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## A PROUD SRI LANKAN

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

# WHO WE ARE

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

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

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



RESPONSIVE  
ENTERPRISING  
NURTURING  
UNRELENTING  
KNOWLEDGEABLE  
ACCOUNTABLE

## VISION

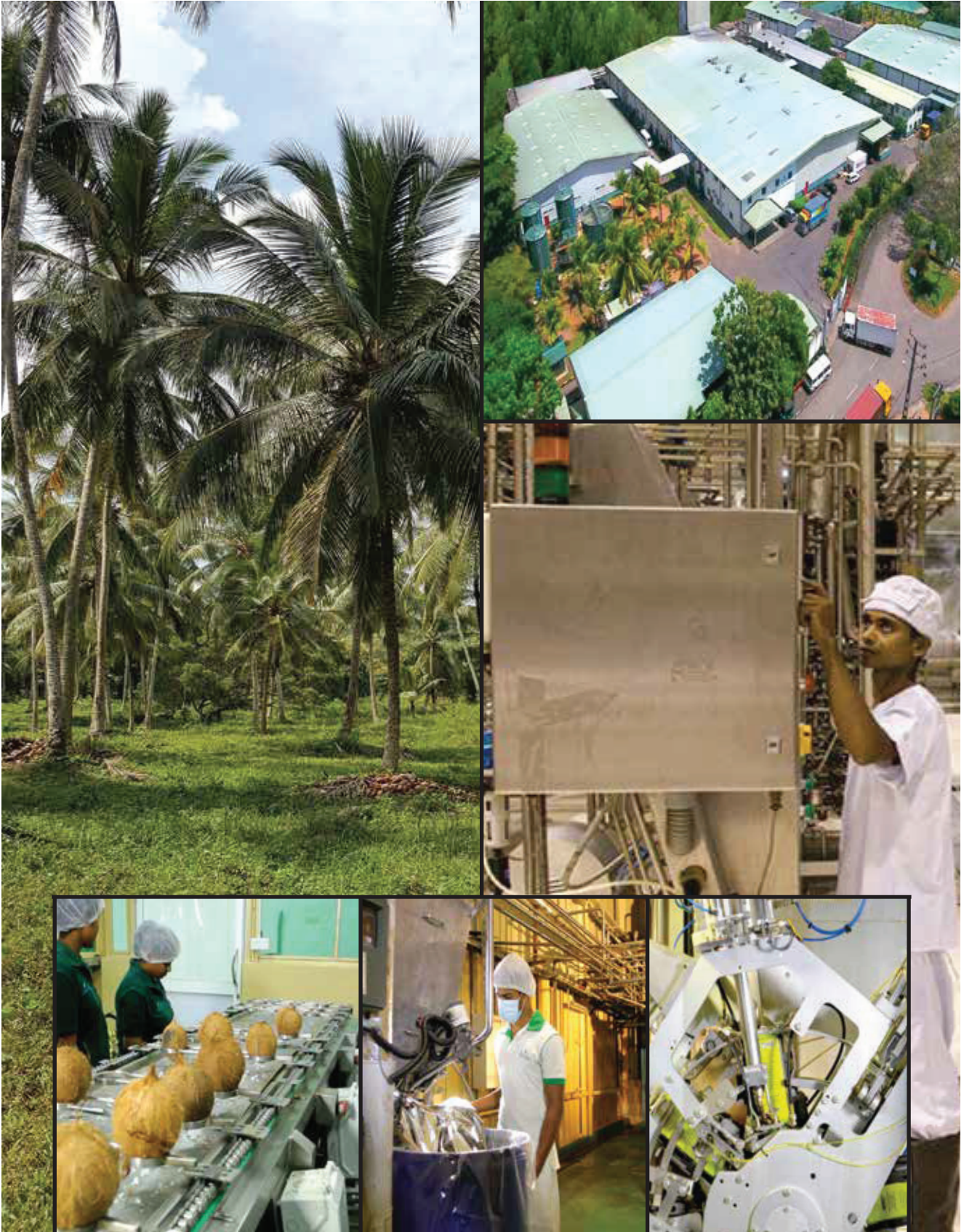
To be a leading Sri Lankan food & Beverage company, making food you love.

# CULTURE AND VALUES

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

# AGRI FOOD SECTOR

## OUR FACILITIES & PLANTATIONS





# CONSUMER BRANDS SECTOR

## OUR FACILITIES & DISTRIBUTION



## OUR BRANDS



**Renuka** range of value added Coconut Products brings the essence of Sri Lanka's finest coconuts to the world. With a heritage rooted in quality and sustainability, these premium coconut-based products enhance everyday nutrition and culinary experiences.

As a leading name in coconut manufacturing, the range includes **organic and conventional forms** all crafted to retain the pure goodness of nature. Sourced from the lush coconut plantations of Sri Lanka and processed under the highest international standards, our products are a trusted choice for households, foodservice, and industries globally.



**Renuka Captain and Plaza** are brands built on tradition and trust, offering a range of high-quality canned fish. With a strong presence in households and foodservice sectors, these products deliver taste and convenience without compromising on authenticity in the Canned Jack Mackerel Segment.



## OUR BRANDS



**Richlife** is a pioneer in Sri Lanka's dairy industry, providing premium fresh milk, flavored milk, yogurt, Curd ,Cheese and dairy-based beverages. Committed to farm-fresh quality, Richlife ensures the highest nutritional value and taste, making it a preferred choice for health-conscious consumer.



### LAKCOW



**Richlife Lakcow** Full Cream Milk Powder is made from 100% pure whole milk, offering the wholesome goodness and nourishment your family deserves. With its rich and creamy taste, it brings the authentic flavor of farm-fresh milk to every cup. Ideal for everyday use, whether in tea, coffee, cooking, or baking, Richlife Lakcow ensures a consistent, delicious dairy experience with every scoop.



### Chocotella



**Richlife Chocotella** is a rich, velvety chocolate hazelnut spread crafted for moments of pure indulgence. Smooth, creamy, and irresistibly delicious, Chocotella blends the finest cocoa with roasted hazelnuts to create a spread that's perfect on toast, in desserts.

## OUR BRANDS



**Mr. POP** presents a range of extruded snacks that are irresistibly crispy, bursting with flavor, and ideal for every snacking moment. Crafted from high-quality ingredients and expertly seasoned, each bite delivers a bold and exciting taste experience. From cheesy indulgence to spicy thrills and tangy zings, there's a Mr. POP flavor to satisfy every craving.



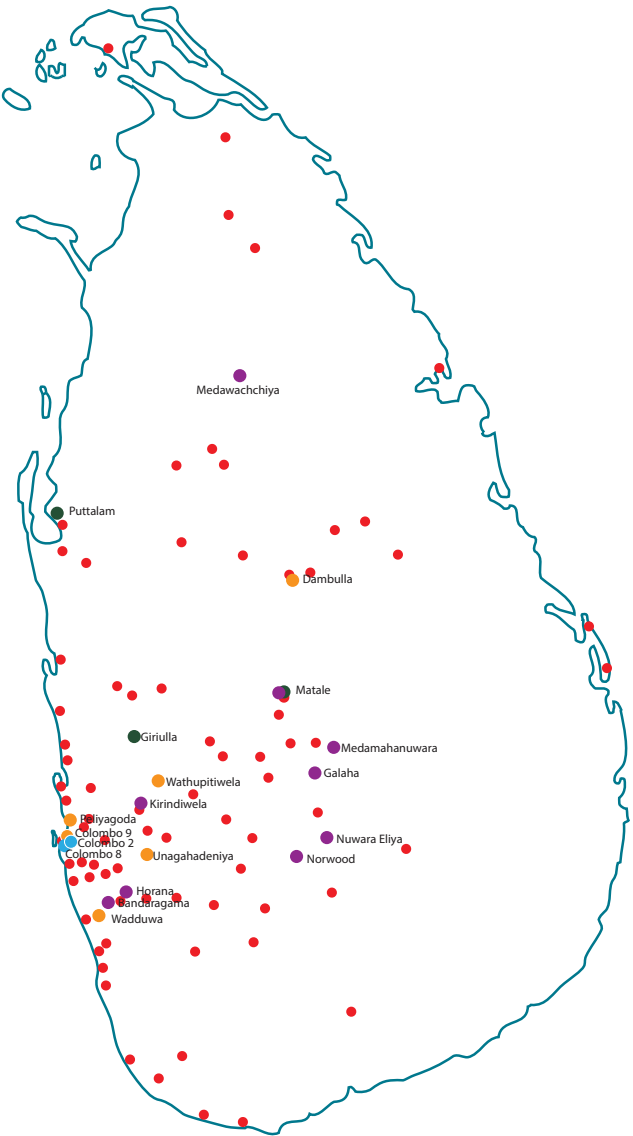
**Mr. POP Brekkie** – a cheerful range of breakfast cereals designed to brighten mornings and fuel your day! Packed with the goodness of whole grains, essential vitamins, and minerals, each bowl of Brekkie strikes the perfect balance between taste and nutrition, making it a favorite for both kids and adults.



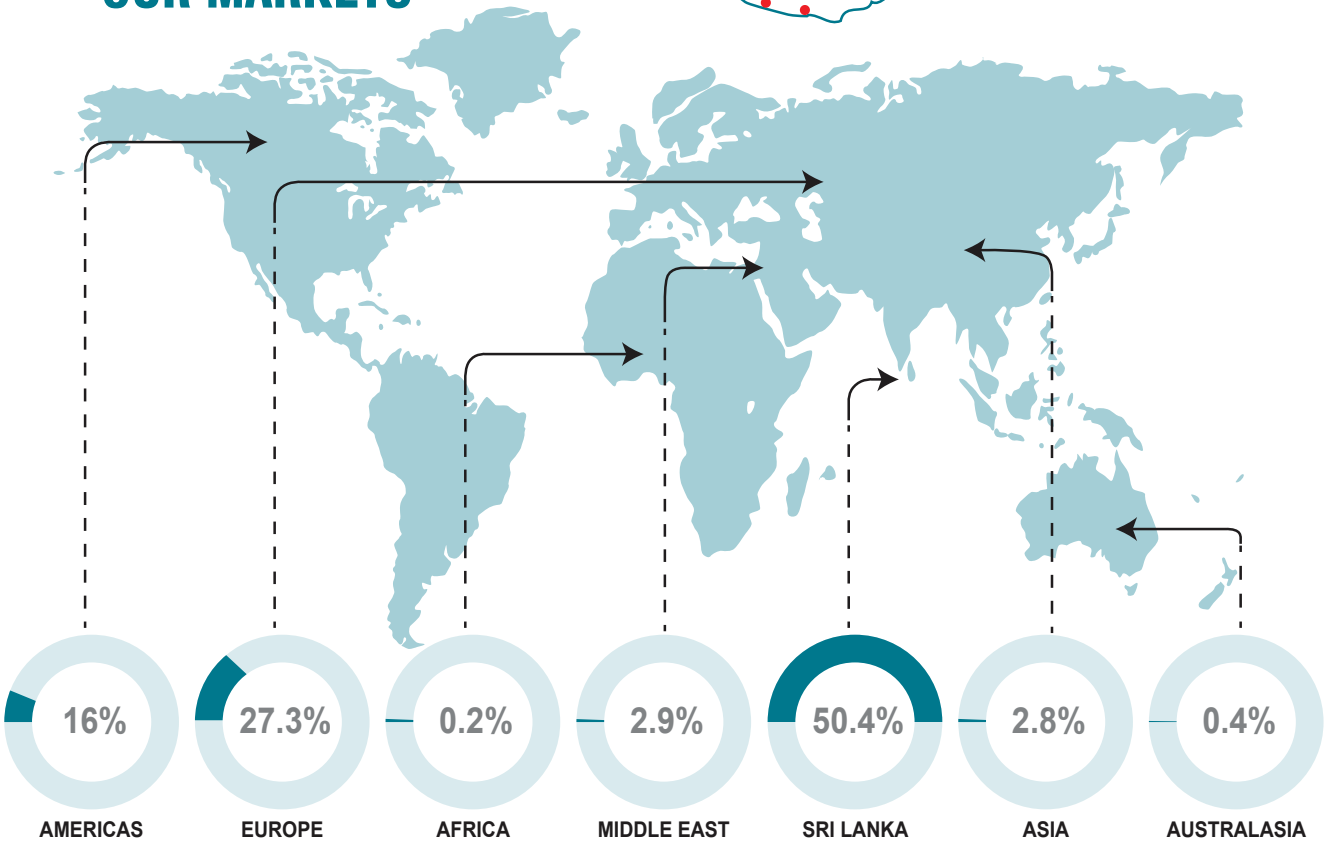
**Mr. POP Mayfair** is the bubble gum that generations have loved and continue to enjoy. With its signature burst of flavor and playful chew, Mayfair remains a nostalgic favorite that never goes out of style.

# OUR LOCATIONS

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



# OUR MARKETS





Revenue  
**13,767**  
Million

Segmental  
Revenue



Net Profit  
**-377**  
Million

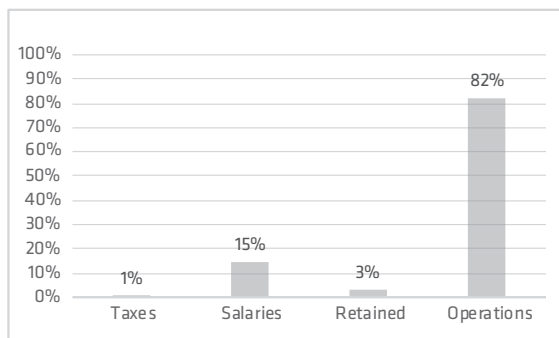


Total Assets  
**13,066**  
Million



Employees  
**1400**  
Nos.

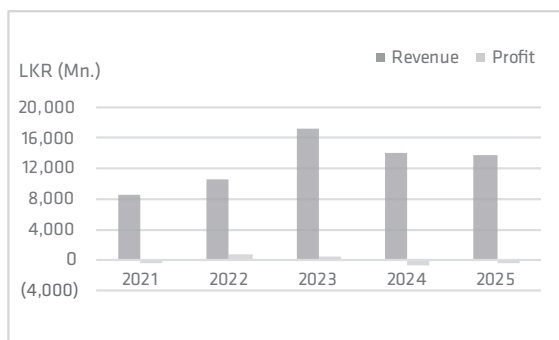
## AT A GLANCE



## VALUE ADDED DISTRIBUTION

**1%** Taxes  
**15%** Salaries  
**82%** Retained  
**82%** Operations

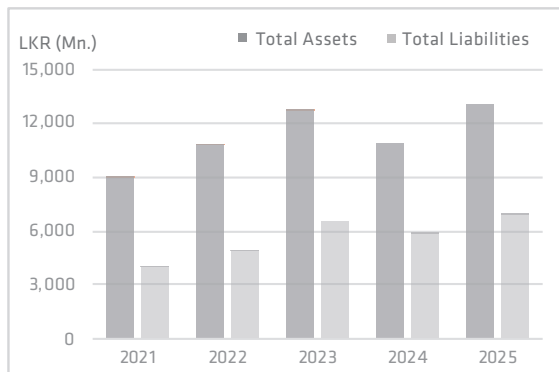
## GROUP REVENUE AND PROFIT AFTER TAX



**14,178Mn**  
Revenue in Year 2024

**(799)**  
Loss in Year 2024

## TOTAL ASSETS AND TOTAL LIABILITIES



**10,921Mn**  
Total Assets in Year 2024

**5,923Mn**  
Total Liabilities in Year 2024

## TOTAL EQUITY AND LONG TERM LIABILITIES



**3,994Mn**  
Total Equity in Year 2024

**1,107Mn**  
Long Term Liabilities in Year 2024



# PROFILE OF DIRECTORS

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## **Dr. S.R. Rajiyah**

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

## **Mrs. I.R. Rajiyah**

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

## **Mr. S.V. Rajiyah**

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

## **Mr. V. Sanmugam (Non-Executive Director)**

Mr V. Sanmugam is a Non 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.R.F.N.Jayasooriya (Non-Executive Director)**

Mr.R.F.N.Jayasooriya, heads Shaw Wallace Ceylon Limited and Richlife Dairies Ltd in managing the Consumer Foods portfolio's in Sri Lanka backed by an ever growing distribution network which is within the top 10 in the country. His career spans across over 30 years in various industries and sectors such as Tea plantation (management), Dairy, beverage, frozen confectionary, Process meat & tea in Multinational contexts and owns an illustrious record in General Management for over 2 decades. Mr. Jayasooriya's key management areas of interest include Supply Chain Management, Corporate Strategy & Creating Value Chain excellence. He was the past president of the All Island Dairy Association and past president of the Dairy Advisory Committee of Ministry of Industries.

## **Mr. E. A. P. Ekanayake (Non-Executive / Independent Director)**

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 Director)**

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.

## PROFILE OF DIRECTORS (Contd...)

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**Mr. D.S. Arangala**  
**(Senior Independent Director)**  
**Resigned with effect from 17th June 2025**

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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.

**Mr. M. R. Ratnasabapathy**  
**(Non-Executive/ Independent Director)**  
**Appointed with effect from 17th June 2025**

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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.

**Dr. J.A.S. Felix (Independent Director)**  
**Resigned with effect from 27.09.2024**

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

**Mr. M.S. Dominic**  
**(Independent Director)**  
**Resigned with effect from 30.09.2024**

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

**Fit and Proper Assessment Criteria**

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

# CHAIRMAN'S REVIEW

## Dear Valued Shareholders,

It is my pleasure, on behalf of the Board of Directors, to welcome you to the 35th Annual General Meeting of Renuka Foods. I am pleased to present our Annual Report and Audited Financial Statements for the year ended 31st March 2025. The Annual Report offers a succinct overview of the Group's value creation processes and the strategies employed to maintain market leadership amid a challenging year.

## The Sri Lankan Economy

In 2024, Sri Lanka turned a significant corner, recording a 5% growth in GDP after enduring two years of economic contraction following the 2022 crisis. This rebound marked a turning point—an early but encouraging sign of recovery.

At the heart of this growth was a resurgence in consumer spending, which makes up over two-thirds of the nation's economic activity. This resurgence was driven by a combination of stabilised prices, reduced utility and energy tariffs, declining interest rates, and a gradual return of consumer confidence.

Across key indicators, the economic landscape showed clear signs of improvement. Foreign exchange reserves, for instance, were buoyed by stronger inflows from tourism and remittances—vital revenue streams for supporting imports and managing debt commitments.

In February 2025, the newly elected government delivered its first national budget, reinforcing its commitment to fiscal consolidation. This budget laid out a roadmap of reforms, focusing on better revenue generation and reducing non-essential public expenditure—marking a clear shift toward greater economic discipline.

From September 2024 to April 2025, the economy experienced a notable deflationary trend, mainly due to high base effects from the prior year. This, in turn, supported a steady rise in demand. The Central Bank of Sri Lanka (CBSL) expects inflation to align with its medium-term target of 5% by the latter half of 2025.

## Shifting Consumer Trends in Food – Shaped by Economic Realities

The global and local food landscape is being reshaped not only by lifestyle and technological innovation but also by the underlying economic realities facing consumers today. Persistent inflation, supply chain disruptions, currency volatility, and geopolitical instability have redefined how people approach food consumption—focusing more on value, affordability, health, and adaptability.

In Sri Lanka, the aftermath of the 2022–23 economic crisis continues to influence consumer behavior. While the economy showed signs of recovery in 2024–25—with 5% GDP growth and improved foreign exchange liquidity—households are still grappling with elevated food prices, reduced disposable incomes, and cautious spending habits.

Moreover, one of our core product categories i.e. Coconut, continued to face challenges in both supply and pricing. Locally produced dairy products were VAT exempt prior to January 2024. The removal of the VAT exemption had a significant impact on sales and margins, as smallholder milk producers are not liable for VAT which limits us from recovering the input VAT. However, this has been corrected from April 2025..

This evolving landscape reinforces the need for businesses to stay agile and responsive to shifting consumer demands. To strengthen our product portfolio, we rationalized low-performing SKUs and redirected resources toward strategic categories. This improved operational efficiency, reduced production costs, and contributed to profitability.

Weather patterns also pose a significant risk to agricultural output and, by extension, food prices and supply chain stability. Against this backdrop, we will continue to invest in expanding our reach to consumers and strengthening our brands.

## Performance Review

The Group recorded a consolidated turnover of Rs. 13.7Bn in the year under review, reflecting a decline of 2.8% compared to Rs. 14.2 Bn in the previous year.

Gross profit rose to 1.8Bn, compared to 1.7Bn in the prior year. Loss for the period declined to Rs. 377Mn from Rs. 799Mn.

## Outlook

As we look ahead, we remain cautiously optimistic. While macroeconomic conditions in Sri Lanka are stabilizing, challenges such as high input costs, climate-related agricultural volatility, and global market uncertainties persist. However, these headwinds also present opportunities for transformation and innovation.

We will continue to strengthen our brand portfolio, expand into high-growth product categories, and deepen our footprint in both local and international markets. Investments in technology, value-added product development, and sustainability practices will underpin our growth.

With a deep commitment to rural livelihoods and food security, we will further empower our out-grower network and invest in long-term sourcing partnerships. Our agility, strong market presence, and trusted brands position us well to navigate the evolving business environment and deliver enduring value to our stakeholders.

## Conclusion

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

**Dr. S.R. Rajiyah**

Chairman

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.

Inflation in 2024/25 continued on a downward trend following the record highs in 2022 supported by corrective monetary

policy measures and tighter fiscal policy measures. Inflation followed an overall decreasing trend during 2024 and reached deflationary levels. The increase some of the taxes and notable food inflation led to an uptick in inflation. However the adjustment in administratively determined prices including electricity resulted in a downward trend in inflation with the country entering a period of deflation in latter part of 2024.

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

| Movement   | Cause  | Impact to Renuka Foods PLC  |
|--|--|---|
| <b>Economy</b>   |  |   |
| Sri Lankan economy recorded a growth of 5 percent in 2024, in real terms, compared to a negative of 2.3 percent recorded in the preceding year.  | <p>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</p> <p>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.</p> <p>The majority of subcategories within the industries sector registered varying growth rates. Most subcategories in the services sector also registered growths.</p> | 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. As a result, there has been a noticeable increase in the prices of critical inputs. These supply constraints, coupled with currency fluctuations, have impacted the Company's ability to procure necessary materials, leading to higher costs. The Company is actively addressing these challenges while exploring alternative sourcing options to mitigate the impact on its operations. |
| <b>Inflation</b>   |  |   |
| <p>Headline inflation, as measured by the year-on year change in the CCPI recorded a slower deflation of 2.6% in March 2025.</p> <p>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.</p> | <p>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.</p> <p>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.</p>   | The company was significantly impacted by the high cost of manufacturing, which posed challenges to its operations. To mitigate the negative effects on the company, measures were taken to improve product margins and enhance manufacturing efficiency. These steps were necessary to offset the increased costs and maintain competitiveness in the market. By implementing these strategies, the company aimed to safeguard its financial stability and maintain its position in the industry amid the challenging cost environment.  |



## MANAGEMENT DISCUSSION ANALYSIS (Contd...)

| Domestic Interest Rates   |  |  |
|---|--|--|
| Due to the relaxing of the monetary policy stance by The Central Bank, overall interest rates have been decreased from a high of 27% to 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.   | 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 also contributed to maintaining the Company's financial stability and competitiveness in the industry. |
| 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. | <p>During the year ended 31st March 2025 the Colombo Stock Exchange (CSE) performance showed mainly an upward trend.</p> <p>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.</p> <p>In the first quarter of the period, the market experienced some volatility, influenced by uncertainties.</p> <p>However, as the year progressed, the market showcased significant growth.</p> <p>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.</p> | Highest share price of the company recorded at Rs. 15.50/- & lowest at Rs. 9.70/- during the year under review. It was closed at Rs1/- as at 31st March 2025.  |

## MANAGEMENT DISCUSSION ANALYSIS (Contd...)

### Capital Management Review

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

### Financial Capital

The Group achieved a revenue of Rs.13.7 Bn, compared to previous year revenue of Rs.14.2 Bn. The group recorded loss after tax Rs. 377 Mn.

Furthermore, the Group's gross profit reached Rs. 1.8 Bn, reflecting an increase compared to the previous year. This increase in gross profit can largely be attributed to the product margins, and supply chain constraints.

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

### Manufactured Capital

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

### Natural Capital

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

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

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

### Human Capital

The Group strongly believes in people development and encourages knowledge sharing. As a result management launched its organization structures and strategy for 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. At Renuka Group, which this Company belongs to, trace its roots to 1866 and gradually built its solid businesses pillars owning many brands striving in local and export markets. Such a built up knowledge is used in many aspects and able to invest in wider range of business operations while growing the Group as a whole. Our intellectual capital enables us to compete effectively in local and global markets shaping our brand equity.

### Outlook

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

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

# STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

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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 Foods PLC, Dr S.R. 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 Executive Directors. At these meetings the performance of Chairman and Executive Directors was appraised. The outcome of these meetings together with recommendations were duly informed to the Chairman and the Board.

The Company remains focused on navigating the challenges and opportunities that lie ahead.

Renuka 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 Foods PLC effectively facilitates the performance of SID contributing to robust governance.

The independence and objectivity of the SID along with regular engagement with both the Board and shareholders helped to maintain transparency, accountability and trust in Company's corporate governance frame work.

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 in corporate governance.

**D.S.Arangala**  
Senior Independent Director  
29th August 2025  
Colombo

# REPORT ON THE CORPORATE GOVERNANCE

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

## Internal Governance Structure

### Board of Directors

The Board of Directors are the ultimate governing body of the Company with diverse experience, professionalism and has a wide range of expertise in various fields as set out on page 11-12.

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

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

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

### COMPOSITION OF THE BOARD AND DIRECTORS INDEPENDENCE

Composition of the Board of Directors as at 31st March 2025 consists of 8 members of which

- 4 Executive Directors
- 5 Non-Executive Independent Directors
- 3 Non Executive and Non Independent

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

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

### 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.



## REPORT ON THE CORPORATE GOVERNANCE (Contd...)

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

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

### BOARD BALANCE

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

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

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

### BOARD MEETINGS AND ATTENDANCE

There were 4 Board Meetings for the year ended 31st March 2025 and spread out on a quarterly basis and attendance at meetings is as follows;

| Name of Director            | Eligible to attend | Attended |
|-----------------------------|--------------------|----------|
| Dr. S.R. Rajiyah (Chairman) | 3                  | 3/4      |
| Mrs. I.R.Rajiyah            | 3                  | 3/4      |
| Mr.S.V.Rajiyah              | 3                  | 4/4      |
| Mr. M.S.Dominic*            | 2                  | 2/2      |
| Mr. V.Sanmugam              | 3                  | 3/3      |
| Dr.J.A.S.Felix**            | 3                  | 3/3      |
| Mr.D.S.Arangala             | 1                  | 1/1      |
| Mr.R.F.N.Jayasooriya        | 3                  | 3/3      |
| Mr. A.M.P.C.K.Abeykoon      | 2                  | 2/2      |
| Mr. E. A. P. Ekanayake **   | 3                  | 3/3      |

\* Mr. M.S . Dominic resigned w.e.f 30.09.2024

\*\* Dr. J. A. S. Felix resigned and Mr. E. A. P. Ekanayake was appointed w.e.f 27.09.2024

### Audit Committee Meetings

The Audit committee met 4 times on a quarterly basis during the finance year ended 31st March 2025 and attendance at meetings is as follows;

| Name of Director                  | Eligible to attend | Attended |
|-----------------------------------|--------------------|----------|
| Mr.A.M.P.C.K.Abeykoon (Chairman ) | 4                  | 4/4      |
| Dr. J.A.S. Felix*                 | 2                  | 2/2      |
| Mr.D.S.Arangala                   | 4                  | 4/4      |
| Mr. E. A. P. Ekanayake**          | 3                  | 3/3      |

\* Dr. J. A. S. Felix resigned as member w.e.f 27.09.2024

\*\*Mr. E. A. P Ekanayake appointed as a member and chairman w.e.f 27.09.2024

### Related Party Transaction Review Committee Meetings

The Related Party Review Committee met 4 times on a quarterly basis during the financial year ended 31st March 2025 and attendance at meetings is as follows;

| Name of Director             | Eligible to attend | Attended |
|------------------------------|--------------------|----------|
| Mr. M.S. Dominic (Chairman)* | 2                  | 2/2      |
| Mr. D.S.Arangala**           | 4                  | 3/4      |
| Mr. A.M.P.C.K.Abeykoon       | 4                  | 4/4      |
| Mr. Ekanayake***             | 3                  | 3/3      |

\* Mr. M. S Dominic resigned w.e.f 30.09.2024

\*\*\* Mr. E. A. P. Ekanayake appointed as a member and chairman w.e.f 27.09.2024

### Remuneration Committee

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

### Nomination & Governance Committee Meeting

| Name of Director       | Eligible to attend | Attended |
|------------------------|--------------------|----------|
| Mr. D.S.Arangala       | 1                  | 1/1      |
| Mr. A.M.P.C.K.Abeykoon | 1                  | 1/1      |
| Mr. Ekanayake          | 0                  | 0/0      |

## REPORT ON THE CORPORATE GOVERNANCE (Contd...)

### APPOINTMENT RE-ELECTION OF DIRECTORS

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

### PROCEDURE FOR DIRECTORS TO OBTAIN PROFESSIONAL ADVICE

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

### BOARD COMMITTEES

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

### AUDIT COMMITTEE

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

The Report of the Audit Committee is presented on page 26-27 and the duties of the Audit Committee are included therein.

### RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The related Party Transactions review committee was established on 1st January 2016 with an objective of keeping in line with the Code of Best Practice on Corporate

Governance and the requirement of the Listing Rules of Colombo Stock Exchange with a view to ensure that the interests of shareholders as a whole are taken into account by Renuka Foods PLC and its subsidiaries and are consistent with the Listing Rules of Colombo Stock Exchange when entering into Related Party Transactions and make required disclosures in a timely manner.

The Related Party Transaction Committee of Renuka Foods PLC is 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 28-29.

### REMUNERATION COMMITTEE

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

The Remuneration Committee of Renuka Foods PLC is 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 30.

### NOMINATION & GOVERNANCE COMMITTEE

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

The Nomination committee of Renuka Foods PLC is appointed by and responsible to the Board of Directors. The report of the nomination committee is presented on page 31.

