RENUKA HOLDINGS PLC

ANNUAL REPORT 2013

Renuka Agri Foods

Richlife Dairies

Shaw Wallace

McShaw Automotive

Renuka Enterprises

Contents

Profile

Renuka Holdings PLC is a diversified organisation listed on the Colombo Stock Exchange.

Renuka Holdings PLC is responsible for the strategic direction of the group and where appropriate has entered into strategic alliances with global partners that will add value to it's long term interests.

As an organisation focused on results, the emphasis has been towards the creation of long term shareholder value in all our businesses, while being a socially responsible corporate citizen.

Renuka Holdings PLC was selected as one of the region's top 200 companies under the US$ Billion category

Vision

To be a leading Sri Lankan conglomerate in pioneering ventures with a global presence excelling through innovation and technology.

Culture and Values

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

Responsive
Enterprising
Nuturing
Unrelenting
Knowledgeable
Accountable

Agri Food Exports

RENUKA Agri Foods

Ceylon Tea

Renuka Teas (Ceylon) (Pvt) Ltd manufactures and exports Ceylon Tea, Black, Green, Flavoured and Herbal Teas in bulk, packets, tea bags and speciality packaging.

Coconut and Organic Products

Renuka Agri Foods PLC is listed under the food and beverage sector of the Colombo Stock Exchange. It manufactures and markets a range of premium coconut based food & beverages in both conventional and organic forms to over 61countries. Renuka Organics (Pvt) Ltd is the administrator for Organic Certified Products and Kandy Plantations Ltd owns the Organic Plantations.

Ethnic Food

Renuka Agro Exports Ltd is engaged in the export of Desiccated Coconut, Creamed Coconut and Ethnic Food Products: spices, curry powders, ready to eat mixes and rice.

Dairy

Richlfe Dairies Ltd manufactures dairy based products such as fresh and flavoured milk in UHT tetra packs, plastic bottles, pasteurized plastic sachets, dairy cream, semi solid milk food such as set yoghurts, flavoured yoghurts, fruit based yoghurts, drinking yoghurts, curd and ghee.

Fruit Products

The company owns a fruit beverage brand, manaufacturing its own fruit juices.

FMCG

Shaw Wallace Ceylon Ltd is one of Sri Lanka's oldest firms in the forefront of the distribution business for over a century and today is a leader in the FMCG and Foodservice sectors.

Our fast moving Consumer Foods portfolio primarily focuses on Food & Beverage. Our brands are household names in Sri Lanka occupying market leadership positions.

Our products range from Captain Jack Mackerel, Captain Soya, Captain Tangana Tea, Mr POP extruded snacks, SunGold Instant Drink Powder, Rainers Colouring & Essences among others.

The products are either manufactured at our state of art production facilities or out sourced from overseas.

Our commitment in delivering value added, innovative products for the evolving Sri Lanka consumer is through a meticulous process involving our Quality and Research & Development team.

The Foodservice division provides catering solutions to the demanding needs of all the leading hotels, restaurants, airlines, ship chandlers and manufacturers with the supply of value added and innovative products and ingredients.

Automotive

The group entered the automotive sector in 1927 with their appointment as the exclusive distributor of Delphi Lockheed in Sri Lanka and since then this sector has grown to include a complete spectrum of automotive products.

In 2011, The Renuka Group and McLarens Holdings Ltd created a joint venture named McShaw Automotive Ltd.

The vision of McShaw Automotive is "To be the acknowledged market leader in the automotive sector in Sri Lanka excelling through global partnerships, innovation and technology while growing organically and by acquisition".

McShaw automotive has the following business divisions:

- Lubricants- Brake Oil, Engine Oil, Radiator Coolant
- Tyres and Tubes
- Auto Parts, Accessories and Car Care Products
- Auto agency representation and fleet management.

The company has a team of over 100 dedicated personnel in the automotive sector covering the segments of key accounts, franchise car dealers, service stations, fuel stations, retailers, spare part shops, IWS (Individual workshops) and franchise workshops etc. A portfolio of over 4500 customers.

Our product porfolio consists of Delphi, Lockheed, Mobil, Cylco, Dunlop, Grip, Pinoneer and Avon.

Strategic Investments & Services

Ceylon Forestry (Pvt) Ltd manages sustainable forestry while being profitable for its shareholders. Our site in Matale consists of Teak, Broadleaf Mahogony and Khaya planted from our own nursery.

Coco Hotels and Properties Ltd is to embark on a project with an overseas collaborator on prime real estate in Colombo.

Renuka Investments (Pvt) Ltd invests in listed equity and non controlling stakes in unquoted companies. Among its investments are enterprises engaged in property development, provision of laundry services among others.

Corporate Services

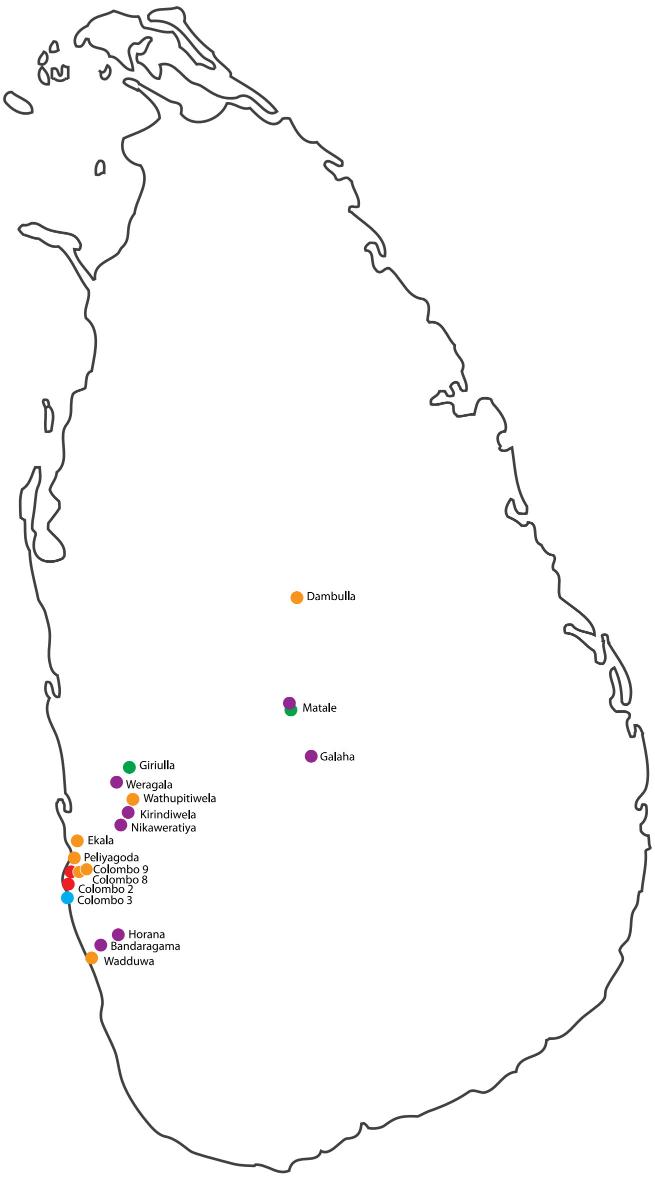
Renuka Enterprises (Pvt) Ltd is engaged in the provision of management services of Finance, Information Technology, Human Resources, Legal and Secretarial to group companies. It also acts as a promoter to foreign principles in the various development projects in Sri Lanka.

Logistics Services

Renuka Shipping & Travels (Pvt) Ltd is engaged in the clearing and forwarding, shipping and wharf operation for group companies.

Our Markets

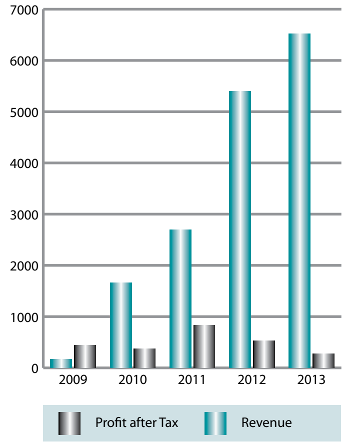
Our Locations



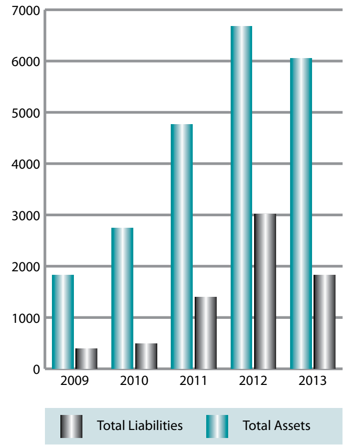
- Offices
- Factories & Warehouses
- Collection & Processing Centers
- Plantations
- Investment Properties

Financial Highlights

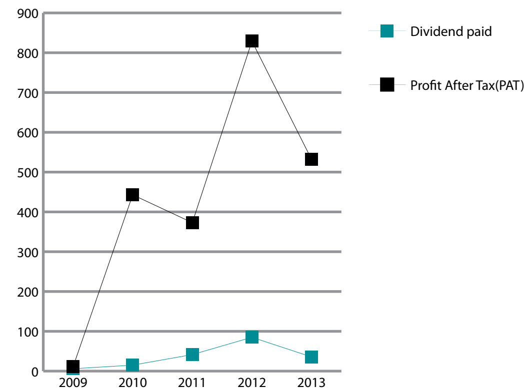
Group Revenue & Profit After Tax



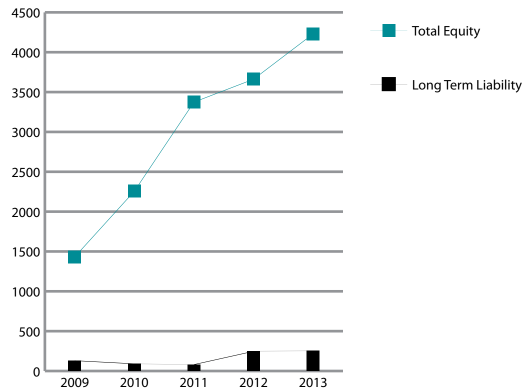
Total Assets & Liabilities



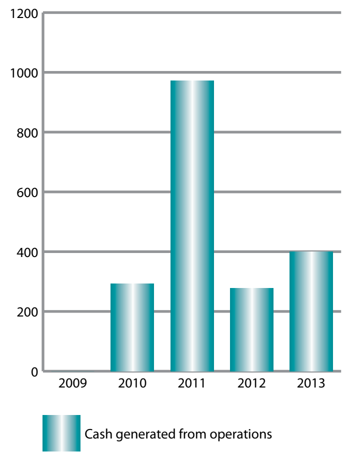
Profit After Tax & Dividend Paid



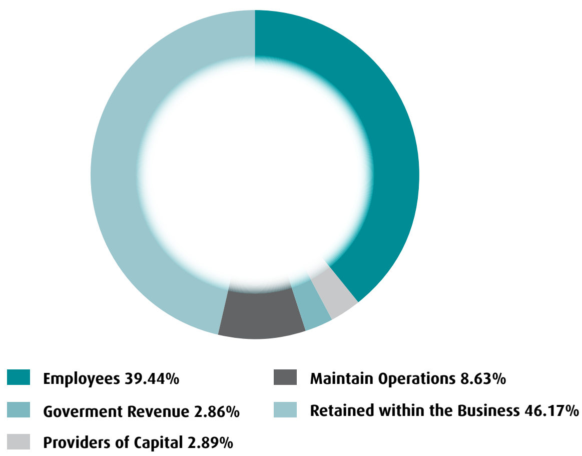
Total Equity & Long Term Liability



Cash Generated from Operations



Value Added Distribution



Mrs. I. R. Rajiyah

Mrs. I.R. Rajiyah is the Executive Chairperson of the Company. She is qualified in Business Studies from the United Kingdom and is a fellow of the British Institute of Management. She counts over 40 years of corporate experience in founding and running businesses. She was presented with the Best Woman Exporter Award in 2009 by the National Chamber of Exporters Sri Lanka. She is also an Executive Director of Renuka Shaw Wallace PLC, Renuka Agri Foods PLC, Shaw Wallace Ceylon Ltd, Richlife Dairies Ltd and several un-listed companies.

