDED 31ST MARCH	GROUP		COMPANY	
	2025	2024	2025	2024
Loss for the period, attributable to Ordinary Shares (Rs)	(259,958,965)	(658,482,421)	(220,005,400)	(568,813,581)
Weighted Average Number of Ordinary Shares (No.)	756,933,757	570,592,361	756,933,757	570,592,361
Basic Loss per Share (Rs.)	(0.34)	(1.15)	(0.29)	(1.15)

Weighted average number of shares as at 31st March 2024 has been restated based on the number of shares issued as scrip dividend in June 2024 in accordance with Sri Lanka Accounting Standard LKAS 33 - Earnings Per Share.

11.2 Diluted Loss Per Share

The Computation of diluted earnings per share is based on loss attributable to ordinary shareholders for the year divided by the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

FOR THE YEAR ENDED 31ST MARCH	GROUP		COMPANY	
	2025	2024	2025	2024
		Restated		Restated
Loss for the period, attributable to Ordinary Shares (Rs)	(259,958,965)	(658,482,421)	(220,005,400)	(568,813,581)
Weighted Average Number of Ordinary Shares (No.)	756,933,757	756,933,757	756,933,757	756,933,757
Diluted Earnings per Share (Rs.)	(0.34)	(0.87)	(0.29)	(0.75)

11.3 There was no dilution of ordinary shares outstanding at any time during the year. Therefore, diluted loss per share is the same as basic loss per share as shown in Note 11.1

FOR THE YEAR ENDED 31ST MARCH	GROUP		COMPANY	
	2025	2024	2025	2024
11.4 Dividend Per Share				
Dividend Declared and Paid during the Year (Rs.)	-	56,175,000	-	56,175,000
Weighted Average Number of Ordinary Shares (No.)	756,933,757	570,592,362	756,933,757	570,592,362
Dividend Per Share (Rs.)	-	0.10	-	0.10

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

AS AT 31ST MARCH 12. Property, Plant and Equipment Group

	Freehold Land	Factory Buildings	Plant and Machinery	Land Development	Furniture and Fittings	Electrical Installation	Workshop Tools	Laboratory Equipment	Factory Equipment	Office Equipment	Motor Vehicles	Software	Capital Work in Progress	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost														
Balance as at 1st April 2023	367,197,194	989,839,468	1,858,952,057	21,069,185	36,890,148	208,057,436	135,201	7,710,967	333,097,110	22,404,916	85,283,840	928,469	33,722	3,931,599,713
Additions During the Year	167,200,000	3,458,596	60,635,245	87,000	947,625	3,752,341	-	58,176	10,920,566	1,323,077	4,309,664	-	-	252,692,290
Transfers During the Year	(2,300,000)	-	-	2,300,000	-	-	-	-	-	-	-	-	-	167,200,000
Disposals during the Year	-	-	(29,394,531)	-	-	-	-	-	(190,271)	-	-	-	-	(29,584,802)
Balance as at 31st March 2024	532,097,194	993,298,064	1,890,192,771	23,456,185	37,837,773	211,809,777	135,201	7,769,143	343,827,405	23,727,993	89,593,504	928,469	33,722	4,154,707,201
Balance as at 1st April 2024	532,097,194	993,298,064	1,890,192,771	23,456,185	37,837,773	211,809,777	135,201	7,769,143	343,827,405	23,727,993	89,593,504	928,469	33,722	4,154,707,201
Additions During the Year	-	6,583,879	55,704,427	-	2,317,683	27,072,240	82,610	2,111,051	26,360,644	5,050,307	-	-	-	125,282,841
Revaluation During the Year	175,204,000	147,188,454	-	-	-	-	-	-	-	-	-	-	-	322,392,454
Disposal / Transfers during the Year	-	(115,783,466)	-	-	-	-	-	-	-	-	-	(928,469)	-	(116,711,935)
Balance as at 31st March 2025	707,301,194	1,031,286,931	1,945,897,198	23,456,185	40,155,456	238,882,017	217,811	9,880,194	370,188,049	28,778,300	89,593,504	-	33,722	4,485,670,561
Accumulated Depreciation														
Balance as at 1st April 2023	-	66,616,263	1,036,984,180	7,351,322	24,403,871	79,797,178	115,619	4,263,795	124,983,542	13,141,192	84,657,592	108,529	-	1,442,423,083
Charge for the Year	-	26,360,971	115,301,799	2,491,066	2,480,555	19,263,241	1,653	555,404	26,315,920	1,556,958	885,034	93,025	-	195,315,626
Disposals during the Year	-	-	(16,514,838)	-	-	-	-	-	(190,271)	-	-	-	-	(16,705,109)
Balance as at 31st March 2024	-	92,977,234	1,135,771,141	9,842,388	26,884,426	99,060,419	117,272	4,829,199	151,109,191	14,698,150	85,542,626	201,554	-	1,621,033,600
Balance as at 1st April 2024	-	92,977,234	1,135,771,141	9,842,388	26,884,426	99,060,419	117,272	4,829,199	151,109,191	14,698,150	85,542,626	201,554	-	1,621,033,600
Charge for the Year	-	28,535,108	84,151,413	2,502,653	1,990,896	21,552,191	2,688	686,850	30,660,572	1,740,633	991,232	92,847	-	172,907,083
Revaluation During the Year	-	(5,728,876)	-	-	-	-	-	-	-	-	-	-	-	(5,728,876)
Disposal / Transfers during the Year	-	(115,783,466)	-	-	-	-	-	-	-	-	-	(294,401)	-	(116,077,867)
Balance as at 31st March 2025	-	-	1,219,922,554	12,345,041	28,875,322	120,612,610	119,960	5,516,049	181,769,763	16,438,783	86,533,858	-	-	1,672,133,940
Written Down Value														
As at 31st March 2025	707,301,194	1,031,286,931	725,974,644	11,111,144	11,280,134	118,269,407	97,851	4,364,145	188,418,286	12,339,517	3,059,646	-	33,722	2,813,536,621
As at 31st March 2024	532,097,194	900,320,830	754,421,630	13,613,797	10,953,347	112,749,358	17,929	2,939,944	192,718,214	9,029,843	4,050,878	726,915	33,722	2,533,673,601

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

AS AT 31ST MARCH 12. Property, Plant and Equipment (Cont.)

Company	Freehold Land		Factory Buildings		Plant and Machinery		Furniture and Fittings		Electrical Installation		Workshop Tools		Laboratory Equipment		Factory Equipment		Office Equipment		Motor Vehicles		Software		Total	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost																								
Balance as at 1st April 2023	38,323,000	668,317,135	1,590,066,550	31,089,193	203,549,127	135,201	4,619,243	258,864,864	19,578,063	72,325,066	928,469	2,887,795,911												
Additions During the Year	-	3,458,596	57,095,040	947,625	3,752,341	-	-	7,986,721	648,716	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,889,039
Disposals During the Year	-	-	(29,394,531)	-	-	-	-	(190,271)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29,584,802)
Balance as at 31st March 2024	38,323,000	671,775,731	1,617,767,059	32,036,818	207,301,468	135,201	4,619,243	266,661,314	20,226,779	72,325,066	928,469	2,932,100,148												
Balance as at 1st April 2024	38,323,000	671,775,731	1,617,767,059	32,036,818	207,301,468	135,201	4,619,243	266,661,314	20,226,779	72,325,066	928,469	2,932,100,148												
Additions During the Year	-	6,264,879	51,051,097	2,317,683	26,344,240	82,610	1,953,816	25,945,954	4,507,828	-	-	-	-	-	-	-	-	-	-	-	-	-	-	118,468,107
Disposal / Transfers During the Year	-	(78,227,314)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(79,155,783)
Revaluation During the Year	51,677,000	22,223,644	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,900,644
Balance as at 31st March 2025	90,000,000	622,036,940	1,668,818,156	34,354,501	233,645,708	217,811	6,573,059	292,607,268	24,734,607	72,325,066	-	3,045,313,116												
Balance as at 1st April 2023	-	40,562,575	852,507,331	22,163,933	77,593,261	115,619	2,772,207	96,722,111	11,088,754	71,698,818	108,529	1,175,333,138												
Charge for the Year	-	17,745,175	88,008,389	2,183,232	18,974,379	1,653	253,227	19,052,388	1,303,420	113,578	93,025	147,728,466												
Disposals During the Year	-	-	(16,514,838)	-	-	-	-	(190,271)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,705,109)
Balance as at 31st March 2024	-	58,307,750	924,000,882	24,347,165	96,567,640	117,272	3,025,434	115,584,228	12,392,174	71,812,396	201,554	1,306,356,495												
Balance as at 1st April 2024	-	58,307,750	924,000,882	24,347,165	96,567,640	117,272	3,025,434	115,584,228	12,392,174	71,812,396	201,554	1,306,356,495												
Charge for the Year	-	19,919,564	62,729,023	1,489,944	21,222,455	2,688	374,159	23,589,524	1,455,070	129,300	92,847	131,004,574												
Disposal / Transfers During the Year	-	(78,227,314)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(78,521,715)
Balance as at 31st March 2025	-	-	986,729,905	25,837,109	117,790,095	119,960	3,399,593	139,173,752	13,847,244	71,941,696	-	1,358,839,354												
Written Down Value																								
As at 31st March 2025	90,000,000	622,036,940	682,088,251	8,517,392	115,855,613	97,851	3,173,466	153,433,516	10,887,363	383,370	-	1,686,473,762												
As at 31st March 2024	38,323,000	613,467,981	693,766,177	7,689,653	110,733,828	17,929	1,593,809	151,077,086	7,834,605	512,670	726,915	1,625,743,653												

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

12 Property, plant and equipment (Cont.)

12.1 Fully depreciated property, plant and equipment still in use

Group

The gross carrying amount of fully depreciated property, plant and equipment still in use as at 31st March 2025 is Rs. 770,638,315 (2024- Rs. 661,486,268/-).

Company

The gross carrying amount of fully depreciated property, plant and equipment still in use as at 31st March 2025 is Rs.655,444,610 (2024- Rs.596,484,369/-).

12.2 Revaluation of Land & Building - Method of Valuation

The Land and buildings of the companies were revalued as at 31st March 2025. The results of such revaluations were incorporated in these financial statements from its effective date, which is 31st March 2025. Fair value of the Land & Building was ascertained by an independent valuation carried out by Mr.A.A.M. Fathihu-FIV (Sri Lanka) as at 31st March 2025. Valuation was carried out in reference to Sri Lanka Accounting Standard LKAS 16 Property, Plant & Equipment and SLFRS 13 together with valuation standards.

All revaluations are based on market values and based on the aforesaid valuations. Kandy Plantations Ltd has revalued Matale land as at 31st March 2022 {Valuation carried out by Mr.A.A.M. Fathihu - FIV (Sri Lanka)}. The Directors are of the view that market values as at 31st March 2025 have not materially changed from the values determined as at 31st March 2022.