### 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 assigns 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 company's website [www.renukagroup.com](http://www.renukagroup.com). If you have any question on accessing of the digital copy of this report, please call 0112 314750, company secretaries.

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

## REPORT ON THE CORPORATE GOVERNANCE (Contd...)

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

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

### MAJOR TRANSACTION

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

### GOING CONCERN

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

### CORPORATE GOVERNANCE COMPLIANCE STATEMENT

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

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

## REPORT ON THE CORPORATE GOVERNANCE (Contd...)

### COMPLIANCE SUMMARY

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

| CSE Rule Reference | Corporate Governance Principles  | Compliance Status | Company's Extent of Adoption  |
|--------------------|--|-------------------|---|
| (i)                | Names of persons who were Directors of the entity  | Complied          | Refer Directors' Report on pages 37 to 41 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 20 largest share holders on page 109 to 113 to this Annual Report |
| (iv)               | The public holding percentage  | Complied          | Refer Shareholders and Investor information on pages 109 to 113 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 37 to 41 to this Annual Report   |
| (vi)               | Information pertaining to material foreseeable risk factors of the Entity  | Complied          | Refer Risk management Report on pages 32 to 34 this Annual Report.  |
| (vii)              | Details of material issues pertaining to employees and industrial relation of the Entity   | Complied          | Refer Directors' Report on pages 37 to 41 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 107 to this Annual Report   |
| (ix)               | Number of shares representing the Entity's Stated Capital  | Complied          | Refer Note 25 to Financial Statements   |
| (x)                | A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings   | Complied          | Refer Shareholders and Investor information on pages 109 to 113 this Annual Report                                |
| (xi)               | Financial Ratios and Market Price Information  | Complied          | Refer five year summary on page 108 to this annual report   |
| (xii)              | Significant change in the Company's fixed assets and market value of Land, if the value differs substantially from the book value as at the end of the year            | Complied          | Refer note 14 to Financial Statements.  |
| (xiii)             | Details of funds raised through a public issue, rights issue and a private placement during the year   | Not Applicable    | -   |
| (xiv)              | Information in respect of Employee Share Ownership or Stock option Scheme  | Not Applicable    | -   |
| (xv)               | Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5c. & 7.10.6.c.of Section 7 of the Listing Rules                               | Complied          | Refer Corporate Governance Re-port on pages 18 to 25 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, which-ever is lower. | Complied          | Refer Note 34 to Financial Statements   |
| (xvii)             | Disclosures on Foreign Currency Denominated Security   | Not Applicable    | -   |
| (xviii)            | Disclosures on listed Green Bonds  | Not Applicable    | -   |
| (xix)              | Disclosures on listed perpetual Debt Securities  | Not Applicable    | -   |



## REPORT ON THE CORPORATE GOVERNANCE (Contd...)

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

| CSE Rule Reference | Corporate Governance Principles   | Compliance Status | Company's Extent of Adoption  |
|--------------------|---|-------------------|---|
| <b>9.1</b>         | <b>COMPLIANCE</b>   |                   |   |
| 9.1.1/9.1.2        | Compliance with Corporate Governance Rules  | Compliant         | This report declares the confirmation on compliance and refer Page 21 for "CORPORATE GOVERNANCE COMPLIANCE STATEMENT"   |
| <b>9.1.8.1</b>     |   |                   |   |
| a.                 | At least 2 members or 1/3 of the Board, whichever is higher should be NEDs  | Compliant         | Five out of eight Directors are Non- Executive Directors  |
| a.                 | The Total number of Directors are to be calculated based on the number as at the conclusion of the immediately preceding Annual General Meeting |                   | 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    |   |
| <b>9.8.2</b>       | <b>INDEPENDENT DIRECTORS</b>  |                   |   |
| 9.8.3              | 2 or 1/3 of NEDs, whichever is higher shall be 'independent'  | Compliant         | Three Non-Executive Directors are independent   |
|                    | Each NED to submit a signed and dated declaration annually of his/her independence or non- independence   | Compliant         | All Non-Executive Independent Directors have submitted their confirmation on independence   |
| <b>9.10</b>        | <b>DISCLOSURES RELATING TO DIRECTORS</b>  |                   |   |
| 9.10.4             | Board shall annually determine the independence or otherwise of NEDs  | Compliant         | The Board assessed the independence declared by Directors and determined the Directors who are independent.   |
|                    | A brief resume of each Director should be included in the annual report including the directors' experience                                     | Compliant         | Refer page 11 to 12 for a brief resume of each Director   |
|                    | Provide a resume of new Directors appointed to the Board along with detail  | Compliant         | Refer page 11 to 12   |
| <b>9.8.3</b>       | <b>CRITERIA FOR DEFINING INDEPENDENCE</b>   |                   |   |
|                    | Requirements for meeting the criteria to be an Independent Director   | Compliant         | As per 9.8.3 i - viii in determining of the independence or otherwise of NEDs, board reviewed the criteria for defining independence as per 7.10.4 a to also subject to the transitional provisions which is complied in line with the effective date as 01/10/2024 |
| <b>9.12</b>        | <b>REMUNERATION COMMITTEE</b>   |                   |   |
| 12.1               | A listed company shall have a Remuneration Committee  | Compliant         | The remuneration committee of Renuka Foods PLC appointed by the board and responsible to the directors as allowed by Listing Rules of Colombo Stock Exchange.   |
|                    | Remuneration Committee shall comprise of NEDs, a majority of whom will be independent   | Compliant         | The remuneration Committee comprises of 3 Non-Executive Directors of whom all 3 are independent.  |

## REPORT ON THE CORPORATE GOVERNANCE (Contd...)

| CSE Rule Reference | Corporate Governance Principles  | Compliance Status | Company's Extent of Adoption   |
|--------------------|--|-------------------|--|
| 9.12.6.3           | One Non-Executive Director shall be appointed as Chairman of the Committee by the board of directors   | Compliant         | Mr. D. S. Arangala is the Chairman of the Committee who is Independent/Non-Executive Director.   |
|                    | Remuneration Committee shall recommend the remuneration of the CEO and the Executive Directors   | Compliant         | Refer Page 30 for Remuneration Committee scope   |
|                    | Names of Remuneration Committee members  | Compliant         | Refer page 30 for names of the Committee members   |
|                    | Statement of Remuneration policy   | Compliant         | Refer page 30.   |
|                    | Aggregate remuneration paid to EDs and NEDs  | Compliant         | Refer to Note 10   |
| <b>9.1.3</b>       | <b>AUDIT COMMITTEE</b>   |                   |  |
|                    | 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 pages 26 to 27.   |
| 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, Member of Chartered Institute of Management Accountants of United Kingdom and also a member of Association of Chartered Certified Accountants of United Kingdom |
| <b>9.1.3</b>       | <b>AUDIT COMMITTEE</b>   |                   |  |
| (i)                | Overseeing of the preparation, presentation and adequacy of disclosure in the financial statements in accordance with SLFRS/LKAS   | Compliant         | Refer pages 26 to 27 of Audit Committee Report   |
|                    | Overseeing the compliance with financial reporting requirements, information requirements as per the laws and regulations  | Compliant         | Refer pages 26 to 27 of Audit Committee Report   |
|                    | Ensuring the internal controls and risk management, are adequate, to meet the requirements of the SLFRS/LKAS   | Compliant         | Refer pages 26 to 27 of Audit Committee Report   |
|                    | Assessment of the independence and performance of the Entity's external auditors   | Compliant         | Refer pages 26 to 27 of Audit Committee Report   |
|                    | Make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors. | Compliant         | Refer pages 26 to 27 of Audit Committee Report   |
|                    | Names of the Audit Committee members shall be disclosed  | Compliant         | Refer pages 26 to 27 of Audit Committee Report   |
|                    | Audit Committee shall make a determination of the independence of the external auditors  | Compliant         | Refer pages 26 to 27 of Audit Committee Report   |
|                    | Report on the manner in which Audit Committee carried out its functions  | Compliant         | Refer pages 26 to 27 of Audit Committee Report   |

## REPORT ON THE CORPORATE GOVERNANCE (Contd...)

| CSE Rule Reference | Corporate Governance Principles                                      | Compliance Status | Company's Extent of Adoption  |
|--------------------|--|-------------------|---|
| <b>9.14</b>        | <b>RELATED PARTY TRANSACTIONS REVIEW COMMITTEE(RPTR)</b>             |                   |   |
| 9.14               | Related Party Review Committee                                       | Compliant         | The Functions of the Committee are stated in the Report of the Related Party Transaction Review Committee on Page 28 to 29. |
| 9.14.2             | Composition  | Compliant         | Refer the report of RPTR committee on page 28 to 29.  |
| 9.14.4             | Meetings   | Compliant         | Refer the report of RPTR committee on page 28 to 29.  |
| 9.14.7             | Immediate Disclosures  | Compliant         | Please refer Note 33 of the Notes to the Accounts on Page 93.   |
| 9.14.8 (1) & (2)   | Disclosure of recurrent and non-recurrent Related Party Transactions | Compliant         | Please refer Note 33 of the Notes to the Accounts on Page 93.   |
| 9.14.8 (3)         | Report   | Compliant         | Refer the report of RPTR committee on page 28 to 29.  |
|                    | 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 42.    |

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

| Section     | Companies Act Requirements  | Compliance Status | Reference  |
|-------------|---|-------------------|--|
| 168 (1) (a) | The state of the Company's affairs and nature of the business of the Company or any of its subsidiaries together with any change thereof during the accounting period       | Compliant         | Refer Note 1 of the Financial Statements                                   |
| 168 (1) (b) | Signed Financial Statement of the Company and its subsidiaries for the accounting period completed  | Compliant         | Refer pages 43 of the Annual Report  |
| 168 (1) (c) | Auditors Report on Financial Statements of the Group and the Company  | Compliant         | Refer page 42 to 46 of the Annual Report                                   |
| 168 (1) (d) | Accounting Policies and any changes therein   | Compliant         | Refer Note 1 to 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 37 to 41.           |
| 168 (1) (f) | Remuneration and other benefits paid to Directors of the Company during the accounting period   | Compliant         | Refer Note 10 of the Financial Statements                                  |
| 168 (1) (g) | Corporate donations made by the Company during the accounting period  | Compliant         | Refer page 40 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 11 and 12.   |
| 168 (1) (i) | Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period  | Compliant         | Refer Note 10 of the Financial Statement                                   |
| 168 (1) (j) | Other relationships or any interest of Auditors with the Company and its subsidiaries   | Compliant         | Refer pages 26 to 27 of the Annual Report.                                 |
| 168 (1) (k) | Acknowledgment of the content of this report and signature on behalf of the Board   | Compliant         | Refer page 37 to 41 of the Annual Report, report of the Board of Directors |

# AUDIT COMMITTEE REPORT

## AUDIT COMMITTEE REPORT

The Audit Committee of Renuka 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 Attend | Attended |
|----------------------------------|--------------------|----------|
| Mr.E.A.P.Ekanayake - Chairperson | 3                  | 3        |
| Mr.A.M.P.C.K.Abeykoon            | 4                  | 4        |
| Mr.D.S.Arangala                  | 3                  | 3        |
| Mr.M.S.Dominic                   | 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 twenty tree audits. Of these four were completed since seventeen ad-hoc 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:

- 1. Developing a Comprehensive Risk-Based Plan:** An internal audit plan for the 2025/26 financial year has been developed and approved by the Committee.
- 2. Securing Adequate Resources:** The internal audit team has been strengthened with co-sourced external expertise to ensure the approved annual plan is completed.
- 3. Enhancing Committee Oversight:** Table completed internal audit reports to the Audit Committee for discussion, with the audit team present, at quarterly meetings.
- 4. 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.

## 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.

## AUDIT COMMITTEE REPORT (Contd...)

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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

Sgd.  
**Mr. E.A.P.Ekanayake**  
Chairperson  
29th August 2025



# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

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 pages xx -xx 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 - Chairman | 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.

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT (Contd...)

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- 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.

**E. A. P Ekanayake**

Chairman

29th August 2025

# REMUNERATION COMMITTEE REPORT

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

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

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

1. Mr. D.S.Arangala -Chairman (IND/NED)
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

Brief profiles of each of the Committee Members are given on pages 8 of the Annual Report and Mr. E.A.P ekanayeke and Mr.A.M.P.C.K Abeyakoon profiles are given below

## 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.

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

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

Sgd.

**Mr. D.S. Arangala**

Chairman

29th August 2025

# NOMINATION AND GOVERNANCE COMMITTEE REPORT

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The Nomination and governance committee of acts as the Nomination and governance Committee of Renuka Foods PLC.

## **Composition of Nomination and Governance Committee as at 31st March 2025**

1. Mr. D.S.Arangala -Chairman (IND/NED)
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**

Brief profiles of each of the Committee Members are given on page 11 to 12 of this Annual Report.

## **The directives of the Committee are,**

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

## **The Scope of the Committee is,**

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

Company Secretaries act as the secretaries to the Committee.

Sgd.

**Mr. D.S. Arangala**

Chairman

29th August 2025

# RISK MANAGEMENT

## Enterprise Risk Management (ERM)

At Renuka Foods PLC, Enterprise Risk Management (ERM) is embedded into our group-wide governance and strategic planning process. As the holding company of diverse subsidiaries operating across food, beverage, agri-business, and FMCG sectors, we recognize the importance of a unified and structured risk management approach to ensure the resilience and sustainability of our business model.

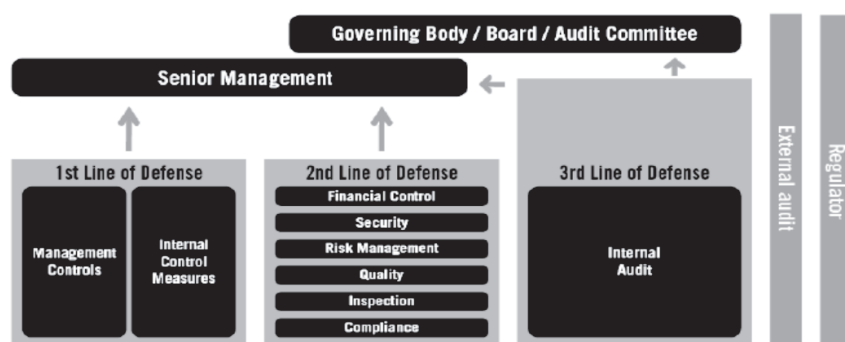
Our ERM framework enables proactive identification, assessment, mitigation, and monitoring of risks across our value chain, including plantation operations, food and beverage manufacturing, international trade, and domestic distribution. This ensures that risks are managed consistently across the Group, aligned with stakeholder expectations and regulatory standards.

## Our Risk Management Philosophy

We promote a risk-aware culture throughout the Group, guided by our core values of integrity, resilience, innovation, and accountability. Risk management is not a standalone function but an integrated part of how we make decisions, pursue strategic opportunities, and protect our assets, people, and reputation.

## Risk Governance Structure

Renuka Foods PLC follows the internationally accepted Three Lines of Defence model to establish clear responsibilities across the Group:



| Line of Defence | Responsibility  |
|-----------------|---|
| First Line      | Operational Management – manage and own risks through effective controls, procedures, and compliance.             |
| Second Line     | Risk Management, Compliance, Legal, Quality Assurance – guide, monitor, and oversee risk-related activities.      |
| Third Line      | Internal Audit – provide independent assurance to the Board and Audit Committee on risk management effectiveness. |

The Board of Directors holds ultimate accountability for risk oversight. The Audit Committee provides governance over risk exposure reporting, internal control frameworks, and the effectiveness of ERM practices across the Group.

## Risk Management Process

Our ERM process is standardized across all subsidiaries, with regular oversight at Group level:

- Risk Identification – Through stakeholder engagement, internal audits, and environmental scanning.
- Risk Assessment – Based on impact and likelihood using a Group-standard risk matrix.
- Risk Response Planning – With mitigation strategies, controls, and clear accountability.

- Monitoring and Reporting – Through dashboards, exception reports, and management reviews.
- Continuous Improvement – By learning from incidents, audits, and feedback loops.

## Risk Appetite and Tolerance

As a diversified Group, Renuka Foods PLC maintains a measured and calibrated risk appetite aligned with its long-term strategic objectives. While we support innovation and responsible growth, we have low tolerance for risks that may compromise food safety, legal compliance, financial integrity, or brand reputation. The Group's risk appetite is reviewed periodically in response to changes in the external environment and stakeholder expectations.

## Risk Assessment Matrix

As part of our comprehensive Risk Management Framework, Renuka 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.



## RISK MANAGEMENT (Contd...)

| IMPACT |          | Plan for action<br>(Mitigate or transfer) | Pan for action (Mitigate or transfer) | Immediate action<br>(Mitigate or share)  |
|--------|----------|---|---------------------------------------|--|
|        | Moderate | No action<br>(Accept or avoid)            | No action<br>(Accept or avoid)        | Immediate action<br>(Mitigate or share)  |
|        | Minor    | No action<br>(Accept)                     | No action<br>(Accept)                 | Plan or action<br>(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.

### Key Risk Categories and Mitigation Strategies

The following key risk categories apply across Renuka Foods PLC and its subsidiaries, including Renuka Agri Foods PLC, Richlife Dairies Ltd, Shaw Wallace Ceylon Ltd, and others:

| 1. Strategic Risks                       |   |   |
|--|---|---|
| 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 Risks                     |   |   |
| 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 recall protocols.                                      |
| Human Capital Risks                      | Difficulty attracting or retaining talent, leading to 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.  |

## RISK MANAGEMENT (Contd...)

| 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.     |
| 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); RGD with agri-institutes; early detection protocols.                   |
| 6. Technology & Cybersecurity Risks |   |  |
| Risk                                | Potential Impact  | Mitigation Strategies  |
| Cybersecurity & IT Failures         | Data loss, system unavailability, reputational or financial damage. | IT governance; firewall and antivirus software; data backups; BCP/DRP planning.                          |

### Internal Controls and Assurance

The Group places strong emphasis on internal controls, supported by robust internal audit coverage, whistleblower mechanisms, fraud risk assessments, and regular review of policies. Subsidiaries are required to follow group-level controls while tailoring to their operational context.

### Future Outlook and Risk Management Priorities

Renuka Foods PLC is committed to continuously enhancing ERM maturity across the Group. In the coming year, focus areas include:

- Upskilling teams on risk ownership, compliance, and control effectiveness.
- 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.

By maintaining a strong risk governance model and dynamic response capabilities, we ensure that the Group remains agile, compliant, and well-positioned for long-term growth.

# SUSTAINABILITY REPORT

## Overview

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

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

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

## Renuka impact on economic performance

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

on time with increased accuracy. Group has made substantial investment during the year to improve value addition to economic development. These investments have helped to

improve resource utilization as well as minimization of waste and pollution.

## Renuka Sustainability Policy and guidelines

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

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

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

## ENVIRONMENTAL IMPACT

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

## Our Stakeholder Engagement Process

### • Investors support Renuka business activities

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

## Method of engagement

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

## Our Concern

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

### • Employees at Renuka work place

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

## SUSTAINABILITY REPORT (Contd...)

|   |  |   |
|---|--|---|
| <p><b>Method of engagement</b></p> <ul style="list-style-type: none"> <li>We have an open communication policy and have implemented a process to identify and report corruption within the business units.</li> <li>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.</li> <li>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.</li> <li>We organize team building activities such as gettogethers, sports meets and CSR projects.</li> <li>Factories of the group companies are equipped with adequate safety measures and have educated the employees to minimize accidents</li> </ul> <p><b>Our Concern</b></p> <p>Our concern is to create a friendly environment to our employees who are motivated and talent developed to offer effective service.</p> | <p><b>Method of engagement</b></p> <ul style="list-style-type: none"> <li>We engage our customers through regular meetings, visits and web portal.</li> <li>On going participation for Industry exhibitions and trade fairs locally and internationally.</li> <li>We allow buyer inspections and audits to ensure compliance with global quality standards</li> </ul> <p><b>Our Concern</b></p> <p>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.</p> <ul style="list-style-type: none"> <li><b>Suppliers and business partners</b></li> </ul> <p>We have built lasting business relationships all over the world and not only centered in Sri Lanka. It is through our business partners that we co-exist to fulfil customer needs and wants.</p> | <ul style="list-style-type: none"> <li><b>Our society</b></li> </ul> <p>Renuka has been actively involved in supporting the rural farmer network for our coconut division. Renuka procures over Rs. 1Bn worth of produce from our farmer network.</p> <p><b>Method of engagement</b></p> <ul style="list-style-type: none"> <li>We conduct farmer training programs, medical camps, veterinary services which assist in improving the livelihood and wellness of the communities within Sri Lanka.</li> <li>Local engagement through purchasing.</li> </ul> <p><b>Our Concern</b></p> <p>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.</p> |
| <ul style="list-style-type: none"> <li><b>Customers</b></li> </ul> <p>World class quality products and customer satisfaction is our key with our customers. The group uses its competencies and decades of experience to identify the needs and wants of our customers in order to provide quality product and services creating value-for-money.</p>   | <p><b>Method of engagement</b></p> <ul style="list-style-type: none"> <li>We look at our business partners as a resource base to develop business efficiency and innovative products.</li> <li>Develop long term purchase contracts with our business partners &amp; suppliers to support responsible supply chain</li> <li>Participate in industry exhibitions and trade fairs</li> </ul> <p><b>Our Concern</b></p> <p>We maintain effective long term relationship with our business partners and suppliers who benefit from our growth, and knowledge sharing.</p>  | <p>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.</p>   |

# REPORT OF THE DIRECTORS

## Overview

The Board of Directors of Renuka Foods PLC have pleasure in presenting the Annual Report of your Company together with the Audited Consolidated Financial Statements for the year ended 31st March 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 Foods PLC is a public limited liability company incorporated in Sri Lanka under the Companies Act No. 17 of 1982, quoted on the Colombo Stock Exchange and reregistered as required under the provisions of the Companies Act No. 7 of 2007.

## Principal Activities of the Company and the Group

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

The Principle activities of the Group are categorized into Agri business and Consumer Brands business segments and Segmental reporting is provided in Note 40 to the annual report.

## Vision, Mission and Corporate conduct

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

## Review of Business and Future Developments

The review of the Group Progress and Performance during the year with comment on the financial results and prospects is contained in the Chairman's Review on page 13, as required under Section 168 (1) (a) of the Companies Act. These reports form an integral part of the report of the Directors and together with the Audited Financial Statement reflect the state of affairs of the company.

## Statement of Directors of Responsibilities

The Statement of Director's responsibilities for the Financial Statements is given on page 42.

## Financial Statements of the Company and Group

The Financial Statements of the Company and Group are given on pages 47 to 106.

## Accounting Policies and Changes During the Year

The accounting policies adopted in the preparation and presentation of the Financial Statements are given on pages 52 to 63. Further Accounting Standards issued but not yet effective are disclosed on page 63.

## Group Turnover

The Turnover of the Group was Rs. 13.7 Bn as compared with Rs. 14.1 Bn in the previous year. A detailed analysis of the Group Turnover is given in Note 6 of the Financial Statements.

## Gross Profit

The Group Gross Profit for the year was Rs. 1.8 Bn, compared with the Group Gross Profit of Rs. 1.7 Bn for the previous year.

## Net Profit

The Group loss after Taxation for the year was Rs. 377 Mn, compared with the Group Loss after Taxation of Rs. 799 Mn for the previous year.

## Group Investments

Investment of the Company and the Group in Subsidiaries, Associates and Other long term equity investment amounted to Rs. 3.8Bn (2024 - 3.3Bn). Detailed description of the Subsidiaries, Associates, and Other long term equity investments held at the Balance Sheet date are given in Note 18 in the Financial Statements.

## Property, Plant and Equipment

Group has incurred Capital Expenditure during the year on Property, Plant & Equipment (including capital work-in-progress), Biological assets, Investment Properties, Intangible assets amounting to Rs. 263 Mn (2024 - Rs. 266 Mn).

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

Extent, Locations, number of buildings and Valuations of the properties of the Group are given under Real Estate Portfolio on page 107 and the market values of the Land and Buildings owned by the Company and Group are included on the basis of valuation carried out by a professionally qualified valuer is given in Note 14 and 17 to the Financial Statements.

## Stated Capital

The Stated Capital of the Company as at 31st March 2025 was Rs. 2,908Mn comprising of Voting Ordinary Shares of 180,005,317 and Non-Voting Ordinary shares of 3,706,800.

## Reserves

Total Group Reserves as at 31st March 2025 amounts to Rs. 2.6 Bn (2024 - Rs. 1.7 Bn) representing Revaluation Reserve and Retained Earnings.



## REPORT OF THE DIRECTORS (Contd...)

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

### Major Shareholdings

Details of the twenty largest shareholders with the percentage of their respective holdings are given on page 109 and 113 together with comparative shareholding as at 31st March 2024.

### Public Holding

There were 4,182 (2024 -3,959) registered voting shareholders and 815 (2024-764) registered non-voting shareholders as at 31st March 2025, with the percentage of shares held by the public, as per the Colombo Stock Exchange Rules, being 21.82% (2024-25.05%) for voting shares and 72.13%. (2024-68.27%) for non-voting shares.

### Share Holdings /Share Information

Information relating to earnings, dividend, net assets, market value per share, share trading and distribution of shareholding is given on page 108.

### 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 108 to this report.

### Equitable Treatment to all Shareholders

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

### Information to Shareholders

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

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

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

Dr. J. A. S. Felix resigned w.e.f. 27.09.2025

Mr. M. S. Dominic resigned w.e.f. 30.09.2025

### Directors

The names of the Directors who held office during the financial year ended 31st March 2025 are given in the above table. The brief profiles of the Board of Directors appear on page 38.

### Recommendation for re-election

1. To re-elect Mr. M. R. Ratnasabapathy as a Director of the company as per Article 26 (2).
2. To re-elect Mr. A. M. P. C. K. Abeykoon as a Director who retires and is eligible for re-election in terms of Article 26 (2).
3. To re-elect Mr. E. A. P. Ekanayake as a Director who retires by rotation in terms of Article 28 (1).
4. To re-appoint Dr. S.R. Rajiyah who is over 70 years of age, as a director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the

Companies Act No. 7 of 2007 shall not apply to the said Dr. S.R. Rajiyah.

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

### Entries in the Interest Register

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

### Directors' Interest in Transactions

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

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

## REPORT OF THE DIRECTORS (Contd..)

### Directors Interest in Shares

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

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

### Remuneration of Directors

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

ended 31st March 2025 is given in Note 10 to Financial Statements.

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

### Directors Meetings

Details of Board meetings and Board subcommittee meetings are presented on page 19 to 25 of the annual report.

### Directors Responsibility for Financial Reporting

The Directors are responsible for the preparation of the financial statements of the company to reflect a true and

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

### Board Committees

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

| Directors Name                                | As at 31st March 2025 |            | As at 31st December 2024 |            |
|---|-----------------------|------------|--------------------------|------------|
|   | Voting                | Non-Voting | Voting                   | Non-Voting |
| Dr. S. R. Rajiyah                             | -                     | -          | 3,784                    | -          |
| Dr. S. R. Rajiyah & Mrs. I.R. Rajiyah (Jt)    | -                     | -          | 6,002,580                | -          |
| Mrs. I.R. Rajiyah                             | -                     | -          | 685                      | -          |
| Mr. S.V. Rajiyah                              | -                     | -          | 1,617,543                | -          |
| Mr. S.V. Rajiyah & Mrs. J.J.B.A. Rajiyah (Jt) | -                     | -          | 508,661                  | -          |
| Mr. A.M.P.C.K. Abeykoon                       | -                     | -          | -                        | -          |
| Mr. D.S. Arangala                             | -                     | -          | -                        | -          |
| Mr. M.S.Dominic                               | -                     | -          | -                        | -          |
| Mr. R.F.N. Jayasooriya                        | -                     | -          | -                        | -          |
| Mr. V. Sanmugam                               | -                     | -          | -                        | -          |
| Dr. J.A.S.Felix                               | -                     | -          | -                        | -          |
| Total   | -                     | -          | 8,133,253                | -          |

The composition of the Board Audit Committee comprising of Non- Executive Directors is provided on pages 26 and 27. The Executive Directors, Chief Financial Officer External auditors attend the meeting by invitation. Detail scope of Audit Committee and their work during the year is disclosed in Audit Committee report given on Pages 22 and 23.

### Remuneration Committee

The composition of the Board Remuneration Committee comprising of Non-Executive Directors is provided on page 30.

The remuneration committee of Renuka Foods PLC, appointed by and responsible

for the Board of Directors consists of three Non- Executive Independent Directors.

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

### Related Party Transactions Review Committee

The composition of the Board Related Party Transactions Review Committee comprising of Non- Executive Directors is provided on page 28 and 29. 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 28 and 29.

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

### Non - Recurrent Related Party Transactions

All Non - Recurrent Related Party transactions of which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per audited Financial Statements of 31st March 2025, which required additional disclosures in the Annual Report of 2024/25 under Colombo Stock Exchange Listing Rule 9.3.2 and

## REPORT OF THE DIRECTORS (Contd...)

Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission directive issued under Section 13(c) of the Securities and Exchange Commission Act are disclosed under note 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 42.

### Compliance with Laws and Regulations

The company has complied with all applicable laws and regulations. A compliance checklist is signed-off on a monthly basis by responsible officers and any violations are reported to the Board Audit Committee. Refer page 18 to 25 for a statement of compliance.

### Code of Conduct

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

### System of Internal control

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

### Corporate Governance

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

The Corporate Governance Report on pages 18 to 25 discusses this in further detail.

### Going Concern

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

### Risk Management

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

The Group exposure to risk and structure to manage and mitigate risk is discussed in more detail in Risk Management Report from pages 32 to 34.

### Compliance with the transfer pricing regulations

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

### Event after the Reporting period

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

### Capital Commitments

No significant capital commitments exist as at 31st March 2025 other than those disclosed in Note 36 to the financial statements.

### Contingencies and Outstanding Litigation

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

### Corporate Donations

No donation for the year was made by the group.

### Employees and Industrial Relations

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

### Auditors

Company's Auditors during the year under review were M/s KPMG, Chartered Accountants. Their report on the Financial Statements is given on page 43 to 46 of the Annual Report.

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

|                              | 2025      | 2024    |
|------------------------------|-----------|---------|
| Audit and Audit related fees | 1,000,000 | 834,000 |
| Non audit fees               | 75,000    | 75,000  |

## REPORT OF THE DIRECTORS (Contd...)

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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 43 to 46 of this annual report.