Dr. S. R. Rajiyah

Dr S.R.Rajiyah is the Managing Director of the Company. He is also the Chairman of Renuka Shaw Wallace PLC, Renuka Agri Foods PLC, Shaw Wallace Ceylon and the Managing Director of the Renuka Group. He is a medical doctor qualified in Sri Lanka and counts over 36 years of corporate experience in operations, quality management, research and development as well as in founding and running businesses.

Mr. S. V. Rajiyah

Mr. S.V.Rajiyah is an Executive Director of the Company. He is also an Executive Director of Renuka Agri Foods PLC, Renuka Shaw Wallace PLC and he is the Managing Director of Shaw Wallace Ceylon Ltd, Richlife Dairies Ltd and Joint Managing Director of McShaw Automotive Ltd. He heads the Business Development, International Marketing and Investment Division of the Group. Mr Rajiyah is a graduate in Management from the Warwick Business School, University of Warwick, United Kingdom. His direct interest includes corporate strategy, key product and brand development and portfolio management. He has over 12 years of experience in General Management.

Mr. C. J. De S. Amaratunge

Mr. C.J.De.S.Amaratunge is an Independent, Non Executive Director of the Company. He is an Attorney at law and Notary Public and was called to Bar in 1967. He is the Senior Partner of M/s Dissanayake Amaratunge Associates, Attorney at Law, Notaries Public and Solicitors. He counts over 41 of years experience in all civil branches of the law including Commercial Corporate Convenyancing and Litigation and Convenyancing. He serves as a Director on several boards of both private and public companies.

Mr L.M.Abeywickrama

Mr. L.M.Abeywickrama is an Independent Non Executive Director of the company. He is a Management Consultant and Trainer with over 26 years of management experience in the private sector both Sri Lanka and Overseas. He holds a Bachelors Degree in Science from the University of Colombo, a Post Graduate Diploma in Marketing from the Chartered Institute of Marketing and MBA from the American University Washington DC. He is a fellow of the Chartered Institute of Marketing and a past chairman of the SIM Sri Lanka region. He serves on the Board of Renuka Shaw Wallace PLC, Renuka Agri Foods PLC, Shaw Wallace Ceylon Ltd & Richlife Dairies Ltd.

Mr T.K.Bandaranayake

Mr. T.K. Bandaranayake is an Independent Non-Executive Director of the Company. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. He was in public practice with Ernst & Young for 27 years since 1982. He was a Senior Partner managing a large portfolio of clients. He is also a Director of Renuka Shaw Wallace PLC, Nawaloka Hospitals PLC, Overseas Realty (Ceylon) PLC, Samson International PLC, Laugfs Gas PLC, Harischandra Mills PLC, Micro Holdings Ltd.

Mr. M. S. Dominic

Mr. M.S. Dominic is an Independent, Non-Executive Director holds a BSc Hons in Information Technology from the University of South Bank, United Kingdom. He has over 26 years of experience in the Information Technology field. He is also Director of The Autodrome PLC and Renuka Shaw Wallace PLC.

Ms A.L.Rajiyah

She holds a BSC (Hons) Accounting and Finance from the University of Warwick and a MSc Law and Accounting from the London School of Economics. She spent 3 years at the investment bank, Morgan Stanley in London where she was involved in the structuring of credit derivative products linked to European corporates. She subsequently joined Alcentra Limited (a subsidiary of Bank of New York Mellon Corporation) which is a USD 18 Bn asset management firm in London, where she was a Vice President involved in portfolio management, trading and investing in credit derivative products for Alcentra's structured products platform. She is an Executive Director of the company, Renuka Shaw Wallace PLC and Renuka Agri Foods PLC.

Mr J.M Swaminathan

J.M.Swaminathan is an Independent, Non-Executive Director of the Company. He holds LLB (Ceylon) LLM, M.Phil. (Colombo) degrees and is an Attorney at Law. He has been in the legal profession for over 49 years. He is the precedent Partner of Messrs. Julius & Creasy and a member of the Council of Legal Education, a member of the Board of the Faculty of Law, of the University of Colombo and a member of the Legal Cluster of National Economic Commission. He was a member of the Company Law Advisory Commission, a member of the Intellectual Property Law Commission and a member of the Law Commission of Sri Lanka. He is a visiting lecturer and examiner at the Faculty of Law, University of Colombo. He was also a faculty member of the LLM Wales course, conducted by the Sri Lanka Law College and a faculty member of Post Attorneys Diploma programme on Intellectual Property Law and a Course Director conducted by the Sri Lanka Law College. He is an Independent, Non-Executive Director of several listed and unlisted Companies.

Chairperson's Review

Dear Shareholder,

I warmly welcome you to our 33rd Annual General Meeting and pleased to present to you our Annual Report and Financial Statements for the year ended 31st March 2013.

Economic Performance

The Sri Lankan economy grew at a healthy rate of 6.4% in the year 2012 while maintaining inflation at a single digit for a fourth consecutive year, despite challenging domestic and global economic environments. Colombo Consumers' Price Index (CCPI), declined to a low level of 2.7 per cent in February 2012, as a result of improved domestic food production as well as the moderation of International prices of food commodities. The rigid policy environment and the sluggish recovery of the global economy resulted in moderated aggregate demand in 2012, which was expected. Furthermore, the unfavourable weather conditions which disrupted agricultural output and significantly reduced hydro power generation also had a negative impact on value addition while exerting pressure on prices. The external sector strengthened during the year with the narrowing of the deficits in the trade, current accounts and higher inflows to the capital and financial accounts leading to a surplus in the balance of payments (BOP), thereby raising the level of foreign reserves to a comfortable level. The overall fiscal deficit reduced further to 6.4 per cent of GDP in 2012 from 6.9 per cent of GDP in 2011.

Looking back on the global economy during the financial year under review, it was evident that economic growth remained sluggish with uncertainty across the region largely due to the Chinese leadership transition and reforms in the Euro Zone. Global growth was predominantly reliant on emerging economies.

Corporate Performance

Renuka Holdings PLC performed satisfactorily during a challenging year of integration resulting from the bold steps of rapid expansion of our business lines. These expansion measures were taken at the opportune time, whilst helping to build a strong revenue base for the Group resulting in lowering of profits due to cost of restructuring and investment in advertising and promotions.

The Group recorded a 20% increase in revenue to Rs. 6.5 Bn from Rs. 5.4 Bn in the last year. The company revenue grew to Rs.694Mn in the current financial year from Rs.32Mn recorded in the corresponding period of the previous year. Group's profit after tax was Rs 275 Mn while profit attributable to equity holders of the group was Rs 191 Mn. Our finance cost increased by 99% to Rs. 159 Mn in view of our aggressive expansion plans.

Sector Performance

Agri Food Exports

The Agri Food Exports Sector recorded a turnover of Rs. 2 Bn and was the key contributor to the Group's earnings with a profit of Rs. 222 Mn. During the financial year the sector experienced increases in cost of raw materials, unprecedented increase in power and fuel prices and product write offs from trials for the newly commissioned tetra pak production line. Further investments made over the period in technological advances and Research and Development, resulted in enhanced internal efficiencies and maximized returns.

Dairy

The dairy sector saw a year of investment including the acquisition of a further 24% in Richlife Dairies Ltd making the company a 100% group owned entity. We are one of the leading milk collectors in the country with a network comprising of 4,600 farmers from the Western, North Western, Central, North Central and Southern regions who directly supply to the company through 70 farmer societies connected to 8 company owned chilling centers.

During the year availability of the Richlife range of dairy products was significantly increased through an increase of coverage mainly in the grocery trade. As a result of extensive advertising, promotions and development initiatives taken, we managed to increase sales to Rs. 832 Mn. However due to the significant investments in brand building the sector recorded a loss.

FMCG

The FMCG sector of the group was completely overhauled and restructured. In the process the average debtor days was decreased from 87 days to 33 days in the grocery trade, inventory levels halved at any given time, stock levels at nominated distributor points controlled to prevent over selling and all noncore distribution agencies terminated. Despite this process we have achieved a turnover of Rs. 2.3 Bn while incurring a net loss. The company also acquired the "Mr. POP" trademark, the second largest extruded snack food brand in the market resulting in 90% of our FMCG sales being from company owned brands. The sales force automation process is still ongoing and we are confident the measures taken will return the sector to profitability in the year ahead.

Automotive

The automotive sector enjoyed a steady growth of revenue recording Rs. 1Bn vs Rs. 381 in the previous comparative period despite tighter margins attributed to pressure from competition. Our margins were heavily affected by the increased rate of interest and fluctuations in foreign exchange rates.

Strategic Investment and Services

The Strategic Investment and services sector consists of our portfolio investments in real estate, listed shares and stakes in unlisted entities as well provision of management services. The revenue recorded was Rs 385 Mn while net profit for the year was Rs 119 Mn.

Future Challenges and Opportunities

The high growth potential of the Agri Food Exports, Dairy and FMCG businesses and its future contribution to profitability is evident from the trends in the local and overseas markets in terms of health, wellness and food habits. We believe our considerable investments made in the recent past in terms of our production facilities, distribution infrastructure and Information Technology has positioned us to excel in our chosen fields in the years ahead. The group also continues to actively explore further opportunities within our automotive sector and other investments that would maximize returns for our shareholders.

Conclusion

I would like to express my sincere gratitude to my fellow directors for their constant support and guidance; and a thank you to every member of the Renuka Holdings PLC team for their contribution and commitment towards our vision and goals. Their sense of accountability; their professionalism and their passion will hold the company in good stead in the future.

I also extend a very sincere thank you to our shareholders, customers, business associates and other stakeholders for their support and inspiration as we look to the year ahead with new vigour to capitalize on the numerous opportunities that the environment offers.

Sgd.

Mrs. I.R.Rajiyah

Chairperson

5th August 2013

Corporate Governance

Renuka Holdings PLC is the holding company of number of subsidiaries. The businesses of the subsidiaries are given on page 31 of this report.

We set below the Corporate Governance practices adopted and practiced by Renuka Holdings PLC against the background of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the rules set out in Section 6 of the Colombo Stock Exchange Listing Rules and also complies with the Country's Legislative and Regulatory requirements.

THE BOARD OF DIRECTORS

The Company's business and operations are managed under the supervision of the Board, which consists of members with experience and knowledge in the areas of business, in which the company is engaged with specific acumen in terms of commercial, financial and or technical expertise.

BOARDS RESPONSIBILITIES

Strategic Direction: The Board provides good stewardship vision and strategic direction to the institution whilst transparency and accountability is maintained. The Board also reviews and monitors the Company's activities.

Business Performance: Reviews Business Results on a regular basis and guides the management on and appropriate direction in achieving forecast results.

Management Risk: A risk management system was developed and periodically reviewed. Review of the risk management is depicted on page 16.

Code of Business Conduct and Ethics: The Code of Conduct and Ethics are clearly defined from the Board of Directors downwards to every employee.

Financial Performance of the Company: The Board sits once in three months to review the financial performance of the company. The Quarterly Accounts are reviewed by the Audit Committee before recommending to the Board of Directors to consider for adoption and release to the public. Recommending of final dividends are considered and recommended by the Board of Directors.

Investor Rights and Relations: The Company communicates regularly with its shareholders updating them on the company's position and performance through the quarterly reports.

The Annual Report provides a comprehensive assessment of the company's performance during the year.

Audit: An independent statutory audit is carried out annually and the appointment of auditors M/s Kreston MNS & Co Chartered Accountants for the ensuing year is recommended to the shareholders at the Annual General Meeting.