Company	Location	Last Revaluation Date	Land Extent	Fair Value as at 31.03.2025		No of Buildings	Level of Fair Value Hierarchy
				Land (Rs.)	Buildings (Rs.)		
Renuka Agri Foods PLC	Unagahadeniya	31st March 2025	0A-1R 30.4P	30,000,000	1,800,000	1.00	Level 3
	Wathupitiwala/ Giriulla	31st March 2025	0A-3R 30P	60,000,000	621,200,000	11.00	Level 3
Renuka Developments (Pvt) Ltd.	Unagahadeniya	31st March 2025	1A-3R-23.3P	129,000,000	43,000,000	7.00	Level 3
Kandy Plantations Ltd.	Nalla, Diuldeniya, Giriulla	31st March 2025	N/A	-	6,000,000	3.00	Level 3
	Matale	31st March 2022	20A-0R-18P	72,601,194	-	-	Level 3
	Matale	31st March 2025	67A-3R-3P	183,000,000	-	-	
Coco Lanka (Pvt) Ltd.	Cocowatte Estate, Puttalam	31st March 2025	165A-1R-05.00P	236,000,000	9,000,000	5.00	Level 3
Renuka Agri Organics Ltd.	Wathupitiwala	31st March 2025	N/A	-	351,000,000	3.00	Level 3

Valuation technique and significant unobservable inputs

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

Company	Location	Market Value as at 31st March 2025 (Rs.)	Extent	Land			Market Value as at 31st March 2025	Building			Number of Sq.ft.	Depreciation rate per Sq.ft.
				Per Perch Value (Rs.)	Increase +10% (Rs.)	Decrease -10% (Rs.)		Increase +10% (Rs.)	Decrease -10% (Rs.)			
Renuka Agri Foods PLC	Unagahadeniya	30,000,000	0A-1R-30.40P	425,000	3,000,000	(3,000,000)	1,800,000.00	180,000.00	(180,000.00)		170,065	104
	Wathupitiwala / Giriulla	60,000,000	0A-3R-30P	400,000	6,000,000	(6,000,000)	621,200,000.00	62,120,000.00	(62,120,000.00)			
Renuka Developments (Pvt) Ltd.	Unagahadeniya	129,000,000	1A-3R-23.30P	425,000	12,900,000	(12,900,000)	43,000,000.00	4,300,000.00	(4,300,000.00)		17,789	39
Kandy Plantations Ltd.	Nalla, Diuldeniya	-	-	-	-	-	6,000,000.00	-	-		10,598	42
	Matale	70,301,194	20A-0R-18P	21,875	7,260,119	(7,260,119)	-	600,000.00	(600,000.00)			
	Matale	183,000,000	67A-3R-2P	16875	183000000	(18,300,000)	-	-	-			
Coco Lanka (Pvt) Ltd.	Cocowatte Estate, Puttalam	236,000,000	165A-1R-05.00P	9375	236000000	(23,600,000)	9,000,000.00	900,000.00	(900,000.00)		6,447	85
Renuka Agri Organics Ltd.	Wathupitiwala	-	-	-	-	-	351,000,000.00	35,100,000.00	(35,100,000.00)		69,225	99

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

Company	As at 31.03.2025			Company	As at 31.03.2024		
	Cost (Rs.)	Accumulated Depreciation (Rs.)	Carrying Amount (Rs.)		Cost (Rs.)	Accumulated Depreciation (Rs.)	Carrying Amount (Rs.)
Land	38,631,000	-	38,631,000	Land	38,631,000	-	38,631,000
Buildings	717,191,873	153,209,748	563,982,125	Buildings	710,926,994	133,290,184	577,636,810
Group	As at 31.03.2025			Group	As at 31.03.2024		
	Cost (Rs.)	Accumulated Depreciation (Rs.)	Carrying Amount (Rs.)		Cost (Rs.)	Accumulated Depreciation (Rs.)	Carrying Amount (Rs.)
Land	21,428,000	-	21,428,000	Land	21,428,000	-	21,428,000
Buildings	997,130,697	109,895,562	887,235,135	Buildings	993,298,063	84,111,699	909,186,364

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

12.4 There were no temporarily idle property, plant & equipments as at the reporting date.

12.5 Group

During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs.125,282,841/- (2024 - Rs. 85,492,295/-). Cash payments amounting to Rs. 125,282,841/- (2024 - Rs. 85,492,295/-) were made during the year for purchase of Property, Plant and Equipment.

Group has acquired the land Value of RS. 167,200,000 from amalgamation of Matale Valley Estates Company (Private) Limited with kandy plantation limited as at 31st March 2024.

Company

During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 118,468,107/- (2024 - Rs. 73,889,039/-). Cash payments amounting to Rs. 118,468,107/- (2024 - Rs. 73,889,039/-) were made during the year for purchase of Property, Plant and Equipment.

12.6 There were no restrictions on the title of the Property, Plant & Equipments as at 31 March 2025 other than disclosed in Note 27.

12.7 There were no items of Property, Plant & Equipment pledged as security as at 31 March 2025 other than disclosed in Note 27.

12.8 The capital work in progress represents projects in progress (building store).

12.9 During the year under review, the group has not capitalized any borrowing cost.

12.10 Each company in the Group has evaluated both internal and external indicators of impairment of long lived assets and has not identified presence of any of such indicators at the end of the financial year.

13. Amalgamation with Matale Valley Estates Company (Private) Limited with Kandy Plantations Limited

Summary of assets and liabilities of Amalgamating companies as of 29 February 2024 and their respective carrying values on the said date as taken over and the effect on the Statement of Financial Position of Kandy Plantations Limited are as follows,

As at 29 February 2024	Matale Valley Estates Company (Pvt) Ltd
Investment property	167,200,000
Other receivables	810,010
Cash and cash equivalent	7,991,740
Total assets	176,001,750
Less: Liabilities	
Temporary loan	(133,800,000)
Deferred tax liability	(41,559,446)
Other current liability	(40,000)
Income tax payable	(155,464)
Total net assets	446,839
Less: Carrying value of Investments	-
Reserves acquired on amalgamation	446,839
Set-off of investment by Kandy Plantations Limited	(10)
Balance transferred to Amalgamation Reserve	446,829
Net Cash Impact	7,991,729

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

14 Biological Assets

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at the Beginning	160,986,808	128,101,108	-	-
Additions During the Year	17,162,460	19,631,493	-	-
Gain on Fair Value During the year	66,022,635	13,254,207	-	-
Balance at the End	244,171,903	160,986,808	-	-
Represented By				
Biological Assets at fair value	136,225,520	69,146,356	-	-
Biological Assets at cost less accumulated depreciation	105,314,819	89,264,086	-	-
Immature pepper plantation	2,631,564	2,576,366	-	-
	160,986,808	160,986,808	-	-

Biological Assets at Fair value

Biological Assets as at 31st March 2025 consists of Ceylon Forestry (Pvt) Limited's investments made for Teak and Mahogany Plants, Kandy Plantations Limited's investment in Coconut Plant Nursery and Coco Lanka (Private) Ltd, Investments made on Chashew and timber plants.

Kandy Plantations Limited

During the year, the Company has incurred Rs.2,539,113/- (2024- Rs.2,861,564/-) in planting coconut nursery. The nursery is for in plant vacant areas of the plantation held by the Company.

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

Coco Lanka (Pvt) Limited

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

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

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

Ceylon Forestry (Pvt) Limited

The biological asset is on leased land owned by Kandy Plantations Limited (a subsidiary company of the ultimate holding Company Renuka Holdings PLC), for which rent has been paid by Ceylon Forestry (Private) Limited. The total extent of the land is 67A- 3R-03.00P. The timber planted area is 42 acres and pepper is 05 acres. Number of Timber Trees are 11,924 in 2024 and Pepper trees are 3,500.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

14.1. Key assumptions used in valuation are as follows

Variable	Comment
Growth Pattern	Corresponding to relevant height are based on published international growth patterns and adjusted to suit local conditions.
Time period of Maturity	Time period of maturity of each variety is estimated based on current age of trees, existing diameter of the trees, soil conditions, area, by using marginal increase of different species.
Selling Price	Considered that the timber plantation on maturity is solely for sale in long form and rate will be adopted accordingly. Teak rate per cubic ft is Rs.950
Discount Rate	Future cash flows are discounted at the rate of 16% (2024 -18%)

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

Inter-relationship between key unobservable inputs and fair value measurement:	The estimated average future sales price of timber may increase or decrease within a +10% to -10% range.
	The risk-adjusted discount rate of 12% may stimulate an increase or a decrease between the ranges +1% to -1%

14.2 Sensitivity Analysis

Sensitivity variation on sales price

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

Sales price fluctuation	+10% Rs.	0 Rs.	-10% Rs.
Managed Timber As at 31st March 2025	145,390,784	132,173,440	118,956,096

Sensitivity variation on discount rate

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

Discount rate fluctuation	+1 % Rs.	0 Rs.	-1 % Rs.
Managed Timber As at 31st March 2025	142,172,172	132,173,440	123,024,081

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

	GROUP		COMPANY	
AS AT 31ST MARCH	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
15. INTANGIBLE ASSETS				
Goodwill on Acquisition (Note 15.1)	561,135,745	561,135,745	-	-
Computer Software (Note 15.2)	634,068	-	634,068	-
	561,769,813	561,135,745	634,068	-

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
15.1 Goodwill on Acquisition				
At the Beginning of the Year	561,135,745	571,237,477	-	-
Impairment During the Year	-	(10,101,732)	-	-
At the End of the Year	561,135,745	561,135,745	-	-

15.1.1 Goodwill on Acquisition Consist of Following Company

Renuka Agri Organics Limited	561,135,745	561,135,745	-	-
	561,135,745	561,135,745	-	-

Renuka Agri Organics Limited

The recoverable amount of this CGU was based on fair value less cost of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a level 3 fair value based on the inputs in the valuation technique used. Estimated Recoverable value exceeded carrying value by Rs. 558,465,186.

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

Discount rate 10%
Revenue growth rate 10%
Terminal growth rate 3%

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the value in use measurement, in respect of the year ended 31st March 2025.

Key assumptions	Total Equity Value Rs.
Current valuation of the company	2,670,559
Revenue growth rate increases by 1%	207,787,662
Revenue growth rate decreases by 1%	(207,787,662)
Discount rate increases by 1%	374,338,792
Discount rate decreases by 1%	(374,338,792)

Coco Lanka (Pvt) Limited

Based on the assesment made on goodwill on aquisition from coco lanka (Pvt) Ltd has fully impaired for the year ended 31st March 2024.

	GROUP		COMPANY	
AS AT 31ST MARCH	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
15.2 Computer Software				
Transferred from PPE	634,068	-	634,068	-
Balance at the end	634,068	-	634,068	-

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

16. RIGHT OF USE ASSETS

	GROUP		COMPANY	
AS AT 31ST MARCH	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
16.1 Carrying Value of Right to use Assets				
Balance as at the beginning	124,698,740	137,128,768	62,971,826	65,252,785
Amortization during the year - BOI Land / Right-To-Use Estate	(10,060,562)	(10,149,069)	-	-
Amortization during the year - Head Office Building	(2,280,959)	(2,280,959)	(2,280,959)	(2,280,959)
At the end of the year	112,357,219	124,698,740	60,690,867	62,971,826

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

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

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

Kandy Plantations Limited - Giriulla Estate

Ceylon Forestry (Pvt) Limited - Matale Estate

Renuka Agri Organics Limited - BOI Lands at Wathupitiwala, Unagahadeniya, Dankotuwa

	GROUP		COMPANY	
AS AT 31ST MARCH	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
17. Investment in Subsidiary Companies - Unquoted				
Renuka Agri Organics Limited	-	-	152,499,000	-
Renuka Developments (Pvt) Limited	-	-	1,604,162,617	2,005,203,321
	-	-	1,756,661,617	2,005,203,321

	% Holding		No. of Shares	
17.1 Investment in subsidiary - Company	2025	2024	2025	2024
Renuka Agri Organics Limited	40%	60%	624,950	-
Renuka Developments (Pvt) Limited	80%	100%	12,407,728	15,509,660

17.2 Group Investments in Subsidiaries

On 31st December 2024, Coco Lanka (Pvt) Limited conducted a new share issue, and Kandy Plantations Limited acquired the entire 250,000 Shares of Coco Lanka (Pvt) Limited share issue at a consideration of Rs. 25,000,000. From this investment, the group effective holding has been increased from 89% to 98%.

On 31st December 2024, Renuka Agri Foods PLC acquired 799,950 shares of Renuka Agri Organics (Pvt) Limited, which was previously owned by Renuka Foods PLC (NCI), for a consideration of Rs.152,499,000. from this investment group's effective holding of Renuka Agri Organics (Pvt) Limited has increased from 60% to 100%. From this investment the Company's effective holding has been increased to 40%.

On 25th March 2025, Renuka Agri Foods PLC disposed 3,101,932 Shares of Renuka Developments (Pvt) Limited for Rs.401,040,74 to Shaw Wallace Ceylon (Pvt) Limited (Associate). From this investment groups' effective holding has been decreased from 100% to 86%.

17.3 PRINCIPAL SUBSIDIARIES

The following disclosure excerpt highlights the group composition and the proportion of ownership interests held by Non Controlling Interest.