### Environmental Protection

The group effort in minimizing and conserve scarce and non- renewable resources as well as environmental objectives are discussed in detail in Sustainability Report on page 35 to 36.

### 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 1,368 (2024 - 1,368)

### Annual Report

The Board of Directors approved the Consolidated Financial Statement along with Company Financial Statements on 28th 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 35th Annual General Meeting of Renuka Foods PLC will be held virtually on Friday the 19th of September 2025.

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

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

Sgd.

**Dr. S.R. Rajiyah**

Sgd.

**Mr. S.V Rajiyah**

Sgd.

**Renuka Enterprises (Pvt) Ltd**

Company Secretaries

29th August 2025

# STATEMENT OF DIRECTORS' RESPONSIBILITY

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

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

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

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

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

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

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

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

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

## COMPLIANCE REPORT

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

By order of the Board  
**Renuka Enterprises (Pvt) Ltd**

Sgd.  
**Company Secretaries**  
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  
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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF RENUKA FOODS PLC

#### Opinion

We have audited the financial statements of Renuka Foods PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the 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 52 to 106.

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.

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 (Contd...)



| 01. Impairment Assessment of goodwill on consolidation and investment in subsidiaries  |  |
|--|--|
| Refer to Note 2.4 (Use of Estimates and judgments), Note 19 (Intangible Assets), and Note 18 (Investment in Subsidiaries) to the Financial Statements.   |  |
| Risk Description   | Our response   |
| <p>The Company has recorded investments in subsidiaries amounting to Rs. 3,803 Mn as at 31st March 2025. Goodwill on consolidation of Rs. 203.6 Mn has been recognized in the consolidated financial statements as at 31st March 2025.</p> <p>The recoverable amounts of the identified CGUs have been determined based on value- in-use calculations or fair value less cost to sell calculations.</p> <p>The carrying amounts of each investment in subsidiaries where indications existed have been tested for impairment and determined their recoverable amounts based on value in use calculations or fair value less cost to sell calculations as at 31st March 2025. Investments which do not generate adequate returns may be an indication of impairment. Due to the investments being material in the financial statements, it will have significant impact on the financial performance of the Company.</p> <p>We considered the management's impairment assessment of goodwill and investment in subsidiaries to be a key audit matter due to the magnitude of the carrying value and use of significant judgments and estimates.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of management's impairment assessment process.</li> <li>• Evaluating the carrying amounts and the nature and background of the investments to identify impairment indications under accounting standards.</li> <li>• 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.</li> <li>• Assessing the adequacy of disclosures in the Financial Statements in relation to impairment of investments in subsidiaries and goodwill on consolidation.</li> </ul> |
| 02. Valuation of Land and Buildings  |  |
| Refer to Note 2.4 (Use of Estimates and judgements), Note 14 (Property, Plant & Equipment), to the Financial Statements.   |  |
| Risk Description   | Our responses  |
| <p>The Group carried freehold land and buildings classified as Property, Plant and Equipment at fair value amounting to Rs. 1,819 Mn and Rs. 2,425 Mn respectively as at 31st March 2025. Accordingly, the Group has recognized a fair value gain of Rs. 407 Mn and Rs. 301 Mn respectively during the year ended 31st March 2025.</p> <p>Management's assessment of the fair value of land &amp; buildings are based on valuation performed by a qualified independent property valuer in accordance with recognized industry standards.</p> <p>We identified valuation of Land 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. These key assumptions include market value per perch/ square feet used, taking into consideration the differences such as locations 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"> <li>• Assessing the objectivity, independence, competency, and capability of the external valuer engaged by the management.</li> <li>• Reading the professional valuer's report and assessing the key estimates made by external valuer in deriving the fair value of the land and buildings.</li> <li>• Engaging our own internal specialized resources to assess the reasonability of the valuation technique and the market value per perch/square feet used.</li> <li>• Assessing the adequacy of disclosures made in relation to the fair value of land and buildings in the financial statements.</li> </ul>  |

## INDEPENDENT AUDITOR'S REPORT (Contd...)



### 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.

### 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.

## INDEPENDENT AUDITOR'S REPORT (Contd...)



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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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  
30th August 2025

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

| FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH                | Note      | GROUP                |                      | COMPANY             |                   |
|--|-----------|----------------------|----------------------|---------------------|-------------------|
|  |           | 2025<br>Rs.          | 2024<br>Rs.          | 2025<br>Rs.         | 2024<br>Rs.       |
| <b>Revenue</b>   | 6         | 13,767,168,008       | 14,178,550,721       | 42,173,204          | 45,110,918        |
| Cost of Sales  |           | (11,903,792,014)     | (12,465,616,770)     | -                   | -                 |
| <b>Gross Profit</b>                                      |           | <b>1,863,375,994</b> | <b>1,712,933,951</b> | <b>42,173,204</b>   | <b>45,110,918</b> |
| Other Income   | 7         | 125,665,328          | 82,614,156           | -                   | -                 |
| Change in Fair Value of Investment Properties            | 16.1      | 36,727,427           | -                    | -                   | -                 |
| Administrative Expenses                                  |           | (1,074,224,407)      | (889,469,268)        | (59,232,463)        | (13,401,605)      |
| Selling & Distribution Expenses                          |           | (1,027,499,730)      | (1,072,984,528)      | -                   | -                 |
| <b>Operating (Loss)/Profit</b>                           |           | <b>(75,955,388)</b>  | <b>(166,905,689)</b> | <b>(17,059,259)</b> | <b>31,709,313</b> |
| Finance Income   | 8         | 158,146,608          | 322,340,099          | 4,744,611           | 293,863           |
| Finance Costs  | 9         | (551,692,563)        | (1,096,592,379)      | (3,728,217)         | (1,052,894)       |
| Net Finance (Costs) / Income                             |           | <b>(393,545,955)</b> | <b>(774,252,280)</b> | <b>1,016,394</b>    | <b>(759,031)</b>  |
| <b>(Loss)/Profit before Tax</b>                          | <b>10</b> | <b>(469,501,343)</b> | <b>(941,157,969)</b> | <b>(16,042,865)</b> | <b>30,950,282</b> |
| Income Tax Expense / (Reversal)                          | 11        | 92,069,034           | 142,089,260          | -                   | (369,685)         |
| <b>Profit/ (Loss) for the year</b>                       |           | <b>(377,432,309)</b> | <b>(799,068,709)</b> | <b>(16,042,865)</b> | <b>30,580,597</b> |
| <b>Other Comprehensive Income</b>                        |           |                      |                      |                     |                   |
| Actuarial Gains /(Loss) on Retirement Benefit Plans      | 28.1      | 5,902,585            | 4,480,355            | (95,165)            | -                 |
| Revaluation surplus of land and buildings                |           | 853,589,692          | -                    | -                   | -                 |
| Fair Value loss in sale of Investment                    |           | -                    | (161,402,883)        | -                   | -                 |
| Tax effect on Revaluation of land and buildings          | 25.1      | (164,770,707)        | 2,513,359            | -                   | -                 |
| Tax effect on changes in Fair Value of Investment        | 25.1      | 24,240,730           | 24,160,335           | -                   | -                 |
| Tax effect on Actuarial gain / (loss)                    | 28.1      | (1,276,355)          | (1,249,371)          | -                   | -                 |
| <b>Other Comprehensive Income/ (Expense), Net of Tax</b> |           | <b>717,685,945</b>   | <b>(131,498,205)</b> | <b>(95,165)</b>     | <b>-</b>          |
| <b>Total Comprehensive Income / (Expense)</b>            |           | <b>340,253,636</b>   | <b>(930,566,914)</b> | <b>(16,138,030)</b> | <b>30,580,597</b> |
| <b>Profit/ (Loss) Attributable to;</b>                   |           |                      |                      |                     |                   |
| Owners of the Company                                    |           | (341,822,396)        | (611,074,304)        | (16,042,865)        | 30,580,597        |
| Non Controlling Interests                                |           | (35,609,913)         | (187,944,405)        | -                   | -                 |
| <b>(Loss)/Profit for the year</b>                        |           | <b>(377,432,309)</b> | <b>(799,068,709)</b> | <b>(16,042,865)</b> | <b>30,580,597</b> |
| <b>Total Comprehensive Income Attributable to;</b>       |           |                      |                      |                     |                   |
| Owners of the Company                                    |           | 269,633,827          | (719,390,341)        | (16,138,030)        | 30,580,597        |
| Non Controlling Interests                                |           | 70,619,809           | (211,176,573)        | -                   | -                 |
| <b>Total Comprehensive Income/ (Expense)</b>             |           | <b>340,253,636</b>   | <b>(930,566,914)</b> | <b>(16,138,030)</b> | <b>30,580,597</b> |
| <b>Earnings per Share</b>                                |           |                      |                      |                     |                   |
| Basic Earnings per Share                                 | 12        | (1.94)               | (4.89)               | (0.09)              | 0.24              |
| Diluted Earnings per Share                               | 12.1      | (1.94)               | (4.89)               | (0.09)              | 0.24              |

Figures in brackets indicate deductions.

The Notes on pages 52 to 106 are an integral part of these Financial Statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  |      | GROUP          |                | COMPANY       |               |
|--|------|----------------|----------------|---------------|---------------|
| AS AT 31 <sup>ST</sup> MARCH                 | Note | 2025<br>Rs.    | 2024<br>Rs.    | 2025<br>Rs.   | 2024<br>Rs.   |
| ASSETS                                       |      |                |                |               |               |
| Non Current Assets                           |      |                |                |               |               |
| Property, Plant and Equipment                | 14   | 5,868,475,794  | 5,075,781,824  | -             | -             |
| Right of use assets                          | 15   | 95,984,401     | 102,545,117    | -             | -             |
| Investment Properties                        | 16   | 361,451,036    | 323,143,210    | -             | -             |
| Biological Assets                            | 17   | 244,171,903    | 160,986,808    | -             | -             |
| Investment in Subsidiaries                   | 18   | -              | -              | 3,802,628,352 | 3,324,242,285 |
| Intangible Assets                            | 19   | 209,038,418    | 210,732,625    | -             | -             |
| Total Non Current Assets                     |      | 6,779,121,552  | 5,873,189,584  | 3,802,628,352 | 3,324,242,285 |
|  |      |                |                |               |               |
| Current Assets                               |      |                |                |               |               |
| Inventories                                  | 20   | 2,554,482,031  | 2,417,291,427  | -             | -             |
| Trade and Other Receivables                  | 21   | 3,322,448,888  | 2,307,411,261  | 148,398,000   | 270,839       |
| Current Tax Assets                           |      | 47,056,637     | 4,036,703      | 338,158       | -             |
| Amounts Due from Related Companies           | 22   | -              | 729,496        | 1,142,232     | -             |
| Cash and Cash Equivalents                    | 23   | 363,330,372    | 317,920,459    | 4,553,213     | 13,026,527    |
| Total Current Assets                         |      | 6,287,317,928  | 5,047,389,346  | 154,430,603   | 13,297,366    |
| Total Assets                                 |      | 13,066,439,480 | 10,920,578,930 | 3,957,058,955 | 3,337,539,651 |
|  |      |                |                |               |               |
| EQUITY AND LIABILITIES                       |      |                |                |               |               |
| Equity                                       |      |                |                |               |               |
| Stated Capital                               | 24   | 2,908,781,290  | 2,289,278,770  | 2,908,781,290 | 2,289,278,770 |
| Revaluation Reserve                          | 25   | 1,288,586,681  | 669,402,484    | -             | -             |
| Retained Earnings                            |      | 1,300,023,901  | 1,035,007,701  | 1,012,451,606 | 1,028,589,636 |
| Equity attributable to Owners of the Company |      | 5,497,391,872  | 3,993,688,955  | 3,921,232,896 | 3,317,868,406 |
| Non Controlling Interest                     |      | 586,044,359    | 1,003,982,588  | -             | -             |
| Total Equity                                 |      | 6,083,436,231  | 4,997,671,543  | 3,921,232,896 | 3,317,868,406 |
|  |      |                |                |               |               |
| Non Current Liabilities                      |      |                |                |               |               |
| Deferred Tax Liabilities                     | 26   | 643,348,073    | 595,913,992    | -             | -             |
| Interest Bearing Borrowings                  | 27   | 143,054,600    | 251,388,200    | -             | -             |
| Lease Liabilities                            | 15.2 | 125,685,490    | 149,201,549    | -             | -             |
| Retirement Benefit Obligation                | 28   | 112,648,760    | 110,327,448    | 3,509,516     | -             |
| Total Non Current Liabilities                |      | 1,024,736,923  | 1,106,831,189  | 3,509,516     | -             |
|  |      |                |                |               |               |
| Current Liabilities                          |      |                |                |               |               |
| Trade and Other Payables                     | 29   | 1,488,756,768  | 1,682,823,502  | 4,751,651     | 3,455,078     |
| Amounts Due to Related Companies             | 30   | -              | -              | 22,279,889    | 10,931,164    |
| Dividend Payable                             | 31   | 10,407,084     | 13,317,004     | 5,285,003     | 5,285,003     |
| Interest Bearing Borrowings                  | 27   | 4,304,138,698  | 2,823,785,546  | -             | -             |
| Lease Liabilities                            | 15.2 | 14,275,083     | 4,099,374      | -             | -             |
| Current Tax Payables                         |      | 3,482          | 1,049,010      | -             | -             |
| Bank Overdrafts                              | 23.2 | 140,685,211    | 291,001,762    | -             | -             |
| Total Current Liabilities                    |      | 5,958,266,326  | 4,816,076,198  | 32,316,543    | 19,671,245    |
| Total Liabilities                            |      | 6,983,003,249  | 5,922,907,387  | 35,826,059    | 19,671,245    |
| Total Equity and Liabilities                 |      | 13,066,439,480 | 10,920,578,930 | 3,957,058,955 | 3,337,539,651 |

Figures in brackets indicate deductions.

The Notes on pages 52 to 106 are an integral part of these Financial Statements.

I certify that these Financial Statements are prepared and presented in compliance with the requirement 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.

**Dr. S.R. Rajiyah**  
Director  
29th August 2025  
Colombo

Sgd.

**S. V. Rajiyah**  
Director



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|   | Equity Attributable to Owners of the Company |                               |                          |                                       |                                     | Total Equity<br>Rs. |
|---|--|-------------------------------|--------------------------|---------------------------------------|-------------------------------------|---------------------|
|   | Stated<br>Capital<br>Rs.                     | Revaluation<br>Reserve<br>Rs. | Retained Earnings<br>Rs. | Total Controlling<br>Interests<br>Rs. | Non Controlling<br>Interests<br>Rs. |                     |
| <b>GROUP</b>  |  |                               |                          |                                       |                                     |                     |
| Balance as at 1st April 2023                                | 2,241,842,234                                | 662,164,336                   | 1,935,563,856            | 4,839,570,426                         | 1,393,855,277                       | 6,233,425,703       |
| Profit for the year   | -  | -                             | (628,610,646)            | (628,610,646)                         | (170,458,063)                       | (799,068,709)       |
| Other Comprehensive Income, net of tax                      | -  | 5,438,785                     | (113,754,821)            | (108,316,037)                         | (23,182,168)                        | (131,498,205)       |
| Total Comprehensive Income for the year                     | -  | 5,438,785                     | (742,365,467)            | (736,926,683)                         | (193,640,231)                       | (930,566,914)       |
| Acquisition of Subsidiary with NCI (Note 18.1)              | -  | -                             | -                        | -                                     | (4,641,991)                         | (4,641,991)         |
| Acquisition of NCI without changes in control               | -  | 10,679                        | (54,614,491)             | (54,603,812)                          | (243,504,094)                       | (298,107,906)       |
| Impact due to changes in effective holdings of subsidiaries | -  | 1,788,685                     | (53,702,312)             | (51,913,627)                          | 51,913,628                          | -                   |
| <b>Transactions with the owners</b>                         |  |                               |                          |                                       |                                     |                     |
| Shares Issued during the year                               | 47,436,536                                   | -                             | (50,320,715)             | (2,884,179)                           | -                                   | (2,884,179)         |
| Transferred to Amalgamation Reserve                         | -  | -                             | 446,829                  | 446,829                               | -                                   | 446,829             |
| Total transactions with the owners                          | 47,436,536                                   | -                             | (49,873,886)             | (2,437,350)                           | -                                   | (2,437,350)         |
| Balance as at 31 March 2024                                 | 2,289,278,770                                | 669,402,484                   | 1,035,007,701            | 3,993,688,955                         | 1,003,982,588                       | 4,997,671,543       |
| <b>Balance as at 1st April 2024</b>                         | 2,289,278,770                                | 669,402,484                   | 1,035,007,701            | 3,993,688,955                         | 1,003,982,588                       | 4,997,671,543       |
| <b>Profit for the year</b>                                  | -  | -                             | (341,822,396)            | (341,822,396)                         | (35,609,913)                        | (377,432,309)       |
| Other Comprehensive Income, net of tax                      | -  | 586,301,112                   | 25,155,110               | 611,456,222                           | 106,229,723                         | 717,685,945         |
| Total Comprehensive Income for the year                     | -  | 586,301,112                   | (316,667,286)            | 269,633,826                           | 70,619,810                          | 340,253,636         |
| <b>On Disposal of Subsidiaries</b>                          |  |                               |                          |                                       |                                     |                     |
| Impact due to changes in effective holdings of subsidiaries | -  | 32,883,085                    | 581,683,486              | 614,566,571                           | (488,558,039)                       | 126,008,532         |
| <b>Transactions with the owners</b>                         |  |                               |                          |                                       |                                     |                     |
| Shares Issued during the year                               | 619,502,520                                  | -                             | -                        | 619,502,520                           | -                                   | 619,502,520         |
| Total transactions with the owners                          | 619,502,520                                  | -                             | -                        | 619,502,520                           | -                                   | 619,502,520         |
| Balance as at 31 March 2025                                 | 2,908,781,290                                | 1,288,586,681                 | 1,300,023,901            | 5,497,391,872                         | 586,044,359                         | 6,083,436,231       |

Figures in brackets indicate deductions.

The Notes on pages 52 to 106 are an integral part of these Financial Statements.

## STATEMENT OF CHANGES IN EQUITY (Contd..)

FOR THE YEAR ENDED 31ST MARCH

|   | Stated Capital       | Retained Earnings    | Total                |
|---|----------------------|----------------------|----------------------|
|   | Rs.                  | Rs.                  | Rs.                  |
| <b>COMPANY</b>                                  |                      |                      |                      |
| Balance as at 1st April 2023                    | 2,241,842,234        | 1,048,329,750        | 3,290,171,988        |
| Profit for the year                             |                      | 30,580,597           | 30,580,597           |
| <b>Total Comprehensive Income for the year</b>  | -                    | <b>30,580,597</b>    | <b>30,580,597</b>    |
| <b>Transactions with the owners</b>             |                      |                      |                      |
| Script Dividend                                 | 47,436,536           | (50,320,715)         | (2,884,179)          |
| <b>Total transactions with the owners</b>       | <b>47,436,536</b>    | <b>(50,320,715)</b>  | <b>(2,884,179)</b>   |
| <b>Balance as at 31 March 2024</b>              | <b>2,289,278,770</b> | <b>1,028,589,636</b> | <b>3,317,868,406</b> |
|   | -                    | -                    | -                    |
| Balance as at 1st April 2024                    | 2,289,278,770        | 1,028,589,636        | 3,317,868,406        |
| Loss for the year                               |                      | (16,042,865)         | (16,042,865)         |
| Other Comprehensive Expense, net of Tax         |                      | (95,165)             | (95,165)             |
| <b>Total Comprehensive Expense for the year</b> | -                    | <b>(16,138,030)</b>  | <b>(16,138,030)</b>  |
| <b>Transactions with the owners</b>             |                      |                      |                      |
| Share issue During the year                     | 619,502,520          | -                    | 619,502,520          |
| <b>Total transactions with the owners</b>       | <b>619,502,520</b>   | -                    | <b>619,502,520</b>   |
| <b>Balance as at 31 March 2025</b>              | <b>2,908,781,290</b> | <b>1,012,451,606</b> | <b>3,921,232,896</b> |

Figures in brackets indicate deductions.

The Notes on pages 52 to 106 are an integral part of these Financial Statements.

# STATEMENT OF CASH FLOWS

| FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH                            | NOTE | GROUP                  |                      | COMPANY              |                     |
|--|------|------------------------|----------------------|----------------------|---------------------|
|  |      | 2025<br>Rs.            | 2024<br>Rs.          | 2025<br>Rs.          | 2024<br>Rs.         |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                           |      |                        |                      |                      |                     |
| (Loss)/Profit before tax   |      | (469,501,343)          | (941,157,969)        | (16,042,865)         | 30,950,282          |
| <b>Adjustments for :</b>   |      |                        |                      |                      |                     |
| Depreciation on Property plant and equipments                        | 14   | 306,958,796            | 326,719,502          | -                    | -                   |
| Amortization of Intangible Assets                                    | 19   | 1,694,207              | 1,836,925            | -                    | -                   |
| Amortization of ROU Asset  | 15.1 | 6,560,716              | 15,796,036           | -                    | -                   |
| Provision for Retirement Benefit Obligation                          | 28.1 | 28,161,855             | 31,244,132           | 3,414,351            | -                   |
| Provision for/ (Reversal of) Obsolete Inventories                    | 20   | (42,125,227)           | (92,425,799)         | -                    | -                   |
| Provision/(Reversal) for Impairment on Trade Receivables             | 21   | 17,827,782             | (2,329,820)          | -                    | -                   |
| Gain from Change in Fair Value of Investment Properties              | 16.1 | (36,727,427)           | -                    | -                    | -                   |
| Changes on fair value of Biological Assets                           | 17   | (66,022,635)           | (13,254,207)         | -                    | -                   |
| Unrealized Exchange Gain   | 15.2 | (9,595,381)            | (3,926,203)          | -                    | -                   |
| Revaluation loss recognized previous year                            |      | (308,000)              |                      | -                    | -                   |
| Interest Expenses  | 9    | 383,574,816            | 662,032,935          | 3,728,217            | 1,052,894           |
| Interest Income  | 8    | (13,668,719)           | (16,633,586)         | (4,744,611)          | (293,863)           |
| Impairment of Goodwill   |      | -                      | 17,536,342           | -                    | -                   |
| Gain on disposal of Property, Plant & Equipment                      | 7    | -                      | (21,322,077)         | -                    | -                   |
| <b>Operating Profit/ (Loss) Before working Capital Changes</b>       |      | <b>106,829,440</b>     | <b>(35,883,789)</b>  | <b>(13,644,908)</b>  | <b>31,709,313</b>   |
| <b>Working Capital Changes</b>                                       |      |                        |                      |                      |                     |
| (Increase)/ Decrease in inventories                                  | 20   | (95,065,377)           | 794,860,289          | -                    | -                   |
| (Increase)/ Decrease in Trade and Other Receivables                  | 21   | (1,032,865,409)        | (92,151,044)         | (148,127,161)        | 68,195              |
| Decrease/ (Increase) in Amount Due from Related Companies            | 22   | 729,496                | 608,999,565          | (1,141,233)          | -                   |
| Increase in Trade and Other Payables                                 | 29   | (196,976,654)          | 162,638,474          | 1,296,573            | 611,632             |
| (Decrease) / Increase in Amount Due to Related Companies             | 30   | -                      | (1,426,590,561)      | 11,348,726           | 52,893              |
| <b>Cash (Used in)/ Generated from Operations</b>                     |      | <b>(1,217,348,504)</b> | <b>11,872,934</b>    | <b>(150,268,003)</b> | <b>32,442,033</b>   |
| Interest Paid  |      | (383,574,816)          | (647,310,160)        | (338,158)            | (1,052,894)         |
| Gratuity Paid  | 28   | (19,937,958)           | (15,954,450)         | -                    | -                   |
| Taxation Paid  |      | (46,368,679)           | (62,804,413)         | (3,728,217)          | (3,530,630)         |
| <b>Net Cash (Used in)/ Generated from Operating Activities</b>       |      | <b>(1,667,229,957)</b> | <b>(714,196,089)</b> | <b>(154,334,378)</b> | <b>27,858,509</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                           |      |                        |                      |                      |                     |
| Acquisition of Property, Plant and Equipment and Investment Property | 14   | (245,755,074)          | (342,276,690)        | -                    | -                   |
| Addition to Intangible assets  |      | -                      | (120,460)            | -                    | -                   |
| Addition to Biological Assets  | 17   | (17,162,460)           | (19,631,494)         | -                    | -                   |
| Interest income received   | 8    | 13,668,719             | 16,633,586           | 4,744,611            | 293,863             |
| Addition of Investment Property                                      | 16   | (1,580,399)            | -                    | -                    | -                   |
| Acquisition of subsidiaries, net of cash                             |      | -                      | (300,378,100)        | (478,386,067)        | (31,092,850)        |
| Proceeds from issue of rights issue                                  | 24.1 | 619,502,520            | -                    | 619,502,520          | -                   |
| Disposal/ (Purchase) of Shares in Existing Subsidiaries              |      | 126,008,532            | (298,107,906)        | -                    | -                   |
| Proceeds from Disposal of Property, Plant and Equipment              |      | -                      | 34,201,770           | -                    | -                   |
| Proceeds from Disposal of Available for Sale Financials Assets       |      | -                      | 395,170,000          | -                    | -                   |
| Amalgamation impact, net of cash                                     |      | -                      | 7,991,729            | -                    | -                   |
| <b>Net Cash Generated from/(Used in) Investing Activities</b>        |      | <b>494,681,838</b>     | <b>(506,517,565)</b> | <b>145,861,064</b>   | <b>(30,798,987)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                           |      |                        |                      |                      |                     |
| Lease Rental Paid  | 15.2 | (3,744,969)            | (27,523,913)         | -                    | -                   |
| Proceeds from Borrowings   | 27   | 17,143,559,040         | 12,828,407,338       | -                    | -                   |
| Repayment of Borrowings  | 27   | (15,771,539,488)       | (12,245,658,858)     | -                    | -                   |
| Dividends Paid   |      | -                      | (2,884,179)          | -                    | (2,884,179)         |
| <b>Net Cash Generated from/(Used in) Financing Activities</b>        |      | <b>1,368,274,583</b>   | <b>552,340,388</b>   | <b>-</b>             | <b>(2,884,179)</b>  |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>        |      | <b>195,726,464</b>     | <b>(668,373,266)</b> | <b>(8,473,314)</b>   | <b>(5,824,657)</b>  |
| Cash & Cash Equivalents at the Beginning of the Period               |      | 26,918,697             | 695,291,963          | 13,026,527           | 18,851,184          |
| <b>Cash &amp; Cash Equivalents at the End of the Period</b>          |      | <b>222,645,161</b>     | <b>26,918,697</b>    | <b>4,553,213</b>     | <b>13,026,527</b>   |
| <b>Note A: Analysis of Cash and Cash Equivalents</b>                 |      |                        |                      |                      |                     |
| Cash at Bank & in Hand   | 23   | 363,330,372            | 317,920,459          | 4,553,213            | 13,026,527          |
| Bank Overdraft   | 23   | (140,685,211)          | (291,001,762)        | -                    | -                   |
|  |      | <b>222,645,161</b>     | <b>26,918,697</b>    | <b>4,553,213</b>     | <b>13,026,527</b>   |

Figures in brackets indicate deductions.

The Notes set out on page 52 to 106 form an integral part of these Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

### 1.1 Domicile and Legal Form

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

In the Annual Report of the Board of Directors’ and in the financial statements, “the Company” refers to Renuka Foods PLC as the holding company and “the Group” refers to the Subsidiaries whose accounts have been consolidated therein.

### 1.2 Principal Activities

The Principal activities of the Company is providing services to its subsidiary Companies and Manages a portfolio of holdings consisting of a range of diverse business operations. During the year. Principal activities of the Company and Subsidiaries are given in note 3.1.

### 1.3 Parent Enterprise and Ultimate Parent Enterprise

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

### 1.4 Authorization of Financial Statements

The consolidated financial statements of the Group for the year ended 31st March 2025 were authorized for issue in accordance with a resolution of the Directors on 29th August 2025.

## 1.5 Financial Year

Financial Statements of the Company and Group entities ends on 31st March 2025.

## 2. BASIS OF PREPARATION

### 2.1.1 Statement of compliance

The Statement of financial position, Statement of profit or loss and other comprehensive income, Statement of changes in equity and Statement of cash flows, together with Notes to the financial statements (“Financial Statements”) of the Group as at 31st March 2025 and for the year then ended, comply with the Sri Lanka Accounting Standards (SLFRSs / LKASs) as laid down by the Institute of Chartered Accountants of Sri Lanka. These financial statements except for information on cash flows, have been prepared following accruals basis of accounting.

### 2.1.2 Statement of Presentation

The Financial Statements of the Group and Company have been presented in compliance with the requirements of Companies Act No.07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

### 2.1.3 Directors’ Responsibility for the Financial Statements

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

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

## 2.2 Basis of measurement

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

- Biological assets are measured at fair value less costs to sell
- Investment property is measured at fair value
- Land and Buildings are carried at fair value
- Liability for Defined Benefit Obligations is recognized as the present value of the defined benefit obligation.

## 2.3 Functional and presentation currency

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

## 2.4 Use of estimates and judgments

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

- Note 16 - Measurement of investment property
- Note 28 - Measurement of defined benefit obligations
- Note 34 - Contingencies
- Note 26 - Deferred tax liabilities

### 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.

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

- **Renuka Agri Foods PLC**  
Manufacture & export coconut based products
- **Renuka Developments (Pvt) Ltd.**  
Investment in plantation/farm and vertical integration projects
- **Kandy Plantations Ltd**  
Engaged in Organic Certified Cultivation of Agriculture Produce
- **Ceylon Forestry (Pvt) Ltd**  
Planting and Managing Forestry.

- **Richlife Dairies Ltd**  
Manufacturing of dairy & fruit juice based products.
- **Shaw Wallace Ceylon Ltd**  
Manufacturing & distribution of Fast Moving Consumer Goods.
- **Shaw Wallace Properties (Pvt) Ltd**  
Providing warehousing facilities.
- **Renuka Agri Organics Ltd**  
Manufacture & export of coconut based products.
- **Coco Lanka (Pvt) Ltd**  
Plantation.
- **Renuka Trading (Pvt) Ltd**  
Providing warehousing facilities.

#### 3.1.1 Business combinations

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

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

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs

are expensed as incurred, except if related to the issue of debt or equity securities.