COMPOSITION AND ATTENDANCE AT MEETINGS

The Board of Directors, Audit committee and Remuneration committee meet quarterly to discharge its duties effectively. The table below shows the attendance of Directors to the Board meetings and committee meetings.

Name of Director	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting
1. Dr S.R.Rajiyah	4/4	-	-
2. Mrs I.R.Rajiyah	2/4	-	-
3. Mr S.V.Rajiyah	4/4	-	-
4. Ms A.L.Rajiyah	0/4	-	-
5. Mr C.J.De.S.Amaratunga	4/4	4/4	1/1
6. Mr T.K.Bandaranayake	3/4	4/4	-
7. Mr L.M.Abeywickrama	4/4	3/4	1/1
8. Mr M.S.Dominic	3/4	-	0/1
9. Mr J.M.Swaminathan	1/4	-	-

BOARD BALANCE:

The Board as at the date of this statement consists of nine members of which five members are Non-Executive Directors and four are Executive Directors. All Non Executive Directors are independent as defined under the Listing Rules of the Colombo Stock Exchange.

There is a Board balance and complies with the independent Directors criteria set out under Listing Rules of the Colombo Stock Exchange. Together, the Directors with their wide experience in both the public and private sectors and diverse academic backgrounds provide a collective range of skills, expertise and experience which is vital for the successful direction of the Group. A brief profile of each Director is presented on page 9.

There is a distinct and clear division of responsibilities between the Chairperson and the Management to ensure that there is a balance of power and authority. The roles of the Chairperson and the Management are separated and clearly defined. The Chairperson 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.

SUPPLY OF INFORMATION

The Directors are provided with quarterly reports on performance, minutes of quarterly meetings and such other reports and documents as are necessary. The Chairperson ensures all Directors are adequately briefed on issues arising at Meetings.

RE-ELECTION OF DIRECTORS

The provision of the Company's Articles of Association requires that one third of the Non Executive Directors 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

GOING CONCERN

The Directors, after making necessary inquiries and reviews including reviews of the Group's budget for the ensuing year, capital expenditure requirements 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.

INTERNAL CONTROL

The Board is responsible for the company's internal controls and for reviewing their 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, however that any system can ensure only reasonable and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time.

COMMUNICATION WITH STAKEHOLDERS

Shareholders are provided with Quarterly Financial Statements and the Annual Report, which the Group considers as its principal communication with them and other stakeholders. These reports are provided to the Colombo Stock Exchange.

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, comply with the recommendations 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 assists the Board in maintaining a sound system of internal control. The Committee has full access to the external auditors who, in turn, have access at all times to the Chairman of the Committee. The Committee meets with the external auditors without any executive present, at least once a year, in line with good corporate governance practice.

The report of the Audit Committee is presented on page 14 and the duties of the Audit Committee are included therein.

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.

CORPORATE GOVERNANCE DISCLOSURE

The Company has published quarterly financial statements with the necessary explanatory notes as required by the Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka to all stakeholders. Any other financial and non financial information, which is price sensitive or warrants the shareholders and stakeholder's attention and consideration, is promptly disclosed to the public.

MAJOR TRANSACTIONS

There are no transactions during the year under review which fall within the definition of 'Major Transaction' in terms of the Companies Act, except as disclosed in this report.

Audit Committee Report

Composition and role

The Audit Committee is appointed by and is responsible to the Board of Directors. The mandates of the Audit Committee include providing assistance to the Board in fulfilling its legal and fiduciary obligations with respect to the matters involving financial reporting and internal controls of the Company. It comprises of three Non Executive Independent Directors and is chaired by a Senior Chartered Accountant. The Financial Controller, Company Secretary of Renuka Holdings PLC and the Managing Director attend the meetings of the Committee by invitation.

The role of the Audit Committee with its specific terms of reference is described in the Corporate Governance report on pages 12 to 13.

The Audit Committee met 4 times during the year and attendance is given below:

Name	Independent (all are non executive Directors)	Attendance
Mr. T.K.Bandaranayake - Chairman	Independent	4 of 4
Mr. C.J.De.S.Amaratunge	Independent	3 of 4
Mr. L.M.Abeywickrama	Independent	4 of 4

A brief profile of each member is given on page 9 of this Report. Their individual and collective financial knowledge, business acumen and the independent of the Committee are brought to bear on their deliberations and decisions on matters that come within the Committee's purview.

Other members of the Board of Directors, members of the Senior Management Team of Renuka Holdings PLC.

Activities

Financial reporting system

The Committee reviewed the financial reporting system adopted by the Group in the preparation of its quarterly and annual financial statements in order to assess reliability of the process and consistency of accounting policies and their compliance with the Sri Lanka Reporting Standards/ Sri Lanka Accounting Standards (SLRFSs and LKASs) promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL). The Audit Committee obtained statements of compliance from the Business Unit heads where appropriate.

The Committee reviewed the adequacy of disclosure and the presentation formats of the published financial statements and adequacy of the content and quality of routine management information forwarded to its members.

Internal Control Systems

The Committee reviewed the business processes in order to evaluate the effectiveness of the internal controls. The internal control systems are designed to manage rather than eliminate business risk. They provide reasonable but not absolute assurance against material misstatement or loss.

The Committee also reviewed the adequacy of provisions made for possible liabilities and compliance with relevant statutory requirements.

Risk Management

The Committee held discussions with Executive Directors to review the major business risks and mitigatory actions taken and planned. The risk management framework which includes risks and mitigatory plans is presented and reviewed at the Audit Committee meeting.

External Audit

The Audit Committee discussed the audit plan and the scope of the external audit with M/s Kreston MNS & Co Chartered Accountants. The interim issues memorandum and the management letters issued by the External Auditors with regard to the Financial Statements for the year was tabled and discussed at the Audit Committee.

Appointment of external auditors

The Audit Committee recommends to the Board that M/s Kreston MNS & Co Chartered Accountants be re-appointed as External Auditors for the financial year ending 31st March 2014 subject to the approval of the shareholders at the next Annual General Meeting.

Conclusion

The Committee received the support of the management to discharge its responsibilities effectively.

The Audit Committee is satisfied that the operational controls of the Group provide a reasonable assurance that the assets are safeguarded, the policies of the Group are adhered to and the financial reporting system can be relied upon in the preparation of Financial Statements.

Sgd.

T.K.Bandaranayake

Chairman – Audit Committee

5th August 2013

Remuneration Committee Report

The Remuneration Committee of Renuka Holdings PLC consists of three Non Executive Directors and the Managing Director may also be invited to join in the deliberations as required.

The Committee studies and recommends the remuneration and perquisites applicable to the Key Management personnel of the Company and makes appropriate recommendations to the Board of Directors of the Company for approval.

The Group policy on remuneration packages is to attract and retain the best professional managerial talent to the Group and also to motivate and encourage them to perform at the highest possible level. The Group has a structure and professional methodology in evaluating the performance of employees. The policy ensures equity and fairness between the various employees is maintained, no discrimination is practiced on account of gender age, ethnicity or religion, recognizes the basic needs of staff and ensures that compensation addresses cost of living and inflation, particularly in the lower income groups.

The Committee studies and recommends the remuneration and perquisites applicable to the Key Management Personnel of the Group and makes appropriate recommendations to the Board of Directors of the Company for approval.

The Committee also carries out periodic reviews to ensure that the remunerations are in line with market conditions.

Sgd.

C.J.De.S.Amaratunge

Chairman Remuneration Committee

5th August 2013

Risk Management

ENTERPRISE RISK MANAGEMENT AND ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS

Risk management is an integral part of our business, since balancing risks against returns is a critical trade off decision we have to make every day when it comes to investment decision making. We have in place several measures to strengthen our risk management processes which are linked to our daily investment decisions. These include policies to mitigate business risks along with the upgrading of the support systems that enable easy monitoring and management risks.

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

Internal controls

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

Business Risk

Our Group's risk management framework takes into account the range of risks to be managed, the systems and processes in place to deal with these risks, and the chain of responsibility within the organization to monitor the effectiveness of our mitigation measures. The risks that we take into account in the pursuit of our business goals are detailed below.

Competitive environment

Our businesses are highly competitive. Failure to compete with competitors on areas including price, product range, quality and service would have an adverse effect on the Group's financial results. Hence we aim to have a broad appeal in price, range and format in a way that allows us to complete effectively in different markets.

People capabilities

Our greatest asset is our employees. It is critical to our success to attract, retain, develop and motivate the best people with the right capabilities at all levels of operations. We review our people and policies regularly and are committed to investing in development and incentives for our people. There are clear processes for understanding and responding to employees' needs through HR initiatives, and communication of business developments.

Health and safety risks

The safety of our staff and customer is of paramount importance to us. We operate stringent health and safety processes in line with best practice in our manufacturing facilities, stores and offices.

IT systems and infrastructure

The business is dependent on efficient information technology (IT) systems. We recognize the essential role that IT plays across our operations in allowing us to trade efficiently through the implementation of effective IT solutions. We have extensive controls in place to maintain the integrity and efficiency of our IT infrastructure and to ensure consistency of delivery, and all relevant staffs are effectively engaged to mitigate IT related risks through effective policy and procedures as well as increased awareness.

Interest Rate and Exchange Rate Risk

It is the Company's objective to limit its exposure to changes in interest and exchange rates while retaining the opportunity to benefit. Accordingly the Group manages interest and exchange rate fluctuations with an appropriate mix of fixed and variable rate debts, forward contracts through a centralized treasury management function.

Market risk

A board definition of market risk is exposure to adverse movements in the securities markets for both equity and fixed income investments, which can result in value loss as well as variations in the anticipated returns from those securities. All financial institutions face market risks, created by changes in the macro environment related to political factors, national security economic management and globalization influences which have an impact on systematic risk factors such as interest rates, currency parity, inflation, and availability of credit. Therefore, understanding market risks requires considering multiple dimensions and complexity in the macro environment.

Market risks are inherent in every security and are thus collectively considered at the portfolio level to take into account the asset allocation decisions of the portfolio. Thus market risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario.

General Securities Risk

Any trading in securities carries inherent investment risks, associated with the entity issuing those securities in particular the price of value of any security can and does fluctuate and may even become valueless, resulting in possible loss not only of returns and profits but even also of all or part of the principal sums invested. These risks arise as a result of the overall risks faced by the issuing entity which affects its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities past performance of any investment is not necessary indicative of future performance.

At Renuka Holdings PLC our approach focuses on the fact that there is no substitute for fundamental individual security assessment. Our portfolio management and investment selection process is designed to maximize the risk/return tradeoff to our shareholders and we employee a bottom up investment selection process. Our internal research has added value over time to our choice of investments. Prospective investments are selected from fundamental analysis and contact with corporate management. Once an investment is made, a continuous process of monitoring the performance of that investment is adopted.

Operational risks

We manage operational risks by identifying areas of risk, formulating plans for their management, promoting best practices, implementing internal controls and systems and monitoring compliance. Operational risks mainly cover the areas of system failure, continuity of decision making, dealing with contingencies and ensuring efficiency in operations and correct application of recommended management practices.

Legal compliance

The legal support services to Renuka Holdings PLC management come through the legal department which ensures that the Renuka Holdings PLC complies with all legal and regulatory provisions applicable to it. The legal function proactively identifies and sets up appropriate systems and processes for legal and regulatory compliance in respect of all our investments. We also ensure legal and regulatory compliance in any foreign country that we have invested in or operate in, and in such instances through legal counsel retained in those environments. Similarly, the internal audit function of the Group ensures the safeguarding of company assets and recommends process improvements in areas where process control failures are noted.

Regulatory Compliance

The operations of the Renuka Holdings PLC come within the rules and regulations applicable to companies listed on the CSE and regulations applicable to securities trading set by the Securities and Exchange Commission of Sri Lanka. Our systems and processes are structured to satisfy the criteria set by these regulations and staffs are constantly kept aware of the compliance needs imposed by these regulations.