		As at 31 March 2025				As at 31 March 2024		
Company and Country of Incorporation/ Operation	Principal Activities	Class of Shares held	Proportion of class held	Group Interest (%)	Non-controlling interest (%)	Proportion of class held	Group Interest (%)	Non-controlling interest (%)
Renuka Developments (Pvt) Limited	Organic certification licence holder and investment in plantation / farm & vertical integration projects	Ordinary	100%	86.36%	13.64%	100.00%	100.00%	0.00%
Kandy Plantations Limited (KPL)	Engaged in organic certified cultivation of agriculture	Ordinary	100%	86.17%	13.83%	100.00%	85.32%	14.68%
Ceylon Forestry (Pvt) Limited (CFL)	Planting and managing of Forestry	Ordinary	100%	51.70%	48.30%	100.00%	39.95%	60.05%
Coco Lanka (Pvt) Limited (CLP)	Plantation	Ordinary	100%	86.22%	13.78%	100.00%	75.77%	24.23%
Renuka Agri Organics Limited	Manufacture and export of Coconut cultivation of Agri culture	Ordinary	100%	91.82%	8.18%	100.00%	60.00%	40.00%

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

17 INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

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

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

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

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

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

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

17.4 NON-CONTROLLING INTERESTS (NCI)

The following table summarizes the information relating to the Group's subsidiary that has material NCI.

	Renuka Developments (Pvt) Limited	Renuka Agri Organics Limited
	2025	2025
NCI Percentage	14%	8.18%
	Amount (Rs.)	Amount (Rs.)
Non-current assets	2,023,545,087	618,127,847
Current assets	33,580,907	450,652,600
Non-current liabilities	(44,618,770)	(81,203,723)
Current liabilities	(1,474,390)	(270,570,956)
Net Assets	2,011,032,834	717,005,768
Net Assets attributable to NCI	274,249,640	58,670,380
Revenue	7,200,000	1,274,203,014
Profit	(10,962,571)	(75,778,118)
Other Comprehensive Income	58,933,126	75,793,807
Total Comprehensive Income	47,970,555	15,689
Profit allocated to NCI	(1,494,994)	(6,200,691)
OCI allocated to NCI	8,036,860	6,201,974
Cash flows used in operating activities	14,430,808	(87,733,165)
Cash flows used in Investment activities	-	(6,014,249)
Cash flows from finance activities	-	(7,443,488)

17.5 Changes in Interest Without a Change in Control

On 31st December 2024, Renuka Agri Foods (Pvt) Limited has additionally invested in 799,950 shares of Renuka Agri Organics Limited and as a result the effective interest of the subsidiaries held by Renuka Agri Foods PLC has changed which has change the Group effective interest of those respective subsidiaries.

On 31st December 2024, Kandy Plantations Limited has additionally invested in 250,000 shares of Coco Lanka (pvt) Limited. as a result the effective interest of the subsidiaries held by Kandy Plantations Limited has changed which has changed the Group effective interest of those respective subsidiaries.

On 25th March 2025, Renuka Agri Foods PLC has disposed 3,101,932 shares of Renuka Developments (Pvt) Limited to Shaw Wallace Ceylon Limited (Associate). As a result effective interest of the subsidiaries held by Renuka Agri Foods PLC has changed which has changed the Group effective interest of those respective subsidiaries.

	Renuka Agri organics Limited	Renuka Developments (Pvt) Limited	Total
Change in effective interest of NCI (%)	40.00%	-13.64%	
Consideration Paid /(Received) (Rs.)	152,499,000	(401,040,704)	(248,541,704)
Net carrying amount of NCI acquired (Rs.)	(265,463,065)	274,249,640	8,786,575
Increase in equity attributable to owners of the Company (Rs.)	(112,964,065)	(126,791,064)	(239,755,129)

Other sub-subsidiaries

	Change in NCI Effective Holding %	Change in NCI (Rs.)
Renuka Agri Organics Limited	31.81%	58,896,425
Kandy Plantations (Pvt) Limited	-0.85%	(2,287,407)
Coco Lanka (Pvt) Limited	-10.45%	(16,587,992)
Ceylon Forestry (Pvt) Limited	-11.75%	(3,588,624)
Decrease in equity attributable to owners of the Company (Rs.)		36,432,401
Net decrease in equity attributable to owners of the Company (Rs.)		45,218,976

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

* a decrease in the revaluation reserves of Rs. 20,143,545; and

* an increase in the retained earnings of Rs. 223,466,273.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

	GROUP		COMPANY	
AS AT 31ST MARCH	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
18. INVESTMENT IN EQUITY ACCOUNTED INVESTEEES				
Shaw Wallace Ceylon Limited	1,034,643,768	920,568,094	-	-
	1,034,643,768	920,568,094	-	-
	Shaw Wallace Ceylon Limited			
	2025 (Rs.)		2024 (Rs.)	
Opening balance as at 1st April	920,568,094		1,026,032,877	
Investment during the year	-		9,532	
Share of Profit /(Loss) for the year	4,912,930		(71,098,755)	
Recognized in other comprehensive income-	109,162,744		(20,807,028)	
Share of net assets directly recorded in equity	-		(13,570,401)	
Gain on Additional Investment	-		1,870	
Closing balance 31st March	1,034,643,768		920,568,094	

18.1 PRINCIPAL ASSOCIATES

The following disclosure provides summarized financial information for associates and a reconciliation to the carrying amount in the statement of financial position.

Name of associate and place of incorporation	Principal Activities	Financial statement reporting date	% holding in voting rights 2025	% holding in voting rights 2024
Shaw Wallace Ceylon Limited (SWCL)	Manufacture, market and distribute Fast moving consumer goods	31st March	39.77%	39.77%
			SWCL 2025	SWCL 2024
Percentage Ownership Interest			39.77%	39.77%
Non-current assets			3,107,883,002	2,485,180,706
Current assets			762,527,881	768,856,423
Non-current liabilities			(383,553,502)	(337,451,613)
Current liabilities			(885,122,245)	(601,707,268)
Net Assets (100%)			2,601,735,136	2,314,878,249
Group's share of net assets			1,034,643,768	920,556,692
Goodwill			-	-
Carrying amount in the statement of financial position			1,034,643,768	920,556,692

Share of profit and summarized financial information of associates

	GROUP		COMPANY	
Share of Profit/ (Loss) after Tax of Associates	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
Shaw Wallace Ceylon Limited	4,912,930	(71,098,755)	-	-
Share of profit/ (loss)				
For the year ended 31st March				
Revenue	1,844,395,689	2,772,905,384	-	-
Profit for the year	12,354,150	(178,788,414)	-	-
Company's Share of profit/(loss) after Tax	4,912,930	(71,098,755)	-	-
Company's Share of OCI, net of tax	109,162,744	(20,807,028)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

AS AT 31ST MARCH	GROUP		COMPANY	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
19. INVENTORIES				
Raw Materials and Consumables	179,529,114	114,831,521	94,160,096	84,266,086
Finished Goods	390,118,747	565,524,146	294,890,761	375,250,929
Packing Material and Consumables	356,147,983	211,854,604	291,942,763	142,558,723
Machinery Spare Parts	305,926,306	261,870,771	294,376,228	252,115,446
Goods in Transit	61,220,047	9,845,811	60,444,678	6,051,289
Work in Progress	11,321,728	47,208,955	-	-
	1,304,263,925	1,211,135,808	1,035,814,526	860,242,473
Less : Provision for the Obsolete Inventories (Note 19.1)	(29,798,017)	(41,319,080)	(2,646,504)	(14,141,442)
	1,274,465,908	1,169,816,728	1,033,168,022	846,101,031
19.1 Provision for Obsolete Inventories				
Balance at the Beginning	41,319,080	114,346,520	14,141,442	71,488,802
Reversal made During the Year	(11,521,063)	(73,027,440)	(11,494,938)	(57,347,360)
Balance at the End	29,798,017	41,319,080	2,646,504	14,141,442
20. TRADE AND OTHER RECEIVABLES				
Trade Receivable	1,437,968,094	882,906,045	1,325,945,357	726,293,369
Less : Provision for Impairment (Note 20.1)	(5,427,764)	(3,793,383)	(3,122,062)	(1,342,339)
Trade Receivable (Net)	1,432,540,330	879,112,662	1,322,823,295	724,951,030
Staff Loans and Advances	15,986,140	8,613,802	9,569,206	5,531,881
Other Receivable	1,449,617	9,421,933	-	6,349,126
Pre- Payments	18,312,071	23,237,254	17,638,926	20,506,390
Deposit and Advances	667,364,650	327,564,077	586,078,497	292,608,683
	703,112,478	368,837,066	613,286,629	324,996,080
Less : Impairment provision for other receivables	(21,895,233)	-	(16,721,394)	-
	2,113,757,575	1,247,949,728	1,919,388,530	1,049,947,110
20.1 Impairment Provision on Trade Receivables				
Balance as at the beginning	3,793,383	6,123,203	1,342,339	3,663,906
Charge/ (Reversal) during the year	1,634,381	(2,329,820)	1,779,723	(2,321,567)
Balance as at the end	5,427,764	3,793,383	3,122,062	1,342,339
20.2 Impairment Provision on Other Receivables				
Balance as at the beginning	-	-	-	-
Charge during the year	21,895,233	-	16,721,394	-
Balance as at the end	21,895,233	-	16,721,394	-
21. TAX RECOVERABLES				
VAT Recoverable	4,560,809	3,779,787	-	-
Income Tax	3,351,490	3,193,512	-	-
WHT Recoverable	1,742,881	919,300	-	-
	9,655,180	7,892,599	-	-
22. AMOUNTS DUE FROM RELATED COMPANIES				
Renuka Holding PLC	-	104,501	-	-
Renuka Agro Exports Limited	-	303,238	-	303,238
Renuka Foods PLC	-	10,931,166	-	10,931,166
Renuka Agri Organics Limited	-	-	-	53,674,587
Richlife Diaries Limited	1,448,472	582,631	1,448,472	582,631
Shaw Wallace Ceylon Limited	1,216,217	14,342,605	-	11,421,907
	2,664,689	26,264,141	1,448,472	76,913,529
Less : Impairment Provision (Note 22.1)	(8,916)	(1,019,921)	(8,916)	(614,158)
	2,655,773	25,244,220	1,439,556	76,299,371

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

AS AT 31ST MARCH

	GROUP		COMPANY	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
22.1. Impairment Provision on amounts due from related companies				
Balance as at the beginning				
Reversal during the year	1,019,921	1,019,921	614,158	867,879
Balance as at the end	(1,011,005)	-	(605,242)	(253,721)
	8,916	1,019,921	8,916	614,158

23. CASH AND CASH EQUIVALENTS

Call Deposits	53,177,523	7,744,714	36,630,411	7,744,714
Cash at Bank and Cash in Hand	156,905,806	176,955,623	136,414,688	54,872,336
	210,083,329	184,700,337	173,045,099	62,617,050
Bank Overdrafts	(40,225,161)	(158,010,872)	(15,971,905)	(157,502,825)
Cash and Cash equivalents for the purpose of statement of Cash Flow	169,858,168	26,689,465	157,073,194	(94,885,775)

	2025		2024	
	Value of Shares (Rs.)	No. of Shares	Value of Shares (Rs.)	No. of Shares
24. STATED CAPITAL				
Balance as at the Beginning of the Year	1,242,201,700	570,592,362	1,194,452,950	561,750,000
Right issue during the year	570,592,360	228,236,943	-	-
Script Dividend	-	-	47,748,750	8,842,362
Balance at the Year End	1,812,794,060	798,829,305	1,242,201,700	570,592,362

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

24.1 Right issue of ordinary shares

At the Extraordinary General Meeting held on 29 th March 2024 shareholders approved the resolution to issue ordinary (voting) shares by way of a rights issue to existing shareholders of the Company in the proportion of 2 shares for every 5 ordinary shares held as at the end of trading on 6 th March 2024 at the issue price of LKR 2.50/- per share .Accordingly,the company raised LKR570,592,360 through the issue of 228,236,944 shares net of costs related to costs related to share issue.