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

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

#### 3.1.2 Acquisitions of non- controlling interests

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

#### 3.1.3 Subsidiaries

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 3.1.4 Loss of control

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

### 3.1.5 Transactions eliminated on consolidation

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

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

### 3.2 Foreign Currency

#### Foreign currency transactions

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

### 3.3 Financial instruments

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

#### Recognition and initial measurement

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

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

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

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

#### As measured at amortised cost

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

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

The Group financial assets classified and measured at amortized cost are limited to its other receivables, short term investments, amounts due from related party and cash & cash equivalent.

#### Fair value through other comprehensive income (FVOCI)

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### **Financial assets - Subsequent measurement and gains and losses** **Financial assets at amortised cost**

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 also recognised in profit or loss.

### **Derecognition - Financial assets**

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

### **Classification and subsequent measurement of financial liabilities**

The Group classifies financial liabilities as described below:

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

The subsequent measurement of financial liabilities depends on their classification.

### **Financial liabilities at amortised cost**

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

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is

calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

### **Derecognition - Financial Liabilities**

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

### **Non-derivative financial liabilities** **Measurement**

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

### **3.4. Determination of Fair Value**

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

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

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

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

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### **Level 1**

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions.

### Level 2

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

initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

### Level 3

Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined by using valuation models that have been tested against prices or inputs to actual market transactions and also using the best estimate of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models. Also, profit or loss calculated when such financial instruments are first recorded ('Day 1' profit or loss) is deferred and recognised only when the inputs become observable or on derecognition of the instrument.

## 3.5 Stated capital

### 3.5.1 Ordinary shares

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

## 3.6 Property, plant and equipment

### 3.6.1 Recognition and measurement

Plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment when that cost is incurred, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be

replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection or maintenance activity is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statements of comprehensive income as incurred.

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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

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

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

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

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

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

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

### 3.6.2 Subsequent costs

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

### 3.6.3 Depreciation

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

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

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

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

|                           | %  |
|---------------------------|----|
| Buildings                 | 25 |
| Motor Vehicles            | 20 |
| Office Equipment          | 10 |
| Plant, Machinery & Others | 10 |

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

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

### 3.6.4 Reclassification to investment property

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

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

## 3.7. Intangible assets and goodwill

### 3.7.1 Goodwill

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 3.7.2 Computer Software

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

### 3.7.3 Other intangible assets

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

### 3.7.4 Subsequent expenditure

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

### 3.7.5 Amortization

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

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

- Software - 5 years.
- Trade Mark - 10 years.

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

### 3.8 Premium paid on Leasehold premises

The premium paid by the subsidiary for leasehold premises represents prepaid rental charges which are amortized over 50 years, commencing from the second year

of operation with initial adoption of SLFRS 16 - Leases, the premium paid on Leasehold Premises have been transferred to Right of Use Assets.

### 3.9 Biological assets

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

### 3.10 Investment property

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

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

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

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

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

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

### 3.11 Inventories

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 3.12 Impairment

#### 3.12.1 Financial assets

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

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment

loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

#### 3.12.2. Non-financial assets

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

continuing use that are largely independent of the cash inflows of other assets or groups of assets.

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

This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes. The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

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



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 3.13 Employee benefits

#### 3.13.1. Defined contribution plan EPF and ETF

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

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

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

#### 3.13.2 Defined benefit plan- Gratuity

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

Provision for gratuity on the employees of the Company and Group are based on actuarial valuation as recommended by Sri

Lanka Accounting Standard No. 19 'Employee Benefits' (LKAS - 19). The actuarial valuation was carried out by professionally qualified firm of actuaries, as at 31 March 2025. The valuation method used by the actuary is 'Projected Unit Credit Method'.

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

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

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

The key assumptions used in the computation are stated in the Note 28 to the Financial Statements.

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

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

### 3.13.3 Short-term Employee Benefits

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

### 3.14 Bills Payable

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

### 3.15 Provisions

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

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

### 3.16 Revenue

#### 3.16.1 Revenue Recognition

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



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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

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

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

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

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

**a) Dividend income**

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

**3.17 Lessees**

**3.17.1 As a Lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

However, for the lease of property the Group has elected not to separate non- lease components and account for the lease and non-lease components as a single lease component.

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

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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

### 3.18 Finance income and finance costs

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

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

### 3.19 Income tax

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

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

#### Current tax

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

The provision for income tax is based on the elements of the income and expenditure as reported in the financial statements and computed

in accordance with the provision of the Inland Revenue Act No. 24 of 2017 and its subsequent amendments thereto.

#### Deferred tax

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

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

### 3.20 Segment Reporting

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

- Agri Foods
- Consumer Brands

### 3.21 Earnings per share

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

## 4. DETERMINATION OF FAIR VALUES

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

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

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

### 4.1 Investment property

An external, independent valuation company, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio once a year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

a willing buyer and a willing seller in transaction after proper marketing where in the parties had each acted knowledgeably and willingly.

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

### 4.2 Inventories

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

### 4.3 Equity

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

### 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/ AMENDMENTS TO ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued the following amendments to Sri Lanka Accounting Standards (SLFRSs/LKASs) which will become applicable for Financial periods beginning on or after 1st April 2025.

Accordingly, the Group has not applied these amendments in preparing these Financial Statements. The following amendments are not expected to have a significant impact on the Company's Financial Statements.

- General Requirements for Disclosure of Sustainability related Financial Information (SLFRS S1)
- Climate-related Disclosures (SLFRS S2)

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

| FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH            | GROUP                 |                       | COMPANY           |                   |
|--|-----------------------|-----------------------|-------------------|-------------------|
|  | 2025<br>Rs.           | 2024<br>Rs.           | 2025<br>Rs.       | 2024<br>Rs.       |
| <b>6. REVENUE</b>                                    |                       |                       |                   |                   |
| Export Sales   | 6,270,529,238         | 4,935,125,510         | -                 | -                 |
| Local Sales  | 7,482,454,982         | 9,237,265,920         | -                 | -                 |
| Provision of Services                                | 14,183,788            | 6,159,291             | 42,173,204        | 14,018,068        |
| Total revenue from contracts with customers          | 13,767,168,008        | 14,178,550,721        | 42,173,204        | 14,018,068        |
| <b>Other revenue</b>                                 |                       |                       |                   |                   |
| Dividend Income                                      | -                     | -                     | -                 | 31,092,850        |
|  | <b>13,767,168,008</b> | <b>14,178,550,721</b> | <b>42,173,204</b> | <b>45,110,918</b> |
| <b>6.1 TIMING OF REVENUE RECOGNITION</b>             |                       |                       |                   |                   |
| Products and services transferred at a point in time | 13,767,168,008        | 14,178,550,721        | 42,173,204        | 45,110,918        |
| <b>7. OTHER INCOME</b>                               |                       |                       |                   |                   |
| Profit on disposal of Property, Plant & Equipment    | -                     | 21,322,077            | -                 | -                 |
| Gain on disposal of Investment                       | -                     | 37,892                | -                 | -                 |
| Rental Income  | 40,304,982            | 36,094,053            | -                 | -                 |
| Change in fair value of Biological Assets (Note 18)  | 66,022,635            | 13,254,207            | -                 | -                 |
| Sundry Income  | 19,337,711            | 11,905,927            | -                 | -                 |
|  | <b>125,665,328</b>    | <b>82,614,156</b>     | -                 | -                 |
| <b>8. FINANCE INCOME</b>                             |                       |                       |                   |                   |
| Interest Income                                      | 12,994,503            | 11,517,361            | 3,534,711         | 293,863           |
| Interest Income from Related parties                 | 674,216               | 5,116,225             | -                 | -                 |
| Exchange Gain  | 144,477,889           | 305,706,513           | 1,209,900         | -                 |
|  | <b>158,146,608</b>    | <b>322,340,099</b>    | <b>4,744,611</b>  | <b>293,863</b>    |
| <b>9. FINANCE COSTS</b>                              |                       |                       |                   |                   |
| Interest on Bank Overdrafts                          | 8,382,022             | 24,950,497            | 52,542            | -                 |
| Interest on Borrowings                               | 366,554,329           | 564,748,791           | 534,387           | 1,052,894         |
| Interest on lease liability                          | 8,164,274             | 14,651,134            | -                 | -                 |
| Exchange Losses                                      | 163,754,888           | 430,012,881           | -                 | -                 |
| Others   | 4,362,859             | 4,546,563             | -                 | -                 |
| Interest on Related Party Balances                   | 474,191               | 57,682,513            | 3,141,288         | -                 |
|  | <b>551,692,563</b>    | <b>1,096,592,379</b>  | <b>3,728,217</b>  | <b>1,052,894</b>  |
| <b>Net Finance Income/ Costs</b>                     | <b>(393,545,955)</b>  | <b>(774,252,280)</b>  | <b>1,016,394</b>  | <b>(759,031)</b>  |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

| FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH   | GROUP                |                      | COMPANY           |                  |
|---|----------------------|----------------------|-------------------|------------------|
|   | 2025<br>Rs.          | 2024<br>Rs.          | 2025<br>Rs.       | 2024<br>Rs.      |
| <b>10. (LOSS)/ PROFIT BEFORE TAX</b>  |                      |                      |                   |                  |
| (Loss)/ Profit before Tax is stated after charging all expenses including the followings; |                      |                      |                   |                  |
| Directors' Remuneration and Fees  | 100,417,680          | 99,967,680           | 730,000           | 280,000          |
| Auditors' Remuneration  |                      |                      |                   |                  |
| Audit Services  | 5,554,705            | 4,652,020            | 563,000           | 512,000          |
| Non Audit services  | 861,000              | 782,000              | 447,000           | 406,000          |
| Provision/(reversal) on Obsolete Stocks (Note 20.1)                                       | (42,125,227)         | (92,425,799)         |                   |                  |
| Depreciation on Property, plant and equipment (Note 14)                                   | 306,958,796          | 326,719,502          | -                 | -                |
| Amortisation of right of use assets (Note 15.1)   | 6,560,716            | 15,796,036           | -                 | -                |
| Write off of Inventory  | 35,303,410           | -                    |                   |                  |
| Amortization of Intangible Assets (Note 19.2, 19.3)                                       | 1,694,207            | 1,836,925            | -                 | -                |
| Impairment reversal on Trade receivables (Note 21.1)                                      | (4,067,451)          | (2,329,820)          | -                 | -                |
| Impairment charge on Other receivables  | 21,895,233           | -                    | -                 | -                |
| Personnel Costs (Note 10.1)   | 1,079,272,155        | 965,446,145          | 51,103,433        | 8,805,297        |
| <b>10.1 PERSONNEL COSTS</b>   |                      |                      |                   |                  |
| Salaries, Wages and Other related costs   | 857,744,763          | 757,491,513          | 42,926,380        | 7,900,797        |
| Defined Benefit Plan Cost- Retirement Gratuity (Note 30)                                  | 28,161,855           | 31,244,132           | 3,414,351         | -                |
| Defined Contribution Plan Cost - EPF & ETF  | 193,365,557          | 176,710,500          | 4,762,702         | 904,500          |
|   | <b>1,079,272,155</b> | <b>965,446,145</b>   | <b>51,103,433</b> | <b>8,805,297</b> |
| <b>11 TAXATION</b>  |                      |                      |                   |                  |
| Income Tax Expense (Note 12.3)  | 3,176,913            | 13,315,711           | -                 | 369,685          |
| Over provision in respect of previous years   | (873,696)            | (55,125,008)         | -                 | -                |
| ESC & WHT write off   | -                    | 1,792,733            | -                 | -                |
| WHT on dividends received   | -                    | 8,426,350            | -                 | -                |
| Reversal of Deferred Tax (Note 26)  | (94,372,251)         | (110,499,046)        | -                 | -                |
|   | <b>(92,069,034)</b>  | <b>(142,089,260)</b> | <b>-</b>          | <b>369,685</b>   |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 12. TAX RATES APPLICABLE TO THE COMPANY AND ITS SUBSIDIARIES

#### 12.1 Current Tax

##### 12.1.1 The Company

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

##### 12.1.2 Renuka Agri Foods PLC

In terms of the agreement with the Board of Investment of Sri Lanka (BOI), business profit of the Company is exempted from income tax for a period of 12 years from the date of commencement of its business, which came to an end in the year of assessment 2011/12. Subsequently the said exemption period was extended for another 3 years of assessment ending 2014/15 by a supplementary agreement. After the expiration of said tax exemption period, the Company will be liable for taxation at the rate of 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).

##### 12.1.3 Renuka Developments (Private) Limited

The Company is liable to income tax at the rate of 30% as per the Inland Revenue (amendment) Act No 45 of 2023.

##### 12.1.4 Renuka Agri Organics Limited

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

According to the recent amendments (notice No. PM/IT/2020-03 (Revised) dated 8 April 2020) to the Inland Revenue Act, No 24 of 2017 Profit from Export business income, Local Business income and other income liable for income tax at the rate of Income Tax at 30%. This tax exemption period ended by year of assessment 2017/2018.

The Company's other income is liable for income tax at 30%

##### 12.1.5 Shaw Wallace Ceylon Limited

The Company is liable to income tax at the rate of 30% as per the Inland Revenue (amendment) Act No 45 of 2023.

##### 12.1.6 Coco Lanka (Pvt) Limited

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

##### 12.1.7 Richlife Dairies Ltd

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



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 12.1.8 Ceylon Forestry (Pvt) Limited

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

- (i) For a period of eight (08) years reckoned from the Year of Assessment as may be determined by the BOI, Sri Lanka, profit of the Company is exempt from income 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 subclause (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 the income tax.
- (iii) After the expiration of the aforesaid concessionary period referred to in subclause (ii) above, the profits and income of the Company shall be charged for any year of assessment at the rate of twenty per centum (20%).

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

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

### 12.1.9 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 commences to make profit (i.e. 2003/2004). Accordingly, the said tax holiday period was expired on 31st March 2008. However, the profit from agriculture of the Company continued to be exempted from income tax for further 3 year of assessments ending 2010/2011, under section 16 of the Inland Revenue Act No. 10 of 2006. This tax holiday was expired on 31st March 2011.

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

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

### 12.1.10 Shaw Wallace Properties Limited

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

### 12.1.11 Renuka Trading (Pvt) Ltd

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

|  | GROUP                |                        | COMPANY             |                   |
|--|----------------------|------------------------|---------------------|-------------------|
|  | 2025<br>Rs.          | 2024<br>Rs.            | 2025<br>Rs.         | 2024<br>Rs.       |
| <b>FOR THE YEAR ENDED 31<sup>ST</sup> MARCH</b>  |                      |                        |                     |                   |
| <b>12.3 Reconciliation between Taxable Profit/(Loss) and the Accounting (Loss)/ Profit</b> |                      |                        |                     |                   |
| (Loss)/ Profit Before Taxation   | (469,501,343)        | (941,157,969)          | (16,042,865)        | 30,950,282        |
| Consolidation Adjustments  | 58,573,144           | 42,799,219             | -                   | -                 |
| <b>(Loss)/ Profit before Taxation</b>  | <b>(410,928,199)</b> | <b>(898,358,750)</b>   | <b>(16,042,865)</b> | <b>30,950,282</b> |
| Aggregate Disallowed Items   | 301,562,492          | 652,276,382            | -                   | -                 |
| Aggregate Allowable Items  | (486,634,658)        | (1,050,165,560)        | -                   | (30,950,282)      |
| Aggregate Other income   | (15,939,925)         | 50,599,324             | -                   | 1,232,283         |
| Exempt Income  | (65,266,005)         | (6,213,621)            | -                   | -                 |
| <b>Adjusted Business Profit/(Loss)</b>   | <b>(677,206,294)</b> | <b>(1,251,562,173)</b> | <b>(16,042,865)</b> | <b>1,232,283</b>  |
| Exempt Business Profit/(Loss)  | 14,432,259           | 44,385,703             | -                   | -                 |
| <b>Statutory Income/(Loss) from Business</b>   | <b>(662,774,035)</b> | <b>(1,207,176,470)</b> | <b>(16,042,865)</b> | <b>1,232,283</b>  |
| Brought Forward Loss Claimed during the Year   | (10,904,372)         | (4,267,197)            | -                   | -                 |
| Tax losses incurred during the year (12.4)   | 668,328,206          | 1,255,829,369          | 16,042,865          | -                 |
| Other sources of taxable income  | 15,939,925           | -                      | -                   | -                 |
| <b>Total Statutory Income/(Loss)</b>   | <b>10,589,724</b>    | <b>44,385,702</b>      | <b>-</b>            | <b>1,232,283</b>  |
| Income Tax at 30%  | 3,176,913            | 13,315,711             | -                   | 369,685           |
| <b>Income Tax on Current Year Profits</b>  | <b>3,176,913</b>     | <b>13,315,711</b>      | <b>-</b>            | <b>369,685</b>    |

|   | GROUP                |                      | COMPANY           |             |
|---|----------------------|----------------------|-------------------|-------------|
|   | 2025<br>Rs.          | 2024<br>Rs.          | 2025<br>Rs.       | 2024<br>Rs. |
| <b>FOR THE YEAR ENDED 31<sup>ST</sup> MARCH</b> |                      |                      |                   |             |
| <b>12.4 Accumulated Tax Losses</b>              |                      |                      |                   |             |
| Tax Losses Brought Forward                      | 1,457,307,313        | 205,745,141          | -                 | -           |
| Adjustments to prior year balances              | (38,440,769)         | -                    | -                 | -           |
| Tax Losses incurred during the year             | 668,328,206          | 1,255,829,369        | 16,042,865        | -           |
| Tax Losses Utilised                             | (10,904,372)         | (4,267,197)          | -                 | -           |
| <b>Tax Losses Carried Forward</b>               | <b>2,076,290,377</b> | <b>1,457,307,313</b> | <b>16,042,865</b> | <b>-</b>    |

### 13. EARNINGS/ (LOSS) PER SHARE

The calculation of Earnings/ (Loss) per Share is based on the profit/(loss) after taxation over the weighted average number of shares outstanding during the year.

|   | GROUP         |               | COMPANY       |             |
|---|---------------|---------------|---------------|-------------|
|   | 2025          | 2024          | 2025          | 2024        |
| <b>FOR THE YEAR ENDED 31<sup>ST</sup> MARCH</b>               |               |               |               |             |
| Profit/(Loss) attributable to the Ordinary Shareholders (Rs.) | (341,822,396) | (611,074,304) | (16,042,865)  | 30,580,597  |
| Weighted Average Number of Ordinary Shares as at year end     | 175,851,010   | 124,874,745   | 175,851,010   | 124,874,745 |
| <b>Earnings/ (Loss) Per Share (Rs.)</b>                       | <b>(1.94)</b> | <b>(4.89)</b> | <b>(0.09)</b> | <b>0.24</b> |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 13.1 Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year after adjustment for the effects of all dilutive potential ordinary shares.

As at 31 March 2025 & as at 31 March 2024 there were no dilutive potential ordinary shares. Hence, diluted earnings/(loss) per share is same as basic earnings per share.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 14. PROPERTY, PLANT AND EQUIPMENT

#### 14.1 Group

AS AT 31ST MARCH 2025

|                                      | Freehold Land | Leasehold Land | Buildings     | Plant & Machinery | Electrical Installation | Furniture Fittings & Equipment | Motor Vehicles | Land Development Cost | Capital Work In Progress | Total         |
|--------------------------------------|---------------|----------------|---------------|-------------------|-------------------------|--------------------------------|----------------|-----------------------|--------------------------|---------------|
|                                      | Rs.           | Rs.            | Rs.           | Rs.               | Rs.                     | Rs.                            | Rs.            | Rs.                   | Rs.                      | Rs.           |
| <b>Cost/ Valuation</b>               |               |                |               |                   |                         |                                |                |                       |                          |               |
| <b>As at 01 of April 2023</b>        | 1,012,531,899 | 183,483,421    | 1,982,664,576 | 2,713,522,442     | 206,958,925             | 751,462,192                    | 103,100,446    | 16,273,927            | 36,191,338               | 7,006,185,166 |
| Additions                            | -             | -              | 16,909,146    | 175,729,012       | 3,752,341               | 60,760,642                     | 4,309,661      | 86,996                | 180,150,330              | 441,698,128   |
| Addition due to amalgamation         | 167,200,000   | -              | -             | -                 | -                       | -                              | -              | -                     | -                        | 167,200,000   |
| Transfers from Investment Property   | 232,591,320   | -              | 118,364,056   | -                 | -                       | -                              | -              | -                     | -                        | 350,955,376   |
| Transfers during the year            | -             | -              | -             | -                 | -                       | -                              | -              | -                     | (122,564,648)            | (122,564,648) |
| Disposals during the year            | -             | -              | -             | (29,394,531)      | -                       | (190,271)                      | -              | -                     | -                        | (29,584,802)  |
| <b>As at 31st March 2024</b>         | 1,412,323,219 | 183,483,421    | 2,117,937,778 | 2,859,856,923     | 210,711,266             | 812,032,564                    | 107,410,107    | 16,360,923            | 93,777,020               | 7,813,893,221 |
| <b>As at 01 of April 2024</b>        | 1,412,323,219 | 183,483,421    | 2,117,937,778 | 2,859,856,923     | 210,711,266             | 812,032,564                    | 107,410,107    | 16,360,923            | 93,777,020               | 7,813,893,221 |
| Additions during the year            | -             | -              | 6,583,879     | 74,430,936        | 27,072,240              | 55,704,174                     | -              | -                     | 81,963,845               | 245,755,074   |
| Revaluation gain during the year     | 376,038,500   | 31,000,000     | 186,988,134   | -                 | -                       | -                              | -              | -                     | -                        | 594,026,634   |
| Transfers/ disposals during the year | (232,591,320) | 232,591,320    | (243,639)     | 40,752,444        | -                       | 762,454                        | -              | (44,022,504)          | -                        | (2,751,245)   |
| <b>As at 31 March 2025</b>           | 1,555,770,399 | 447,074,741    | 2,311,266,152 | 2,975,040,303     | 237,783,506             | 868,499,192                    | 107,410,107    | 16,360,923            | 131,718,361              | 8,650,923,684 |
| <b>Accumulated Depreciation</b>      |               |                |               |                   |                         |                                |                |                       |                          |               |
| <b>As at 01 of April 2023</b>        | -             | 4,758,541      | 153,322,887   | 1,596,023,375     | 80,250,535              | 481,304,553                    | 107,348,288    | 5,088,824             | -                        | 2,428,097,004 |
| Charge for the year                  | -             | -              | 55,250,537    | 188,550,865       | 19,263,241              | 61,475,196                     | 61,819         | 2,117,844             | -                        | 326,719,501   |
| Disposals during the year            | -             | -              | -             | (16,514,838)      | -                       | (190,271)                      | -              | -                     | -                        | (16,705,109)  |
| <b>As at 31st March 2024</b>         | -             | 4,758,541      | 208,573,424   | 1,768,059,402     | 99,513,776              | 542,589,479                    | 107,410,107    | 7,206,667             | -                        | 2,738,111,396 |
| <b>As at 01 of April 2024</b>        | -             | 4,758,541      | 208,573,424   | 1,768,059,402     | 99,513,776              | 542,589,479                    | 107,410,107    | 7,206,667             | -                        | 2,738,111,396 |
| Charge for the year                  | -             | -              | 5,771,155     | 155,860,327       | 21,552,191              | 69,704,681                     | -              | 2,129,442             | -                        | 306,958,796   |
| Revaluation Adjustment               | -             | -              | (259,871,057) | -                 | -                       | -                              | -              | -                     | -                        | (259,871,057) |
| Disposals during the year            | -             | -              | (2,751,245)   | -                 | -                       | -                              | -              | -                     | -                        | (2,751,245)   |
| <b>As at 31 March 2025</b>           | -             | 4,758,541      | 3,663,277     | 1,923,919,729     | 121,065,967             | 612,294,160                    | 107,410,107    | 9,336,109             | -                        | 2,782,447,890 |
| <b>Carrying Amount</b>               |               |                |               |                   |                         |                                |                |                       |                          |               |
| <b>As at 31 March 2025</b>           | 1,555,770,399 | 442,316,200    | 2,307,602,875 | 1,051,120,574     | 116,717,539             | 256,205,032                    | -              | 7,024,814             | 131,718,361              | 5,868,475,794 |
| <b>As at 31st March 2024</b>         | 1,412,323,219 | 178,724,880    | 1,909,364,354 | 1,091,797,521     | 111,197,490             | 269,443,085                    | -              | 9,154,256             | 93,777,020               | 5,075,781,825 |

**14.1.1** Based on the assessment carried out internally by the Board Of Directors, no provision was required for the potential impairment of Property, Plant and Equipment as at 31st March 2025.

**14.1.2** Property, Plant and Equipment include fully depreciated assets having a gross amount of Rs. 1,457,924,342/- as at 31 March 2025. (Rs 1,257,970,637 as at 31st March 2024)

**14.1.3** There were no restrictions on the title of the Property, Plant and Equipment as at 31st March 2025 other than disclosed in Note 28.

**14.1.4** There were no items of Property, Plant and Equipment pledged as security as at 31st March 2025 other than disclosed in Note 28.

**14.1.5** There were no temporary idle items of Property, Plant and Equipment as at 31st March 2025.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

**14.1.6** The capital work in progress represents project in progress.

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

**14.1.8** During the financial year, the Group has acquired property, plant & equipment to the aggregate value of Rs. 245,755,075 (2024-Rs. 441,698,128) cash payments amounting to Rs. 245,755,074 (2024-Rs. 441,698,128) were made during the year for purchase of property, plant & equipment.

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

| Group    | As at 31.03.2025 |                                    |                           |
|----------|------------------|------------------------------------|---------------------------|
|          | Cost<br>Rs.      | Accumulated<br>Depreciation<br>Rs. | Carrying<br>Amount<br>Rs. |
| Land     | 308,504,874      | -                                  | 308,504,874               |
| Building | 1,091,567,860    | (283,171,381)                      | 808,396,479               |

### 14.2 Company

| AS AT 31ST MARCH                | Motor<br>Vehicles<br>Rs. | Total<br>2025<br>Rs. | Total<br>2024<br>Rs. |
|---------------------------------|--------------------------|----------------------|----------------------|
| <b>Cost</b>                     |                          |                      |                      |
| As at 01st April 2024           | 2,598,113                | 2,598,113            | 2,598,113            |
| <b>As at 31st March 2025</b>    | <b>2,598,113</b>         | <b>2,598,113</b>     | <b>2,598,113</b>     |
| <b>Accumulated Depreciation</b> |                          |                      |                      |
| As at 01st April 2024           | 2,598,113                | 2,598,113            | 2,598,113            |
| <b>As at 31st March 2025</b>    | <b>2,598,113</b>         | <b>2,598,113</b>     | <b>2,598,113</b>     |
| <b>Carrying Value</b>           |                          |                      |                      |
| <b>As at 31st March 2025</b>    | -                        | -                    | -                    |
| As at 31st March 2024           | -                        | -                    | -                    |

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

### 14.3 Revaluation of Land & Building – Method of Valuation

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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

| Company                           | Location      | Last revaluation | Land Extent      | Fair Value<br>as at 31.03.2025<br>(Rs.) |             | No of<br>Buildings | Level of Fair<br>Value Hierarchy |
|-----------------------------------|---------------|------------------|------------------|---|-------------|--------------------|----------------------------------|
|                                   |               |                  |                  | Land                                    | Buildings   |                    |                                  |
| Renuka Agri Foods PLC             | Unagahadeniya | 31st March 2025  | 0A - 1R - 30.40P | 30,000,000                              | 1,800,000   | 1                  | Level 3                          |
|                                   | Wathupitiwala | 31st March 2025  | 0A - 3R - 30P    | 60,000,000                              | 621,200,000 | 11                 | Level 3                          |
| Renuka Developments (Pvt) Ltd     | Unagahadeniya | 31st March 2025  | 1A - 3R - 23.30P | 129,000,000                             | 43,000,000  | 7                  | Level 3                          |
| Renuka Agri Organics Ltd          | Wathupitiwala | 31st March 2025  | -                | -                                       | 351,000,000 | 3                  | Level 3                          |
| Shaw Wallance Ceylon Ltd          | Colombo - 8   | 31st March 2025  | 0A-1R-0P         | 447,000,000                             | 779,660,000 | 1                  | Level 3                          |
|                                   | Colombo - 9   | 31st March 2025  | 0A-0R-4.7P       | 18,800,000                              | -           | -                  | Level 3                          |
|                                   | Ekala         | 31st March 2025  | 1A-2R-34.55P     | 179,000,000                             | 90,000,000  | 2                  | Level 3                          |
| Shaw Wallace Properties (Pvt) Ltd | Peliyagoda    | 31st March 2025  | 0A-2R-12.59P     | 496,000,000                             | 246,000,000 | 3                  | Level 3                          |
| RichLife Daries Ltd               | Wadduwa       | 31st March 2025  | 5A-2R-06P        | 210,020,000                             | 210,454,000 | 6                  | Level 3                          |
| Kandy Plantations Ltd             | Diuldeniya    | 31st March 2025  | -                | -                                       | 6,000,000   | 4                  | Level 3                          |
|                                   | Matale        | 31st March 2022  | 20A-0R-18P       | 70,301,194                              | -           | -                  | Level 3                          |
|                                   | Matale        | 31st March 2025  | 67A-3R-2P        | 183,000,000                             | -           | -                  | Level 3                          |
| Coco Lanka (Pvt) Ltd              | Puttalam      | 31st March 2025  | 165A - 1R - 05P  | 236,000,000                             | 9,000,000   | 5                  | Level 3                          |
| Renuka Trading (Pvt) Ltd          | Colombo-09    | 31st March 2025  | 0A-1R-35P        | 280,000,000                             | 78,000,000  | 1                  | Level 3                          |

Kandy Plantations Ltd has revalued Matale Land as at 31st March 2022. 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 2025.