Financial Risk

Financial risk management obligations and policies have been described in the note 44 of the notes to the Financial Statement.

ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONSHIP

The Board of Directors reviews all the issues with regard to employees and Industrial Relation which affect the performance of the Group. Renuka Holdings PLC takes considerable amount of steps to ensure employees are satisfied at all the levels and their issues are addressed in order to retain talented employees. A well structured grievance handling system is in place to handle the grievance of employees at all levels. We also ensure proper industrial relationships with all the governmental agencies. There are no issues which affect the company's performance to be disclosed.

Sustainability Report

Sustainability is the key element of our strategy for future growth where the resource efficient, environmentally responsible manufacturing of products and provision of services that deliver sustainable benefits can leverage commercial advantage for the group.

The key business drivers 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 our costs and as the same time reduces our impact on the environment. The second approach focuses on our partnerships with our stakeholders. Stakeholders are any individual or party that has an interest in our group, and who are affected by, or can affect our organizational activities. Partnerships help to build trust among our key stakeholders and to reach a better understanding on a variety of issues. It can also pave the way for more successful solutions to problems, concerns and challenges.

Internal Operations

Economic Performance- Implemented IT/ERP systems for the group which monitors all aspects in providing up to date information and real time data.

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 1330 and expanding, creation of a group identity and belongings is priority. We also have an open communication policy and implemented a process to identify corruption within the business units. Effective two way communication with employees is important and in particular face to face dialogue. Communication on matters is through in-house email presentation and team briefings. Employees are also encouraged to access the corporate websites.

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 business will have on human life. We maintain in good order the property we are privileged to use, protecting the environment and our natural resources.

Stakeholder Engagement

Our Customers- In meeting their needs, everything we must do must be of world class quality. We engage our customers through weekly, monthly and annual meetings, customer visits, International trade fair participation and corporate websites.

Our Employees- The foundation that our business is built on. Our constant employee engagement helps us to retain and motivate our employees and to maintain an organizational culture formed by respect, honesty and integrity. We pay considerable attention to employee remuneration, career and progress, health and safety and organizational ethics.

Our business partners- We have built lasting business relationships all over the world and not only centered in Sri Lanka. It is through our business partners that we co exist to fullfill customer needs and wants. We also look at our business partners as a resource base to develop business efficiencies and innovative products.

Our Investors/Shareholders- Shareholder engagement is important to us to have access to growth capital and in the process we must make a sound profit. 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.

Local Community- Renuka has been actively involved in supporting the rural farmer network for our coconut division as well as the dairy division. Renuka procures over Rs 1 Bn worth of produce from our farmer net work. It also conducts farmer training programmes, medical camps, veterinary services which assist in improving the livelihood and wellness of the communities within Sri Lanka.

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.

The Board of Directors of Renuka Holdings PLC is pleased to present its Report and the Audited Financial Statements of the Company and its subsidiaries ('the Group') for the financial year ended 31st March 2013.

The details set out herein provide the pertinent information required by the Companies Act No.07 of 2007, the Colombo Stock Exchange Rules and are guided by recommended best Accounting Practices.

The Principal Activities of the Group and Structure

Renuka Holdings PLC carries on the activity of investing in subsidiary companies.

Review of Business

The review of the performance during the year, with comments on financial results and future developments is contained in the Chairperson's statement. These reports form an integral part of the report of the Directors.

Financial Results

The company recorded a net profit of Rs 40 Mn and Net Profit of Rs 275 Mn at group level for the year. An abridgment of the performance is presented in the table below.

For the year ended 31st March

	Group		Company	
	2013 Rs'000	2012 Rs'000	**2013 Rs'000**	2012 Rs'000
Profit/Loss after taxation	**274,569**	532,100	**39,668**	(29,815)
Profit available for appropriation	**2,081,549**	1,898,743	**394,714**	390,708

Auditors Report

The Auditors report on the financial statement is given on page 24 of this Annual Report.

Accounting Polices

The accounting policies adopted in the preparation of the financial statements are given on pages 31 to 42 There have been no changes in the accounting policies adopted by the Group during the year under review.

Financial Statements

Financial statements of the Group comprises the balance sheet, statement of income, changes in equity and cash flow together with the accounting policies and notes to the Financial Statements for the year ended 31st March 2013 are set out in pages 25 to 85.

Statement of Directors' Responsibilities

The Statement of Director's Responsibilities for the Financial Statements is given on page 22.

Directors' Interest

Directors' interest in contracts or proposed contract with the Company both direct and indirect are disclosed on pages 78 & 79 of the Annual Report under related party transactions The above discloses the transaction with entities where a Director either has control or exercise significant influence. These interests have been declared at Director's Meetings.

Directors' interests in transactions and shares

The Directors have no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interest in Ordinary shares of the Company.

Shareholding of Directors together with their spouses:

	2013		2012	
	Voting	**Non Voting**	**Voting**	**Non Voting**
Dr S.R.Rajiyah	-	-	-	-
Mrs I.R.Rajiyah	-	-	-	-
Dr S.R.Rajiyah & Mrs I.R.Rajiyah	2,225,866	88,771	1,844,564	85,711
Mr S.V.Rajiyah	77,491	217,707	77,491	217,707
Ms A.L.Rajiyah	-	-	-	-
Mr C.J.De.S.Amaratunge	11,641	-	11,641	-
Mr L.M.Abeywickrama	-	-	-	-
Mr T.K.Bandaranayake	-	-	-	-
Mr M.S.Dominic	-	-	-	-
Mr J.M.Swaminathan	-	-	-	-

Remuneration of Directors

Directors' remuneration, in respect of the Company for the financial year ended 31st March 2013 is given in Note 43 to the Financial Statements, on page 77.

Corporate Donations

During the year donations amounting to Rs 143,922 were made by the Group.

Directors

The names of the Directors who served during the year are given under corporate information provided in the back inner cover of the Annual Report.

Report of the Board of Directors *(contd.)*

Recommendation for re-election

In terms of Article 26 (2) of the Articles of Association of the Company, Ms. A.L. Rajiyah retires and being eligible, offers herself for re-election at the forthcoming Annual General Meeting.

In terms of Article 26 (2) of the Articles of Association of the Company, Mr. J.M. Swaminathan retires and being eligible, offers himself for re-election at the forthcoming Annual General Meeting.

Mr. J.M. Swaminathan who is above the age of 70 years and a notice of an Ordinary Resolution has been received from a shareholder pursuant to Section 211 of the Companies Act No. 07 of 2007, for the re-appointment of Mr. J.M. Swaminathan at the forthcoming Annual General Meeting, notwithstanding the age limit of 70 years stipulation by Section 210 of the Companies Act No. 7 of 2007. The Directors recommend the adoption of the Ordinary Resolution.

In terms of Article 28 (1) of the Articles of Association of the Company, Mr. C.J. De S. Amaratunge retires by rotation and being eligible, offers herself for re-election at the forthcoming Annual General Meeting

Mr. C.J. De S. Amaratunge who is above the age of 70 years and a notice of an Ordinary Resolution has been received from a shareholder pursuant to /Section 211 of the Companies Act No. 07 of 2007, for the re-appointment of Mr. C.J. De S. Amaratunge at the forthcoming Annual General Meeting, Notwithstanding the age limit of 70 years stipulation by Section 210 of the Companies Act No. 7 of 2007. The Directors recommend the adoption of the Ordinary Resolution.

Mr. T.K. Bandaranayake who has attained the age of 70 years and a notice of an Ordinary Resolution has been received from a shareholder pursuant to Section 211 of the Companies Act No. 7 of 2007, for the re-appointment of Mr. T.K. Bandaranayake at the forthcoming Annual General Meeting, notwithstanding the age limit of 70 years stipulated by Section 210 of the Companies Act No. 7 of 2007. The Directors recommend the adoption of the Ordinary Resolution.

Auditors

Company's Auditors during the year under review were Messrs. Kreston MNS Chartered Accountants. Their report on the Financial Statements is given on page 24 of the Annual Report.

As far as the Directors are aware the Auditors do not have any other relationship or interest with the Company other than that of an auditor of the Company.

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

Corporate Governance

Compliance of corporate governance rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

Board of Directors

The following Directors held office as at the balance sheet date. Brief profiles of the Current Directors are given in page 9 of the Annual Report.

Directors	Executive	Non-Executive	Independent
Dr S.R.Rajiyah	√		
Mrs I.R.Rajiyah	√		
Mr S.V.Rajiyah	√		
Ms A.L.Rajiyah	√		
Mr C.J.De.S.Amaratunge		√	√
Mr L.M.Abeywickrama		√	√
Mr T.K.Bandaranayake		√	√
Mr M.S.Dominic		√	√
Mr J.M.Swaminathan		√	√

All the Directors' held office during the entire year.

The following Directors' served as members of the Audit Committee and Remuneration Committee

Audit Committee

1. Mr T.K.Bandaranayake (Chairman)
2. Mr C.J.De.S.Amaratunge
3. Mr L.M.Abeywickrama

Remuneration Committee

1. Mr C.J.De.S.Amaratunge (Chairman)
2. Mr L.M.Abeywickrama
3. Mr M.S.Dominic

Solvency Test

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

Dividends

The Board of Directors has recommended a payment of Rs 0.17 per share payable for 2012/2013 (2011/2012 – Rs 0.70 per share) The Directors are confident that the company would meet the Solvency Test requirement under section 56 (2) of the companies Act No.7 of 2007 immediately after the proposed final dividend distribution.

Stated Capital

The stated capital of the Company as at 31st March 2013 was Rs 175Mn comprising of Voting Ordinary shares of 44,517,313.and Non Voting Ordinary shares of 6,248,415

Share Holders Funds

Total Group shareholders funds stood at Rs 2.256 Bn as at 31st March 2013 (2012 Rs 2.1Bn) comprising stated capital of Rs 0.175 Bn and reserves of Rs 2.08 Bn. The movements are shown in the statement of changes in equity.

Property, Plant & Equipment

The carrying value of Property, Plant & Equipment for the Group as at 31st March 2013 amounted to Rs 2.480.Bn the total expenditure on the acquisition of property, plant & equipment during the year in respect of new assets and replacements by the Group amounted to Rs 0.780 Bn.

Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in these financial statements

Going Concern

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly the financial statements are prepared based on the going concern concept.

Events Occurring after the Balance Sheet Date

Subsequent to the balance sheet date, no material circumstances have arisen, which would require adjustments to or disclosure in these financial statements other than those disclosed in note 37 to these financial statements.

Share information

Information relating to shareholding earnings dividend, net assets and market price per share are given on pages 88 to 90 of the Annual Report.

Annual Report

The Board of Directors approved the Company's financial statements together with the reviews which forms part of the Annual Report, on 5th August 2013. The appropriate number of copies of the Report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standard Monitoring Board and the Registrar of Companies within the given time frames.

Notice of Meeting

The notice of meeting of the 33rd Annual General Meeting is given on page No 91.

Public Holding

The percentage of shares held by the public as at 31st March 2013 was Voting 43.17% & Non-Voting 94.95% (2012 Voting 43.61% & Non-Voting 95.28%)

By order of the Board

Sgd.	Sgd.	Sgd.
Mrs I.R.Rajiyah	**C.J.De.S.Amaratunge**	**RENUKA ENTERPRISES (Pvt) Ltd**
Chairperson	Director	Company Secretaries

5th August 2013

Statement of Directors' Responsibility

The Directors are responsible, under Section 150 (1), 151, 152 (1), 153 (1) and 153 (2) of the Companies Act No.07 of 2007 to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit and loss of the Company and the Group for the financial year. The Directors are also responsible, under Section 148 for ensuring that proper accounting records are kept to disclose with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with Sri Lanka Financial Reporting Standards/ Sri Lanka Accounting Standards (SLFRS/LKAS) The Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken reasonable measures to safeguard the assets of the Group, and in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

As required by Section 56 (2) of the Companies Act, the Board of Directors has authorized distribution of the dividends paid and now proposed, being satisfied based on information available to it that the Company would satisfy the solvency test after such distribution in accordance with Section 57 of the Companies Act No.07 of 2007, and have obtained in respect of dividends paid and sought in respect of the dividends now proposed, certificates of solvency from its Auditors.