Disclosures regarding the utilization of funds as per the objectives stated in the right issue circular.

Objective Number	1
Objective as per Circular	Settlement of short term bank loan
Amount allocated as per circular (LKR)	570,592,360
Proposed date of utilization as per the circular	Prior to 31.03.2025
Amount allocated Upon receipts of proceeds LKR(A)	570,592,360
Percentage of Total proceeds	100%
Amount utilized as at 31 March 2025 (B)	570,592,390
Amount utilization against allocation(B/A)	100%
Clarification if not fully utilized including where the funds are invested (whether lent to related parties etc.)	Completely utilized

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
25. REVALUATION RESERVE				
Opening Balance	228,683,474	239,485,514	119,253,743	119,253,743
Effect of change in holding in subsidiary	(20,143,545)	(10,802,040)	-	-
Surplus on revaluation of building	234,921,423	-	62,533,747	-
Closing balance	443,461,352	228,683,474	181,807,490	119,253,743

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

26. RETIREMENT BENEFIT OBLIGATION

Balance as at the Beginning of the Year	62,068,244	58,091,397	50,838,408	49,954,031
Interest Cost for the Year	6,827,507	11,327,822	5,592,225	9,741,036
Current Service Cost for the Year	7,765,645	6,906,273	5,873,449	5,074,305
Payments Made During the Year	(4,473,540)	(10,673,072)	(2,285,672)	(7,061,479)
Actuarial Gain for the Year	(5,772,913)	(3,584,176)	(3,440,299)	(6,869,485)
Balance at the Year End	66,414,943	62,068,244	56,578,111	50,838,408
Recognised in statement of Profit or Loss	14,593,152	18,234,095	11,465,674	14,815,341
Recognised in statement of other comprehensive income	(5,772,913)	(3,584,176)	(3,440,299)	(6,869,485)
	8,820,239	14,649,919	8,025,375	7,945,856

An actuarial valuation of retirement benefit obligation was carried out as at 31st March 2024 by Mr. M. Poopalanathan, Actuarial and Management Consultants (Private) Limited. The valuation methods used by the actuary to value the benefit is the "Projected unit credit method", the method recommended by the Sri Lanka Accounting Standards No 19 (LKAS 19) "Employee Benefits". The Principal assumptions used were as follows and those had been uniformly applied to all the companies in the Group.

	2025	2024
1. Retirement age	54-60 Years	60 years
2. Discount rate	10%	11%
3. Salary increment rate	10%	10%
4. Demographic Assumption	A 1967/70 Mortality Table	A 1967/70 Mortality Table

The Future working life time of an individual, as per the assumptions made as at 31st March 2025 is 2.9 for the Group and 2.9 for the Company.

A long-term treasury bond rate of 10% (2024-11%) has been used to discount future liabilities taking in to consideration the remaining working life of the eligible employees. The effect of this change resulted in an actuarial loss as the liability was higher due to lower discounting of the liability to the valuation date.

26.1 Sensitivity Analysis

In order to illustrate the significance of the Salary Escalation rate and Discount Rate assumed in this valuation as at 31 March 2025, we have conducted a sensitivity analysis for all employees assuming the following salary escalation rate and discount rate.

Discount Rate	Salary Escalation rate	Present Value of Defined Benefit Obligation (Rs.)	
		Group	Company
One Percentage Point increase	As given in Report	(65,031,375)	(55,350,838)
One Percentage Point decrease	As given in Report	67,907,851	57,879,116
As given in Report	One Percentage Point increase	68,054,306	58,000,020
As given in Report	One Percentage Point decrease	(64,848,033)	(55,213,294)

26.2 Maturity Analysis

The following payments are expected on employee benefit plan - gratuity in future years.

	2025		2024	
	Group Rs.	Company Rs.	Group Rs.	Company Rs.
Within the next 12 months	26,158,739	24,289,526	26,289,647	23,419,441
Between 1-2 years	18,186,977	15,111,525	15,131,315	11,859,690
Between 2-5 years	14,390,208	10,824,181	14,450,454	10,909,075
Between 5-10 years	6,682,090	5,501,240	5,562,346	4,106,477
Beyond 10 years	996,929	851,639	634,482	543,725
Total	66,414,943	56,578,111	62,068,244	50,838,408
Weighted average duration (years) of defined benefit obligation	3.22	2.4	3.3	2.3

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

AS AT 31ST MARCH	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
27 LOANS AND BORROWINGS				
Balance at the Beginning of the Year	1,941,933,746	2,102,430,047	1,791,933,746	2,091,055,400
Borrowings During the Year	10,748,559,040	7,212,995,000	9,763,559,040	6,658,995,000
Repayment During the year	(10,123,299,488)	(7,507,291,301)	(9,143,299,488)	(6,958,116,654)
Balance at the Year End	2,567,193,298	1,941,933,746	2,412,193,298	1,791,933,746
27.1 Repayment Due within One Year	2,424,138,698	1,690,545,546	2,269,138,698	1,540,545,546
27.2 Repayment Due After One Year	143,054,600	251,388,200	143,054,600	251,388,200
	2,567,193,298	1,941,933,746	2,412,193,298	1,791,933,746

27.3 Details of Loans and Borrowings of the Company

Name of the Bank /Lessor	Facility Obtained	Outstanding Balance (Rs)		Repayment Terms	Assets Pledged
20252024					
Renuka Agri Foods PLC					
Sampath Bank PLC	Short Term Loan	409,000,000	320,000,000	Repayable on Demand	
Hatton National Bank PLC	Short Term Loan	1,250,000,000	1,012,000,000	Repayable on Demand	
Hatton National Bank PLC	Term Loan	137,500,000	212,500,000	Commecning from March 2021	Negative pledge over Coconut milk processing plant for UHT
Commercial Bank of Ceylon PLC	Term Loan	113,888,200	147,221,800	71 monthly installements of Rs. 2,777,800/- & Rs. 2,776,200 as final.	Rs. 200 Mn. Corporate Guarantee from Renuka Foods PLC
National Development Bank PLC	Packing Credit Loan	-	-	Repayable on Demand	Lodgment of confirmed orders
National Development Bank PLC	Short Term Loan	501,805,098	100,211,946	Repayable on Demand	
		2,412,193,298	1,791,933,746		

27.4 Details of Loans and Borrowings of the Group

Name of the Bank /Lessor	Facility Obtained	Outstanding Balance (Rs)		Repayment Terms	Assets Pledged
20252024					
Renuka Agri Foods PLC					
Sampath Bank PLC	Short Term Loan	409,000,000	320,000,000	Repayable on Demand	
Hatton National Bank PLC	Short Term Loan	1,250,000,000	1,012,000,000	Repayable on Demand	
Hatton National Bank PLC	Term Loan	137,500,000	212,500,000	Commecning from March 2021	Negative pledge over Coconut milk processing plant for UHT
Commercial Bank of Ceylon PLC	Term Loan	113,888,200	147,221,800	71 monthly installements of Rs. 2,777,800/- & Rs. 2,776,200 as final.	Rs. 200 Mn. Corporate Guarantee from Renuka Foods PLC
National Development Bank PLC	Short Term Loan	501,805,098	100,211,946	Repayable on Demand	
Renuka Agri Organics Limited					
Hatton National Bank PLC	Packing Credit Loan	155,000,000	150,000,000	Repayable on Demand	Lodgment of confirmed orders
		2,567,193,298	1,941,933,746		

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

AS AT 31ST MARCH	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
28. LEASE LIABILITIES				
Balance as at the Beginning of the Year	178,095,391	190,851,438	89,323,033	93,562,501
Interest for the Year	13,435,140	14,631,770	4,204,365	4,539,482
Repayments During the Year	(23,313,608)	(23,461,614)	(5,754,866)	(6,115,446)
Exchange Loss for the Year	(9,595,381)	(3,926,203)	(5,266,688)	(2,663,504)
Balance at the End of the Year	158,621,542	178,095,391	82,505,844	89,323,033
Lease rentals Payables within One Year	16,157,281	20,878,146	5,754,866	6,115,445
Lease Rental Payable After One Year	142,464,261	157,217,245	76,750,978	83,207,588
Balance Payable as at Year End	158,621,542	178,095,391	82,505,844	89,323,033
28.1 Analysis by Company				
Renuka Agri Foods PLC (Note 28.2)	82,505,844	89,323,033	-	-
Kandy Plantations Limited (Note 28.3)	19,627,173	19,806,988	-	-
Renuka Agri Organics (Pvt) Limited (Note 28.4)	55,977,790	68,421,275	-	-
Ceylon Forestry (Pvt) Limited (Note 28.5)	510,735	544,095	-	-
	158,621,542	178,095,391	-	-
28.2 Renuka Agri Foods PLC			BOI Land	Total Rs.
Balance as at the Beginning of the Year			89,323,033	89,323,033
Interest for the year			-	-
Payments made during the year			4,204,365	4,204,365
Exchange (Gain) / Loss			(5,754,866)	(5,754,866)
			(5,266,688)	(5,266,688)
			82,505,844	82,505,844
Lease Rental Payable within One Year			5,754,866	5,754,866
Lease Rental Payable After One Year			76,750,978	76,750,978
			82,505,844	82,505,844
28.3 Kandy Plantations Limited			Giriulla Land Rs.	Total Rs.
Balance as at the Beginning of the Year			19,806,988	19,806,988
Interest for the year			2,445,185	2,445,185
Repayments During the Year			(2,625,000)	(2,625,000)
Balance as at the Year end			19,627,173	19,627,173
Lease Rental Payable within One Year			1,194,019	1,194,019
Lease Rental Payable After One Year			18,433,154	18,433,154
			19,627,173	19,627,173

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

28.4 Renuka Agri Organics Limited	Unagahadeniya	Fatima	BOI Land	Total
Balance as at the Beginning of the Year	14,615,695	10,931,971	42,873,611	68,421,277
Interest for the year	1,066,501	3,170,108	2,482,341	6,718,950
Payments made during the year	(7,200,000)	(4,800,000)	(2,833,744)	(14,833,744)
Exchange Loss	-	-	(4,328,693)	(4,328,693)
Balance as at the end	8,482,196	9,302,079	38,193,515	55,977,790
Lease Rental Payable within One Year	6,708,863	2,213,505	248,575	9,170,943
Lease Rental Payable After One Year	1,773,333	7,088,574	37,944,940	46,806,847
Balance as at the end	8,482,196	9,302,079	38,193,515	55,977,790

28.5 Ceylon Forestry (Pvt) Limited	Matale Land Rs.	Total Rs.
Balance as at the beginning of the year	544,095	544,095
Interest for the year	66,640	66,640
Repayments During the Year	(100,000)	(100,000)
Balance as at the Year end	510,735	510,735
Lease Rental Payable within One Year	37,453	37,453
Lease Rental Payable After One Year	473,282	473,282
	510,735	510,735

	GROUP		COMPANY	
AS AT 31ST MARCH	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
28.6 Amount recognized in profit or loss				
Interest on lease liabilities	13,435,140	14,631,770	4,204,365	4,539,482
Amortisation of Right to use Assets (Note 16)	12,341,522	12,430,028	2,280,959	2,280,959
28.7 Amount recognized in Statement of cash flows				
Total cash outflow for leases	23,313,608	23,461,614	5,754,866	6,115,446

29. DEFERRED TAXATION				
Balance at the Beginning	95,520,146	178,899,987	6,474,230	122,114,017
Brought forward amalgamation	-	41,559,446	-	-
Recognized/ (Reversed) in other comprehensive income during the year	70,570,293	667,233	11,554,942	1,030,423
Recognized/ (Reversed) in Statement of profit or loss	(72,521,408)	(125,606,520)	(44,898,321)	(116,670,210)
Balance at the Year end (Note 29.3)	93,569,031	95,520,146	(26,869,149)	6,474,230
29.1 Deferred tax asset	(26,869,149)	-	26,869,149	-
Deferred tax liability	120,438,180	95,520,146	-	6,474,230
	93,569,031	95,520,146	26,869,149	6,474,230