#### 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 of sellers are too compensated for since the price may not adequately reflect the fair market value. | Price per perch for Land<br>Price per square feet | Estimated fair value would Increase/(decrease) if Price per perch increases/(decreases)<br>Price per square foot increases/(decreases) |



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

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

| Company                           | Location                   | Land                                     |              |                    | Building         |                  |  |         |                    |                  |               |
|-----------------------------------|----------------------------|--|--------------|--------------------|------------------|------------------|--|---------|--------------------|------------------|---------------|
|                                   |                            | Market Value<br>as at 31st<br>March 2025 | Extent       | Per Perch<br>Value | Increase<br>+10% | Decrease<br>-10% | Market Value<br>as at 31st<br>March 2025 | Sq.ft   | Per Sq.ft<br>Value | Increase<br>+10% | Decrease -10% |
|                                   | Rs.                        | Rs.                                      | Rs.          | Rs.                | Rs.              | Rs.              | Rs.                                      | Rs.     | Rs.                | Rs.              | Rs.           |
| Renuka Agri Foods PLC             | Unagahadeniya              | 30,000,000                               | 0A-1R-30.40P | 425,000            | 3,000,000        | (3,000,000)      | 1,800,000                                | 968     | 5,000              | 180,000          | (180,000)     |
|                                   | Wathupitiwala / Giriulla   | 60,000,000                               | 0A-3R-30P    | 400,000            | 6,000,000        | (6,000,000)      | 621,200,000                              | 258,003 | 3,500              | 62,120,000       | (62,120,000)  |
| Renuka Developments (Pvt) Ltd     | Unagahadeniya              | 129,000,000                              | 1A-3R-23.30P | 425,000            | 12,900,000       | (12,900,000)     | 43,000,000                               | 17,789  | 3,000              | 4,300,000        | (4,300,000)   |
| Kandy Plantation Ltd              | Nalla, Diuldeniya          | -  | -            | -                  | -                | -                | 6,000,000                                | 10,598  | 2,500              | 600,000          | (600,000)     |
|                                   | Matale                     | 72,601,194                               | 20A-0R-18P   | 21,875             | 7,260,194        | (7,260,194)      | -  | -       | -                  | -                | -             |
|                                   | Matale                     | 183,000,000                              | 67A-3R-2P    | 16,875             | 18,300,000       | (18,300,000)     | -  | -       | -                  | -                | -             |
| Coco Lanka (Pvt) Ltd              | Cocowatte Estate, Puttalam | 236,000,000                              | 165A-1R-05P  | 9,375              | 23,600,000       | (23,600,000)     | 9,000,000                                | 6,447   | 2,500              | 900,000          | (900,000)     |
| Renuka Agri Organics Ltd          | Wathupitiwala              | -  | -            | -                  | -                | -                | 351,000,000                              | 69,275  | 5,000              | 35,100,000       | (35,100,000)  |
| Shaw Wallace Ceylon Ltd           | Colombo - 8                | 447,000,000                              | 0A-1R-0P     | 8,000,000          | 44,700,000       | (44,700,000)     | 779,660,000                              | 66,828  | 17,500             | 77,966,000       | (77,966,000)  |
|                                   | Colombo - 9                | 18,800,000                               | 0A-0R-4.7P   | 4,000,000          | 1,880,000        | (1,880,000)      | -  | -       | -                  | -                | -             |
|                                   | Ekala                      | 179,000,000                              | 6A 3R-15.81P | 650,000            | 17,900,000       | (17,900,000)     | 90,000,000                               | 50,883  | 4,000              | 9,000,000        | (9,000,000)   |
| Richlife Dairies Ltd              | Molligoda, Waadduwa        | 210,020,000                              | 5A-2R-06P    | 250,000            | 21,002,000       | (21,002,000)     | 210,454,000                              | 69,902  | 5,000              | 21,045,400       | (21,045,400)  |
| Shaw Wallace Properties (Pvt) Ltd | Peliyagoda                 | 496,000,000                              | 0A-0R-12.59P | 2,700,000          | 49,600,000       | (49,600,000)     | 246,000,000                              | 62,714  | 7,000              | 24,600,000       | (24,600,000)  |
| Renuka Trading (Pvt) Ltd          | Colombo - 9                | 280,000,000                              | 0A-1R-35P    | 3,733,333          | 28,000,000       | (28,000,000)     | 78,000,000                               | 56,884  | 2,000              | 7,800,000        | (7,800,000)   |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 15. RIGHT OF USE ASSET/LEASE LIABILITIES

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 Ltd - Giriulla Estate

Ceylon Forestry (Pvt) Ltd - Matale Estate

Renuka Agri Organics Ltd - BOI Lands at Wathupitiwala and Land and Building at Dankotuwa and Unagahadeniya.

Renuka Agri Foods PLC - BOI Lands at Wathupitiwala

Richlife Diaries Ltd - Wadduwa

Shaw Wallace Ceylon Ltd - Ekala, Colombo -08.

Renuka Trading (Pvt) Ltd - Colombo - 09.

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

| AS AT 31 <sup>ST</sup> MARCH                | GROUP              |                    | COMPANY |      |
|---|--------------------|--------------------|---------|------|
|   | 2025               | 2024               | 2025    | 2024 |
|   | Rs.                | Rs.                | Rs.     | Rs.  |
| <b>Cost</b>                                 |                    |                    |         |      |
| Balance As at 01st April 2024               | 219,808,494        | 219,808,494        | -       | -    |
| <b>Balance as at 31st March 2025</b>        | <b>219,808,494</b> | <b>219,808,494</b> | -       | -    |
| <b>Accumulated amortisation</b>             |                    |                    |         |      |
| Balance As at 01st April 2024               | 117,263,377        | 101,467,341        | -       | -    |
| Charge for the year                         | 6,560,716          | 15,796,036         | -       | -    |
| <b>Balance as at 31st March 2024</b>        | <b>123,824,093</b> | <b>117,263,377</b> | -       | -    |
| <b>Net book value as at 31st March 2025</b> | <b>95,984,401</b>  | <b>102,545,117</b> | -       | -    |

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

| AS AT 31 <sup>ST</sup> MARCH         | GROUP              |                    | COMPANY |      |
|--------------------------------------|--------------------|--------------------|---------|------|
|                                      | 2025               | 2024               | 2025    | 2024 |
|                                      | Rs.                | Rs.                | Rs.     | Rs.  |
| <b>Balance As at 01st April 2024</b> | <b>153,300,923</b> | <b>170,028,264</b> | -       | -    |
| Accretion of interest                | 12,368,638         | 14,722,775         | -       | -    |
| Payments made during the year        | (16,113,607)       | (27,523,913)       | -       | -    |
| Exchange loss                        | (9,595,381)        | (3,926,203)        | -       | -    |
| <b>Balance as at 31st March 2025</b> | <b>139,960,573</b> | <b>153,300,923</b> | -       | -    |
| <b>Current</b>                       | <b>14,275,083</b>  | <b>4,099,374</b>   | -       | -    |
| <b>Non- current</b>                  | <b>125,685,490</b> | <b>149,201,549</b> | -       | -    |
| <b>Balance as at 31st March 2025</b> | <b>139,960,573</b> | <b>153,300,923</b> | -       | -    |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 15. RIGHT OF USE ASSET/LEASE LIABILITIES (Contd)

|             |   |            |            |   |   |
|-------------|---|------------|------------|---|---|
| <b>15.3</b> | <b>Amount recognized in profit or loss</b>          |            |            |   |   |
|             | Interest on lease liabilities                       | 12,368,638 | 14,722,775 | - | - |
|             | Amortization of Right of Use Asset                  | 6,560,716  | 15,796,036 | - | - |
| <b>15.4</b> | <b>Amount recognized in Statement of cash flows</b> |            |            |   |   |
|             | Amount recognized under Financing Activities        | 3,744,969  | 27,523,913 | - | - |
|             | Amount recognized under Operating Activities        | 12,363,638 | -          | - | - |

### 16. INVESTMENT PROPERTIES

| <b>16.1</b> | <b>Group</b>                                   | <b>Land</b>       | <b>Building</b>    | <b>2025</b>        | <b>2024</b>        |
|-------------|--|-------------------|--------------------|--------------------|--------------------|
|             |  | <b>Rs.</b>        | <b>Rs.</b>         | <b>Rs.</b>         | <b>Rs.</b>         |
|             | <b>Balance as at the beginning of the Year</b> | 5,133,116         | 318,010,094        | 323,143,210        | 350,955,376        |
|             | Acquisitions of subsidiary during the Year     | -                 | -                  | -                  | 300,000,000        |
|             | Additions During the year                      | 1,580,399         | -                  | 1,580,399          | 23,143,210         |
|             | Transfers to PPE during the year               | -                 | -                  | -                  | (350,955,376)      |
|             | Change in Fair Value                           | 36,727,427        | -                  | 36,727,427         | -                  |
|             | <b>Balance as at the end of the Year</b>       | <b>43,440,942</b> | <b>318,010,094</b> | <b>361,451,036</b> | <b>323,143,210</b> |

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

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

**16.1.2** Rental Income earned from Investment Property by the group amounted to Rs.18,441,420 (2024- Rs.20,257,080).

**16.1.3** Fair value of the Investment Property is ascertained by annual independent valuation carried out by A.A.M.Fathihu-MRICS- (Sri Lanka) as at 31 March 2025.

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 and location.

| Company                  | Location | Rented Out Warehouse |              |           |               |                 |
|--------------------------|----------|----------------------|--------------|-----------|---------------|-----------------|
|                          |          | Market Value as at   | 31st         | Extent    | Per Sq.ft /   | Increase        |
|                          |          | March 2025           |              |           | Perch Rent    | +10%            |
|                          |          | <b>Rs.</b>           |              |           | <b>Income</b> | <b>Decrease</b> |
|                          |          |                      |              |           | <b>Rs.</b>    | <b>-10%</b>     |
|                          |          |                      |              |           |               | <b>Rs.</b>      |
| Renuka Trading (Pvt) Ltd | Building | 78,000,000           | Sq.ft 56,884 | 1,371     | 7,800,000     | (7,800,000)     |
|                          | Land     | 280,000,000          | Perch 75.61  | 3,703,214 | 28,000,000    | (28,000,000)    |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 17 . BIOLOGICAL ASSETS

| AS AT 31ST MARCH                   | GROUP       |             | COMPANY |      |
|------------------------------------|-------------|-------------|---------|------|
|                                    | 2025        | 2024        | 2025    | 2024 |
|                                    | Rs.         | Rs.         | Rs.     | Rs.  |
| Balance as at 01st April           | 160,986,808 | 128,101,107 | -       | -    |
| Additions during the year          | 17,162,460  | 19,631,494  | -       | -    |
| Gain on fair value during the year | 66,022,635  | 13,254,207  | -       | -    |
| Balance as at 31st March           | 244,171,903 | 160,986,808 | -       | -    |

| Represented By   | GROUP       |             | COMPANY |      |
|--|-------------|-------------|---------|------|
|  | 2025        | 2024        | 2025    | 2024 |
|  | Rs.         | Rs.         | Rs.     | Rs.  |
| Biological Assets at fair value                        | 136,225,520 | 69,146,356  | -       | -    |
| Biological Assets at cost less accumulated deprecation | 105,314,819 | 89,264,086  | -       | -    |
| Immature plantations                                   | 2,631,564   | 2,576,366   | -       | -    |
| Balance as at 31st March                               | 244,171,903 | 160,986,808 | -       | -    |

#### 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.

#### Ceylon Forestry (Private) Limited

The biological asset is on leased land owned by Kandy Plantation Limited 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 11,927 Last year and Pepper trees are 3,500.

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

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

The fair value of managed Timber trees was ascertained in accordance with LKAS 41 - "Agriculture" which is applicable only for managed agricultural activity in terms of the ruling issued by the Institute of Chartered Accountants of Sri Lanka.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 17 . BIOLOGICAL ASSETS (Contd)

#### 17.1.1 Kandy Plantation (Private) Limited

Lease have been executed for 3 estates (Primarily coconut) comprising 33 contiguous allotments of Land called and known as "Giriulla Estate" in Giriulla situated in the Gampaha District, Western Province.

As per Survey Plan No. 45/27, prepared in May 1926 and April 1927 by Mr. L.H.Croos Dabrera, this contiguous allotments of Land comprise a total extent of 640A-3R-32P. This lease has been executed for a period of 30 years under 2 separate lease agreements. The first lease agreement relates to 10 years period from 1st April 2003 to 31st March 2013 and the second lease agreement relates to the next 20 years commencing from 1st April 2013 and ending on 31st March 2033.

A valuation report dated 11th October 2003 prepared by Leon M.P. Perera Dip.In.Val.F.I.V. indicates only the method of ascertaining the maximum amount payable to the owner of the Estate for the 30 years period which was Rs. 88,000,000/-. The agreed amount payable of Rs. 82.5Mn had been capitalized on the basis that it represents the value of immovable tassets ak oven byer K andy Plantations Ltd.

With the initial application of SLFRS 16-Leases this has been adjusted to reflect the application of SLFRS 16-Leases.

#### 17.1.2 Coco Lanka (Private) 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.

Valuation of biological assets are considered as a level 3 valuation, and details of the valuation are given below.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 17.1.3 Factors Considered in valuation are as follows

| Variable             | Comment  |
|----------------------|--|
| Timber Content       | Estimated based on the girth (range between 30 to 48 inch), height (range between 15 to 39 nears) and considering the growth and present age of the trees of each species in different geographical regions, factoring all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company approved by the Forestry Department. |
| Economic Useful Life | Estimated based on normal life (25-35 years) span of each species by factoring the forestry plan of the Company approved by the Forestry Department.   |
| Selling Price        | Estimated based on prevailing Sri Lankan market prices is Rs. 950/- to Rs. 3,000/- per cubic ft.(2024- Rs.950/- to Rs. 3,000/-) factoring all the conditions to be fulfilled in bringing the trees in to salable condition   |
| Discount Rate        | Future cash flows are discounted at the rate of 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 18% may stimulate an increase or a decrease between the range +1% to -1% |

### 17.1.4 Sensitivity Analysis

#### Sensitivity variation on sales price

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

| Sales price fluctuation      | +10%               | 2025               | -10%               |
|------------------------------|--------------------|--------------------|--------------------|
| Manage Timber                | Rs.                | Rs.                | Rs.                |
| <b>As at 31st March 2025</b> | <b>145,390,784</b> | <b>132,173,440</b> | <b>118,956,096</b> |
| As at 31st March 2024        | 72,444,625         | 65,858,750         | 59,272,875         |

#### Sensitivity variation on discount rate

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

| Discount rate fluctuation    | +1%                | 2025               | -1%                |
|------------------------------|--------------------|--------------------|--------------------|
|                              | Rs.                | Rs.                | Rs.                |
| <b>As at 31st March 2025</b> | <b>142,172,172</b> | <b>132,173,440</b> | <b>123,024,081</b> |
| As at 31st March 2024        | 61,123,045         | 65,858,750         | 71,073,236         |

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



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 18. INVESTMENT IN SUBSIDIARIES

| COMPANY                        | Number of Shares | Effective Holding | Effective Holding | Company              |                      |
|--------------------------------|------------------|-------------------|-------------------|----------------------|----------------------|
|                                |                  | %<br>2025         | %<br>2024         | 2025<br>Rs.          | 2024<br>Rs.          |
| <b>Direct-Subsidiaries</b>     |                  |                   |                   |                      |                      |
| Renuka Agri Foods PLC          | 607,049,186      | 75.99%            | 74.07%            | 1,453,025,162        | 822,140,095          |
| Shaw Wallace Ceylon Ltd        | 288,065,997      | 89.94%            | 85.03%            | 1,244,603,190        | 1,244,603,190        |
| Richlife Dairies Ltd           | 40,580,000       | 100.00%           | 100.00%           | 1,105,000,000        | 1,105,000,000        |
| Renuka Agri Organics Ltd       | -                | -                 | -                 | -                    | 152,499,000          |
| <b>Sub-Subsidiaries</b>        |                  |                   |                   |                      |                      |
| Renuka Developments (Pvt) Ltd  | 15,509,660       | 65.12%            | 65.12%            | -                    | -                    |
| Kandy Plantations Ltd          | 20,050,000       | 75.57%            | 55.56%            | -                    | -                    |
| Renuka Agri Organics (Pvt) Ltd | 2,000,000        | 76.87%            | 79.07%            | -                    | -                    |
| Ceylon Forestry (Pvt) Ltd      | 210,000          | 45.34%            | 26.02%            | -                    | -                    |
| Shaw Wallace Properties Ltd    | 7,333,335        | 89.94%            | 85.03%            | -                    | -                    |
| Renuka Trading (Pvt) Ltd       | 33,121,400       | 89.94%            | 85.03%            | -                    | -                    |
| Coco Lanka (Pvt) Ltd           | 2,650,000        | 76.12%            | 49.34%            | -                    | -                    |
|                                |                  |                   |                   | <b>3,802,628,352</b> | <b>3,324,242,285</b> |

**\* 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

#### 18.1 GROUP INVESTMENTS IN SUBSIDIARIES

The following transaction is an investment made by the group.

##### Renuka Agri Foods PLC

On 6th June 2024, Renuka Agri Foods PLC conducted a right issue of 228,236,944 shares, in which group participants have subscribed for shares as follows. Through this investment, group has increased an effective holding of 0.34%.

| Participant                 | No of Shares | Amount invested<br>Rs. |
|-----------------------------|--------------|------------------------|
| Renuka Foods PLC            | 172,713,255  | 431,783,138            |
| Shaw Wallace Ceylon Limited | 2,692,095    | 9,287,103              |
|                             |              | 441,070,241            |

On 30th August 2024, Renuka Foods PLC Purchased 62,779,728 shares of Renuka Agri Foods PLC, for a consideration of Rs. 175,783,238 from Shaw Wallace Ceylon Limited. From this investment, group's effective holding of Renuka Agri Foods PLC has been increased from 74.07% to 75.99%.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 18.1 GROUP INVESTMENTS IN SUBSIDIARIES (Contd)

#### Coco Lanka (Pvt) Limited

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 for a consideration of Rs. 25,000,000. From this investment, the group effective holding has been increased from 49% to 75%

#### Renuka Agri Organics Limited

On 31st December 2024, Renuka Agri Foods PLC purchased 799,950 Shares of Renuka Agri Organics Ltd from Renuka Foods PLC for a consideration of Rs. 152,499,000 from this transaction, group's effective holding in Renuka Agri Organics has been decreased from 79.7% to 76%.

#### Renuka Developments (Pvt) Limited

On 25th March 2025, Shaw Wallace Ceylon Limited invested in 3,101,932 shares of Renuka Developments (Pvt) Limited. From this investment group's effective holding in Renuka Development (Pvt) Limited has been increased from 76% to 78.78%.

### 18.2 PRINCIPLE SUBSIDIARIES

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

| Company                           | Principal Activities   | Class of Shares Held | As at 31st March 2025    |                    |                              | As at 31st March 2024    |                    |                              |
|-----------------------------------|--|----------------------|--------------------------|--------------------|------------------------------|--------------------------|--------------------|------------------------------|
|                                   |  |                      | Proportion of class held | Group Interest (%) | Non-controlling interest (%) | Proportion of class held | Group Interest (%) | Non-controlling interest (%) |
| Renuka Agri Foods PLC             | Manufacture & export of coconut based products   | Ordinary             | 75.99%                   | 75.99%             | 24.01%                       | 74.07%                   | 74.07%             | 25.93%                       |
| Renuka Agri Organics Ltd          | Manufacture & export of coconut based products   | Ordinary             | 76.87%                   | 76.87%             | 23.13%                       | 79.07%                   | 79.07%             | 20.93%                       |
| Shaw Wallace Ceylon Ltd           | Manufacturing & distribution of Fast Moving Consumer Goods   | Ordinary             | 89.94%                   | 89.94%             | 10.06%                       | 85.03%                   | 85.03%             | 14.97%                       |
| Richlife Dairies Ltd              | Manufacturing of dairy & fruit juice based products  | Ordinary             | 100.00%                  | 100.00%            | 0.00%                        | 100.00%                  | 100.00%            | 0.00%                        |
| Renuka Developments (Pvt) Ltd     | Organic certification licence holder and investment in plantation / farm & vertical integration projects | Ordinary             | 65.12%                   | 65.12%             | 34.88%                       | 65.12%                   | 65.12%             | 34.88%                       |
| Kandy Plantations Ltd             | Engaged in organic certified cultivation of agriculture  | Ordinary             | 75.57%                   | 75.57%             | 24.43%                       | 55.56%                   | 55.56%             | 44.44%                       |
| Ceylon Forestry (Pvt) Ltd         | Planting & managing of forestry  | Ordinary             | 45.34%                   | 45.34%             | 54.66%                       | 26.02%                   | 26.02%             | 73.98%                       |
| Shaw Wallace Properties (Pvt) Ltd | Providing warehousing facilities   | Ordinary             | 89.94%                   | 89.94%             | 10.06%                       | 85.03%                   | 85.03%             | 14.97%                       |
| Coco Lanka (Pvt) Ltd              | Plantation   | Ordinary             | 76.12%                   | 76.12%             | 23.88%                       | 49.34%                   | 49.34%             | 50.66%                       |
| Renuka Trading (Pvt) Ltd          | Providing warehousing facilities   | Ordinary             | 89.94%                   | 89.94%             | 10.06%                       | 85.03%                   | 85.03%             | 14.97%                       |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 18.2 PRINCIPLE SUBSIDIARIES (CONTD)

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

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

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

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

### 18.3 NON CONTROLLING INTERESTS (NCI)

The following table summarises the information relating to the Group's subsidiaries that have material NCI.

|  | <b>Renuka Developments<br/>(Pvt) Ltd</b> | <b>Renuka Agri<br/>Foods PLC</b> | <b>Renuka Agri<br/>Organics Ltd</b> | <b>Shaw Wallace<br/>Ceylon Ltd</b> |
|--|--|----------------------------------|-------------------------------------|------------------------------------|
| NCI Percentage                                       | 34.88%                                   | 24.01%                           | 23.13%                              | 10.06%                             |
|  | <b>Rs.</b>                               | <b>Rs.</b>                       | <b>Rs.</b>                          | <b>Amount (Rs.)</b>                |
| Non Current Assets                                   | 2,023,545,087                            | 3,504,460,314                    | 618,127,847                         | 2,550,315,912                      |
| Current Assets                                       | 33,580,907                               | 3,127,041,206                    | 450,652,600                         | 748,935,677                        |
| Non Current Liabilities                              | (44,618,770)                             | (254,184,785)                    | (81,203,723)                        | (259,667,339)                      |
| Current Liabilities                                  | (1,474,390)                              | (3,115,836,215)                  | (270,570,956)                       | (872,538,533)                      |
| <b>Net Assets</b>                                    | <b>2,011,032,834</b>                     | <b>3,261,480,520</b>             | <b>717,005,768</b>                  | <b>2,167,045,717</b>               |
| <b>Net Assets attributable to NCI</b>                | <b>701,496,018</b>                       | <b>783,004,727</b>               | <b>165,835,759</b>                  | <b>217,981,595</b>                 |
| Revenue  | 7,200,000                                | 5,904,606,787                    | 1,274,203,014                       | 1,831,205,599                      |
| Profit for the year                                  | (10,962,571)                             | (220,005,396)                    | (75,778,118)                        | (57,387,013)                       |
| Other Comprehensive Income/<br>(Expenses)            | 58,933,126                               | 60,807,757                       | 75,793,807                          | 274,494,254                        |
| <b>Total Comprehensive Income/<br/>(Expenses)</b>    | <b>47,970,555</b>                        | <b>(159,197,639)</b>             | <b>15,689</b>                       | <b>217,107,241</b>                 |
| <b>Profit allocated to NCI</b>                       | <b>(3,824,005)</b>                       | <b>(52,818,119)</b>              | <b>(17,526,668)</b>                 | <b>(5,772,519)</b>                 |
| <b>OCI allocated to NCI</b>                          | <b>20,557,274</b>                        | <b>14,598,512</b>                | <b>17,530,296</b>                   | <b>27,611,183</b>                  |
| Cash flows from / (used in)<br>operating activities  | 14,430,807                               | (1,059,773,447)                  | (87,733,166)                        | (145,268,111)                      |
| Cash flows from / (used in)<br>investment activities | -  | 702,494,418                      | (6,014,249)                         | (219,680,720)                      |
| Cash flows from / (used in)<br>finance activities    | -  | 609,237,998                      | (7,443,486)                         | 338,737,700                        |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 18.4 CHANGES IN INTEREST WITHOUT A CHANGE IN CONTROL

|  | Renuka Agri Foods PLC | Total         |
|--|-----------------------|---------------|
| Change in effective interest of NCI (%)                        | -6.14%                | -6.14%        |
| Consideration Paid / (Received) (Rs.)                          | (126,101,358)         | (126,101,358) |
| Net carrying amount of NCI acquired (Rs.)                      | (71,301,113)          | (71,301,113)  |
| Increase in equity attributable to owners of the Company (Rs.) | (197,402,471)         | (197,402,471) |

As a result, the effective interest of the subsidiaries has changed the Group effective interest of the following subsidiaries

|   | Change in NCI<br>Effective Holding % | Change in NCI (Rs.)  |
|---|--------------------------------------|----------------------|
| Renuka Agri Organics (Pvt) Ltd  | 2.20%                                | 12,331,934           |
| Kandy Plantation (Pvt) Ltd  | -20.02%                              | (82,829,112)         |
| Renuka Developments (Pvt) Ltd   | -13.66%                              | (269,805,208)        |
| COCO Lanka (Pvt) Ltd  | -26.78%                              | (73,857,421)         |
| Ceylon Forestry (Pvt) Ltd   | -19.33%                              | (11,524,636)         |
| Shaw Wallace Ceylon Ltd   | -4.91%                               | (12,620,384)         |
| Shaw Wallace Properties Ltd   | -4.91%                               | (95,379,912)         |
| Renuka Trading (Pvt) Ltd  | -4.91%                               | (16,198,513)         |
| <b>Increase in equity attributable to owners of the Company (Rs.)</b>     |                                      | <b>(549,883,251)</b> |
| <b>Net increase in equity attributable to owners of the Company (Rs.)</b> |                                      | <b>(488,558,039)</b> |

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

\* an increase in the revaluation reserves of Rs. 32,883,085; and

\* an increase in the retained earnings of Rs. 581,683,486.

### 18.5 IMPAIRMENT OF INVESTMENT IN SUBSIDIARIES

Impairment of Investment in Subsidiaries have been tested by considering the assumptions disclosed under Note 19.1.2. Accordingly, no provision for impairment is required as at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 19. INTANGIBLE ASSETS

|                               | GROUP              |                    | COMPANY     |             |
|-------------------------------|--------------------|--------------------|-------------|-------------|
| As at 31st March              | 2025<br>Rs.        | 2024<br>Rs.        | 2025<br>Rs. | 2024<br>Rs. |
| Goodwill (Note 19.1)          | 203,598,916        | 203,598,916        | -           | -           |
| Computer Software (Note 19.2) | 716,549            | 900,757            | -           | -           |
| Trade Marks (Note 19.3)       | 4,722,953          | 6,232,952          | -           | -           |
|                               | <b>209,038,418</b> | <b>210,732,625</b> | -           | -           |

### 19.1 GOODWILL

|  | GROUP              |                    | COMPANY     |             |
|--|--------------------|--------------------|-------------|-------------|
|  | 2025<br>Rs.        | 2024<br>Rs.        | 2025<br>Rs. | 2024<br>Rs. |
| Balance as at the beginning of the year  | 203,598,916        | 203,598,916        | -           | -           |
| On Acquisition during the year           | -                  | 17,536,342         | -           | -           |
| Impairment during the year               | -                  | (17,536,342)       | -           | -           |
| <b>Balance as at the end of the year</b> | <b>203,598,916</b> | <b>203,598,916</b> | -           | -           |

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

| As at 31st March          | 2025<br>Rs.        | 2024<br>Rs.        |
|---------------------------|--------------------|--------------------|
| Renuka Agri Foods PLC     | 28,455,402         | 28,455,402         |
| Richlife Dairies Ltd      | 133,024,682        | 133,024,682        |
| Shaw Wallace Ceylon Ltd   | 40,062,623         | 40,062,623         |
| Ceylon Forestry (Pvt) Ltd | 1,519,005          | 1,519,005          |
| Kandy Plantations Ltd     | 537,204            | 537,204            |
|                           | <b>203,598,916</b> | <b>203,598,916</b> |

#### 19.1.2 RENUKA AGRICULTURE FOODS PLC

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Estimated Recoverable value exceeded carrying value by Rs.3,364Mn

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%  |

#### 19.1.3 RICHLIFE DAIRIES LIMITED

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Estimated Recoverable value exceeded carrying value by Rs.1,663Mn

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%  |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 19.1.4 SHAW WALLACE CEYLON LIMITED

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Estimated Recoverable value exceeded carrying value by Rs.400Mn

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%  |

### 19.2 Computer Software

|  | GROUP          |                | COMPANY     |             |
|--|----------------|----------------|-------------|-------------|
|  | 2025<br>Rs.    | 2024<br>Rs.    | 2025<br>Rs. | 2024<br>Rs. |
| Balance as at the Beginning of the Year  | 900,757        | 1,107,222      | -           | -           |
| Additions made during the year           | -              | 120,460        | -           | -           |
| Amortization during the year             | (184,208)      | (326,925)      | -           | -           |
| <b>Balance as at the End of the Year</b> | <b>716,549</b> | <b>900,757</b> | <b>-</b>    | <b>-</b>    |

### 19.3 Trade Mark

|  | GROUP            |                  | COMPANY     |             |
|--|------------------|------------------|-------------|-------------|
|  | 2025<br>Rs.      | 2024<br>Rs.      | 2025<br>Rs. | 2024<br>Rs. |
| Balance as at the Beginning of the Year  | 6,232,952        | 7,742,952        | -           | -           |
| Amortization during the year             | (1,509,999)      | (1,510,000)      | -           | -           |
| <b>Balance as at the End of the Year</b> | <b>4,722,953</b> | <b>6,232,952</b> | <b>-</b>    | <b>-</b>    |

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

|                                |                    |                    |          |          |
|--------------------------------|--------------------|--------------------|----------|----------|
| <b>Total Intangible Assets</b> | <b>209,038,418</b> | <b>210,732,625</b> | <b>-</b> | <b>-</b> |
|--------------------------------|--------------------|--------------------|----------|----------|

## 20. INVENTORIES

|   | GROUP                |                      | COMPANY     |             |
|---|----------------------|----------------------|-------------|-------------|
| AS AT 31ST MARCH                            | 2025<br>Rs.          | 2024<br>Rs.          | 2025<br>Rs. | 2024<br>Rs. |
| Raw Materials & Consumables                 | 363,105,545          | 623,006,573          | -           | -           |
| Finished Goods                              | 967,187,796          | 1,172,734,234        | -           | -           |
| Harvested Crops                             | 1,562,208            | 5,385,831            | -           | -           |
| Spares & Consumables                        | 590,312,534          | 421,310,007          | -           | -           |
| Packing Material & Chemicals                | 601,536,047          | 211,854,604          | -           | -           |
| Work in Progress                            | 12,775,030           | 58,496,770           | -           | -           |
| Goods in Transit                            | 61,220,047           | 9,845,811            | -           | -           |
|   | <b>2,597,699,207</b> | <b>2,502,633,830</b> | <b>-</b>    | <b>-</b>    |
| Provision for Slow moving items (Note 20.1) | (43,217,176)         | (85,342,403)         | -           | -           |
|   | <b>2,554,482,031</b> | <b>2,417,291,427</b> | <b>-</b>    | <b>-</b>    |