The External Auditors M/s Kreston MNS & Co Chartered Accountants, who are deemed re-appointed in terms of Section 158 of the Companies Act No.07 of 2007 where 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 24 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and its subsidiaries as at Balance Sheet date have been paid or where relevant provided for.

By order of the Board

Sgd.

RENUKA ENTERPRISES (PVT) LTD

Company Secretaries

5th August 2013

Financial Reports

Kreston MNS & Co

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

RENUKA HOLDINGS PLC

Report on the Financial Statements

We have audited the accompanying Financial Statements of RENUKA HOLDINGS PLC ("the Company") and the consolidated Financial Statements of the Company and its subsidiaries ("the Group"), which comprise the Statements of Financial Position as at 31st March 2013, the Income Statements, Statements of Comprehensive Income, Statements of Changes in Equity and Cash Flow Statements for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 25 to 85.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31st March 2013 and the Financial Statements give a true and fair view of the financial position of the Company as at 31st March 2013 and of its financial performance and its Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the Consolidated Financial Statements give a true and fair view of the Financial Position of the Company and its subsidiaries dealt with thereby as at 31st March 2013 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion, these Financial Statements also comply with the requirements of Section 151 (2) and Sections 153 (2) to 153 (7) of the Companies Act No. 7 of 2007.

Kreston MNS & Co.

Chartered Accountants

Colombo

5th AUGUST, 2013

Partners:
Ms Y Shirani de Silva, *FCA, FCMA*
Ms Sivaselvi Balachandran, *FCA, FCMA*
S Rajanathan, *FCA, FCMA* (UK)
N K Atukorala, *FCA, ACMA*
Ms H D S C A Tillekeratne, *FCA, ACMA*
K I Skandadasan, *BSc* (Madras), *FCA, ACMA*
R L R Balasingham, *FCA, ACMA*

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Grant Thornton International and the member and correspondent firms are not a worldwide partnership.

Statements of Financial Position

As at	Note	Group 31.03.2013 Rs.	Group 31.03.2012 Rs.	Group 01.04.2011 Rs.	Company 31.03.2013 Rs.	Company 31.03.2012 Rs.	Company 01.04.2011 Rs.
ASSETS							
Non-Current Assets							
Property, Plant & Equipment	5	**2,480,286,064**	2,008,941,236	1,232,097,236	**-**	-	-
Intangible Assets	6	**139,072,459**	149,951,281	71,161,144	**-**	-	-
Investment Property	7	**788,007,500**	1,075,333,111	934,015,111	**-**	-	-
Right to Use Land	8	**285,022,698**	300,258,181	315,493,664	**-**	-	-
Biological Assets	9	**29,513,248**	28,098,711	5,633,879	**-**	-	-
Investment in Subsidiaries	10(a)	**-**	-	-	**102,000,010**	644,175,501	470,000,210
Investment in Joint Ventures	10(c)	**-**	-	-	**59,491,500**	-	-
Other Investments	10(d)	**223,958,952**	223,958,952	224,463,942	**-**	-	-
Long Term Receivable	11	**-**	28,538,000	28,538,000	**-**	-	-
Deferred Tax Asset	20	**27,839,487**	22,915,251	15,689,506	**-**	-	-
		3,973,700,408	3,837,994,723	2,827,092,482	**161,491,510**	644,175,501	470,000,210
Current Assets							
Inventories	12	**807,390,983**	1,248,149,774	615,009,290	**-**	-	-
Short Term Financial Assets	13	**-**	288,857,840	382,178,100	**-**	112,780,200	172,074,920
Trade and Other Receivables	14	**993,421,527**	1,052,703,021	679,270,256	**-**	-	-
Other Current Assets	15	**78,637,439**	79,822,147	55,721,330	**-**	95,587	74,638
Income Tax Refund Due	26	**6,199,811**	-	-	**-**	-	-
Amounts due from Related Companies	16	**35,909,094**	54,837,721	-	**799,186,660**	452,906,593	631,694,990
Short Term Investments in Deposits	17	**37,013,597**	23,370,838	122,204,075	**613,187**	1,943,330	2,299,153
Cash at Bank and Cash in Hand	18	**121,020,714**	93,390,884	88,738,920	**1,741,596**	169,427	853,736
		2,079,593,163	2,841,132,225	1,943,121,971	**801,541,443**	567,895,137	806,997,437
Total Assets		**6,053,293,571**	6,679,126,948	4,770,214,453	**963,032,953**	1,212,070,638	1,276,997,647
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated Capital	19	**175,000,000**	175,000,000	125,000,000	**175,000,000**	175,000,000	125,000,000
Retained Earnings		**2,081,548,504**	1,898,743,080	1,712,209,913	**394,714,320**	390,708,293	505,523,702
Equity Attributable to Equity holders of Parent		**2,256,548,504**	2,073,743,080	1,837,209,913	**569,714,320**	565,708,293	630,523,702
Non Controlling Interest		**1,974,003,762**	1,587,533,340	1,536,574,505	**-**	-	-
Total Equity		**4,230,552,265**	3,661,276,420	3,373,784,418	**569,714,320**	565,708,293	630,523,702
Non Current Liabilities							
Deferred Tax Liability	20	**43,574,815**	63,890,043	26,420,364	**-**	-	-
Interest Bearing Borrowings and Lease Instalments due after one year	21(a)	**254,160,690**	247,195,893	80,621,812	**-**	-	-
Retirement Benefit Obligation	22	**50,359,880**	67,575,437	46,581,530	**-**	-	-
		348,095,385	378,661,373	153,623,706	**-**	-	-
Current Liabilities							
Trade and Other Payables	23	**567,093,468**	985,056,612	458,970,320	**1,132,086**	611,291	310,500
Other Current Liabilities	24	**214,451,834**	149,729,329	30,788,842	**48,552**	13,164	-
Deferred Income	23(a)	**-**	46,064,355	-	**-**	-	-
Interest Bearing Borrowings and Lease Instalments due within one year	21(b)	**478,075,542**	830,379,892	194,556,531	**-**	-	-
Amount due to Related Companies	25	**2,280,932**	471,203,073	460,603,577	**391,894,980**	645,690,940	646,067,837
Income Tax Payable	26	**-**	2,578,897	34,052,090	**243,015**	2,997	95,608
Bank Overdraft	18	**212,744,145**	154,176,998	63,834,969	**-**	43,953	-
		1,474,645,920	2,639,189,155	1,242,806,329	**393,318,633**	646,362,345	646,473,945
Total Equity and Liabilities		**6,053,293,571**	6,679,126,948	4,770,214,453	**963,032,953**	1,212,070,638	1,276,997,647

The Accounting Policies and Notes on pages 31 to 85 form an integral part of these Financial Statements.

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

Sgd.
D.C.F Kaththriarachchige - Financial Controller

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and Signed on behalf of the Board of Directors.

Sgd.
S.V Rajiyah - Director

Sgd.
C.J.De S. Amarathunge - Director

5th August 2013.
Colombo

Income Statements

For The Year Ended 31st March	Note	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Revenue	27	**6,521,083,734**	5,400,081,695	**694,297,762**	31,763,040
Carrying value of Investment Disposed		**(290,977,115)**	(8,223,900)	**(654,955,651)**	-
Cost of Sales		**(4,873,876,681)**	(4,022,415,473)	**-**	-
		1,356,229,939	1,369,442,322	**39,342,111**	31,763,040
Loss from change in market value of Current Investment - Quoted		**-**	(85,096,360)	**-**	(59,294,720)
Other Operating Income	28	**263,830,700**	184,629,722	**-**	-
Distribution Expenses		**(542,730,737)**	(340,248,640)	**-**	-
Administrative Expenses		**(549,106,429)**	(423,437,274)	**(2,295,499)**	(2,362,132)
Impairment of Property, Plant & Equipment	5	**-**	(25,321,250)	**-**	-
Other Operating Expenses		**(114,999,959)**	-	**-**	-
Profit /(Loss) from Operations		**413,223,514**	679,968,521	**37,046,612**	(29,893,812)
Finance Income	29	**29,709,353**	4,743,975	**3,584,283**	109,435
Finance Cost	30	**(159,017,764)**	(79,842,171)	**(310,909)**	-
Other Financial Items	31	**2,193,107**	(49,368,225)	**-**	-
Negative Goodwill on Acquisition of Joint Venture		**-**	4,469,434	**-**	-
Profit on Disposal of Subsidiaries	36(c)	**429,629**	-	**-**	-
Profit /(Loss) before Taxation	32	**286,537,839**	559,971,534	**40,319,986**	(29,784,377)
Taxation	33	**(11,969,101)**	(27,871,240)	**(651,949)**	(31,032)
Profit /(Loss) for the year		**274,568,738**	532,100,294	**39,668,037**	(29,815,409)
Attributable to :					
Equity Holders of the Parent		**191,480,779**	258,968,589	**39,668,037**	(29,815,409)
Non Controlling Interest		**83,087,959**	273,131,705	**-**	-
		274,568,738	532,100,294	**39,668,037**	(29,815,409)
Earnings Per Share	34	**3.76**	5.13	**0.78**	(0.59)
Dividend per Share	35	**0.70**	0.70	**0.70**	0.70

The Accounting Policies and Notes on pages 31 to 85 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

Statements of Comprehensive Income

For The Year Ended 31st March	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Profit /(Loss) for the year	**274,568,738**	532,100,294	**39,668,037**	(29,815,409)
Other comprehensive income for the year				
Change in fair value of Available for Sale Investments	**-**	-	**-**	-
Total other comprehensive income for the year	**-**	-	**-**	-
Total comprehensive income for the year	**274,568,738**	532,100,294	**39,668,037**	(29,815,409)
Total Comprehensive Income Attributable to				
Equity Holders of the Parent	**191,480,779**	258,968,589	**39,668,037**	(29,815,409)
Non Controlling Interest	**83,087,959**	273,131,705	**-**	-
Total Comprehensive Income for the year	**274,568,738**	532,100,294	**39,668,037**	(29,815,409)

The Accounting Policies and the Notes on pages 31 to 85 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statements of Changes In Equity

Group	Note	Stated Capital Rs.	Retained Earnings Rs.	Non Controlling Interest Rs.	Total Rs.
Balance as at 31st March 2011 as reported Previously		125,000,000	1,704,687,813	1,525,130,811	3,354,818,624
Impact of adopting SLFRS as at 1st April 2011	3.1	-	7,522,100	11,443,694	18,965,794
Restated Balance as at 01st April 2011		125,000,000	1,712,209,913	1,536,574,505	3,373,784,418
Profit for the year		-	258,968,589	273,131,705	532,100,294
Other Comprehensive Income		-	-	-	-
Total comprehensive income		-	258,968,589	273,131,705	532,100,294
Adjustments due to Acquisition of subsidiaries		-	-	(132,236,231)	(132,236,231)
Adjustments due to changes in shareholdings of Subsidiaries		-	12,564,578	(48,248,446)	(35,683,868)
Dividend paid for 2010/2011 satisfied in the form of issue and allotment of New shares		50,000,000	(50,000,000)	-	-
Cash Dividend Paid	35	-	(35,000,000)	(41,688,193)	(76,688,193)
Balance as at 31st March 2012		175,000,000	1,898,743,080	1,587,533,340	3,661,276,420
Profit for the year		-	191,480,779	83,087,959	274,568,738
Other Comprehensive Income			-	-	-
Total Comprehensive Income		-	191,480,779	83,087,959	274,568,738
Adjustments due to Disposal of subsidiaries	36(c)	-	-	(425,987)	(425,987)
Adjustments due to changes in shareholdings of subsidiaries and share Issued to Non Controlling Interest	36(a)	-	26,986,655	358,672,251	385,658,906
Cash Dividend Paid	35	-	(35,662,010)	(54,863,801)	(90,525,811)
Balance as at 31st March 2013		175,000,000	2,081,548,504	1,974,003,762	4,230,552,265

Company	Note	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31st March 2011		125,000,000	505,523,702	630,523,702
Loss for the year		-	(29,815,409)	(29,815,409)
Other Comprehensive Income				
Total Comprehensive Income		-	(29,815,409)	(29,815,409)
Dividend Paid for 2010/2011 satisfied in the form of issue and allotment of new shares		50,000,000	(50,000,000)	-
Cash Dividend Paid for 2010/2011	35	-	(35,000,000)	(35,000,000)
Balance as at 31st March 2012		175,000,000	390,708,293	565,708,293
Profit for the year		-	39,668,037	39,668,037
Other Comprehensive Income			-	-
Total Comprehensive Income		-	39,668,037	39,668,037
Cash Dividend Paid for 2011/2012	35	-	(35,662,010)	(35,662,010)
Balance as at 31st March 2013		175,000,000	394,714,320	569,714,320

The Accounting Policies and Notes on pages 31 to 85 form an integral part of these Financial Statements.