29.2 Renuka Agri Foods PLC have applied the effective tax rate of 15% (BOI Concessionary Rate) whereas, 30% was applied by Kandy Plantations Limited, Ceylon Forestry (Pvt) Limited, Renuka Developments Limited and Renuka Agri Organics Limited for the calculation of deferred tax asset/ liability as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

29.3 Provision for Tax is attributable to the followings.

AS AT 31ST MARCH	2025		2024	
	Temporary Differences Rs.	Tax Effects Rs.	Temporary Differences Rs.	Tax Effects Rs.
a. Company				
On Property, Plant and Equipment	1,046,299,942	156,944,991	1,010,642,742	151,596,411
On Right of use asset	60,690,897	9,103,630	62,971,826	9,445,774
On Revaluation of Land and Building	104,419,608	15,662,941	30,826,964	4,624,045
On Retirement Benefit Obligation	(56,578,110)	(8,486,717)	(50,838,408)	(7,625,761)
On Provision for Bad Debts/Stocks	(22,489,961)	(3,373,494)	(14,141,442)	(2,121,216)
On Tax losses	(1,228,964,163)	(184,344,625)	(906,977,119)	(136,046,568)
On lease liability	(82,505,850)	(12,375,877)	(89,323,032)	(13,398,455)
	(179,127,637)	(26,869,151)	43,161,531	6,474,230
b. Group				
On Property, Plant and Equipment	1,266,829,383	223,103,825	698,353,975	209,506,193
On Right of use asset	112,095,497	24,525,010	88,252,146	26,475,644
On Investment Property	155,000,000	46,500,000	138,531,487	41,559,446
On Retirement Benefit Obligation	(65,906,334)	(11,285,184)	(32,048,711)	(9,614,613)
On Revaluation of Land and Building	343,811,782	87,480,593	76,864,095	23,059,229
On lease liability	(158,110,811)	(35,057,366)	(99,408,267)	(29,822,480)
On Provision for Bad Debts/Stocks	(57,155,865)	(13,773,265)	(34,791,350)	(10,437,405)
On Tax losses	(1,374,230,690)	(227,924,583)	(517,352,890)	(155,205,867)
	222,332,962	93,569,031	318,400,485	95,520,146

Unrecognized Deferred Tax Asset

The deferred tax asset arising from accumulated tax losses carried forward was recognized only up to the extent of the expected future taxable profits.

The Group has not recognized the deferred tax asset on tax losses arising from Rs 16,152,305 of Ceylon Forestry (Pvt) Limited & Rs 27,451,969 of Renuka Developments (Pvt) Limited. Further in relation to these companies related other temporary differences are also not recognized, as the management is of the opinion that the realization of the same is remote.

AS AT 31ST MARCH	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
29.4 Reconciliation of Deferred Tax Provision				
Recognized in Profit or Loss	(72,521,408)	(125,606,520)	(44,898,321)	(116,670,210)
Recognized in OCI	70,570,293	667,233	11,554,942	1,030,423
	(1,951,115)	(124,939,287)	(33,343,379)	(115,639,787)
30. TRADE AND OTHER PAYABLES				
Trade Creditors	293,802,847	371,943,886	249,212,463	288,305,641
Accrued Expenses	174,834,182	159,055,033	137,413,116	120,561,192
Other Payables	440,337,595	377,957,333	428,382,715	367,455,309
	908,974,624	908,956,252	815,008,294	776,322,142
31. AMOUNT DUE TO RELATED COMPANIES				
Renuka Foods PLC	1,141,232	-	1,141,232	-
Kandy Plantation Limited	-	-	1,721,600	513,398
Renuka Agri Organics Limited	-	-	1,602,361	-
	1,141,232	-	4,465,193	513,398

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

As at 31st March 32. RELATED PARTY DISCLOSURES

32.1 The Group and the Company carries out transactions in the ordinary course of its business with parties who are defined as related parties as per 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 (at Arm's Length), 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 and interest free. 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:

RELATED PARTY	RELATIONSHIP	NAME OF THE COMMON DIRECTOR/S	NATURE OF TRANSACTIONS	AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS ENTERED IN TO DURING THE FINANCIAL YEAR	AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS AS A % OF NET REVENUE/INCOME	BALANCE OUTSTANDING AS AT 31ST MARCH		TERMS AND CONDITIONS OF THE RELATED PARTY TRANSACTION
						% 2025 (Rs.)	2024 (Rs.)	
Renuka Agro Exports Ltd	Subsidiary of Ultimate Parent Renuka Holdings PLC	Dr. S.R. Rajiyah	Payment for Coconuts	303,238	0.004%	-	303,238	Actual Basis
		Mrs. I.R. Rajiyah						
		Mr. S.V. Rajiyah						
		Mr. S. Vasantha Kumara						
Kandy Plantations Limited	Subsidiary of Ultimate Parent Renuka Holdings PLC	Dr. S.R. Rajiyah	Payment for Coconuts Net Coconut Purchase	(14,740,508) 15,948,710	-0.21% 0.22%	(1,721,600)	(513,398)	Settlement based on Market Rate Comparable Uncontrolled Price / arm's length transaction
		Mrs. I.R. Rajiyah						
		Mr. S.V. Rajiyah						
		Mr. S. Vasantha Kumara						
Richlife Dairies Limited	Subsidiary of Ultimate Parent Renuka Holdings PLC	Dr. S.R. Rajiyah	Net of Fund Received / Payments Contract packing	(12,363,630) 13,229,471	-0.17% 0.19%	1,448,472	582,631	Comparable Uncontrolled Price / arm's length transaction
		Mrs. I.R. Rajiyah						
		Mr. S.V. Rajiyah						
		Mr. S. Vasantha Kumara						
Renuka Enterprises Limited	Subsidiary of Ultimate Parent Renuka Holdings PLC	Dr. S.R. Rajiyah	Reimbursement of Expenses	(3,017,581)	-0.04%	-	-	Resale Price Method / arm's length transaction
		Mrs. I.R. Rajiyah						
		Mr. S.V. Rajiyah						
		Mr. S. Vasantha Kumara						
Shaw Wallace Ceylon Limited	Subsidiary of Ultimate Parent Renuka Holdings PLC	Dr. S.R. Rajiyah	Sales	602,245,935	8.43%	-	11,421,906	Resale Price Method / arm's length transaction
		Mrs. I.R. Rajiyah						
		Mr. S.V. Rajiyah						
		Mr. S. Vasantha Kumara						
Renuka Agri Organics Limited	Subsidiary of Ultimate Parent Renuka Holdings PLC	Mr. S. Vasantha Kumara	Net of Fund Received / Payments Purchase of materials	(203,017,824) 147,740,936	-2.84% 2.07%	(1,602,361)	53,674,587	Actual Basis
		Dr. S.R. Rajiyah						
		Mrs. I.R. Rajiyah						
		Mr. S.V. Rajiyah						
Renuka Foods PLC	Subsidiary of Ultimate Parent Renuka Holdings	Dr. S.R. Rajiyah	Net of Fund Received / Payments Interest Income	(25,138,088) 13,065,690	-0.35% 0.18%	(1,141,232)	10,931,166	Actual Basis Interest @ AWPPLR
		Mrs. I.R. Rajiyah						
		Mr. S.V. Rajiyah						
		Mr. S. Vasantha Kumara						
Renuka Land (Pvt) Limited	Director	Mrs. I.R. Rajiyah	Rent Expenses	14,400,000	-	-	-	Comparable Uncontrolled Price
		Mr. S.V. Rajiyah						
Renuka International Limited	Director	Mr. S.V. Rajiyah	Royalty Payments	60,361,049	-	-	-	Comparable Uncontrolled Price

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

32.2 Transactions with Key Management Personnel

Key Management Personnel includes members of Board of Directors of the Company and Subsidiaries

	GROUP		COMPANY	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
AS AT 31ST MARCH				
Short Term Employee benefits	93,760,000	87,350,506	67,540,000	62,690,506
Rent	14,400,000	11,328,000	14,400,000	11,328,000
Total Compensation Paid to Key Management Personnel	108,160,000	98,678,506	81,940,000	74,018,506

33. CONTINGENT LIABILITIES

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

Kandy Plantations Limited

Case 1: Land Reform Commission has filed a case against the Trustees of the De Croos Trust and the Company, seeking declaration of ownership over "Giriulla Estate," nullification of lease agreements, and damages. Based on legal advice, the Company believes there is a strong likelihood of the case being resolved in favor of the Trustees and the Company.

Case 2: The Company has filed a case against a former watcher (now substituted by his widow) for eviction and recovery of unauthorized occupation charges at Rs. 1,000 per day from 21st April 2011. The matter is fixed for judgment on 30th October 2025.

34. CAPITAL COMMITMENTS

There were no material capital commitments as at the reporting date.

35. EVENTS OCCURRING AFTER REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen which would require adjustment to or disclosure in the financial statements.

36. COMPARATIVE INFORMATION

Comparative information has been reclassified where necessary to conform with the current year presentation.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

37. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Fair Value Hierarchy

The Group/Company uses the following hierarchy for determining and disclosing financial instruments by valuation techniques.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Group

31st March 2025	Carrying Amount		Fair Value					
	Financial Assets at Amortised cost	FVTOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total (Rs.)
Financial assets not measured at fair value								
Trade and other receivables	1,449,976,087	-	-	1,449,976,087	-	-	-	1,449,976,087
Amounts due from related companies	2,655,773	-	-	2,655,773	-	-	-	2,655,773
Cash and cash equivalents	210,083,329	-	-	210,083,329	-	-	-	210,083,329
	1,662,715,189	-	-	1,662,715,189	-	-	-	1,662,715,189
Financial liabilities not measured at fair value								
Bank overdrafts	-	-	40,225,161	40,225,161	-	-	-	40,225,161
Secured bank loans	-	-	2,567,193,298	2,567,193,298	-	-	-	2,567,193,298
Amounts due to related companies	-	-	1,141,232	1,141,232	-	-	-	1,141,232
Lease liabilities	-	-	158,621,542	158,621,542	-	-	-	158,621,542
Trade and Other payables	-	-	293,802,847	293,802,847	-	-	-	293,802,847
	-	-	3,060,984,080	3,060,984,080	-	-	-	3,060,984,080
31st March 2024								
	Financial Assets at Amortised cost	FVTOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total (Rs.)
Financial assets not measured at fair value								
Trade and other receivables	879,112,662	-	-	879,112,662	-	-	-	879,112,662
Amounts due from related companies	25,244,220	-	-	25,244,220	-	-	-	25,244,220
Cash and cash equivalents	184,700,337	-	-	184,700,337	-	-	-	184,700,337
	1,089,057,219	-	-	1,089,057,219	-	-	-	1,089,057,219
Financial liabilities not measured at fair value								
Bank overdrafts	-	-	158,010,872	158,010,872	-	-	-	158,010,872
Secured bank loans	-	-	1,941,933,746	1,941,933,746	-	-	-	1,941,933,746
Lease liabilities	-	-	178,095,391	178,095,391	-	-	-	178,095,391
Trade and Other payables	-	-	371,943,886	371,943,886	-	-	-	371,943,886
	-	-	2,649,983,895	2,649,983,895	-	-	-	2,649,983,895

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

37.1 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Company

31st March 2025	Carrying Amount		Fair Value		
	Financial Assets at Amortised cost	FVTOCI	Other financial liabilities	Total	Level 1 Level 2 Level 3 Total (Rs.)
Financial assets not measured at fair value					
Trade and other receivables	1,335,514,563	-	-	1,335,514,563	- - - 1,335,514,563
Amounts due from related companies	1,439,556	-	-	1,439,556	- - - 1,439,556
Cash and cash equivalents	173,045,099	-	-	173,045,099	- - - 173,045,099
	1,509,999,218	-	-	1,509,999,218	- - - 1,509,999,218
Financial liabilities not measured at fair value					
Secured bank loans	-	-	2,412,193,298	2,412,193,298	- - - 2,412,193,298
Amounts due to related companies	-	-	4,465,193	4,465,193	- - - 4,465,193
Lease liabilities	-	-	82,505,844	82,505,844	- - - 82,505,844
Trade and Other payables	-	-	249,212,463	249,212,463	- - - 249,212,463
	-	-	2,764,348,703	2,764,348,703	- - - 2,764,348,703

31st March 2024	Carrying Amount		Fair Value		
	Financial Assets at Amortised cost	FVTOCI	Other financial liabilities	Total	Level 1 Level 2 Level 3 Total (Rs.)
Financial assets not measured at fair value					
Trade and other receivables	724,951,030	-	-	724,951,030	- - - 724,951,030
Amounts due from related companies	76,299,371	-	-	76,299,371	- - - 76,299,371
Cash and cash equivalents	62,617,050	-	-	62,617,050	- - - 62,617,050
	863,867,451	-	-	863,867,451	- - - 863,867,451
Financial liabilities not measured at fair value					
Secured bank loans	-	-	1,791,933,746	1,791,933,746	- - - 1,791,933,746
Amounts due to related companies	-	-	513,398	513,398	- - - 513,398
Lease obligation	-	-	89,323,033	89,323,033	- - - 89,323,033
Trade payables	-	-	288,305,641	288,305,641	- - - 288,305,641
Bank overdrafts	-	-	157,502,825	157,502,825	- - - 157,502,825
	-	-	2,327,578,643	2,327,578,643	- - - 2,327,578,643

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

38. OPERATING SEGMENTS

Segment information is presented in respect of the Group's operating segments. Operating Segments are based on the Group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment Capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than a period of one year.