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 20.1 Provision for Obsolete Inventories

| AS AT 31ST MARCH                | GROUP             |                   | COMPANY     |             |
|---------------------------------|-------------------|-------------------|-------------|-------------|
|                                 | 2025<br>Rs.       | 2024<br>Rs.       | 2025<br>Rs. | 2024<br>Rs. |
| Balance as at 1st April         | 85,342,403        | 177,768,202       | -           | -           |
| Reversal made during the year   | (42,125,227)      | (92,425,799)      | -           | -           |
| <b>Balance as at 31st March</b> | <b>43,217,176</b> | <b>85,342,403</b> | <b>-</b>    | <b>-</b>    |

### 21. TRADE & OTHER RECEIVABLES

| AS AT 31ST MARCH                          | GROUP                |                      | COMPANY            |                |
|---|----------------------|----------------------|--------------------|----------------|
|   | 2025<br>Rs.          | 2024<br>Rs.          | 2025<br>Rs.        | 2024<br>Rs.    |
| <b>Trade &amp; Other Receivables</b>      |                      |                      |                    |                |
| Trade Debtors & Bills Receivable          | 2,281,912,266        | 1,848,580,401        | -                  | -              |
| VAT Recoverable                           | 4,560,809            | 3,248,615            | -                  | -              |
| Deposits & Pre-Payments                   | 545,543,156          | 350,581,751          | 180,000            | 180,000        |
| Taxes Recoverable                         | 3,698,810            | 471,101              | -                  | -              |
| WHT Recoverable                           | 13,914,914           | 1,989,606            | 58,100             | 54,351         |
| Advances Payments                         | 318,026,585          | 14,661,429           | 148,159,900        | 36,488         |
| Staff Loan and Advances                   | 15,970,388           | 6,649,109            | -                  | -              |
| Other Receivables                         | 193,056,394          | 117,635,900          | -                  | -              |
| Impairment Provision for other receivable | (21,895,233)         | -                    | -                  | -              |
|   | <b>3,354,788,089</b> | <b>2,343,817,912</b> | <b>148,398,000</b> | <b>270,839</b> |
| Provision for Impairment (Note 21.1)      | (32,339,201)         | (36,406,652)         | -                  | -              |
|   | <b>3,322,448,888</b> | <b>2,307,411,260</b> | <b>148,398,000</b> | <b>270,839</b> |

### 21.1 Provision for Impairment

| AS AT 31ST MARCH                | GROUP             |                   | COMPANY     |             |
|---------------------------------|-------------------|-------------------|-------------|-------------|
|                                 | 2025<br>Rs.       | 2024<br>Rs.       | 2025<br>Rs. | 2024<br>Rs. |
| Balance as at 1st April         | 36,406,652        | 38,736,472        | -           | -           |
| Reversal made during the year   | (4,067,451)       | (2,329,820)       | -           | -           |
| <b>Balance as at 31st March</b> | <b>32,339,201</b> | <b>36,406,652</b> | <b>-</b>    | <b>-</b>    |

### 22. AMOUNTS DUE FROM RELATED COMPANIES

| AS AT 31ST MARCH            | GROUP       |                | COMPANY          |             |
|-----------------------------|-------------|----------------|------------------|-------------|
|                             | 2025<br>Rs. | 2024<br>Rs.    | 2025<br>Rs.      | 2024<br>Rs. |
| Shaw Wallace Investment PLC | -           | 321,757        | -                | -           |
| Renuka Holding PLC          | -           | 104,501        | -                | -           |
| Renuka Agro Exports Limited | -           | 303,238        | -                | -           |
| Renuka Agri Foods PLC       | -           | -              | 1,141,232        | -           |
|                             | -           | <b>729,496</b> | <b>1,141,232</b> | -           |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 23. CASH & CASH EQUIVALENTS

|   | GROUP              |                    | COMPANY          |                   |
|---|--------------------|--------------------|------------------|-------------------|
|   | 2025<br>Rs.        | 2024<br>Rs.        | 2025<br>Rs.      | 2024<br>Rs.       |
| <b>AS AT 31ST MARCH</b>                                 |                    |                    |                  |                   |
| <b>23.1 Favorable Balances</b>                          | 36,999,935         | 35,776,519         | -                | -                 |
| Call Deposits   | 326,330,437        | 282,143,940        | 4,553,213        | 13,026,527        |
| <b>Cash at bank &amp; in hand</b>                       | <b>363,330,372</b> | <b>317,920,459</b> | <b>4,553,213</b> | <b>13,026,527</b> |
| <b>23.2 Unfavorable Balances</b>                        |                    |                    |                  |                   |
| Bank Overdraft  | (140,685,211)      | (291,001,762)      | -                | -                 |
| <b>Cash &amp; Cash Equivalents for Cashflow Purpose</b> | <b>222,645,161</b> | <b>26,918,697</b>  | <b>4,553,213</b> | <b>13,026,527</b> |

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

### 24. STATED CAPITAL

|  | GROUP              |                    | COMPANY            |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2025<br>Rs.        | 2024<br>Rs.        | 2025<br>Rs.        | 2024<br>Rs.        |
| <b>AS AT 31ST MARCH</b>                  |                    |                    |                    |                    |
| <b>No of Shares Issued</b>               |                    |                    |                    |                    |
| <b>Voting Shares</b>                     |                    |                    |                    |                    |
| At the Beginning of the year             | 120,003,545        | 117,960,106        | 120,003,545        | 117,960,106        |
| Right issued during the year (Note 24.1) | 60,001,772         | 2,043,439          | 60,001,772         | 2,043,439          |
| <b>At the End of the year</b>            | <b>180,005,317</b> | <b>120,003,545</b> | <b>180,005,317</b> | <b>120,003,545</b> |
| <b>Non Voting Shares</b>                 |                    |                    |                    |                    |
| At the Beginning of the year             | 4,871,200          | 4,773,346          | 4,871,200          | 4,773,346          |
| Right issued during the year             | 2,435,600          | 97,854             | 2,435,600          | 97,854             |
| <b>At the End of the year</b>            | <b>7,306,800</b>   | <b>4,871,200</b>   | <b>7,306,800</b>   | <b>4,871,200</b>   |
|  | <b>187,312,117</b> | <b>124,874,745</b> | <b>187,312,117</b> | <b>124,874,745</b> |

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 24.1 Value of Issued and Fully Paid Ordinary Shares

|                               | GROUP                |                      | COMPANY              |                      |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| AS AT 31ST MARCH              | 2025                 | 2024                 | 2025                 | 2024                 |
|                               | Rs.                  | Rs.                  | Rs.                  | Rs.                  |
| At the Beginning of the year  | 2,289,278,770        | 2,241,842,234        | 2,289,278,770        | 2,241,842,234        |
| Right issue during the year   | 619,502,520          | 47,436,536           | 619,502,520          | 47,436,536           |
| <b>At the End of the year</b> | <b>2,908,781,290</b> | <b>2,289,278,770</b> | <b>2,908,781,290</b> | <b>2,289,278,770</b> |

At the Extraordinary General Meeting held on 19th April 2024, shareholders approved the resolution to issue ordinary (voting and non-voting) shares by way of a rights issue to existing shareholders of the Company in the proportion of 1 share for every 2 shares at issue price of Rs.10/- for voting and Rs.8/- for non-voting shares. Accordingly the Company raised Rs. 619,502,520/- through the issue of 62,437,372 shares.

### 25. RESERVES

|                                 | GROUP                |                    | COMPANY  |          |
|---------------------------------|----------------------|--------------------|----------|----------|
| AS AT 31ST MARCH                | 2025                 | 2024               | 2025     | 2024     |
|                                 | Rs.                  | Rs.                | Rs.      | Rs.      |
| Revaluation Reserve (Note 26.1) | 1,288,586,681        | 669,402,484        | -        | -        |
|                                 | <b>1,288,586,681</b> | <b>669,402,484</b> | <b>-</b> | <b>-</b> |

#### 25.1 Revaluation Reserve

|   | GROUP                |                    | COMPANY  |          |
|---|----------------------|--------------------|----------|----------|
| AS AT 31ST MARCH  | 2025                 | 2024               | 2025     | 2024     |
|   | Rs.                  | Rs.                | Rs.      | Rs.      |
| Balance as at Beginning of the Year                         | 669,402,484          | 662,164,336        | -        | -        |
| Other Comprehensive Income, net of tax                      | 586,301,112          | 5,438,785          | -        | -        |
| Acquisition of NCI without changes in control               | -                    | 10,679             | -        | -        |
| Impact due to changes in effective holdings of subsidiaries | 32,883,085           | 1,788,685          | -        | -        |
| <b>Balance as at the End of the Year</b>                    | <b>1,288,586,681</b> | <b>669,402,484</b> | <b>-</b> | <b>-</b> |

Revaluation reserve relates to the revaluation of land and buildings.

### 26. DEFERRED TAX LIABILITY

|   | GROUP              |                    | COMPANY  |          |
|---|--------------------|--------------------|----------|----------|
| AS AT 31ST MARCH                                      | 2025               | 2024               | 2025     | 2024     |
|   | Rs.                | Rs.                | Rs.      | Rs.      |
| Balance As at 1st April                               | 595,913,992        | 653,677,915        | -        | -        |
| Acquisition through amalgamation                      | -                  | 41,559,446         | -        | -        |
| Acquisition of Subsidiary                             | -                  | 36,600,000         | -        | -        |
| Provision Made/(Reversal) during the year (Note 28.2) | 47,434,081         | (135,923,369)      | -        | -        |
| <b>Balance as at the End of the Year</b>              | <b>643,348,073</b> | <b>595,913,992</b> | <b>-</b> | <b>-</b> |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 26.1 Provision for Deferred Tax is attributable to the followings.

| AS AT 31ST MARCH                   | 2025                  |                    | 2024                  |                    |
|------------------------------------|-----------------------|--------------------|-----------------------|--------------------|
|                                    | Temporary Differences | Tax Effect         | Temporary Differences | Tax Effect         |
|                                    | Rs.                   | Rs.                | Rs.                   | Rs.                |
| On Property Plant and Equipment    | 1,581,591,725         | 317,532,523        | 1,920,484,769         | 372,943,261        |
| On Right of use Asset              | 95,984,401            | 30,156,247         | 97,584,436            | 19,829,557         |
| On Investment properties           | 779,633,974           | 247,056,196        | 678,084,562           | 203,425,369        |
| On Fair Value Gain on Investment   | -                     | -                  | 80,802,433            | 24,240,730         |
| On Revaluation of Land & Buildings | 1,619,222,313         | 465,433,508        | 963,273,861           | 284,358,114        |
| On Retirement Benefit Obligation   | (112,648,760)         | (24,102,474)       | (110,327,448)         | (24,978,241)       |
| On Carried Forward Tax Losses      | (1,704,578,003)       | (325,263,139)      | (1,162,164,983)       | (212,602,927)      |
| On lease liability                 | (139,960,573)         | (40,979,678)       | (182,538,776)         | (37,260,821)       |
| On Provision for bad debts/ Stocks | (75,556,377)          | (26,485,111)       | (120,540,886)         | (34,041,049)       |
|                                    | <b>2,043,688,700</b>  | <b>643,348,073</b> | <b>2,164,657,967</b>  | <b>595,913,992</b> |

| AS AT 31ST MARCH | GROUP |      | COMPANY |      |
|------------------|-------|------|---------|------|
|                  | 2025  | 2024 | 2025    | 2024 |
|                  | Rs.   | Rs.  | Rs.     | Rs.  |

### 26.2 Reconciliation of Deferred Tax Provision

|                                |                     |                    |          |          |
|--------------------------------|---------------------|--------------------|----------|----------|
| Recognized in Profit or Loss   | 94,372,251          | 110,499,046        | -        | -        |
| (Reversal) / Recognized in OCI | (141,806,332)       | 25,424,323         | -        | -        |
| <b>Tax Effect</b>              | <b>(47,434,081)</b> | <b>135,923,369</b> | <b>-</b> | <b>-</b> |

The Company has not recognized deferred tax asset of a Rs. 4,812,859/- on accumulated losses as at 31st March 2025 due to the uncertainty regarding the availability of future taxable profits against which the deferred tax asset would be utilized.

### 26.3 The Group has not recognized the deferred tax asset on accumulated tax losses of Rs 16,152,305/- in Ceylon Forestry (Pvt) Ltd. Rs 27,451,969/- in Renuka Development (Pvt) Ltd, Rs. 111,962,141/- in Shaw Wallace Ceylon Ltd, Rs. 17,231,904/- in Renuka Foods PLC & Rs. 198,914,055/- in Richlife Dairies Ltd. Since such Companies do not expect to generate taxable profits in the foreseeable future.

Deferred tax assets and liabilities shall be measured based on the tax rate that have been enacted or substantially enacted by the end of the reporting period in accordance with the Inland Revenue Act No. 24 of 2017. The Group has used tax rate of 30% except for Renuka Agri Foods PLC.

Renuka Agri Foods PLC has used tax rate of 15%.

### 27. INTEREST BEARING BORROWINGS

| AS AT 31ST MARCH                        | GROUP                |                      | COMPANY  |          |
|---|----------------------|----------------------|----------|----------|
|   | 2025                 | 2024                 | 2025     | 2024     |
|   | Rs.                  | Rs.                  | Rs.      | Rs.      |
| Balance as at the Beginning of the year | 3,075,173,746        | 2,358,625,266        | -        | -        |
| Addition due to amalgamation            | -                    | 133,800,000          | -        | -        |
| Additions During the year               | 17,143,559,040       | 12,828,407,338       | -        | -        |
| Payments made During the year           | (15,771,539,488)     | (12,245,658,858)     | -        | -        |
|   | <b>4,447,193,298</b> | <b>3,075,173,746</b> | <b>-</b> | <b>-</b> |
| Payable within one year                 | 4,304,138,698        | 2,823,785,546        | -        | -        |
| Payable after one year                  | 143,054,600          | 251,388,200          | -        | -        |
|   | <b>4,447,193,298</b> | <b>3,075,173,746</b> | <b>-</b> | <b>-</b> |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 27.1 Renuka Agri Foods PLC

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

| Financial Institution         | Facility Obtained | Outstanding Balance  |                      | Repayment Terms   | Assets Pledged   |
|-------------------------------|-------------------|----------------------|----------------------|---|--|
|                               |                   | 2025<br>Rs.          | 2024<br>Rs.          |   |  |
| Sampath Bank PLC              | Short Term Loan   | 409,000,000          | 320,000,000          | Repayable on demand   | Negative pledge over Coconut milk processing Plant for UHT |
| 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          | -   | 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   | -  |
|                               |                   | <b>2,412,193,298</b> | <b>1,791,933,746</b> |   |  |

### 27.2 Shaw Wallace Ceylon Ltd

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

| Financial Institution         | Facility Obtained            | Outstanding Balance |                    | Repayment Terms                              | Assets Pledged                          |
|-------------------------------|------------------------------|---------------------|--------------------|--|---|
|                               |                              | 2025<br>Rs.         | 2024<br>Rs.        |  |   |
| Hatton National Bank PLC      | Short term money market loan | 520,000,000         | 100,000,000        | Payable within 120 days from draw down date. | Board Resolution dated 4th January 2021 |
| Commercial Bank of Ceylon PLC | Term Loan                    | 80,000,000          | 150,000,000        | Payable within 90 days from draw down date.  | Board Resolution dated 21.07.2023       |
|                               |                              | <b>600,000,000</b>  | <b>250,000,000</b> |  |   |

### 27.3 Renuka Agri Organics Ltd.

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

| Financial Institution    | Facility Obtained | Outstanding Balance |                    | Repayment Terms     | Assets Pledged |
|--------------------------|-------------------|---------------------|--------------------|---------------------|----------------|
|                          |                   | 2025<br>Rs.         | 2024<br>Rs.        |                     |                |
| Hatton National Bank PLC | Term Loan         | 155,000,000         | 150,000,000        | Repayable on Demand | -              |
| <b>Total</b>             |                   | <b>155,000,000</b>  | <b>150,000,000</b> |                     | -              |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 27.4 Richlife Dairies Limited

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

| Financial Institution         | Facility Obtained | Outstanding Balance  |                      | Repayment Term                              | Assets Pledged |
|-------------------------------|-------------------|----------------------|----------------------|---|----------------|
|                               |                   | 2025<br>Rs.          | 2024<br>Rs.          |   |                |
| Commercial Bank of Ceylon PLC | Term Loan         | 430,000,000          | 350,000,000          | Payable within 90 days from draw down date. | -              |
| Sampath Bank PLC              | Term Loan         | 110,000,000          | 233,240,000          | Payable within 90 days from draw down date. | -              |
| Hatton National Bank PLC      | Term Loan         | 740,000,000          | 300,000,000          | -   | -              |
|                               |                   | <b>1,280,000,000</b> | <b>883,240,000</b>   |   | -              |
| <b>Total</b>                  |                   | <b>4,447,193,298</b> | <b>3,075,173,746</b> |   | -              |

|  | GROUP              |                    | COMPANY          |             |
|--|--------------------|--------------------|------------------|-------------|
|  | 2025<br>Rs.        | 2024<br>Rs.        | 2025<br>Rs.      | 2024<br>Rs. |
| <b>28. RETIREMENT BENEFIT OBLIGATION</b> |                    |                    |                  |             |
| At the beginning of the year             | 110,327,448        | 99,518,118         | -                | -           |
| Charge to Profit or Loss (Note 28.1)     | 28,161,855         | 31,244,135         | 3,414,351        | -           |
| Charge to OCI (Note 28.1)                | (5,902,585)        | (4,480,355)        | 95,165           | -           |
| Payment made during the year             | (19,937,958)       | (15,954,450)       | -                | -           |
|  | <b>112,648,760</b> | <b>110,327,448</b> | <b>3,509,516</b> | -           |

|   | GROUP              |                    | COMPANY          |             |
|---|--------------------|--------------------|------------------|-------------|
|   | 2025<br>Rs.        | 2024<br>Rs.        | 2025<br>Rs.      | 2024<br>Rs. |
| <b>28.1 Movement in the Present Value of Defined Benefit Obligation</b> |                    |                    |                  |             |
| Balance as at 01 April  | 110,327,448        | 99,518,118         | -                | -           |
| Interest Cost for the period  | 12,411,878         | 19,406,033         | 275,859          | -           |
| Current Service Cost for the period                                     | 15,749,977         | 11,838,102         | 3,138,492        | -           |
| Payments during the year  | (19,937,958)       | (15,954,450)       | -                | -           |
| Actuarial (Gain) / Loss   | (5,902,585)        | (4,480,355)        | 95,165           | -           |
| <b>Benefit obligation as at 31 March</b>                                | <b>112,648,760</b> | <b>110,327,448</b> | <b>3,509,516</b> | -           |



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

- 28.2** Gratuity Liability is based on the Actuarial Valuation carried out as at 31st March 2025 by Mr Poopalanathan, M/S. Actuarial and Management Consultants (Pvt) Limited. The valuation method used by the actuary to value the benefit is the "Projected unit credit method", the method recommended by the Sri Lanka Accounting Standards 19 (LKAS 19) "Employee Benefit". The Principal assumptions used in the actuarial valuation are as follows;

|                         | 2025                | 2024                  |
|-------------------------|---------------------|-----------------------|
| Retirement Age          | 60                  | 60                    |
| Discounting Rate        | 10%                 | 11.00%                |
| Salary Increment Rate   | 10% - 15%           | 10%                   |
| Withdrawal Rate assumed | 30%                 | 32%                   |
| Demographic Assumptions | A67/70<br>Mortality | A1967/70<br>Mortality |

Weighted Average Duration of the Defined Benefit Obligation is 2.9 years.

The above rates were changed to reflect the market rates.

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

### 28.3 Sensitivity of assumptions employed in Actuarial Valuation

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

| AS AT 31ST MARCH                      | GROUP         |               | COMPANY     |             |
|---------------------------------------|---------------|---------------|-------------|-------------|
|                                       | 2025<br>Rs.   | 2024<br>Rs.   | 2025<br>Rs. | 2024<br>Rs. |
| Discount Rate - (1% Increase)         | (109,799,805) | (106,683,390) | (3,389,139) | -           |
| Discount Rate - (1% decrease)         | 115,675,469   | 112,005,442   | 3,638,625   | -           |
| Salary Increment Rate - (1% Increase) | 115,935,569   | 112,292,786   | 3,650,924   | -           |
| Salary Increment Rate - (1% decrease) | (109,501,762) | (105,808,753) | (3,375,701) | -           |

### Maturity Analysis

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

|                           | GROUP              |                    | COMPANY          |             |
|---------------------------|--------------------|--------------------|------------------|-------------|
|                           | 2025<br>Rs.        | 2024<br>Rs.        | 2025<br>Rs.      | 2024<br>Rs. |
| Within the next 12 months | 38,400,756         | 39,807,162         | 845,487          | -           |
| Between 1-2years          | 33,825,658         | 31,394,254         | 1,088,390        | -           |
| Between 2-5 years         | 24,869,257         | 27,374,316         | 418,150          | -           |
| Between 5-10 years        | 13,913,560         | 10,630,548         | 1,157,489        | -           |
| Beyond 10 years           | 1,639,529          | 1,211,168          | -                | -           |
|                           | <b>112,648,760</b> | <b>110,417,448</b> | <b>3,509,516</b> | -           |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 29. TRADE AND OTHER PAYABLES

|                  | GROUP                |                      | COMPANY          |                  |
|------------------|----------------------|----------------------|------------------|------------------|
| AS AT 31ST MARCH | 2025                 | 2024                 | 2025             | 2024             |
|                  | Rs.                  | Rs.                  | Rs.              | Rs.              |
| Trade Creditors  | 516,949,584          | 647,830,280          | -                | -                |
| Staff Creditors  | -                    | 1,281,250            | -                | -                |
| Accrued Expenses | 387,786,770          | 606,335,941          | 3,418,804        | 3,424,751        |
| Other Payables   | 584,020,414          | 427,376,031          | 1,332,847        | 30,327           |
|                  | <b>1,488,756,768</b> | <b>1,682,823,502</b> | <b>4,751,651</b> | <b>3,455,078</b> |

### 30. AMOUNTS DUE TO RELATED COMPANIES

|                          |   |   |                   |                   |
|--------------------------|---|---|-------------------|-------------------|
| Renuka Trading Pvt Ltd   | - | - | 20,119,529        | -                 |
| Richlife Dairies Limited | - | - | 1,511,226         | -                 |
| Shaw Wallace Ceylon Ltd  | - | - | 649,134           | -                 |
| Renuka Agri Foods PLC    | - | - | -                 | 10,931,164        |
|                          | - | - | <b>22,279,889</b> | <b>10,931,164</b> |

### 31. DIVIDEND PAYABLE

|                     |                   |                   |                  |                  |
|---------------------|-------------------|-------------------|------------------|------------------|
| Unclaimed Dividends | 10,407,084        | 13,317,004        | 5,285,003        | 5,285,003        |
|                     | <b>10,407,084</b> | <b>13,317,004</b> | <b>5,285,003</b> | <b>5,285,003</b> |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 32. RELATED PARTY DISCLOSURE

#### Related Party Transactions

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

#### 32.1 Parent and Ultimate Control Party

The parent of the company is Renuka Agro Exports (Pvt) Ltd and ultimate parent of the company is Renuka Holdings PLC.

#### 32.2 Transactions With Related Companies

##### 32.2.1 Transactions with Related Companies – Recurring Transactions – Group

| RELATED COMPANY                | RELATIONSHIP                                      | NAME OF THE COMMON DIRECTOR/S | NATURE OF TRANSACTIONS            | AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS ENTERED IN TO DURING THE FINANCIAL YEAR | AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS AS A % OF NET REVENUE / INCOME | BALANCE OUTSTANDING |            | TERMS AND CONDITIONS OF THE RELATED PARTY TRANSACTION    |
|--------------------------------|---|-------------------------------|-----------------------------------|---|--|---------------------|------------|--|
|                                |   |                               |                                   |   |  | 2025<br>Rs          | 2024<br>Rs |  |
| Kandy Plantations Limited      | Subsidiary of Ultimate Parent Renuka Holdings PLC | Dr. S.R. Rajiyah              | Payment for Coconuts              | (14,740,508)  | 0.37%  | 1,721,600           | 513,399    | Settlement based on Market Rate                          |
|                                |   | Mrs. J. R. Rajiyah            | Net Coconut Purchase              | 15,948,710  | 0.15%  |                     |            | Comparable Uncontrolled Price / arm's length transaction |
|                                |   | Mr.S. V. Rajiyah              | Interest Income                   | -   | -0.01%   |                     |            | Interest @ AWPLR   |
|                                |   | Mr. S.Vasantha Kumara         |                                   |   |  |                     |            |  |
|                                |   | Mr. R.F.N. Jayasooriya        |                                   |   |  |                     |            |  |
| Richlife Dairies Limited       | Subsidiary of Ultimate Parent Renuka Holdings PLC | Dr. S.R. Rajiyah              | Net of Fund (Received) / Payments | (12,363,630)  | 0.90%  | (1,448,631)         | 582,631    | Actual Basis   |
|                                |   | Mr. V. Sanmugam               |                                   |   |  |                     |            |  |
|                                |   | Mrs. I.R.Rajiyah              | Contract packing                  | 13,229,630  | 0.96%  |                     |            | Comparable Uncontrolled Price / arm's length transaction |
|                                |   | Mr. R.F.N. Jayasooriya        |                                   |   |  |                     |            |  |
|                                |   | Mr. S.V.Rajiyah               |                                   |   |  |                     |            |  |
| Shaw Wallace Ceylon Limited    | Subsidiary of Ultimate Parent Renuka Holdings PLC | Dr.S.R.Rajiyah                | Sales                             | 602,245,935   | 12.58%   | -                   | 11,421,906 | Resale Price Method / arm's length transaction           |
|                                |   | Mr. S.V.Rajiyah               | Net of Fund (Received) / Payments | (613,667,841)   | 13.48%   |                     |            | Actual Basis   |
|                                |   | Mrs.I.R.Rajiyah               |                                   |   |  |                     |            |  |
|                                |   | Mr. R.F.N. Jayasooriya        | Interest Income                   | -   | 0.10%  |                     |            | Actual Basis   |
|                                |   | Mr. S. Vasantha Kumara        | Reimbursement of Expenses         | (3,017,580.7)   | -0.42%   | -                   | -          | Resale Price Method / arm's length transaction           |
| Renuka Developments (Pvt) Ltd. | Subsidiary of Ultimate Parent Renuka Holdings PLC | Dr. S.R. Rajiyah              | Net of Fund (Received) / Payments | 3,017,580.7   | -0.42%   |                     |            | Actual Basis   |
|                                |   | Mrs. I.R. Rajiyah             |                                   |   |  |                     |            |  |
|                                |   | Mr. S.V.Rajiyah               | Interest Income                   | -   |  |                     |            |  |
|                                |   | Mr. S.Vasantha Kumara         |                                   |   |  |                     |            |  |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### RELATED PARTY DISCLOSURE (CONTD)

| RELATED COMPANY             | RELATIONSHIP                                      | NAME OF THE COMMON DIRECTOR/S | NATURE OF TRANSACTIONS             | AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS ENTERED IN TO DURING THE FINANCIAL YEAR | AGGREGATE VALUE OF RELATED PARTY TRANSACTIONS AS A % OF NET REVENUE/INCOME | BALANCE OUTSTANDING |            | TERMS AND CONDITIONS OF THE RELATED PARTY TRANSACTION    |
|-----------------------------|---|-------------------------------|------------------------------------|---|--|---------------------|------------|--|
|                             |   |                               |                                    |   |  | 2025<br>Rs          | 2024<br>Rs |  |
| Renuka Agri Organics Ltd    | Subsidiary of Ultimate Parent Renuka Holdings PLC | Mr.S.V.Rajiyah                | Net of Fund (Received) / Payments  | (203,017,823.7)   | 0.88%  | (1,602,301)         | 53,674,587 | Actual Basis   |
|                             |   | Dr.S.R.Rajiyah                | Purchase of materials              | 147,740,935.6   | -1.63%   |                     |            | Actual Basis   |
|                             |   | Mrs.I.R.Rajiyah               | Purchase of materials              | -   | 0.45%  |                     |            | Comparable Uncontrolled Price / arm's length transaction |
|                             |   | Mr. V. Sanmugam               |                                    |   |  |                     |            |  |
| Renuka Agri Foods PLC       | Subsidiary of Ultimate Parent Renuka Holdings     | Dr.S.R.Rajiyah                | Net of Fund (Received) / Payments  | (25,138,087.7)  | -  | (1,141,232)         | 10,931,166 | Actual Basis<br>Intreset @ AWPLR                         |
|                             |   | Mrs.I.R.Rajiyah               | Shared Service                     | 13,065,690.0  |  |                     |            |  |
|                             |   | Mr.S.V.Rajiyah                |                                    |   |  |                     |            |  |
|                             |   | Mr. V. Sanmugam               |                                    |   |  |                     |            |  |
| Mrs. I R Rajiyah            | Director  | Mrs.I.R.Rajiyah               | Rent Expenses                      | 14,400,000  |  |                     |            | Comparable Uncontrolled Price                            |
| Renuka International Ltd    | Director  | Mr.S.V.Rajiyah                | Royalty Payments                   | 60,361,049  |  | -                   | -          | Comparable Uncontrolled Price                            |
| Shaw Wallace Ceylon Limited | Subsidiary of Ultimate Parent Renuka Holdings PLC | Dr.S.R.Rajiyah                | Shared Service                     | (7,789,608)   | 12.58%   |                     |            | Resale Price Method / arm's length transaction           |
|                             |   | Mrs.I.R.Rajiyah               | Net of Fund (Received) / Payments  | 5,454,519   | 13.48%   | 649,134             |            | Actual Basis   |
|                             |   | Mr.S.V.Rajiyah                | Loan Interest                      | 2,984,223   | 0.10%  |                     |            | Actual Basis   |
|                             |   | Mr. S.Vasantha Kumara         |                                    |   |  |                     |            |  |
|                             |   | Mr. R.F.N. Jayasooriya        |                                    |   |  |                     |            |  |
| Richlife Dairies Limited    | Subsidiary of Ultimate Parent Renuka Holdings PLC | Dr.S.R.Rajiyah                | Shared Service                     | (9,964,152)   | 0.90%  |                     |            | Actual Basis   |
|                             |   | Mrs.I.R.Rajiyah               | Net of Fund (Received) / Payments  | 11,464,152  | 0.96%  | 1,511,226           | 582,631    | Comparable Uncontrolled Price / arm's length transaction |
|                             |   | Mr.S.V.Rajiyah                | Expenses (Reimbursement) / Charged | 11,226  |  |                     |            |  |

### 32.2.2 Transactions with Related Companies - Recurring Transactions as per CSE listing rules 9.3.2

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 33.3 Transactions with Key Management Personnel

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

|                              | GROUP              |                    | COMPANY           |             |
|------------------------------|--------------------|--------------------|-------------------|-------------|
| AS AT 31ST MARCH             | 2025<br>Rs.        | 2024<br>Rs.        | 2025<br>Rs.       | 2024<br>Rs. |
| Short Term Employee Benefits | 168,760,000        | 137,750,506        | 24,600,000        | -           |
| Rent Paid                    | 14,400,000         | 11,520,000         | -                 | -           |
| <b>Total</b>                 | <b>183,160,000</b> | <b>149,270,506</b> | <b>24,600,000</b> | <b>-</b>    |

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

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

The Board of Directors declared that no related party transactions falling within the scope of the code was entered into by the company during the financial year 2024 other than those disclosed in the financial statements above.

| DIRECTORS OF GROUP COMPANIES |    |     |     |     |     |      |     |      |      |      |    |
|------------------------------|----|-----|-----|-----|-----|------|-----|------|------|------|----|
| Directors of Group Companies | RF | RAF | RAO | RDL | KPL | COCO | CBL | RLDL | SWCL | SWPL | RT |
| 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. K. Liyanagamage          | -  | -   | -   | -   | -   | -    | -   | -    | -    | -    | -  |
| Mr. A.M.P.C.K.Abeykoon       | ✓  | ✓   | -   | -   | -   | -    | -   | -    | -    | -    | -  |
| Mr. E.A.P. Ekanayake         | ✓  | ✓   | -   | -   | -   | -    | -   | -    | -    | -    | -  |
| Mr. M.R. Ratnasabapathy      | ✓  | ✓   | -   | -   | -   | -    | -   | ✓    | -    | -    | -  |

RF RENUKA FOODS PLC

RAF Renuka Agri Foods PLC

RAO Renuka Agri Organics Ltd

RDL Renuka Developments (Private) Limited

KPL Kandy Plantations Limited

RT Renuka Trading Pvt Ltd

COCO Coco Lanka (Pvt) Ltd

CBL Ceylon Botanicals (Pvt) Ltd (Previously known as Ceylon Forestry (Pvt) Ltd)

RLDL Richlife Dairies Limited

SWCL Shaw Wallace Ceylon Limited

SWPL Shaw Wallace Properties Limited

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 34. 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.