For The Year Ended 31st March	Note	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) before Taxation		**286,537,839**	559,971,534	**40,319,986**	(29,784,377)
Adjustments :					
Interest Income	29	**(29,709,353)**	(4,743,975)	**(3,584,283)**	(109,435)
(Gain) / Loss from Change in market Value of Current Investments		**-**	85,096,360	**-**	59,294,720
Provision for Retiring Gratuity	22	**10,012,042**	19,511,089	**-**	-
Impairement of Property,Plant & Equipment		**-**	25,321,250	**-**	-
Depreciation	5	**106,230,249**	67,301,852	**-**	-
Amortisation of Intangible Assets	6	**2,899,128**	2,729,631	**-**	-
Interest Paid	30	**147,159,844**	58,852,195	**310,909**	-
Lease Interest	30	**487,423**	395,732	**-**	-
Negative Goodwill on Acquisition of Subsidiaries		**-**	(4,469,434)	**-**	-
Amortisation of Leasehold Assets	8	**15,235,483**	15,235,483	**-**	-
Profit / (Loss) on Disposal of Property Plant & Equipment	28	**(4,937,423)**	1,804,901	**-**	-
Change in fair value of Investment Property	7	**(191,080,500)**	(140,721,000)	**-**	-
Assets Written off		**114,999,959**	-	**-**	-
Short Term Financial Assets written off		**40**	-	**40**	-
Carrying Value of Investment Disposed		**290,977,115**	8,223,900	**112,780,160**	-
Profit on disposal of subsidiary	36(c)	**(429,629)**	-	**1,209,653**	-
Fair value adjustment of biological assets	28	**(1,135,379)**	(22,023,127)	**-**	-
Provision for Obsolete Stock	12	**24,587,578**	-	**-**	-
Provision for impairment of Doubtful debt	14	**11,370,457**	20,415,154	**-**	-
Operating Profit before changes in Working Capital		**783,204,872**	692,901,545	**151,036,465**	29,400,908
(Increase) / Decrease in :					
Inventories	12	**416,171,213**	(439,905,894)	**-**	-
Trade & Other Receivables	14	**47,644,538**	(185,040,786)	**-**	(20,949)
Other Current Assets	15	**1,184,708**	(24,100,817)	**95,587**	-
Amounts due from Related Companies	16	**47,466,528**	(52,493,594)	**(346,280,067)**	178,788,397
Increase / (Decrease) in :					
Trade & Other Payables	23	**(464,631,709)**	337,920,641	**520,795**	313,955
Other Current Liabilities	24	**65,222,505**	118,940,487	**35,388**	-
Amount due to Related Companies	25	**(468,922,041)**	(170,101,127)	**(253,795,960)**	(376,897)
Cash Generated from Operations		**427,340,613**	278,120,453	**(448,387,792)**	208,105,414
Gratuity Paid	22	**(27,227,599)**	(5,395,019)	**-**	-
Income Tax / WHT Paid	26	**(35,320,695)**	(57,885,583)	**(411,931)**	(123,643)
Tax effect on Group Dividend	33	**(10,666,578)**	(3,460,809)	**-**	-
Interest Income	29	**29,709,353**	4,743,975	**3,584,283**	109,435
Interest Paid	30	**(147,159,844)**	(58,852,195)	**(310,909)**	-
Net Cash from / (used in) Operating Activities		**236,675,250**	157,270,823	**(445,526,349)**	208,091,206
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to Investment Property	7	**-**	(597,000)	**-**	-
Intangible Assets Additions	6	**(15,000,000)**	(13,648,153)	**-**	-
Purchase of Shares in Subsidiaries and Joint Ventures	36(b)	**(127,230,215)**	(622,852,556)	**(59,491,500)**	(174,175,291)
Sales Proceed on Disposal of Shares in Subsidairies	36(c)	**962,718**	30,140	**540,965,838**	-
Sales Proceed from Disposal of Other Investment		**-**	504,990	**-**	-
Purchase of Property Plant & Equipment	5	**(214,877,801)**	(358,733,323)	**-**	-
Disposal Proceeds from Property Plant & Equipment		**5,146,297**	17,805,305	**-**	-
Additions to Immature Plantation	9	**(279,158)**	(441,705)	**-**	-
Net Cash From / (used in) Investing Activities		**(351,278,159)**	(977,932,302)	**481,474,338**	(174,175,291)

Statements of Cash Flows *(contd.)*

For the year ended 31st March	Note	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
CASH FLOW FROM FINANCING ACTIVITIES					
Share Issued to Non Controlling party		**533,661,139**	27,813,351	**-**	-
Dividend Paid		**(35,662,010)**	(35,000,000)	**(35,662,010)**	(35,000,000)
Dividend Paid by Subsidiary Companies to outside Shareholders		**(54,863,801)**	(41,688,193)	**-**	-
Leasing Instalments Paid		**(3,796,589)**	(4,391,881)	**-**	-
Net Long Term & Short Term Borrowings	21	**(342,030,387)**	689,404,900	**-**	-
Net Cash from / (used in) Financing Activities		**97,308,352**	636,138,177	**(35,662,010)**	(35,000,000)
Net Increase / (Decrease) in Cash and Cash Equivalents		**(17,294,558)**	(184,523,302)	**285,979**	2,068,804
Cash and Cash Equivalents at the Beginning of the year		**(37,415,276)**	147,108,026	**2,068,804**	-
Cash and Cash Equivalents at the End of the year		**(54,709,834)**	(37,415,276)	**2,354,783**	2,068,804
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Short Term Investments in Deposits	17	**37,013,597**	23,370,838	**613,187**	1,943,330
Cash at Bank and Cash in Hand	18	**(91,723,431)**	(60,786,114)	**1,741,596**	125,474
		(54,709,834)	(37,415,276)	**2,354,783**	2,068,804

The Accounting Policies and Notes on pages 31 to 85 form an integral part of these Financial Statements.

1. CORPORATE INFORMATION

1.1 General

Renuka Holdings PLC is a Public Quoted Limited Liability Company, incorporated in Sri Lanka on 08.02.1979 and re-registered under the Companies Act No. 07 of 2007 (PQ 227) (PVS 5524/PBS) and domiciled in Sri Lanka. The shares were listed in the Colombo stock exchange on 10th March 2008.

The registered office of the Company is located at No. 69, Sri Jinaratana Road, Colombo 02. The Financial Statements are authorized for issue by the Directors on 5th August 2013.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company, Subsidiaries and Joint venture entities were as follows.

Company	Activities
Renuka Holding PLC	Investment in subsidiary companies, shares listed on the Colombo Stock Exchange and debt securities
Renuka Agro Exports Ltd	Engaged in sourcing, manufacturing & exporting ethnic food products
Renuka Shaw Wallace PLC	Investment in Food & Beverage ventures The name of the Company was changed from Coco Lanka PLC to Renuka Shaw Wallace PLC on 12th October 2012.
Renuka Agri Foods PLC	Manufacture & markets a range of coconut products
Renuka Organics (Pvt) Ltd	Organic certification license holder and investment in plantation/farm & vertical integration projects
Kandy Plantations Ltd	Engaged in organic certified cultivation of agriculture
Renuka Products (Pvt) Ltd	Manufacture of FMCG Products The name of the Company was changed from Renuka Witsernberg Organic (Pvt) Ltd to Renuka Products (Pvt) Ltd on 6th April 2011.
Renuka Developments Ltd	Warehousing
Renuka Teas (Ceylon) (Pvt) Ltd	Manufacture and exports of tea products.
Renuka Investment (Pvt) Ltd	Investment in shares
Renuka Shipping & Travels (Pvt) Ltd	Provision of logistic services
Renuka Villas (Pvt) Ltd	Investment in Tourism Property
Renuka Trading (Pvt) Ltd	Holding Investment Property
Renuka Enterprises (Pvt) Ltd	Provision of management services to group companies, acting as a promoter to foreign principal in development projects in Sri Lanka and Investment
Renuka Consumer Foods Limited.	Investment in FMCG
Richlife Dairies Ltd	Manufacturing of dairy and fruit juice based products
Bois Brothers (Pvt) Ltd	Investment
Campbell Teas (Pvt) Ltd	Manufacture & sale of tea products
Ceylon Forestry (Pvt) Ltd	Planting and managing forestry
Ceylon Botanicals (Pvt) Ltd	Investment in Agricultural Property
Coco Hotels & Properties (Pvt) Ltd	Investment in property
McShaw Automotive Ltd	Distribution of Automotive products
Shaw Wallace Ceylon Ltd	Manufacturing & Distribution of Fast Moving Consumer Goods The name of the Company was changed from Shaw Wallace Marketing Ltd to Shaw Wallace Ceylon Ltd, with effect from 23rd June 2011.
Shaw Wallace Properties Ltd	Warehousing
Shaw Wallace Food Services Ltd	Distribution The Company suspended its commercial operations as at 31st December 2012.The management is currently evaluating new business opportunities and new products to restructure food service business.
Shaw Wallace Services Ltd	Provision of service
Shaw Wallace Agencies (Pvt) Ltd	Provision of Logistics services
Inter Ocean Lubricants (Pvt) Ltd	Importing, blending, distributing and marketing lubricant oil and greases

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking and ultimate parent Enterprise is Renuka Group Limited which holds 52.05% of the shares of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance.

The consolidated financial statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards.

Basis of preparation and adoption of SLAS (SLFRS and LKAS) effective for the financial period beginning on or after 01st January 2012.

For all periods up to and including the year ended 31st March 2012, the Group prepared its financial statements in accordance with SLASs effective up to 31st March 2012.

These financial statements for the year ended 31st March 2013 are the first the Group has prepared in accordance with SLFRS effective for the periods beginning on or after 01st January 2012. (Refer Note 3 for an explanation of the transition).

Subject to certain transition elections and exceptions disclosed in Note 3.6, the Group has consistently applied the accounting policies used in preparation of its opening SLFRS statement of financial position at 01st April 2011 through all periods presented, as if these policies had always been in effect.

Note 3 discloses the impact of the transition to SLFRS on the Group`s & Company`s reported financial position, performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Group`s consolidated financial statements for the year ended 31st March 2012 prepared under SLASs.

The consolidated financial statements have been prepared on a historical cost basis, except for the financial instruments and investment properties which have been measured at fair value.

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

The consolidated financial statements are presented in Sri Lankan Sri Lankan Rupees.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31st March 2013.