The Group Comprises the following main operating segments:

Manufacturing - Manufacture and Export coconut based products.

Plantation - Engaged in cultivation of agriculture.

SEGMENTAL INCOME STATEMENT

	Manufacturing		Plantation		Group	
For the year ended 31st March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	7,186,009,801	5,790,644,101	44,959,544	41,450,194	7,230,969,345	5,832,094,295
Intra Group	(47,840,081)	(305,655,635)	(39,634,035)	(9,254,355)	(87,474,116)	(314,909,990)
Segment Revenue	7,138,169,720	5,484,988,466	5,325,509	32,195,839	7,143,495,229	5,517,184,305
Gross Profit	633,265,497	261,396,827	29,223,524	28,855,977	662,489,021	290,252,804
Other Operating Income	2,666,705	21,322,077	76,830,846	17,519,949	79,497,551	38,842,026
Administration Expenses	(543,439,807)	(359,162,619)	(46,573,553)	(46,460,773)	(590,013,360)	(415,725,124)
Selling and Distribution Expenses	(211,689,688)	(166,988,541)	-	-	(211,689,688)	(166,988,541)
Segment Profit from Operations	(119,197,293)	(243,432,256)	59,480,817	(84,847)	(59,716,476)	(253,618,835)
Finance Income	145,518,573	323,452,110	783,206	852,125	146,301,779	324,304,235
Finance Cost	(402,436,641)	(827,868,734)	(3,773,849)	(3,897,475)	(406,210,490)	(831,766,209)
Segment Net Finance Cost	(256,918,068)	(504,416,624)	(2,990,643)	(3,045,350)	(259,908,711)	(507,461,974)
Share of Profit for Equity	4,912,930	(71,096,885)	-	-	4,912,930	(71,096,885)
Profit / (Loss) Before Tax	(371,202,431)	(829,047,497)	56,490,174	(3,130,197)	(314,712,257)	(832,177,694)
Taxation	69,657,844	176,320,595	3,181,311	(181,542)	72,839,155	176,139,053
Profit/ (Loss) for the Year	(301,544,587)	(652,726,902)	59,671,485	(3,311,739)	(241,873,102)	(656,038,641)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

38.1 Operating Segments (Cont.)

SEGMENTAL FINANCIAL POSITION

	Manufacturing		Plantation		Group	
As at 31st March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	2,291,938,961	2,076,801,131	521,597,659	289,672,470	2,813,536,620	2,366,473,601
Investment properties	-	-	167,200,000	167,200,000	-	167,200,000
Biological Assets	-	-	244,171,903	160,986,808	244,171,903	160,986,808
Intangible Assets	561,135,745	561,135,745	634,068	-	561,769,813	561,135,745
Right of use Assets	107,946,014	119,738,059	4,411,205	4,960,681	112,357,219	124,698,740
Investment In Equity Accounted Investees	1,034,643,768	920,568,094	-	-	1,034,643,768	920,568,094
Segment Non-Current Assets	4,022,533,638	3,678,243,029	938,014,835	622,819,959	4,793,348,473	4,301,062,988
Current Assets						
Inventories	1,268,011,059	1,159,804,999	6,454,849	10,011,729	1,274,465,908	1,169,816,728
Trade and Other Receivables	2,110,625,641	1,244,151,339	3,131,934	3,798,389	2,113,757,575	1,247,949,728
Tax Recoverable	7,868,947	6,274,894	1,786,233	1,617,705	9,655,180	7,892,599
Amounts Due from Related Companies	2,655,773	25,244,220	-	-	2,655,773	25,244,220
Cash and Cash Equivalents	208,680,522	161,215,774	1,402,807	23,484,563	210,083,329	184,700,337
Segment Current Assets	3,597,841,942	2,596,691,226	12,775,823	38,912,386	3,610,617,765	2,635,603,612
TOTAL ASSETS	7,620,375,580	6,274,934,255	950,790,658	661,732,345	8,403,966,238	6,936,666,600
Non-Current Liabilities						
Retirement Benefit Obligations	64,106,092	57,467,916	2,308,851	4,600,328	66,414,943	62,068,244
Loans and Borrowings	143,054,600	251,388,200	-	-	143,054,600	251,388,200
Lease Obligation	123,557,825	137,954,337	18,906,436	19,262,908	142,464,261	157,217,245
Deferred Tax Liability	71,487,665	53,960,700	48,950,515	41,559,446	120,438,180	95,520,146
Segment Non-Current Liabilities	402,206,182	500,771,153	70,165,802	65,422,682	472,371,984	566,193,835
Current Liabilities						
Loans and Borrowings	2,424,138,698	1,690,545,546	-	-	2,424,138,698	1,690,545,546
Lease Obligation	14,925,809	19,789,971	1,231,472	1,088,175	16,157,281	20,878,146
Trade and Other Payables	897,042,907	895,021,105	11,931,717	13,935,147	908,974,624	908,956,252
Amounts Due to Related Companies	1,141,232	-	-	-	1,141,232	-
Dividend Payable	6,366,081	6,366,081	-	-	6,366,081	6,366,081
Income Tax Payable	481,180	873,696	3,482	175,313	484,662	1,049,009
Bank Overdraft	39,768,699	157,502,825	456,462	508,047	40,225,161	158,010,872
Segment Current Liabilities	3,383,864,606	2,770,099,224	13,623,133	15,706,682	3,397,487,739	2,785,805,906
TOTAL LIABILITIES	3,786,070,788	3,270,870,377	83,788,935	81,129,364	3,869,859,723	3,351,999,741

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

39. Risk management framework

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

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Financial Risk Factors

The activities of the Company and the Group is exposed to variety of financial risks:

1. Market Risk
 - Currency Risk
 - Interest Rate Risk
2. Credit risk
3. Liquidity risk
4. Capital Management
5. Operational Risk

The Company's and the Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company and the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programs and adherence to the Company's and the Group's financial risk management policies.

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risk

1. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's and the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Currency Risk

The risk that the fair value or future cash flows of a financial instrument fluctuation due to changes in foreign exchange rates. The Company and the Group is exposed to currency risk on sales, purchases that are denominated in a currency other than Sri Lankan Rupees (LKR). The foreign currencies in which these transactions primarily denominated is US Dollars.

Exposure to Currency Risk

The Company and the Group's exposure to foreign currency risk was as follows based on notional amounts.

The Company and the Group involves with foreign exchange transactions and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

	GROUP		COMPANY	
	2025 USD	2024 USD	2025 USD	2024 USD
AS AT 31ST MARCH				
Trade and other Payables	(478,541)	(238,667)	(459,508)	(238,667)
Trade and other Receivables	4,335,401	1,959,203	3,972,033	1,762,198
Cash and cash equivalents	573,225	1,734,128	530,080	860,453
Gross Statement of Financial Position Exposure	4,430,085	3,454,664	4,042,605	2,383,984

The following significant exchange rates were applicable during the year.

	Average Rate		Reporting Date Spot Rate	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
AS AT 31ST MARCH				
US Dollars	297.89	313.84	296.32	300.44

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

39 Risk management framework (Cont.)

Sensitivity Analysis

A strengthening of the Sri Lankan Rupees as indicated below, against the US Dollar as at 31st March 2025 would have increased/ (decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Strengthen		Weakening	
	Profit or (Loss) Rs.	Equity Rs.	Profit or (Loss) Rs.	Equity Rs.
31ST MARCH 2025				
USD (15% movement)	196,908,412	-	196,908,412	-
31ST MARCH 2024				
USD (15% movement)	92,348,842	-	(92,348,842)	-

b. Interest Rate Risk

The Market risk is that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates at the reporting date, the Group's and the Company's interest-bearing financial instruments were as follows;

	Carrying Amount Group		Carrying Amount Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
AS AT 31ST MARCH				
Fixed Rate Instruments				
Financial Assets				
Bank Deposits	53,177,523	7,744,714	36,630,411	7,744,714
Variable Rate Instruments				
Financials Liabilities				
Loans and Borrowings	(2,567,193,298)	(1,941,933,746)	(2,412,193,298)	(1,791,933,746)
Bank Overdrafts	(40,225,161)	(158,010,872)	(15,971,905)	(157,502,825)
	(2,554,240,936)	(2,092,199,904)	(2,391,534,792)	(1,941,691,857)

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 and the Group arises from financial instruments which are exposed to variable or fixed rate interest rates. Variable interest rates expose the Company and the Group 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.

The Group closely monitors market interest rate movements and implement appropriate strategies in order to minimize the interest rate risk dissociated with financial instruments with rates.

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
AS AT 31ST MARCH				
Variable rate Instruments				
Financial Asset				
Cash at Bank	210,083,329	184,700,337	173,045,099	62,617,050
Financial liabilities				
Loans and borrowings	(2,567,193,298)	(1,941,933,746)	(2,412,193,298)	(1,791,933,746)
Bank Overdrafts	(40,225,161)	(158,010,872)	(15,971,905)	(157,502,825)
	(2,607,418,459)	(2,099,944,618)	(2,428,165,203)	(1,949,436,571)
Net Exposure	(2,397,335,130)	(1,915,244,281)	(2,255,120,104)	(1,886,819,521)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Interest Rate Sensitivity Analysis

At the reporting date the interest rate sensitivity profile of the Group's financial instruments were on follows,

Impact on Profit and Loss	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
AS AT 31ST MARCH				
Decrease of 100 basis points in rupee interest rate	26,074,185	20,999,446	24,281,652	19,494,366
increase of 100 basis points in rupee interest rate	(26,074,185)	(20,999,446)	(24,281,652)	(19,494,366)

2. Credit risk

Risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is managed on the Company and the Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables (net of deposits held). Individual risk limits are set, based on internal or external ratings. The utilization of credit limits is regularly monitored. The Company and the Group place its cash and cash equivalents with a number of credit worthy financial institutions. The Company's and the Group's policy limits the concentration of financial exposure to any single financial institution. The maximum credit risk exposure of the financial assets of the Company and the Group are approximately their carrying amounts as at statement of financial position date.