### 35. CAPITAL COMMITMENTS

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

### 36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting period that require adjustments to and/or disclosures in the Financial Statements.

### 37. GOING CONCERN OF SUBSIDIARIES

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

### 38. FINANCIAL RISK MANAGEMENT

#### **Overview**

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

- Market risk
- Credit risk
- Liquidity risk

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

#### **Risk management framework**

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 38 FINANCIAL RISK MANAGEMENT (Contd)

#### (i) Credit risk

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

#### 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:

| GROUP                                  | Carrying Amount      |                      |
|--|----------------------|----------------------|
|  | 2025                 | 2024                 |
|  | Rs.                  | Rs.                  |
| Trade Receivables and Bills receivable | 2,281,912,266        | 1,848,580,401        |
| Other Receivables                      | 193,056,394          | 117,635,901          |
| Amount due from Related Companies      | -                    | 729,496              |
| Cash at Bank                           | 363,330,372          | 317,920,459          |
|  | <b>2,838,299,032</b> | <b>2,284,866,257</b> |

#### Trade and other receivables

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

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

#### Impairment Losses

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 38 FINANCIAL RISK MANAGEMENT (Contd...)

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

| Group                  | 2025                       |                      |          | 2024                       |                      |          |
|------------------------|----------------------------|----------------------|----------|----------------------------|----------------------|----------|
|                        | Gross carrying value (Rs.) | Loss allowance (Rs.) | Impaired | Gross carrying value (Rs.) | Loss allowance (Rs.) | Impaired |
| Current (not past due) | 1,035,933,215              | -                    | No       | 945,735,515                | -                    | No       |
| 31-60 days past due    | 605,157,056                | -                    | No       | 195,961,489                | -                    | No       |
| 61-90 days past due    | 309,905,803                | -                    | No       | 348,822,564                | -                    | No       |
| 91-180 days past due   | 230,936,427                | -                    | No       | 241,051,580                | -                    | No       |
| More than 180 days     | 99,979,765                 | 32,339,201           | Yes      | 117,009,253                | 36,406,652           | Yes      |
| <b>Total</b>           | <b>2,281,912,266</b>       | <b>32,339,201</b>    |          | <b>1,848,580,401</b>       | <b>36,406,652</b>    | <b>-</b> |

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

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

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

|              | Carrying Amount      |                      |
|--------------|----------------------|----------------------|
|              | 2025<br>Rs.          | 2025<br>Rs.          |
| Domestic     | 1,010,095,828        | 1,128,272,304        |
| Europe       | 1,114,146,599        | 424,792,664          |
| Middle East  | 8,564,549            | 432,535              |
| Asia         | 49,515,123           | 40,733,665           |
| United State | 93,184,667           | 232,764,741          |
| Africa       | 6,405,500            | 6,504,066            |
| Australia    | -                    | 15,080,426           |
|              | <b>2,281,912,266</b> | <b>1,848,580,401</b> |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 38 FINANCIAL RISK MANAGEMENT (Contd...)

#### Cash and Cash Equivalents

The Group held cash and cash equivalents of Rs. 222,645,161 at 31st March 2025 (Rs. 26,918,697 as at 31st March 2024) which represents its maximum credit exposure on these assets.

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

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

#### (ii) Liquidity Risk

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

|   | Carrying<br>Amount<br>Rs. | Contractual<br>Cash flow<br>Rs. | 0-12<br>Months<br>Rs. | More than<br>1 year<br>Rs. |
|---|---------------------------|---------------------------------|-----------------------|----------------------------|
| <b>As at 31st March 2025</b>                |                           |                                 |                       |                            |
| <b>Financial Liabilities (Non-Derivate)</b> |                           |                                 |                       |                            |
| Interest Bearing Borrowings                 | 4,447,193,298             | 4,583,501,638                   | 4,421,318,192         | 162,183,446                |
| Lease liability                             | 139,960,573               | 178,362,580                     | 25,390,555            | 152,972,025                |
| Trade and other Payables                    | 1,488,756,768             | 1,488,756,768                   | 1,488,756,768         | -                          |
| Bank overdraft                              | 140,685,211               | 140,685,211                     | 140,685,211           | -                          |
| <b>Total</b>                                | <b>6,216,595,850</b>      | <b>6,391,306,197</b>            | <b>6,076,150,726</b>  | <b>315,155,471</b>         |
| <b>As at 31st March 2024</b>                |                           |                                 |                       |                            |
| <b>Financial Liabilities (Non-Derivate)</b> |                           |                                 |                       |                            |
| Interest Bearing Borrowings                 | 3,075,173,746             | 3,244,111,999                   | 2,800,004,401         | 444,107,598                |
| Lease liability                             | 156,845,966               | 332,331,377                     | 26,025,245            | 306,306,132                |
| Trade and other Payables                    | 1,682,925,726             | 1,682,925,726                   | 1,682,925,726         | -                          |
| Bank overdraft                              | 291,001,762               | 291,001,762                     | 291,001,762           | -                          |
| <b>Total</b>                                | <b>4,914,945,438</b>      | <b>5,259,369,102</b>            | <b>4,508,955,372</b>  | <b>750,413,730</b>         |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 38 FINANCIAL RISK MANAGEMENT (Contd...)

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

| AS AT 31ST MARCH     | INTEREST BEARING<br>BORROWINGS |                      | LEASE LIABILITY    |                    |
|----------------------|--------------------------------|----------------------|--------------------|--------------------|
|                      | 2025                           | 2024                 | 2025               | 2024               |
|                      | Rs.                            | Rs.                  | Rs.                | Rs.                |
| Less than one years  | 4,304,138,698                  | 2,715,451,946        | 25,390,555         | 4,099,374          |
| One to Two year      | 95,833,600                     | 108,333,600          | 19,500,116         | 30,874,208         |
| Two to Three year    | 33,333,600                     | 108,333,600          | 3,546,935          | 24,874,208         |
| Three to Four year   | 13,887,400                     | 95,833,600           | 4,446,075          | 17,452,063         |
| Four to Five years   | -                              | 33,333,600           | 4,853,759          | 17,452,063         |
| More than five years | -                              | 13,887,400           | 76,089,635         | 58,549,007         |
| <b>Total</b>         | <b>4,447,193,298</b>           | <b>3,075,173,746</b> | <b>133,827,074</b> | <b>153,300,923</b> |

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

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

#### (iii) Market Risk

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

##### a. Currency Risk

The risk that the fair value or future cash flows of financial instruments fluctuates due to changes in foreign exchange rates.

The Group is exposed to currency risk on sales, purchases that are denominated in a currency other than Sri Lankan Rupees (LKR). The currencies in which these transactions primarily are denominated is US Dollars.

##### Exposure to currency risk

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

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

|  | Carrying Amount |             |
|--|-----------------|-------------|
|  | 2025<br>USD     | 2024<br>USD |
| Trade and other Payables                       | (478,541)       | (3,869,333) |
| Trade and other Receivables                    | 4,335,401       | 3,969,091   |
| Cash and cash equivalents                      | 573,225         | 85,044      |
| Gross Statement of Financial Position Exposure | 4,430,085       | 1,157,802   |

The following significant exchange rates were applicable during the year

|            | Average Rate |             | Reporting Date Spot Rate |             |
|------------|--------------|-------------|--------------------------|-------------|
|            | 2025<br>Rs.  | 2024<br>Rs. | 2025<br>Rs.              | 2024<br>Rs. |
| US Dollars | 297.89       | 313.83      | 296.32                   | 300.44      |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 38 FINANCIAL RISK MANAGEMENT (Contd...)

#### Sensitivity Analysis

A strengthening of the LKR, as indicated below, against the US Dollar and 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 date. The analysis assumes that all other variables, in particular interest rates, remain constant

|                    | Strengthening<br>Profit or Loss<br>Rs. | Weakening<br>Profit or Loss<br>Rs. |
|--------------------|--|------------------------------------|
| 31st March 2025    |  |                                    |
| USD (10% movement) | 131,967,802                            | (131,967,802)                      |
| 31st March 2024    |  |                                    |
| USD (10% movement) | 92,348,842                             | (92,348,842)                       |

#### b. Interest rate risk

The risk that the fair value or future cash flows of a financial instrument fluctuates due to changes in market interest rates.

At the reporting date, the Company's interest-bearing financial instruments were as follows:

|                                  | Carrying Amount - Group |                 | Carrying Amount - Company |             |
|----------------------------------|-------------------------|-----------------|---------------------------|-------------|
|                                  | 2025<br>Rs.             | 2024<br>Rs.     | 2025<br>Rs.               | 2024<br>Rs. |
| <b>Fixed Rate Instruments</b>    |                         |                 |                           |             |
| <b>Financial Assets</b>          |                         |                 |                           |             |
| Bank Deposits                    | 363,330,372             | 317,920,459     | 4,553,213                 | 13,026,527  |
| <b>Variable Rate Instruments</b> |                         |                 |                           |             |
| <b>Financial Liabilities</b>     |                         |                 |                           |             |
| Loans and borrowings             | (4,447,193,298)         | (3,075,173,746) | -                         | -           |
| Bank Overdrafts                  | (140,685,211)           | (291,001,762)   | -                         | -           |
|                                  | (4,587,878,509)         | (3,366,175,508) | -                         | -           |

#### Cash flow sensitivity analysis for variable rate instruments

#### Sensitivity Analysis

#### Interest Rate Risk

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

The interest rate risk of the Company 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

#### Profile

At the end of the reporting period the interest rate profile of the Company's interest bearing financial instruments were as follows,

|  | GROUP                  |                        | COMPANY          |                   |
|--|------------------------|------------------------|------------------|-------------------|
| AS AT 31ST MARCH                                 | 2025<br>Rs.            | 2024<br>Rs.            | 2025<br>Rs.      | 2024<br>Rs.       |
| <b>Variable rate instruments Financial Asset</b> |                        |                        |                  |                   |
| Cash at Bank                                     | 363,330,372            | 317,920,459            | 4,553,213        | 13,026,527        |
| <b>Financial liabilities</b>                     |                        |                        |                  |                   |
| Loans and borrowings                             | (4,447,193,298)        | (3,075,173,746)        | -                | -                 |
| Bank Overdrafts                                  | (140,685,211)          | (291,001,762)          | -                | -                 |
|  | (4,587,878,509)        | (3,366,175,508)        | -                | -                 |
| <b>Net Exposure</b>                              | <b>(4,224,548,137)</b> | <b>(3,048,255,049)</b> | <b>4,553,213</b> | <b>13,026,527</b> |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 38 FINANCIAL RISK MANAGEMENT (Contd...)

#### Interest Rate Sensitivity Analysis

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

|   | GROUP        |              | COMPANY     |             |
|---|--------------|--------------|-------------|-------------|
| AS AT 31ST MARCH                                    | 2025<br>Rs.  | 2024<br>Rs.  | 2025<br>Rs. | 2024<br>Rs. |
| Decrease of 100 basis points in rupee interest rate | 45,878,785   | 33,661,755   | -           | -           |
| increase of 100 basis points in rupee interest rate | (45,878,785) | (33,661,755) | -           | -           |

#### (iv) Capital management risk

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

|                          | Group         |               | Company       |               |
|--------------------------|---------------|---------------|---------------|---------------|
|                          | 2025<br>Rs.   | 2024<br>Rs.   | 2025<br>Rs.   | 2024<br>Rs.   |
| Borrowings & Lease       | 4,587,153,871 | 3,513,868,952 | -             | -             |
| Total Equity             | 6,083,436,231 | 5,003,698,726 | 3,921,232,896 | 3,317,868,406 |
| Net Debt to Equity Ratio | 77.72%        | 70.42%        | 0.00%         | 0.00%         |

#### (v) Operational risk

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

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

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 39. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

#### Accounting classifications and fair values

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

#### Fair Value Hierarchy

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

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

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

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

| Group   | Carrying Amount      |                      | Fair Value                         |                      |                             |                      |                      |               |
|---|----------------------|----------------------|------------------------------------|----------------------|-----------------------------|----------------------|----------------------|---------------|
|   |                      |                      | Financial Assets at Amortised cost |                      | Other financial liabilities |                      | Total                |               |
| 31st March 2025   | 2025                 | Rs.                  | 2025                               | Rs.                  | 2025                        | Rs.                  | 2025                 | Rs.           |
| <b>Financial assets not measured at fair value</b>      |                      |                      |                                    |                      |                             |                      |                      |               |
| Trade and other receivables                             | 2,474,968,660        |                      | -                                  | 2,474,968,660        | -                           | 2,474,968,660        | 2,474,968,660        |               |
| Cash and cash equivalents                               | 363,330,372          |                      | -                                  | 363,330,372          | -                           | 363,330,372          | 363,330,372          |               |
|   | <b>2,838,299,032</b> |                      | <b>-</b>                           | <b>2,838,299,032</b> | <b>-</b>                    | <b>2,838,299,032</b> | <b>2,838,299,032</b> |               |
| <b>Financial liabilities not measured at fair value</b> |                      |                      |                                    |                      |                             |                      |                      |               |
| Bank overdrafts   | -                    | 140,685,211          | 140,685,211                        | -                    | -                           | 140,685,211          | -                    | 140,685,211   |
| Secured bank loans                                      | -                    | 4,447,193,298        | 4,447,193,298                      | -                    | -                           | 4,447,193,298        | -                    | 4,447,193,298 |
| Lease liabilities                                       | -                    | 139,960,573          | 139,960,573                        | -                    | -                           | 139,960,573          | -                    | 139,960,573   |
| Trade and other payables                                | -                    | 516,949,584          | 516,949,584                        | -                    | -                           | 516,949,584          | -                    | 516,949,584   |
|   | <b>5,244,788,666</b> | <b>5,244,788,666</b> | <b>5,244,788,666</b>               | <b>5,244,788,666</b> | <b>5,244,788,666</b>        | <b>5,244,788,666</b> | <b>5,244,788,666</b> |               |

| 31st March 2024   | Carrying Amount      |                      | Fair Value                         |                      |                             |                      |                      |               |
|---|----------------------|----------------------|------------------------------------|----------------------|-----------------------------|----------------------|----------------------|---------------|
|   |                      |                      | Financial Assets at Amortised cost |                      | Other financial liabilities |                      | Total                |               |
| 31st March 2024   | 2024                 | Rs.                  | 2024                               | Rs.                  | 2024                        | Rs.                  | 2024                 | Rs.           |
| <b>Financial assets not measured at fair value</b>      |                      |                      |                                    |                      |                             |                      |                      |               |
| Trade and other receivables                             | 1,848,580,401        |                      | -                                  | 1,848,580,401        | -                           | 1,848,580,401        | 1,848,580,401        |               |
| Amounts due from related companies                      | 729,496              |                      | -                                  | 729,496              | -                           | 729,496              | 729,496              |               |
| Cash and cash equivalents                               | 317,920,459          |                      | -                                  | 317,920,459          | -                           | 317,920,459          | 317,920,459          |               |
|   | <b>2,167,230,356</b> |                      | <b>-</b>                           | <b>2,167,230,356</b> | <b>-</b>                    | <b>2,167,230,356</b> | <b>2,167,230,356</b> |               |
| <b>Financial liabilities not measured at fair value</b> |                      |                      |                                    |                      |                             |                      |                      |               |
| Bank overdrafts   | -                    | 291,001,762          | 291,001,762                        | -                    | -                           | 291,001,762          | -                    | 291,001,762   |
| Secured bank loans                                      | -                    | 3,075,173,746        | 3,075,173,746                      | -                    | -                           | 3,075,173,746        | -                    | 3,075,173,746 |
| Lease liabilities                                       | -                    | 143,594,070          | 143,594,070                        | -                    | -                           | 143,594,070          | -                    | 143,594,070   |
| Trade and other payables                                | -                    | 1,683,523,539        | 1,683,523,539                      | -                    | -                           | 1,683,523,539        | -                    | 1,683,523,539 |
|   | <b>-</b>             | <b>5,193,293,117</b> | <b>5,193,293,117</b>               | <b>3,075,173,746</b> | <b>-</b>                    | <b>2,849,309,896</b> | <b>9,929,628,669</b> |               |



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## 339 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (Contd)

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 | Other financial liabilities | Total     | Level 1    | Level 2   | Level 3   | Total     |
|  |                 | Rs.                                | Rs.                         | Rs.       | Rs.        | Rs.       | Rs.       | Rs.       |
| Financial assets not measured at fair value      |                 |                                    |                             |           |            |           |           |           |
| Amounts due from related companies               |                 | 1,141,232                          | -                           | 1,141,232 | -          | -         | 1,141,232 | 1,141,232 |
| Cash and cash equivalents                        |                 | 4,553,213                          | -                           | 4,553,213 | -          | 4,553,213 | -         | 4,553,213 |
|  |                 | 5,694,445                          | -                           | 5,694,445 | -          | 4,553,213 | 1,141,232 | 5,694,445 |
| Financial liabilities not measured at fair value |                 |                                    |                             |           |            |           |           |           |
| Secured bank loans                               |                 | -                                  | -                           | -         | -          | -         | -         | -         |
| Trade payables                                   |                 | -                                  | 4,751,651                   | 4,751,651 | -          | -         | 4,751,651 | 4,751,651 |
|  |                 | -                                  | 4,751,651                   | 4,751,651 | -          | -         | 4,751,651 | 4,751,651 |

| 31st March 2024   | Financial Assets at Amortised cost | Other financial liabilities | Total             | Level 1  | Level 2           | Level 3          | Total             |
|---|------------------------------------|-----------------------------|-------------------|----------|-------------------|------------------|-------------------|
|   | Rs.                                | Rs.                         | Rs.               | Rs.      | Rs.               | Rs.              | Rs.               |
| <b>Financial assets not measured at fair value</b>      |                                    |                             |                   |          |                   |                  |                   |
| Trade and other receivables                             | 270,839                            | -                           | 270,839           | -        | -                 | 270,839          | 270,839           |
| Cash and cash equivalents                               | 13,026,527                         | -                           | 13,026,527        | -        | 13,026,527        | -                | 13,026,527        |
|   | <b>13,297,366</b>                  | <b>-</b>                    | <b>13,297,366</b> | <b>-</b> | <b>13,026,527</b> | <b>270,839</b>   | <b>13,297,366</b> |
| <b>Financial liabilities not measured at fair value</b> |                                    |                             |                   |          |                   |                  |                   |
| Secured bank loans                                      | -                                  | -                           | -                 | -        | -                 | -                | -                 |
| Amounts due to related companies                        | -                                  | 10,931,164                  | 10,931,164        | -        | 10,931,164        | -                | 10,931,164        |
| Lease obligation  | -                                  | -                           | -                 | -        | -                 | -                | -                 |
| Trade and Other payables                                | -                                  | 3,455,078                   | 3,455,078         | -        | -                 | 3,455,078        | 3,455,078         |
|   | <b>-</b>                           | <b>14,386,242</b>           | <b>14,386,242</b> | <b>-</b> | <b>10,931,164</b> | <b>3,455,078</b> | <b>14,386,242</b> |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 39.1 Fair Value Hierarchy

### 39.2. Non financial assets - Group

- Level 1 - Quoted (unadjusted) Market prices in active markets for identical assets or liabilities is directly or
- Level 2 - Valuation technique for which the lowest level input that is significant to the fair value measurement indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

|                                      | Level 1 |      | Level 2 |      | Level 3       |               |
|--------------------------------------|---------|------|---------|------|---------------|---------------|
|                                      | 2025    | 2024 | 2025    | 2024 | 2025          | 2024          |
|                                      | Rs.     | Rs.  | Rs.     | Rs.  | Rs.           | Rs.           |
| <b>Asset measured at Fair value</b>  |         |      |         |      |               |               |
| Land & Buildings                     | -       | -    | -       | -    | 4,244,461,451 | 3,012,105,621 |
| Investment property                  | -       | -    | -       | -    | 361,451,036   | 323,143,210   |
| Investment in fair value through OCI | -       | -    | -       | -    | -             | -             |

In determining the fair value, highest and best use of the property including the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the values have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

### 40. OPERATING SEGMENTS

Segment Information is presented in respect of the group's operating segments. Operating Segments are based on the Group's management and Internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment Capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than a period of one year.

The Group comprises the following main operating segments:

Agri Business

FMCG

|   | AGRI FOOD EXPORT     |                      | CONSUMER BRANDS      |                      | GROUP TOTAL          |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| AS AT 31ST MARCH                              | 2025                 | 2024                 | 2025                 | 2024                 | 2025                 | 2024                 |
|   | Rs.                  | Rs.                  | Rs.                  | Rs.                  | Rs.                  | Rs.                  |
| Revenue                                       | 7,219,811,416        | 5,822,502,511        | 7,302,126,971        | 9,403,750,168        | 14,521,938,387       | 15,226,252,679       |
| Inter Segment Revenue                         | (107,287,574)        | (31,092,850)         | (647,482,805)        | (8,349,684)          | (754,770,379)        | (39,442,534)         |
| Segment Revenue                               | 7,112,523,842        | 5,791,409,661        | 6,654,644,166        | 9,395,400,484        | 13,767,168,008       | 15,186,810,145       |
| Cost of Sales                                 | (6,561,653,489)      | (5,539,034,209)      | (6,096,908,904)      | (7,934,841,985)      | (12,658,562,393)     | (13,473,876,194)     |
| Inter Segment cost                            | 107,287,574          | -                    | 647,482,805          | -                    | 754,770,379          | -                    |
| <b>Gross Profit</b>                           | <b>658,157,927</b>   | <b>252,375,452</b>   | <b>1,205,218,067</b> | <b>1,460,558,499</b> | <b>1,863,375,994</b> | <b>1,712,933,951</b> |
| Other Income                                  | 85,827,656           | 31,131,066           | 39,837,672           | 51,483,090           | 125,665,328          | 82,614,156           |
| Administrative Expenses                       | (585,635,961)        | (430,335,450)        | (488,588,446)        | (459,133,818)        | (1,074,224,407)      | (889,469,268)        |
| Change in Fair Value of Investment Properties | 36,727,427           | -                    | -                    | -                    | 36,727,427           | -                    |
| Selling & Distribution Expense                | (211,689,688)        | (155,726,241)        | (815,810,042)        | (917,258,287)        | (1,027,499,730)      | (1,072,984,528)      |
| <b>Operating Profit / (Loss)</b>              | <b>(16,612,639)</b>  | <b>(302,555,173)</b> | <b>(59,342,749)</b>  | <b>135,649,484</b>   | <b>(75,955,388)</b>  | <b>(166,905,689)</b> |
| Finance Income                                | 148,233,759          | 312,079,913          | 9,912,849            | 10,260,186           | 158,146,608          | 322,340,099          |
| Finance Costs                                 | (404,589,157)        | (816,151,543)        | (147,103,406)        | (280,440,836)        | (551,692,563)        | (1,096,592,379)      |
| <b>Profit before Tax</b>                      | <b>(272,968,037)</b> | <b>(806,626,803)</b> | <b>(196,533,306)</b> | <b>(134,531,166)</b> | <b>(469,501,343)</b> | <b>(941,157,969)</b> |
| Income Tax Expense                            | 54,754,043           | 138,877,136          | 37,314,991           | 3,212,124            | 92,069,034           | 142,089,260          |
| <b>Profit</b>                                 | <b>(218,213,994)</b> | <b>(667,749,667)</b> | <b>(159,218,315)</b> | <b>(131,319,042)</b> | <b>(377,432,309)</b> | <b>(799,068,709)</b> |

## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

### 40 Operating Segments (Contd)

| AS AT 31ST MARCH   | AGRI FOOD EXPORT     |                      | CONSUMER BRANDS      |                      |                       |                       | GROUP TOTAL |      |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-------------|------|
|  | 2025                 | 2024                 | 2025                 | 2024                 | 2025                  | 2024                  | 2025        | 2024 |
|  | Rs.                  | Rs.                  | Rs.                  | Rs.                  | Rs.                   | Rs.                   | Rs.         | Rs.  |
| Property, Plant and Equipment  | 2,559,779,860        | 2,330,635,272        | 3,308,695,934        | 2,745,146,552        | 5,868,475,794         | 5,075,781,824         |             |      |
| Right of use assets  | 105,131,213          | 111,691,929          | (9,146,812)          | (9,146,812)          | 95,984,401            | 102,545,117           |             |      |
| Investment Property  | 373,800,000          | 319,692,174          | (12,348,964)         | 3,451,036            | 361,451,036           | 323,143,210           |             |      |
| <b>Segment Property, Plant and Equipment &amp; Investment Property</b> | <b>3,038,711,073</b> | <b>2,762,019,375</b> | <b>3,287,200,158</b> | <b>2,739,450,776</b> | <b>6,325,911,231</b>  | <b>5,501,470,151</b>  |             |      |
| Biological Assets  | 161,245,640          | 92,270,767           | 82,926,263           | 82,926,263           | 244,171,903           | 160,986,808           |             |      |
| Investment in Subsidiaries   | -                    | -                    | -                    | -                    | -                     | -                     |             |      |
| Intangible Assets and Goodwill   | 2,690,277            | 2,783,124            | 206,348,141          | 206,348,141          | 209,038,418           | 210,732,625           |             |      |
| Segment Other Non Current Assets                                       | 163,935,917          | 95,053,891           | 289,274,404          | 289,274,404          | 453,210,321           | 371,719,433           |             |      |
| <b>Segment Total Non Current Assets</b>                                | <b>3,202,646,990</b> | <b>2,857,073,266</b> | <b>3,576,474,562</b> | <b>3,028,725,180</b> | <b>6,779,121,552</b>  | <b>5,873,189,584</b>  |             |      |
| Inventories  | 1,273,091,198        | 1,168,425,098        | 1,281,390,833        | 1,248,866,329        | 2,554,482,031         | 2,417,291,427         |             |      |
| Trade and Other Receivables  | 2,123,989,508        | 1,252,696,347        | 1,198,459,380        | 1,054,714,914        | 3,322,448,888         | 2,307,411,261         |             |      |
| Current Tax Assets   | -                    | 4,036,703            | 47,056,637           | -                    | 47,056,637            | 4,036,703             |             |      |
| Amounts Due from Related Companies                                     | -                    | 407,739              | -                    | 321,757              | -                     | 729,496               |             |      |
| Cash and Cash Equivalents  | 220,501,465          | 212,292,562          | 142,828,907          | 105,627,897          | 363,330,372           | 317,920,459           |             |      |
| <b>Segment Current Assets</b>  | <b>3,617,582,171</b> | <b>2,637,858,449</b> | <b>2,669,735,757</b> | <b>2,409,530,897</b> | <b>6,287,317,928</b>  | <b>5,047,389,346</b>  |             |      |
| <b>Total Segment Assets</b>  | <b>6,820,229,161</b> | <b>5,494,931,715</b> | <b>6,246,210,319</b> | <b>5,438,256,077</b> | <b>13,066,439,480</b> | <b>10,920,578,930</b> |             |      |
| Liabilities  |                      |                      |                      |                      |                       |                       |             |      |
| Deferred Tax Liability   | 153,135,221          | 192,755,580          | 490,212,852          | 403,158,412          | 643,348,073           | 595,913,992           |             |      |
| Interest Bearing Borrowings  | 143,054,600          | 251,388,200          | -                    | -                    | 143,054,600           | 251,388,200           |             |      |
| Lease Liabilities  | 135,264,262          | 149,201,549          | (9,578,772)          | -                    | 125,685,490           | 149,201,549           |             |      |
| Retirement Benefit Obligation  | 66,172,910           | 61,905,800           | 46,475,850           | 48,421,648           | 112,648,760           | 110,327,448           |             |      |
| <b>Segment Non Current Liabilities</b>                                 | <b>497,626,993</b>   | <b>655,251,129</b>   | <b>527,109,930</b>   | <b>451,580,060</b>   | <b>1,024,736,923</b>  | <b>1,106,831,189</b>  |             |      |
| Trade and Other Payables   | 910,579,465          | 908,580,888          | 578,177,303          | 774,242,614          | 1,488,756,768         | 1,682,823,502         |             |      |
| Dividend Payable   | 5,016,081            | 6,366,081            | 5,391,003            | 6,950,923            | 10,407,084            | 13,317,004            |             |      |
| Current Portion of Interest Bearing Borrowings                         | 2,424,138,698        | 1,690,545,546        | 1,880,000,000        | 1,133,240,000        | 4,304,138,698         | 2,823,785,546         |             |      |
| Lease Liabilities  | 8,141,584            | 13,678,146           | 6,133,499            | (9,578,772)          | 14,275,083            | 4,099,374             |             |      |
| Current Tax Payable  | -                    | 1,857,519            | 3,482                | (808,510)            | 3,482                 | 1,049,009             |             |      |
| Bank Overdraft   | 39,968,631           | 159,009,127          | 100,716,580          | 131,992,635          | 140,685,211           | 291,001,762           |             |      |
| <b>Segment Current Liabilities</b>                                     | <b>3,387,844,459</b> | <b>2,780,037,307</b> | <b>2,570,421,867</b> | <b>2,036,038,890</b> | <b>5,958,266,326</b>  | <b>4,816,076,197</b>  |             |      |
| <b>Total Segment Liabilities</b>                                       | <b>3,885,471,452</b> | <b>3,435,288,436</b> | <b>3,097,531,797</b> | <b>2,487,618,950</b> | <b>6,983,003,249</b>  | <b>5,922,907,386</b>  |             |      |

# REAL ESTATE PORTFOLIO

| COMPANY                            | LOCATION      | LAND/<br>BUILDING | LAND EXTENT<br>(PERCHES)<br>FREE HOLD/<br>LEASEHOLD | BUILDING           |                      | CLASSIFICATION<br>COMPANY | CLASSIFICATION<br>GROUP | ORIGINAL<br>COST OF<br>PURCHASE | WDV AS AT<br>31.03.2025 |
|------------------------------------|---------------|-------------------|---|--------------------|----------------------|---------------------------|-------------------------|---------------------------------|-------------------------|
|                                    |               |                   |   | NO OF<br>BUILDINGS | BUILDING<br>IN SQ.FT |                           |                         |                                 |                         |
| Renuka Agri Foods PLC              | Unagahadeniya | Land              | 150   | -                  | -                    | PPE                       | PPE                     | 17,203,000                      | 60,000,000              |
|                                    |               | Land              | 70.4  | -                  | -                    | PPE                       | PPE                     | 21,428,000                      | 30,000,000              |
|                                    | Wathupitiwela | Building          | -   | 1                  | 968                  | PPE                       | PPE                     | -                               | 1,800,000               |
|                                    | Giriulla      | Building          | -   | 9                  | 111,379              | PPE                       | PPE                     | 158,452,264                     | 612,200,000             |
| Renuka Developments (Pvt) Ltd      | Unagahadeniya | Building          | -   | 2                  | 8,031                | PPE                       | PPE                     | -                               | 9,000,000               |
|                                    |               | Land              | 303.3   | -                  | -                    | PPE                       | PPE                     | 22,702,880                      | 129,000,000             |
|                                    | Giriulla      | Building          | -   | 7                  | 17,789               | PPE                       | PPE                     | 23,851,270                      | 43,000,000              |
|                                    | Matale        | Building          | -   | 4                  | 10,598               | PPE                       | PPE                     | 15,927,250                      | 6,000,000               |
| Kandy Plantations Ltd              | Matale        | Land              | 3,217.92  | -                  | -                    | PPE                       | PPE                     | 57,900,000                      | 72,601,194              |
|                                    | Matale        | Land              | 10,843  | -                  | -                    | PPE                       | PPE                     | 167,200,000                     | 183,000,000             |
|                                    | Puttalam      | Land              | 26,445  | -                  | -                    | PPE                       | PPE                     | 127,482,760                     | 236,000,000             |
| Coco Lanka (Pvt) Ltd               | Wathupitiwela | Building          | -   | 5                  | 6,447                | PPE                       | PPE                     | -                               | 9,000,000               |
|                                    |               | Building          | -   | 3                  | 69,225               | PPE                       | PPE                     | 74,073,652                      | 351,000,000             |
|                                    | Colombo -9    | Land              | 44.7  | -                  | -                    | PPE                       | PPE                     | 132,199,000                     | 447,000,000             |
|                                    | Colombo -9    | Building          | -   | 1                  | 66,828               | PPE                       | PPE                     | 289,341,098                     | 780,000,000             |
| Shaw Wallance Ceylon Ltd           | Ekala         | Land              | 59.8  | -                  | -                    | PPE                       | PPE                     | 16,445,000                      | 39,000,000              |
|                                    | Ekala         | Building          | -   | 2                  | 10,185               | PPE                       | PPE                     | 36,555,000                      | 30,000,000              |
|                                    | Ekala         | Land              | 214.75  | -                  | -                    | PPE                       | PPE                     | 104,691,840                     | 140,000,000             |
|                                    | Ekala         | Building          | -   | 11                 | 40,698               | PPE                       | PPE                     | 9,721,060                       | 60,000,000              |
| Shaw Wallance Properties (Pvt) Ltd | Peliyagoda    | Land              | 215.59  | -                  | -                    | IP                        | PPE                     | 95,000,000                      | 496,000,000             |
|                                    |               | Building          | -   | 3                  | 62,714               | IP                        | PPE                     | 119,980,471                     | 246,000,000             |
| Richlife Dairies Ltd               | Wadduwa       | Land              | 886   | -                  | -                    | -                         | -                       | 128,552,000                     | 210,020,000             |
|                                    |               | Building          | -   | 6                  | 63,986               | PPE                       | PPE                     | 194,843,169                     | 210,454,000             |
| Renuka Trading (Pvt) Ltd           | Dematagoda    | Land              | 75  | -                  | -                    | IP                        | IP                      | 69,418,872                      | 280,000,000             |
|                                    |               | Building          | -   | 3                  | 31,363               | -                         | -                       | 250,273,302                     | 78,000,000              |

# FIVE YEAR SUMMARY

| Year Ended 31st March  | 2025              | 2024              | 2023              | 2022              | 2021             |
|--|-------------------|-------------------|-------------------|-------------------|------------------|
|  | Rs.'000           | Rs.'000           | Rs.'000           | Rs.'000           | Rs.'000          |
| <b>a) Summary of Operation Revenue</b>                             |                   |                   |                   |                   |                  |
| <b>Revenue</b>   | <b>13,767,168</b> | <b>14,178,550</b> | <b>17,135,331</b> | <b>10,695,305</b> | <b>8,674,439</b> |
| Gross Profit   | 1,863,376         | 1,712,933         | 3,251,938         | 1,780,786         | 1,036,283        |
| (Loss)/Profit before net Finance Cost and Tax                      | -75,955           | -166,905          | 1,488,704         | 804,926           | -283,965         |
| (Loss)/Profit before Taxation                                      | -469,501          | -941,158          | 755,930           | 870,153           | -355,567         |
| Taxation   | 92,069            | -142,089          | -256,471          | -136,881          | -10,152          |
| Profit/(Loss) after Tax  | -377,432          | -799,068          | 499,460           | 733,272           | -384,857         |
| <b>(Loss)/Profit attributable to Equity Holders of the Company</b> | <b>-341,822</b>   | <b>-611,074</b>   | <b>367,859</b>    | <b>554,351</b>    | <b>-184,603</b>  |
| <b>b) Summary of Financial Position</b>                            |                   |                   |                   |                   |                  |
| <b>Capital and reserves</b>  |                   |                   |                   |                   |                  |
| Stated Capital   | 2,908,781         | 2,289,279         | 2,241,842         | 2,241,842         | 2,241,842        |
| Capital Reserve  | 1,288,587         | 669,402           | 662,164           | 737,310           | 755,457          |
| Retained Earnings  | 1,300,024         | 1,035,007         | 1,935,564         | 1,616,234         | 1,229,183        |
| Shareholders' Fund   | 5,497,392         | 3,993,688         | 4,839,570         | 4,595,386         | 4,226,483        |
| Minority Interest  | 586,044           | 1,003,982         | 1,393,855         | 1,309,461         | 788,052          |
| <b>Total Equity</b>  | <b>6,083,436</b>  | <b>4,997,671</b>  | <b>6,233,425</b>  | <b>5,904,848</b>  | <b>5,014,535</b> |
| <b>Liabilities</b>   |                   |                   |                   |                   |                  |
| Non-Current Liabilities  | 1,024,737         | 1,106,831         | 1,258,254         | 1,168,710         | 969,604          |
| Current Liabilities  | 5,958,266         | 4,816,076         | 5,279,123         | 3,784,531         | 3,076,061        |
| <b>Total Liabilities</b>   | <b>6,983,003</b>  | <b>5,922,907</b>  | <b>6,537,377</b>  | <b>4,953,240</b>  | <b>4,045,665</b> |
| <b>Total Equity and Liabilities</b>                                | <b>13,066,439</b> | <b>10,920,579</b> | <b>12,770,802</b> | <b>10,858,088</b> | <b>9,060,200</b> |
| <b>Assets</b>  |                   |                   |                   |                   |                  |
| Property, Plant and Equipment                                      | 5,868,476         | 5,075,781         | 4,578,092         | 4,672,435         | 4,436,758        |
| <b>Investment Properties</b>                                       | <b>361,451</b>    | <b>323,143</b>    | <b>350,955</b>    | <b>320,758</b>    | <b>303,390</b>   |
| Investments  | -                 | -                 | 556,573           | 1,140,676         | 559,429          |
| Other Non-Current Assets   | 549,195           | 474,265           | 458,891           | 461,580           | 459,327          |
| Current Assets   | 6,287,318         | 5,047,389         | 6,826,290         | 4,262,639         | 3,301,296        |
| <b>Total Assets</b>  | <b>13,066,439</b> | <b>10,920,579</b> | <b>12,770,802</b> | <b>10,858,088</b> | <b>9,060,200</b> |
| <b>c) Key Indicators</b>   |                   |                   |                   |                   |                  |
| Earnings per Share (Rs.)   | -1.94             | -4.89             | 2.95              | 4.52              | -1.5             |
| Net Profit Margin (%)  | -2.74%            | -5.60%            | 2.91%             | 6.86%             | -4.26%           |
| Net Assets Value Per Share (Rs.)                                   | 34.59             | 40.02             | 50.79             | 48.11             | 34.43            |
| Dividends Per Share (Rs.)  | -                 | -                 | 0.41              | -                 | 0.35             |
| Dividends Payout (%)   | -                 | -                 | 13.70%            | -                 | -23.33%          |
| Dividends Cover (Times)  | -                 | -                 | 7.3               | -                 | -4.28            |
| Interest Cover (Times)   | 0.19              | -0.21             | 0.85              | 4.4               | -1.2             |
| Current Ratio (Times)  | 1.06              | 1.04              | 1.29              | 1.13              | 1.07             |
| Gearing Ratio (%)  | 81%               | 66.70%            | 37.84%            | 30.50%            | 32.50%           |
| Return on Equity (%)   | -8%               | -18.16%           | 8.00%             | 938.00%           | -368.00%         |

# SHAREHOLDER AND INVESTOR INFORMATION

## SHARE INFORMATION

|                          | 2025        |            | 2024        |            |
|--------------------------|-------------|------------|-------------|------------|
|                          | Voting      | Non Voting | Voting      | Non Voting |
| Total No of Shareholders | 4,182       | 815        | 3,959       | 764        |
| Total No of Shares       | 180,005,317 | 7,306,800  | 120,003,545 | 4,871,200  |

## PUBLIC SHARE HOLDING

| The percentage of Shares held by the Public | 2025   | 2024   |
|---|--------|--------|
| Voting                                      | 21.82% | 25.05% |
| Non Voting                                  | 72.13% | 68.27% |

## SHARE TRADING INFORMATION - VOTING

|                      | 31st March 2025   |         |
|----------------------|-------------------|---------|
| No of Shares Holders | No of Share Held  | %       |
| 3,196                | 1-1,000           | 0.44%   |
| 687                  | 1,001-10,000      | 1.24%   |
| 245                  | 10,001-100,000    | 3.75%   |
| 44                   | 100,001-1,000,000 | 5.95%   |
| 10                   | Over 1,000,000    | 88.62%  |
| 3,959                |                   | 100.00% |

|                   | 31st March 2025    |                    |                | 31st March 2024    |                    |                |
|-------------------|--------------------|--------------------|----------------|--------------------|--------------------|----------------|
| No of Shares Held | No of Shareholders | No of Shares       | %              | No of Shareholders | No of Shares       | %              |
| Individuals       | 4,038              | 16,403,717         | 9.11%          | 3,816              | 19,185,813         | 15.98%         |
| Institutions      | 144                | 163,601,600        | 90.89%         | 143                | 100,817,732        | 84.01%         |
| <b>Total</b>      | <b>4,182</b>       | <b>180,005,317</b> | <b>100.00%</b> | <b>3,959</b>       | <b>120,003,545</b> | <b>100.00%</b> |

|                   | 31st March 2025    |                    |                | 31st March 2024    |                    |                |
|-------------------|--------------------|--------------------|----------------|--------------------|--------------------|----------------|
| No of Shares Held | No of Shareholders | No of Shares       | %              | No of Shareholders | No of Shares       | %              |
| Individuals       | 4,038              | 16,403,717         | 9.11%          | 3,816              | 19,185,813         | 15.98%         |
| Institutions      | 144                | 163,601,600        | 90.89%         | 143                | 100,817,732        | 84.01%         |
| <b>Total</b>      | <b>4,182</b>       | <b>180,005,317</b> | <b>100.00%</b> | <b>3,959</b>       | <b>120,003,545</b> | <b>100.00%</b> |

|  | 31st March 2025    |                    |                | 31st March 2024    |                    |                |
|--|--------------------|--------------------|----------------|--------------------|--------------------|----------------|
| No of Shares Held                      | No of Shareholders | No of Shares       | %              | No of Shareholders | No of Shares       | %              |
| Renuka Foods PLC & Affiliate Companies | 5                  | 125,672,248        | 69.82%         | 4                  | 66,747,003         | 55.62%         |
| Directors and Spouses                  | 1                  | 2,826              | 00.00%         | 5                  | 8,136,079          | 6.77%          |
| Holding of 10% or more                 | 1                  | 15,059,583         | 8.37%          | 1                  | 15,059,583         | 12.54%         |
| Public                                 | 4,175              | 39,270,660         | 21.82%         | 3,949              | 30,060,880         | 25.05%         |
| <b>Total</b>                           | <b>4,182</b>       | <b>180,005,317</b> | <b>100.00%</b> | <b>3,959</b>       | <b>120,003,545</b> | <b>100.00%</b> |

## SHAREHOLDER AND INVESTOR INFORMATION (Contd...)

### SHARE TRADING INFORMATION - NON VOTING

| No of Shares Holders | 31st March 2025   |         |
|----------------------|-------------------|---------|
|                      | No of Share Held  | %       |
| 529                  | 1-1,000           | 1.50%   |
| 202                  | 1,001-10,000      | 10.43%  |
| 69                   | 10,001-100,000    | 24.12%  |
| 14                   | 100,001-1,000,000 | 47.25%  |
| 1                    | Over 1,000,000    | 16.70%  |
| 815                  |                   | 100.00% |

| No of Shares Held | 31st March 2025    |                  |                | 31st March 2024    |                  |                |
|-------------------|--------------------|------------------|----------------|--------------------|------------------|----------------|
|                   | No of Shareholders | No of Shares     | %              | No of Shareholders | No of Shares     | %              |
| Individuals       | 765                | 4,215,410        | 57.69%         | 716                | 2,659,750        | 54.60%         |
| Institutions      | 50                 | 3,091,390        | 42.31%         | 48                 | 2,211,450        | 45.40%         |
| <b>Total</b>      | <b>815</b>         | <b>7,306,800</b> | <b>100.00%</b> | <b>764</b>         | <b>4,871,200</b> | <b>100.00%</b> |

| No of Shares Held | 31st March 2025    |                  |                | 31st March 2024    |                  |                |
|-------------------|--------------------|------------------|----------------|--------------------|------------------|----------------|
|                   | No of Shareholders | No of Shares     | %              | No of Shareholders | No of Shares     | %              |
| Resident          | 800                | 6,718,588        | 91.96%         | 748                | 4,278,846        | 87.83%         |
| Non Resident      | 15                 | 588,212          | 8.04%          | 16                 | 592,354          | 12.16%         |
| <b>Total</b>      | <b>815</b>         | <b>7,306,800</b> | <b>100.00%</b> | <b>764</b>         | <b>4,871,200</b> | <b>100.00%</b> |

| No of Shares Held                      | 31st March 2025    |                  |                | 31st March 2024    |                  |                |
|--|--------------------|------------------|----------------|--------------------|------------------|----------------|
|  | No of Shareholders | No of Shares     | %              | No of Shareholders | No of Shares     | %              |
| Renuka Foods PLC & Affiliate Companies | 1                  | 1,220,051        | 16.70%         | 1                  | 778,215          | 15.97%         |
| Directors and Spouses                  | -                  | -                | -              | -                  | -                | -              |
| Holding of 10% or more                 | 1                  | 816,192          | 11.17%         | 1                  | 816,192          | 16.75%         |
| Public                                 | 813                | 5,270,557        | 72.13%         | 762                | 3,276,793        | 67.26%         |
| <b>Total</b>                           | <b>815</b>         | <b>7,306,800</b> | <b>100.00%</b> | <b>764</b>         | <b>4,871,200</b> | <b>100.00%</b> |



## SHAREHOLDER AND INVESTOR INFORMATION (Contd...)

### SHARE INFORMATION

|                               | 2025   |            | 2024   |            |
|-------------------------------|--------|------------|--------|------------|
|                               | Voting | Non Voting | Voting | Non Voting |
| Highest                       | 15.50  | 12.70      | 17.50  | 15.20      |
| Lowest                        | 9.70   | 9.50       | 13.90  | 12.00      |
| As at 31st March (Last Trade) | 11.00  | 10.70      | 14.00  | 12.30      |

### SHARE INFORMATION

| Market Capitalization                     | 2025          |             | 2024          |            |
|---|---------------|-------------|---------------|------------|
|   | Voting        | Non Voting  | Voting        | Non Voting |
| As at 31st March (Rs)                     | 2,058,241,247 |             | 1,739,965,390 |            |
| Float Adjusted Market Capitalization (Rs) | 488,372,220   |             | 461,156,874   |            |
| No.of Trades                              | 5,540         | 3,864       | 3,139         | 760        |
| No.of Shares Traded                       | 14,934,375    | 17,891,253  | 8,507,680     | 412,917    |
| Value of Shares Traded (Rs)               | 188,117,638   | 237,683,984 | 167,727,718   | 5,716,980  |

### Option the Listed Entity complies with the Minimum Public Holding requirement

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

The company has over 20% public shareholding and over 500 public shareholders meeting the minimum thresholds for compliance on minimum public holding, under option 5 as per the directive issued in terms of section 13(c) and 13(cc) of the Securities & Exchange Commission of Sri Lanka Act No.36 of 1987(as amended).

# RENUKA FOODS PLC - TOP 20 MAJOR SHAREHOLDERS

| No. | Name   | Voting as at 31.03.2025 |               | Voting as at 31.03.2024 |               |
|-----|--|-------------------------|---------------|-------------------------|---------------|
|     |  | No. of Shares           | %             | No. of Shares           | %             |
| 1   | Renuka Agro Exports Ltd  | 65,730,280              | 36.52%        | 65,080,280              | 49.46%        |
| 2   | Shaw Wallace & Hedges Limited                                    | 43,219,629              | 24.01%        | 43,969,629              | 12.34%        |
| 3   | CJ Patel & Company Limited                                       | 15,059,583              | 8.37%         | 15,059,583              | 11.15%        |
| 4   | Eagle View Management Limited                                    | 13,617,031              | 7.56%         | 13,617,031              | 9.83%         |
| 5   | Renuka Enterprises (Private) Limited                             | 9,184,975               | 5.10%         | 7,084,975               | -             |
| 6   | The Cargo Boat Investment Company Limited                        | 7,500,000               | 4.17%         | 7,500,000               | 0.78%         |
| 7   | Mr. K.C Vignarajah   | 1,461,893               | 0.81%         | 1,461,893               | 1.20%         |
| 8   | Hatton National Bank PLC/Almas Holdings (Private) Limited        | 1,398,735               | 0.78%         |                         | 1.19%         |
| 9   | Renuka Hotels Plc  | 1,223,902               | 0.68%         | 1,223,902               | 0.29%         |
| 10  | Mrs. S. Vignarajah   | 1,125,000               | 0.62%         | 1,449,685               | 1.00%         |
| 11  | Peoples Leasing And Finance PLC/Almas Holdings (Private) Limited | 827,314                 | 0.46%         | 725,000                 | 0.42%         |
| 12  | Sampath Bank PLC/ Arumapurage Peter Lasantha Fernando            | 490,000                 | 0.27%         | 497,500                 | 0.40%         |
| 13  | Mrs. N. Muljie   | 488,526                 | 0.27%         | 488,526                 | -             |
| 14  | Mr. A. Sithampalam   | 427,624                 | 0.24%         | 427,624                 | -             |
| 15  | Sampath Bank Plc/Mr. Abishek Sithampalam                         | 426,669                 | 0.24%         | 426,669                 | 0.25%         |
| 16  | Miss J.A. Aloysius   | 406,929                 | 0.23%         | 406,929                 | 0.23%         |
| 17  | Mr. S.N.C.W.M.B.C. Kandegedara                                   | 392,429                 | 0.22%         | 392,429                 | 0.23%         |
| 18  | Aruna Enterprises ( Pvt ) Limited                                | 390,747                 | 0.22%         | 390,747                 | 0.18%         |
| 19  | Tranz Dominion L.L.C   | 375,000                 | 0.21%         | 350,000                 | 0.17%         |
| 20  | Dr. A.A.M. Dharmadasa  | 354,633                 | 0.20%         | 354,633                 | 0.16%         |
|     |  | <b>164,100,899</b>      | <b>91.16%</b> | <b>160,907,035</b>      | <b>89.39%</b> |

## RENUKA FOODS PLC - TOP 20 MAJOR SHAREHOLDERS (Contd...)

| No. | Name  | Non-Voting as at<br>31.03.2024 |               | Non-Voting as at<br>31.03.2023 |               |
|-----|---|--------------------------------|---------------|--------------------------------|---------------|
|     |   | No. of<br>Shares               | %             | No. of<br>Shares               | %             |
| 1   | Renuka Enterprises (Private) Limited                              | 1,220,051                      | 16.70%        | 1,220,051                      | 16.70%        |
| 2   | Mr. K.C Vignarajah  | 816,192                        | 11.17%        | 816,192                        | 11.17%        |
| 3   | Hatton National Bank Plc/Almas Holdings (Private) Limited         | 530,194                        | 7.26%         | 481,006                        | 6.58%         |
| 4   | Ms. J. Tharshana  | 436,000                        | 5.97%         | 436,000                        | 5.97%         |
| 5   | Best Real Invest Co Services (Private) Limited                    | 301,135                        | 4.12%         | 301,135                        | 4.12%         |
| 6   | Tranz Dominion,L.L.C.   | 200,000                        | 2.74%         | 200,000                        | 2.74%         |
| 7   | Amana Bank Plc/Mr. Abdul Majeed Mohammadu Risvi                   | 175,860                        | 2.41%         | 175,860                        | 2.41%         |
| 8   | Mr. R. Gautam   | 152,500                        | 2.09%         | 151,900                        | 2.08%         |
| 9   | Mrs. S.Vignarajah   | 143,986                        | 1.97%         | 143,986                        | 1.97%         |
| 10  | People S Leasing And Finance Plc/Almas Holdings (Private) Limited | 125,686                        | 1.72%         | 118,386                        | 1.62%         |
| 11  | Mr. K. Thineskumar  | 122,529                        | 1.68%         | -                              | -             |
| 12  | Mrs. S. Umeshwary   | 119,982                        | 1.64%         | 119,982                        | 1.64%         |
| 13  | Mr. V.T.H. Vitharana  | 116,351                        | 1.59%         | 107,151                        | 1.47%         |
| 14  | Dr. A.A.M. Dharmadasa   | 110,000                        | 1.51%         | 110,000                        | 1.51%         |
| 15  | Mr. A.K.S. Mendis   | 102,692                        | 1.41%         | 120,800                        | 1.65%         |
| 16  | People S Leasing And Finance Plc/N.Anoshan                        | 98,210                         | 1.34%         | 61,387                         | 0.84%         |
| 17  | Mrs. F.R. Buhardeen   | 88,829                         | 1.22%         | 88,829                         | 1.22%         |
| 18  | Odyssey Capital Partners (Private) Limited                        | 78,420                         | 1.07%         | 78,420                         | 1.07%         |
| 19  | Mr. S.U. Abeysooriya  | 53,141                         | 0.73%         | -                              | -             |
| 20  | Mr. K.R.T. Bandara  | 52,610                         | 0.72%         | -                              | -             |
|     |   | <b>5,044,368</b>               | <b>69.04%</b> | <b>4,731,085</b>               | <b>64.75%</b> |

# NOTICE OF MEETING

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Notice is hereby given that the 35th Annual General Meeting of the Company will be held virtually on Friday, 26th September, 2025 at 3.45 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 Statements 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 26 (2).
3. To re-elect Mr A.M.P.C.K.Abeykoon as a Director who retires and eligible for re-election in terms of Article 26 (2).
4. To re-elect Mr. E. A. P. Ekanayake as a Director who retires by rotation in terms of Article 28 (1).
5. To re-appoint Dr. S.R. Rajiyah who is over 70 years of age, as a director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Dr. S.R. Rajiyah
6. To re-appoint Mrs. I.R. Rajiyah who is over 70 years of age, as a director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mrs. I.R. Rajiyah.
7. To authorise the Directors to determine the contribution to charity.
8. To re-appoint M/s KPMG, Chartered Accountants as the Auditors and authorise the Directors to determine their remuneration.

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 Jinaratana Road, Colombo 2, on or before 3.45 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 Foods PLC, hereby appoint; .....  
..... (NIC No. ....)  
of ..... Or failing her/him

Dr. S.R. Rajiyah or failing him  
Mrs. I.R. Rajiyah or failing her  
Mr. S.V. Rajiyah or failing him  
Mr. V. Sanmugam or failing him  
Mr. R.F.N.Jayasooriya or failing him  
Mr. A.M.P.C.K.Abeykoon or failing him  
Mr. E. A. P. Ekanayake or failing him  
Mr.M.R. Ratnasabapathy or failing him

as my/ our proxy to represent me / us and to speak and to vote on my / our behalf at the Annual General Meeting of the Company to be held on the 26th day of September 2025 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 2025 with the Report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-elect Mr.M.R. Ratnasabapathy as a Director  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To re-elect Mr. A.M.P.C.K.Abeykoon as a Director  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. To re-elect Mr. E. A. P. Ekanayake as a Director  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. To re-appoint Dr. S.R. Rajiyah as a Director  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. To re-appoint Mrs. I.R. Rajiyah as a Director   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. To authorise the Directors to determine the contribution to charity.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. To re-appoint M/s KPMG, Chartered Accountants as Auditors to the Company and authorise the Directors to determine their remuneration.   | <input type="checkbox"/> | <input type="checkbox"/> |

Dated this ..... day of ..... 2025.

.....  
Signature of Shareholder

## Note:

(a) A proxy need not be a member of the Company.

(b) Instructions regarding completion appear overleaf.

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#### **INSTRUCTIONS AS TO COMPLETION OF THE FORM OF PROXY**

1. To be valid, the completed Form of Proxy should be deposited at the Registered Office of 3.45pm 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

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**Name of the Company**

Renuka Foods PLC

**Registration No.**

PQ 216

**Legal Form**

Quoted Public Company With Limited Liability

**Activity**

It is the holding company for subsidiaries engaged in the business of Agri Food and Consumer Brands.

**Board Of Directors – Company**

Dr. S.R.Rajiyah - Chairman

Mrs. I.R.Rajiyah

Mr. S.V.Rajiyah

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

Mr. V.Sanmugam

Mr. R.F.N. Jayasooriya

Mr. E. A. P. Ekanayake

Mr. M.R. Ratnasabapathy

Mr. Vasantha Kumara

**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. A E. A. P. Ekanayake - Chairman

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

Mr. M.R. Ratnasabapathy

**Remuneration Committee**

Mr. M.R. Ratnasabapathy - Chairman

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

Mr. E. A. P. Ekanayake

**Nomination & Governance Committee**

Mr. M.R. Ratnasabapathy - Chairman

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

Mr. E. A. P. Ekanayake

**Company Secretaries**

Renuka Enterprises (Pvt) Ltd

No.69, Sri Jinaratana Road, Colombo 2

**Registrar**

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

**Ultimate Parent Company**

Renuka Holding PLC

**Registered Office**

"Renuka House"

69 Sri Jinaratana Road,

Colombo 2, Sri Lanka.

Telephone: 00941-11-2314750-5

Fax: 00941 11-2445549

Email: info@renukagroup.com

**Postal Address**

P.O. Box 1403, Colombo, Sri Lanka.

Stock Exchange Listing

Colombo Stock Exchange

**Auditors**

KPMG Chartered Accountants

**Legal Consultant**

Nithya Partners- Attorneys at Law

Heritage Partners - Attorneys at law

Varners - Attorney at Law

**Bankers**

Commercial Bank of Ceylon PLC

Habib Bank Limited

Hatton National Bank PLC

National Development Bank PLC

Nations Trust Bank PLC

Sampath Bank PLC

Seylan Bank PLC



## NOTES





'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](mailto:inquiries@renukagroup.com)  
Website: [www.renukagroup.com](http://www.renukagroup.com)