Exposure to Credit Risk

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

	Carrying Amount Group		Carrying Amount Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
AS AT 31ST MARCH				
Exposure to Credit Risk				
Trade and other Receivables	1,449,976,087	1,247,949,728	1,335,514,563	1,049,947,110
Amount due from Related Companies	2,655,773	25,244,220	1,439,556	76,299,371
Balances with Banks	156,905,806	184,700,337	136,414,688	62,617,050
	1,609,537,666	1,457,894,285	1,473,368,807	1,188,863,531

39 Risk management framework (Cont.)

Impairment Losses

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

The aging of Trade and Other Receivables at the reporting date was as follows;

	2025			2024		
AS AT 31ST MARCH	Gross carrying value Rs.	Loss allowance Rs.	Impaired Rs.	Gross carrying value Rs.	Loss allowance Rs.	Impaired Rs.
Group						
Current (not past due)	888,209,975	-	No	472,830,852	-	No
31-60 days past due	306,727,556	-	No	192,222,132	-	No
61-90 days past due	119,610,301	-	No	126,580,932	-	No
91-180 days past due	113,029,796	-	No	49,529,289	-	No
More than 180 days	10,390,466	5,427,764	Yes	41,742,840	3,793,383	Yes
	1,437,968,094	5,427,764	-	882,906,045	3,793,383	-
Company						
Current (not past due)	785,738,546	-	No	337,580,675	-	No
31-60 days past due	299,066,301	-	No	192,221,846	-	No
61-90 days past due	119,532,613	-	No	124,585,400	-	No
91-180 days past due	111,217,430	-	No	49,529,289	-	No
More than 180 days	10,390,467	3,122,062	Yes	22,376,158	1,342,339	Yes
	1,325,945,357	3,122,062	-	726,293,368	1,342,339	-

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

The maximum exposure to credit risk for Trade and Other Receivables as at the reporting date by geographic areas as follows;

	Group Carrying Amount Rs.		Company Carrying Amount Rs.	
AS AT 31ST MARCH	2025	2024	2025	2024
Domestic	166,151,656	162,597,948	148,952,440	162,597,948
Europe	1,114,146,599	424,792,664	1,021,906,175	362,079,916
Middle East	8,564,549	432,535	8,564,549	-
Asia	49,515,123	40,733,665	46,932,026	38,748,521
United States	93,184,667	232,764,741	93,184,667	156,362,918
Australia	6,405,501	6,504,066	6,405,501	6,504,066
East Africa	-	15,080,426	-	-
	1,437,968,094	882,906,045	1,325,945,357	726,293,369

Cash and Cash Equivalents

The Group and the Company held cash and cash equivalents of Rs.210,083,329 and Rs.184,700,337 as at 31st March 2025 (Rs.26,689,465 and (Rs.94,885,775) as at 31st March 2024) respectively, which represent its maximum credit exposure on these assets.

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

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

3. Liquidity Risk

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

Prudent liquidity risk management implies maintaining sufficient liquid funds to meet its financial obligations. In the management of liquidity risk, the Group monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aim at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Group As at 31st March 2025 Financial Liabilities (Non-Derivate)	Carrying Amount (Rs.)	Contractual Cash flow (Rs.)	0-12 Months (Rs.)	More than 1 year (Rs.)
Interest Bearing Borrowings Short Term	2,424,138,698	2,366,753,805	2,366,753,805	-
Interest Bearing Borrowings Long Term	143,054,600	296,683,083	134,499,637	162,183,446
Lease Liability	158,621,542	318,019,526	29,707,736	288,311,790
Amount due to Related Companies	1,141,232	1,141,232	1,141,232	-
Trade and other Payables	293,802,847	293,802,847	293,802,847	-
Bank Overdrafts	40,225,161	40,225,161	40,225,161	-
Total	3,060,984,080	3,931,797,430	3,481,302,194	450,495,236

As at 31st March 2024 Financial Liabilities (Non-Derivate)

Interest Bearing Borrowings Short Term	1,690,545,546	1,726,586,523	1,472,420,523	254,166,000
Interest Bearing Borrowings Long Term	251,388,200	349,860,576	159,918,978	189,941,598
Lease Liability	178,095,391	353,940,802	26,025,245	327,915,557
Amount due to Related Companies	371,943,886	371,943,886	371,943,886	-
Trade and other Payables	158,010,872	158,010,872	158,010,872	-
Total	2,649,983,895	2,960,342,659	2,188,319,504	772,023,155

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

	Interest Bearing Borrowings		Lease Liability	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
Less than one years	2,424,138,698	1,690,545,546	16,157,281	20,878,146
One to Two year	95,833,600	108,333,600	8,119,781	30,874,208
Two to Three year	33,333,600	108,333,600	3,549,664	24,874,208
Three to Four year	13,887,400	33,333,600	4,449,138	17,452,063
Four to Five years	-	1,387,400	4,857,195	17,452,063
More than five years	-	-	121,488,482	66,564,703
Total	2,567,193,298	1,941,933,746	158,621,542	178,095,391

Company As at 31st March 2025 Financial Liabilities (Non-Derivate)	Carrying Amount (Rs.)	Contractual Cash flow (Rs.)	0-12 Months (Rs.)	More than 1 year (Rs.)
Interest Bearing Borrowings Short Term	2,269,138,698	2,208,517,555	2,208,517,555	-
Interest Bearing Borrowings Long Term	143,054,600	296,683,083	134,499,637	162,183,446
Lease Liability	82,505,844	318,019,526	29,707,736	288,311,790
Amount due to Related Companies	1,141,232	1,141,232	1,141,232	-
Trade and other Payables	293,802,847	908,974,623	908,974,623	-
Bank Overdrafts	40,225,161	40,225,161	40,225,161	-
Total	2,829,868,382	3,773,561,180	3,323,065,945	450,495,236

As at 31st March 2024 Financial Liabilities (Non-Derivate)

Interest Bearing Borrowings Short Term	1,540,545,546	1,690,545,546	1,301,907,286	254,166,000
Interest Bearing Borrowings Long Term	251,388,200	377,483,336	134,499,637	242,983,699
Lease Liability	89,323,033	353,940,802	26,025,245	327,915,557
Amount due to Related Companies	371,943,886	371,943,886	371,943,886	-
Trade and other Payables	158,010,872	158,010,872	158,010,872	-
Total	2,411,211,537	2,951,924,442	1,992,386,927	825,065,256

	Interest Bearing Borrowings		Lease Liability	
	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	2024 (Rs.)
Less than one years	2,269,138,698	1,690,545,546	5,754,866	1,647,351
One to Two year	95,833,600	108,333,600	1,695,210	1,722,436
Two to Three year	33,333,600	108,333,600	1,773,178	1,801,292
Three to Four year	13,887,400	33,333,600	1,854,566	1,883,646
Four to Five years	-	1,387,400	1,939,843	1,970,452
More than five years	-	-	69,488,181	80,297,856
Total	2,412,193,298	1,941,933,746	82,505,844	89,323,033

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

39. Risk management framework (Cont.)

4. Capital Management

The primary objective of the Company's and the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company and the Group manage its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company and the Group may or may not make dividend payments to shareholders, return capital to shareholders or issue new shares or other instruments. Consistent with others in the industry, the Company and the Group monitor capital on the basis of the Net Debt to Equity Ratio. This ratio is calculated as Net Debt by total equity. Net Debt includes non-current and current borrowings as shown in the statements of financial position. Total equity is calculated as 'Total equity' in the statements of financial position.

The Net Debt to Equity Ratio as at 31st March was as follows:

	GROUP		COMPANY	
AS AT 31ST MARCH	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Total Liabilities	3,869,859,723	3,351,999,741	3,392,219,906	2,878,797,559
Cash and cash equivalents	(210,083,329)	(184,700,337)	(173,045,099)	(62,617,050)
Net Debt	3,659,776,394	3,167,299,404	3,219,174,807	2,816,180,509
Total Equity	4,534,106,515	3,584,666,859	3,261,480,520	2,850,085,803
Net Debt to Equity Ratio	80.72%	88.36%	98.70%	98.81%

5. Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions
- Requirements for the reconciliation and monitoring of transactions
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Development of contingency plans
- Training and professional development

DIRECTORATE OF GROUP COMPANIES

NAME OF DIRECTOR	RAF	RAO	RDL	KPL	COCO	CBL
Mrs. I.R. Rajiyah	√	√	√	√	√	√
Dr. S.R. Rajiyah	√	√	√	√	√	√
Mr. S.V. Rajiyah	√	√	√	√	√	√
Mrs. J.J.B.A. Rajiyah	-	√	-	-	-	-
Mr. V. Sanmugam	√	√	√	√	√	√
Mr. R. F. N. Jayasooriya	-	-	-	√	√	√
Mrs. S.T.R.E. Wijesuriya	-	√	-	-	-	-
Mr. T.A.P. Peiris	-	-	-	√	√	√
Mr. M.R. Ratnasabapathy	√	-	-	-	-	-
Mr. E.A.P Ekanayake	√	-	-	-	-	-
Mr. A.M.P.C.K Abeykoon	√	-	-	-	-	-

RAF - Renuka Agri Foods PLC

RAO - Renuka Agri Organics Limited

RDL - Renuka Developments (Pvt) Limited

KPL - Kandy Plantations Limited

COCO - Coco Lanka (Pvt) Limited

CBL - Ceylon Botanicals (Pvt) Limited
(Previously known as Ceylon Forestry (Pvt) Limited)

REAL ESTATE PORTFOLIO

COMPANY	LOCATION	LAND / BUILDING	LAND EXTENT (PERCHES)	BUILDING		CLASSIFICATION COMPANY	CLASSIFICATION GROUP	ORIGINAL COST OF PURCHASE Rs.	WDV AS AT 31.03.2025 Rs.
				FREE HOLD	NO OF BUILDINGS				
Renuka Agri Foods PLC	Kamburagalle Estate Unagahadeniya EPZ, Wathupitiwala Giriulla	Land	150	-	-	PPE	PPE	17,203,000	60,000,000
		Land	70.4	-	-	-	-	21,428,000	30,000,000
		Building	-	1	968	-	-	-	1,800,000
		Building	-	9	111,379	PPE	PPE	158,452,264	612,200,000
		Building	-	2	8,031	-	-	-	9,000,000
Renuka Developments (Pvt) Ltd	Unagahadeniya	Land	303.3	-	-	PPE	PPE	22,702,880	129,000,000
		Building	-	7	17,789	PPE	PPE	23,851,270	43,000,000
Kandy Plantations Ltd	Mahawatta Estate, Indigolla Estate, Kurundugolla Estate, at Nalla Diuldeniya Matale Land	Building	-	4	10,598	PPE	PPE	15,927,250	6,000,000
		Land	3,284.7	-	-	PPE	PPE	57,900,000	72,601,194
		Land	10,843	-	-	PPE	PPE	167,200,000	183,00,000
		Land	26,445.1	-	-	PPE	PPE	127,482,760	236,000,000
Coco Lanka (Pvt) Ltd	Cocowatte Estate, Puttalam	Building	-	5	6,447	PPE	PPE	-	9,000,000
		Building	-	3	69,225	PPE	PPE	74,073,652	351,000,000
Renuka Agri Organics Ltd	Export Processing Zone, Wathipitiwala	Building	-	-	-	PPE	PPE	-	-

Five Year Summary

Year Ended 31st March	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000
a) Summary of Operation					
Revenue	7,133,448	5,517,184	7,212,003	5,691,234	3,642,458
Gross Profit	655,289	290,253	1,616,647	907,042	352,976
(Loss)/Profit before net Finance Cost and Tax	-49,630	-324,716	1,038,849	609,516	-5,745
(Loss)/Profit before Taxation	-309,538	-832,178	688,797	709,148	-87,937
Taxation	25,204	176,139	190,707	86,580	-5,697
Profit/(Loss) after Tax	-284,334	-656,038	498,090	622,569	-93,634
(Loss)/Profit attributable to Equity Holders of the Company	-302,646	-658,482	399,095	594,960	-101,450
b) Summary of Financial Position					
Capital and reserves					
Stated Capital	812,794	1,242,202	1,194,453	1,194,453	1,194,453
Revaluation Reserve	454,500	228,683	239,486	266,925	256,851
Retained Earnings	1,739,676	1,718,866	2,516,689	2,225,650	1,610,033
Shareholders' Fund	4,006,971	3,189,752	3,950,628	3,687,029	3,061,338
Minority Interest	496,230	394,915	329,518	231,349	200,075
Total Equity	4,503,200	3,584,667	4,280,145	3,918,378	3,261,413
Liabilities					
Non-Current Liabilities	481,258	566,194	755,672	805,559	578,941
Current Liabilities	3,397,813	2,785,806	2,882,628	2,525,372	2,068,067
Total Liabilities	3,879,070	3,351,999	3,638,300	3,330,931	2,647,008
Total Equity and Liabilities	8,382,271	6,936,666	7,918,446	7,249,308	5,908,421
Assets					
Property, Plant and Equipment	2,814,171	2,533,673	2,489,177	2,538,407	2,135,986
Investments	1,034,644	920,568	1,026,033	1,008,049	794,453
Other Non-Current Assets	917,665	846,822	836,467	840,721	810,057
Current Assets	3,615,792	2,635,603	3,566,769	2,862,131	2,167,925
Total Assets	8,382,271	6,936,666	7,918,446	7,249,308	5,908,421
c) Key Indicators					
Earnings per Share (Rs.)	-0.40	-1.15	0.71	1.07	-0.18
Net Profit Margin (%)	-3.99%	-11.89%	6.91%	11.00%	-2.63%
Net Assets Value Per Share (Rs.)	5.95	6.28	7.62	6.98	5.45
Dividends Per Share (Rs.)	-	0.10	0.2	-	0.12
Dividends Payout (%)	-	-8.70%	28.15%	-	150.00%
Dividends Cover (Times)	-	-12	3.55	-	-1.5
Interest Cover (Times)	0.122	-0.39	1.63	3.2	0.96
Current Ratio (Times)	1.064	0.95	1.24	1.1	1.06
Gearing Ratio (%)	57%	54.17%	49.12%	36.32%	38.41%
Return on Equity (%)	-6.31%	-18.30%	11.64%	16.32%	-3.32%

Shareholder and Investor Information

SHARE INFORMATION	2025	2024
Total No of Shareholders	5,990	5,920
Total No of Public Shareholders	5,987	5,913
Total No of Shares	798,829,305	570,592,361

PUBLIC SHARE HOLDING	2025	2024
The percentage of Shares held by the Public Ordinary Shareholding (%)	24.00%	23.98%

31st March 2025		
No of Shares Holders	No of Share Held	Total Holdings
2,058	1-1,000	0.06%
2,210	1,001-10,000	1.00%
1,361	10,001-100,000	5.35%
335	100,001-1,000,000	10.11%
26	Over 1,000,000 Shares	83.49%
5,990		100.00%

31st March 2025				31st March 2024		
No of Shares Held	No of Share Holder	No of Shares	%	No of Share Holder	No of Shares	%
Individuals	5,770	134,798,615	16.87%	5,805	105,114,497	18.00%
Institutions	220	664,030,690	83.13%	207	465,477,864	72.00%
Total	5,990	798,829,305	100.00%	6,012	570,592,361	100.00%

31st March 2025				31st March 2024		
No of Shares Held	No of Share Holder	No of Shares	%	No of Share Holder	No of Shares	%
Resident	5,955	782,622,908	97.97%	5,978	556,115,914	97.46%
Non Resident	35	16,206,397	2.03%	34	14,476,447	2.54%
Total	5,990	798,829,305	100.00%	6,012	570,592,361	100.00%

31st March 2025				31st March 2024		
No of Shares Held	No of Share Holder	No of Shares	%	No of Share Holder	No of Shares	%
Renuka Foods PLC & Affiliate Companies	1	607,049,186	75.99%	4	431,692,904	75.66%
Directors & Spouses	1	1,025	0.00%	3	2,077,801	0.36%
Public	5,998	191,779,094	24.00%	6,005	136,821,656	23.97%
Total	5,990	798,829,305	100.00%	6,012	570,592,361	100.00%

Shareholder and Investor Information (Cont.)

1st of April to 31st March	2025	2024
Share Price (Rs)		
Highest	4.30	5.70
Lowest	2.70	3.50
As at 31st March (Last Trade)	3.40	3.70

Market Capitalization	2025	2024
As at 31st March (Rs)	2,716,019,637	2,111,191,000
Float Adjusted Market Capitalization (Rs)	651,934,775	506,240,127
No.of Trades	19,559	14,045
No.of Shares Traded	248,356,407	147,855,081
Value of Shares Traded (Rs)	856,310,430	1,834,876,726

Option the Listed Entity complies with the Minimum Public Holding requirement

The Company complied with option 5 of the listing rules 7.14.1(i) (a) - which requires a minimum public Holding of 20% and a minimum 500 shareholders representing public holding for a company having a float adjusted market capitalization of less than Rs.2.5Bn.

Renuka Agri Foods PLC - 20 Largest Shareholders

No	Name	Voting as at 31.03.2025		Voting as at 31.12.2024	
		No. of shares	%	No. of shares	%
1	Renuka Foods Plc	607,049,186	75.99%	607,049,186	75.99%
2	Hatton National Bank Plc/Almas Holding (Pvt) Ltd	7,722,366	0.97%	-	-
3	Mrs. A. T. T. Alnakib	7,618,055	0.95%	7,618,055	0.95%
4	Kalin Holdings (Pvt) Ltd	4,006,001	0.50%	5,636,001	0.71%
5	Winsland Reality (Pvt) Ltd	3,565,238	0.45%	5,625,238	0.70%
6	Mr. R Gautam	3,002,000	0.38%	3,008,000	0.38%
7	Merchant Bank of Sri Lanka & Finance Plc 01	2,983,606	0.37%	-	-
8	Merchant Bank of Sri Lanka & Finance Plc/J.A.S.M. Jayawickrama	2,775,815	0.35%	-	-
9	DFCC Bank Plc/B. Sutharshan	2,300,000	0.29%	2,300,000	0.29%
10	Polgahawela Sanasa Societies Union Ltd	2,107,241	0.26%	-	-
11	Standard Chartered Bank Singapore S/A HL Bank Singapore Branch	2,046,821	0.26%	2,046,821	0.26%
12	Mrs. S.H. Sardakhan	2,000,000	0.25%	2,000,000	0.25%
13	Merchant Bank of Sri Lanka & Finance Plc/K.K.Wickramasinghe	1,904,504	0.24%	2,775,815	0.35%
14	Mr. T.C.U. Jayanetti	1,816,149	0.23%	-	-
15	Dr. A.A.M. Dharmadasa	1,697,471	0.21%	1,697,471	0.21%
16	Mr. H.A.A.H. Algharabally	1,673,434	0.21%	1,673,434	0.21%
17	Merchant Bank of Sri Lanka & Finance Plc/G Clements	1,495,014	0.19%	1,575,000	0.20%
18	Mr. P.W.T.D.D. Fernando	1,430,178	0.18%	1,500,000	0.19%
19	Mrs. S. Umeshwary	1,350,775	0.17%	1,350,775	0.17%
20	Mr. A. Sithampalam	1,279,673	0.16%	1,279,673	0.16%
		659,823,527	82.60%	647,135,469	81.01%

Notice of Meeting

Notice is hereby given that the 26th Annual General Meeting of the Company will be held virtually on Friday, 26th September, 2025 at 3.00 p.m. at No. 69, Sri Jinarathana Road, Colombo 02 for the following purposes :-

1. To receive and consider the Report of the Directors and the Statement of the Audited Financial Statement for the year ended 31st March 2025 with the Report of the Auditors thereon.
2. To re-elect Mr. M.R. Ratnasabapathy as a Director of the Company as per Article 28 (2) of Article of Association.
3. To re-elect Mr. E.A.P. Ekanayake as a Director who retires by rotation and eligible for re-election in terms of Article 30 (1).
4. To re-elect Mr. A.M. P. C.K. Abeykoon as a Director who retires by rotation in terms of Article 30 (1).
5. To re-appoint Dr. S.R. Rajiyah who is over 70 years of age, as a director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Dr. S.R. Rajiyah.
6. To re-appoint Mrs. I.R. Rajiyah who is over 70 years of age, as a director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mrs. I.R. Rajiyah.
7. To authorise the Directors to determine the contribution to charity.
8. To re-appoint M/s KPMG, Chartered Accountants as the Auditors and authorise the Directors to determine their remuneration.

By Order of the Board,
Sgd.

Renuka Enterprises (Pvt) Ltd
Company Secretaries
29th August 2025

Note:-

- (i) A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of the member, such proxy need not be a member.
- (ii) A Form of Proxy is enclosed with this Annual Report.
- (iii) The completed Form of Proxy should be deposited at the Registered Office of the Company at "Renuka House", No. 69, Sri Jinarathana Road, Colombo 2, on or before 3.00 p.m. on 24th September 2025, being not less than 48 hours before the time appointed for the holding of the Meeting.

Form of Proxy

I / We of
..... being a
member/members of Renuka Agri Foods PLC, hereby appoint;
.....(NIC No.)
of
.....

- Or failing her/him
- Dr. S.R. Rajiyah or failing him
 - Mrs. I.R. Rajiyah or failing her
 - Mr. S.V. Rajiyah or failing him
 - Mr. V. Sanmugam or failing him
 - Mr. Mr. A.M. P. C.K.Abeykoon or
failing him Mr. E.A.P.Ekanayake 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 27th day of September 2024 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive and consider the Report of the Directors and the Statement of the Audited Financial Statements for the year ended 31st March 2024 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr. M.R. Ratnasabapathy	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. E.A.P.Ekanayake	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. A.M. P. C.K.Abeykoon	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Dr. S. R. Rajiyah as a Director	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Mrs. I.R. Rajiyah as a Director	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorise the Directors to determine the contribution to charity.	<input type="checkbox"/>	<input type="checkbox"/>
8. To re-appoint M/s KPMG, Chartered Accountants as Auditors to the Company and authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2024.

.....
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 3.00 p.m. on 24th September 2025 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 Company

Renuka Agri Foods PLC

Legal Form

Quoted Public Company with Limited Liability

Principal Activity

Agri Business

Board of Directors

Dr. S.R. Rajiyah - Chairman
Mrs. I.R. Rajiyah
Mr. S.V. Rajiyah
Mr. V. Sanmugam
Mr. E.A.P.Ekanayake
Mr. A.M. P. C.K.Abeykoon
Mr.M.R. Ratnasabapathy

Audit Committee

Mr. E. A. P. Ekanayake - Chairman
Mr. A.M.P.C.K. Abeykoon
Mr.M.R. Ratnasabapathy

Related Party Transaction Review Committee

Mr. E. A. P. Ekanayake - Chairman
Mr. A.M.P.C.K. Abeykoon
Mr.M.R. Ratnasabapathy

Remuneration Committee

Mr. A Mr.M.R. Ratnasabapathy- Chairman
Mr. A.M.P.C.K. Abeykoon
Mr. E. A. P. Ekanayake

Nomination and Governance Committee

Mr. A Mr.M.R. Ratnasabapathy- Chairman
Mr. A.M.P.C.K. Abeykoon
Mr. E. A. P. Ekanayake

Company Secretaries

Renuka Enterprises (Pvt) Limited
69 Sri Jinaratana Road, Colombo 2

Registrars

S S P Corporate Services (Pvt) Limited
546 Galle Road,
Colombo 3

Ultimate Parent Company

Renuka Holdings PLC

Registration No.

PB 1108/PQ

Registered Office

"Renuka House"
69 Sri Jinaratana Road,
Colombo 2

Postal Address

P.O.Box 961, Colombo

Stock Exchange Listing

Colombo Stock Exchange

External Auditors

KPMG Chartered Accountants

Legal Consultants

Nithya Partners - Attorneys- at-Law
Heritage Partners - Attorneys at law
Varners - Attorneys at Law

Bankers

Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Habib Bank Limited
National Development Bank PLC
Nations Trust Bank PLC Peoples Bank
Standard Chartered Bank

Notes

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Notes

This image shows a single page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, leaving small gaps between them. There are no margins, text, or other markings on the page.



'RENUKA HOUSE', P. O. BOX 961, #69, Sri Jinaratana Road, Colombo 02, Sri Lanka
Tel: 94 - 11 - 2314750 - 5, 2422694, Fax: 94 - 11 - 2445549
E-mail: inquiries@renukagroup.com
Website: www.renukagroup.com