The Consolidated Financial Statements include the results, assets and liabilities of Renuka Holding PLC, and Companies controlled by it. Control arises when the Company has the power directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefit from the activities. The Subsidiaries and joint venture entities included in the consolidation are disclosed in Note 1.2 to the Financial Statements.

Although the direct shareholdings in some of these Group Companies are below 50% of the equity, the accounts of such Companies are consolidated in recognition of the effective management control exercised by the Parent Company.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group looses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

2.2.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquire at the fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs incurred are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability that is a financial instrument and within the scope of LKAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value either in profit or loss or as a change to other comprehensive income (OCI). If the contingent consideration is not within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS.

Contingent consideration that is classified as equity is not remeasured and subsequent settlement is measured at fair value with changes in fair value either in a profit or loss or as a change to the Other Comprehensive Income (OCI). If the contingent consideration is not within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.2.2 Interest in a joint venture

The Group has an interest in a joint venture which is a jointly controlled entity, whereby the ventures have a contractual arrangement that establishes joint control over the economic activities of the entity. The agreement requires unanimous agreement for financial and operating decisions among the ventures. The Group recognises its interest in the joint venture using the proportionate consolidation method.

The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the Group. Adjustments are made where necessary to bring the accounting policies of the joint venture in line with those of the Group.Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intergroup balances, transactions and unrealised gains and losses on such transactions between the Group and its jointly controlled entity. Losses on these transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture. Upon loss of joint control, the Group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former jointly controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal are recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

2.3 Foreign currency translation

The Group's consolidated financial statements are presented in Sri Lankan Rupees, which is also the Parent Company's functional currency. For each entity the Group determines functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.4 Income Tax

Income Tax expense comprises current and deferred tax. Income tax expense is recognized in income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Income Tax has been computed in accordance with the provisions of the Inland Revenue Act No.10 of 2006 and amendments thereto. Income Tax details of the group companies are as follows.

(i) Renuka Holdings PLC

Profit on Sale of Shares

According to the section 13 (t) of the Income Tax Act No.10 of 2006, profit earned on sale of shares on which share transaction levy under Section 7 of the Finance Act No.05 of 2005, is paid is exempt from income tax.

Interest Income

Liable to income tax at 28%.

(ii) Renuka Agro Exports Limited

The Company's export profit is liable to income tax at 12%.

The Company is liable to income tax on other income at 28%.

(iii) Renuka Shaw Wallace PLC

Profit on Sale of Shares

According to the section 13 (t) of the Income Tax Act No. 10 of 2006, profit earned on sale of shares on which share transaction levy under Section 7 of the Finance Act No. 05 of 2005, is paid is exempt from income tax.

Interest Income

Liable to income tax at 28%

(iv) Renuka Agri Foods PLC

In terms of the agreement with the Board of Investment of Sri Lanka (BOI), business profit of the company is exempt from income tax for a period of 12 years from the date of commencement of its business.

After the expiration of exemption period, the company is liable for taxation at 15% for a further period of 12 years.

Dividend paid by the company out of exempt profits during the 12 year tax holiday period or within one year thereafter is exempt from tax.

(v) Renuka Organics (Pvt) Ltd.

The Company is liable to tax at 10% on its Agricultural Profit.

(vi) Kandy Plantations Ltd.

The profit from Agriculture Activity of the Company is liable to income tax at 10%. The profit from export sales is liable to income tax at 12%.

The other income of the Company is liable to income tax at 28%.

(vii) Renuka Product (Pvt) Ltd

Company's Profit is liable to income tax at 28%.

(viii) Renuka Teas (Ceylon) (Pvt) Ltd.

The company's export Profit is liable to income tax at 12%. Local sales and other income is liable to Income tax at 28%.

(ix) Campbell Teas (Pvt) Ltd.

The company's export Profit is liable to income tax at 12%.

Company's other income is liable to income tax at 28%.

(x) Renuka Developments Limited

The company is liable to tax at 28%.

(xi) Renuka Enterprises (Pvt) Ltd

The company is liable to tax at 28%.

(xii) Renuka Investments (Pvt) Ltd

The company is liable to tax at 28%.

(xiii) Renuka Shipping and Travel (Pvt) Ltd

The company is liable to tax at 28%.

(xiv) Ceylon Forestry (Pvt) Ltd

In accordance with the provision of Section 17 of the Board of Investment of Sri Lanka Law No.4 of 1978 the Company will be entitled to the following exemptions benefits with regard to income tax.

i) For a period of eight (08) years reckoned from the Year of Assessment as may be determined by the BOI, the profits & income of the Company is exempt from tax. For the above purpose, the year of assessment shall be reckoned from the year in which the Company commences to make profits or any year of assessment not later than two (02) years reckoned from the date of commencement of commercial operations whichever year is earlier, as specified in a certificate issued by the BOI.

ii) After the expiration of the aforesaid tax exemption period, referred to in sub clause (i) above, the Profits and income of the Company shall for each year of assessment be charged at the rate of ten per centum (10%) for a period of two (2) years ("concessionary period") immediately succeeding the last date of the tax exemption period during which the profits and income of the Company is exempted from it.

iii) After the expiration of the aforesaid concessionary period referred to in sub clause (ii) above, the profits and income of the Company shall be charged for any year of assessment at the rate of twenty per centum (20%) However, other income would be liable to income Tax @ 28%.

(xv) Ceylon Botanicals (Pvt) Ltd

The company is liable to tax at 28%.

(xvi) Renuka Villas (Pvt) Ltd

The company is liable to tax at 28%.

(xvii) Renuka Trading (Pvt) Ltd

The company is liable to tax at 28%.

(xviii) Coco Hotels & Properties (Private) Limited

The company is liable to tax at 28%.

(xi) Shaw Wallace Ceylon Ltd

The company is liable to tax at 28%.

(xx) Shaw Wallace Properties Ltd

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 Law No. 04 of 1978, the Company is exempt from income tax for a period of five years commencing 1st April 2009.

(xxi) Shaw Wallace Food Services (Pvt) Ltd

The company is liable to tax at 28%.

(xxii) Shaw Wallace Services Ltd

The company is liable to tax at 28%.

(xxiii) Shaw Wallace Agencies Ltd

The company is liable to tax at 28%.

(xxiv) McShaw Automotive Ltd

The company is liable to tax at 28%.

(xxv) Inter Ocean Lubricants (Pvt) Ltd

The company is liable to tax at 28%.

(xxvi) Bois Brothers (Pvt) Ltd.

The company is liable to tax at 28%.

(xxvii) Richlife Dairies Ltd

The Company is liable to income tax at 28%.

2.5 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on Tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.6 Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.7 Property, Plant & Equipment

(a) Property, Plant & Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant & equipment is the cost of acquisition or construction to seller with any incidental expenses thereon

(b) Depreciation is calculated on the straight line method to write-off the cost of each asset, to their residual values over their estimated useful lives which are reviewed annually are as follows:

	Percentage
Buildings	2.5 - 5
Plant & Machinery	10 – 20
Motor Vehicles	20
Equipment & Tools	10 - 20
Furniture & Fittings	5 - 15
Electrical Installation	10 – 20
Computers & Software	25

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation of an asset begins when is available for use and ceases at the earliest of the date, the asset is classified as held for sale and the date that the asset is derecognised.

Gains and losses on disposal of Property, Plant & Equipment are determined by comparing proceeds with carrying amount and are taken into account in determining operating profit.

(c) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a Lessee

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(d) Withdrawal of UITF Rulings

The Urgent Issue Task Force (UITF) rulings issued prior to 1 January 2012 have been superseded by the Sri Lanka Accounting Standards (SLFRS and LKAS) with effect from 1 January 2012. Consequently it is now required to treat transactions in which any of UITF rulings applied, in accordance with Sri Lanka Accounting Standards (SLFRS and LKAS) effective from 1 January 2012.

The Group has recorded Lease Hold Property (Leasehold Right to the Land) and correspondent liability in terms of UITF ruling issued by The Institute of Chartered Accountants of Sri Lanka prior to 1st January 2012. It has been superseded by the Statement of Recommended Practice (SoRP) for Right-To-Use of Land on Lease which was approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19 December 2012. Accordingly, the Leasehold Property is re-classified as "Right-To-Use of Land". Corresponding net liability to lessor re-classified as "Liability to make lease payment.

(e) Immature and Mature Plantations

Biological assets are classified in to mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specification. Coconut, timber trees, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes mainly coconut plants, those that are not intended to be sold or harvested, however used to grow for harvesting agriculture produce. Consumable biological assets includes managed timber trees those that are to be harvested as agricultural produce from biological assets or sold as biological assets.

The entity recognise the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment as per the ruling issued by The Institute of Chartered Accountants of Sri Lanka.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets which comes into bearing during the year, is transferred to mature plantations. Expenditure incurred on consumable biological assets is recorded at cost at initial recognition and thereafter at fair value at the end of each reporting period.

Permanent impairments to Biological Asset are charged to the Income Statement in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

The requirement of recognition of bearer biological assets at its fair value less cost to sell under LKAS 41 was superseded by the ruling issued on 02 March 2012, by The Institute of Chartered Accountants of Sri Lanka. Accordingly, the Group has elected to measure the bearer biological assets at cost using LKAS 16 Property Plant & Equipment.

2.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise. Fair values are evaluated annually by an accredited external, independent valuer, applying an appropriate valuation model. Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.10 Related Party Transactions

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

2.11 Events Occurring after the Reporting Period.

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

2.12 Going Concern

The Board of Director has certified that the company had adequate resources to continue its operations in the foreseeable future. Therefore, going concern basis has been adopted in preparing these Financial Statements.

2.13 Use of Estimates & Judgments

The preparation of Financial Statements requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of Assets, Liabilities, Income and Expenses. Actual results may differ from these estimates.

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

2.14 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

2.15 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow moving and defective inventories.

Agricultural Produce Harvested from Biological Assets

Agricultural produce harvested from its biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agriculture produce are valued by adding the cost of conversion to the fair value of the agricultural produce.

Input Material, Spares and Consumables

At actual cost on weighted average basis.

2.16 Employee Benefit Cost

2.16.1 Defined Benefit Plan – Gratuity

A defined benefit plan is a post employment benefit plan other than a defined contributions plan. The liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. Benefits falling due more than 12 months after the reporting date are discounted to present value.

The defined benefit obligation is calculated annually by independent actuaries using Projected Unit Credit Method (PUC) as recommended by LKAS - 19, Employees benefits. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

The actuarial gains and losses are charged or credited to income statement in the period in which they arise.

2.16.2 Defined Contribution Plan-Employee's Provident Fund and Employee's Trust Fund.

All employees who are eligible for Employee's Provident Fund Contribution and Employee's Trust Fund Contributions are covered by relevant contribution funds in line with respective Statutes and Regulations.

Contribution to Provident Fund and Trust Fund covering the employees are recognized as an expense in the Income Statement in the period in which it is incurred.

2.17 Cash and Cash Equivalents

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

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

2.18 Provisions

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

2.19 Capital Commitments and contingencies

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

2.20 Financial instruments-initial recognition and subsequent measurement

2.20.1 Financial assets

Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets other than those classified as fair value through profit or loss are recognised initially at fair value plus transaction costs.

The Group`s financial assets are disclosed in Note 4.1

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in the income statement.

The Group evaluates its financial assets held-for-trading, to determine whether the intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held-to-maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

Discounting is omitted where the effect of discounting is immaterial or where the balances are recoverable on demand.

(c) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

The Group has not designated any financial assets upon initial recognition as Held–to–maturity investments.

(d) Available-for-sale financial investments

Available-for-sale financial investments held at the reporting date consists of equity securities. Equity investments classified as available-for-sale are those, neither classified as held-for-trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the income statement in finance costs and removed from the available-for-sale reserve.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Group's continuing involvement in it.

In such case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred' loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. The assets are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the income statement.

b) Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant is evaluated against the original cost of the investment and "prolonged" against the period in which the fair values has been below its original cost.

Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement-is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

2.20.2 Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

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

The Group's financial liabilities are disclosed in Note 4.

Amounts due to related companies are stated at cost since there are considered is payable on demand.

Subsequent measurement of Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition

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 a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

2.20.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable Legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.21 Impairment of non-financial assets

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

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

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That the increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

2.22 Contingent Assets and Contingent Liabilities

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

2.23 Intangible assets

Basis of recognition

An Intangible asset is recognized if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged against income statement in the year in which the expenditure is incurred.

Useful economic lives, amortisation and impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Income Statement

2.24 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(a) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

(b) Rendering of Services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

(c) Interest

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period.

(d) Dividend Income

Dividend is recognised when the Group`s right to receive the payment is established, which is generally when shareholders approve the dividend.

(e) Others Gains or losses of a revenue nature on the disposal of Property, Plant & Equipment have been accounted for in the Income Statement.

2.25 Expenditure Recognition

Revenue Expenditure

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

Capital Expenditure

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

For the purpose of presentation of the Income Statement, the Directors are of the opinion that function of expenses method fairly present the elements of the Company's performance, hence such presentation method is adopted.

2.26 Reporting Segments

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments. The results of the business segments are described in Note 43 to the Financial Statements.

2.27 Standards issued but not yet effective

Standard issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

- SLFRS 9 - Financial Instruments: Classification and Measurement
- SLFRS 10 - Consolidated Financial Statements
- SLFRS 11 - Joint Arrangements
- SLFRS 12 - Disclosure of Interests in Other Entities
- SLFRS 13 - Fair Value Measurement

3 FIRST TIME ADOPTION OF SLFRS

These financial statements, for the year ended 31st March 2013, are the first the Group has prepared in accordance with Sri Lanka Accounting Standards comprising LKAS and SLFRS effective from 1st January 2012 (collectively referred hereafter as "SLFRS"). For periods up to and including the year ended 31st March 2012, the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards effective prior to 1st January 2012, (hereafter referred to as "SLAS").

Accordingly the Group has prepared the financial statements complying with SLFRS applicable for period ending 31st March 2013, together with comparative period date as at and for the year ended 31st March 2012 as described in significant accounting policies (Note 2). In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1st April 2011, that being Group's date of transition to SLFRS. This Note explains the principal adjustments made by the Group in restating its SLAS financial statements.

3 FIRST TIME ADOPTION OF SLFRS (Contd.)

3.1 Reconciliation of Equity -Group

	Note	Equity as at 31st March 2012				Equity as at 1st April 2011			
		As per SLAS	Reclassifications	Remesurements	As per SLFRS / LKAS	As per SLAS	Reclassifications	Remesurements	As per SLFRS / LKAS
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS									
Non-Current Assets									
Property, Plant & Equipment	(a)	2,010,721,707	-	(1,780,471)	2,008,941,236	1,219,176,199	-	12,921,037	1,232,097,236
Intangible Assets	(b)	148,131,237	-	1,820,044	149,951,281	71,161,144	-	-	71,161,144
Investment Property		1,075,333,111	-	-	1,075,333,111	934,015,111	-	-	934,015,111
Right - to - Use Land		300,258,181	-	-	300,258,181	315,493,664	-	-	315,493,664
Biological Assets	(a)	6,075,584	-	22,023,127	28,098,711	5,633,879	-	-	5,633,879
Investment in Subsidiaries		-	-	-	-	-	-	-	-
Investment in Joint Ventures		-	-	-	-	-	-	-	-
Other Investments		223,958,952	-	-	223,958,952	224,463,942	-	-	224,463,942
Long term Receivable		28,538,000	-	-	28,538,000	28,538,000	-	-	28,538,000
Deferred Tax Asset	(c)	14,012,832	-	8,902,419	22,915,251	7,923,924	-	7,765,582	15,689,506
		3,807,029,604	-	30,965,119	3,837,994,723	2,806,405,863	-	20,686,619	2,827,092,482
Current Assets									
Inventories		1,248,149,774	-	-	1,248,149,774	615,009,290	-	-	615,009,290
Short Term Financial Assets		288,857,840	-	-	288,857,840	382,178,100	-	-	382,178,100
Trade and Other Receivables	(d)	1,132,525,169	(79,822,147)	-	1,052,703,021	734,991,586	(55,721,330)	-	679,270,256
Other Current Assets	(d)	-	79,822,147	-	79,822,147	-	55,721,330	-	55,721,330
Amounts due from Related Companies		54,837,721	-	-	54,837,721	-	-	-	-
Short Term Investments in Deposits		23,370,838	-	-	23,370,838	122,204,075	-	-	122,204,075
Cash at Bank and Cash in Hand		93,390,884	-	-	93,390,884	88,738,920	-	-	88,738,920
		2,841,132,226	-	-	2,841,132,225	1,943,121,971	-	-	1,943,121,971
Total Assets		6,648,161,830	-	30,965,119	6,679,126,948	4,749,527,834	-	20,686,619	4,770,214,453

3. FIRST TIME ADOPTION OF SLFRS (Contd.)

3.1 Reconciliation of Equity -Group

	Note	Equity as at 31st March 2012				Equity as at 1st April 2011			
		As per SLAS	Reclassifications	Remesurements	As per SLFRS / LKAS	As per SLAS	Reclassifications	Remesurements	As per SLFRS / LKAS
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
EQUITY AND LIABILITIES									
Equity attributable to Equity Holders of the Parent									
Stated Capital		175,000,000	-	-	175,000,000	125,000,000	-	-	125,000,000
Retained Earnings	(e)	1,887,226,051	-	11,517,029	1,898,743,080	1,704,687,813	-	7,522,100	1,712,209,913
Equity attributable to equity holders of Parent		2,062,226,051	-	11,517,029	2,073,743,080	1,829,687,813	-	7,522,100	1,837,209,913
Non Controlling Interest		1,566,595,303	-	20,938,037	1,587,533,340	1,525,130,811	-	11,443,694	1,536,574,505
Total Equity		3,628,821,354	-	32,455,066	3,661,276,420	3,354,818,624	-	18,965,794	3,373,784,418
Non-Current Liabilities									
Deferred Tax Liability	(c)	65,379,990	-	(1,489,947)	63,890,043	24,699,539	-	1,720,825	26,420,364
Interest Bearing Borrowings and Lease Instalments due after one year		247,195,893	-	-	247,195,893	80,621,812	-	-	80,621,812
Retirement Benefit Obligation		67,575,437	-	-	67,575,437	46,581,530	-	-	46,581,530
		380,151,320	-	(1,489,947)	378,661,373	151,902,881	-	1,720,825	153,623,706
Current Liabilities									
Trade and Other Payables	(d)	1,134,785,941	(149,729,329)	-	985,056,612	489,759,162	(30,788,842)	-	458,970,320
Other Current Liabilities	(d)	-	149,729,329	-	149,729,329	-	30,788,842	-	30,788,842
Deffered Income		46,064,355	-	-	46,064,355	-	-	-	-
Interest Bearing Borrowings and Lease Instalments due within one year		830,379,892	-	-	830,379,892	194,556,531	-	-	194,556,531
Amount due to Related Companies		471,203,073	-	-	471,203,073	460,603,577	-	-	460,603,577
Income Tax Payable		2,578,897	-	-	2,578,897	34,052,090	-	-	34,052,090
Bank Overdraft		154,176,998	-	-	154,176,998	63,834,969	-	-	63,834,969
		2,639,189,156	-	-	2,639,189,155	1,242,806,329	-	-	1,242,806,329
Total Equity And Liabilities		6,648,161,830	-	30,965,119	6,679,126,948	4,749,527,834	-	20,686,619	4,770,214,453

3. FIRST TIME ADOPTION OF SLFRS (Contd.)

3.2 Reconciliation of Equity- Company

		Equity as at 31st March 2012				Equity as at 1st April 2011			
	Note	As per SLAS	Reclassifications	Remesurement	As per SLFRS / LKAS	As per SLAS	Reclassifications	Remesurement	As per SLFRS / LKAS
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS									
Non-Current Assets									
Investment in Subsidiaries		644,175,501	-	-	644,175,501	470,000,210	-	-	470,000,210
		644,175,501	-	-	644,175,501	470,000,210	-	-	470,000,210
Current Assets									
Other Short Term Financial Assets		112,780,200	-	-	112,780,200	172,074,920	-	-	172,074,920
Trade and Other Receivables	(d)	95,587	(95,587)	-	-	74,638	(74,638)	-	-
Other Current Assets	(d)	-	95,587	-	95,587	-	74,638	-	74,638
Amounts due from Related Companies		452,906,593	-	-	452,906,593	631,694,990	-	-	631,694,990
Short Term Investments in Deposits		1,943,330	-	-	1,943,330	2,299,153	-	-	2,299,153
Cash at Bank and Cash in Hand		169,427	-	-	169,427	853,736	-	-	853,736
		567,895,137	-	-	567,895,137	806,997,437	-	-	806,997,437
Total Assets		1,212,070,638	-	-	1,212,070,638	1,276,997,647	-	-	1,276,997,647
EQUITY AND LIABILITIES									
Equity attributable to Equity Holders of the Parent									
Stated Capital		175,000,000	-	-	175,000,000	125,000,000	-	-	125,000,000
Revenue Reserves		390,708,293	-	-	390,708,293	505,523,702	-	-	505,523,702
Total Equity		565,708,293	-	-	565,708,293	630,523,702	-	-	630,523,702
Non-Current Liabilities									
Retirement Benefit Obligation		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Current Liabilities									
Trade and Other Payables	(d)	624,455	(13,164)	-	611,291	310,500	-	-	310,500
Other Current Liabilities	(d)	-	13,164	-	13,164	-	-	-	-
Amount due to Related Companies		645,690,940	-	-	645,690,940	646,067,837	-	-	646,067,837
Income Tax Payable		2,997	-	-	2,997	95,608	-	-	95,608
Bank Overdraft		43,953	-	-	43,953	-	-	-	-
		646,362,345	-	-	646,362,345	646,473,945	-	-	646,473,945
Total Equity and Liabilities		1,212,070,638	-	-	1,212,070,638	1,276,997,647	-	-	1,276,997,647

3. FIRST TIME ADOPTION OF SLFRS (Contd.)

3.3 Reconciliation of Income Statement

For the year ended 31st March 2012

	Note	Group				Company			
		As per SLAS	Reclassifications	Remesurements	As per SLFRS / LKAS	As per SLAS	Reclassifications	Remesurements	As per SLFRS / LKAS
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	(f)	5,366,727,736	30,953,801	2,400,158	5,400,081,695	31,763,040	-	-	31,763,040
Carrying value of Investment Disposed		(8,223,900)	-	-	(8,223,900)	-	-	-	-
Cost of Sales	(g)	(4,017,411,645)	-	(5,003,828)	(4,022,415,473)	-	-	-	-
		1,341,092,191	30,953,801	2,603,670	1,369,442,322	31,763,040	-	-	31,763,040
Loss from change in Market Value of Current Investments - Quoted		(85,096,360)	-	-	(85,096,360)	(59,294,720)	-	-	(59,294,720)
Other Operating Income	(h)	167,350,570	(4,743,975)	22,023,127	184,629,722	109,435	(109,435)	-	-
Distribution Expenses	(j)	(360,663,794)	20,415,154	-	(340,248,640)	-	-	-	-
Administrative Expenses	(i)	(441,626,482)	18,414,424	(225,216)	(423,437,274)	(2,362,132)	-	-	(2,362,132)
Impairment of Property, Plant & Equipment		(25,321,250)	-	-	(25,321,250)	-	-	-	-
Profit / (Loss) from Operations		595,734,875	65,039,404	19,194,241	679,968,520	(29,784,377)	(109,435)	-	(29,893,812)
Finance Income	(h)	-	4,743,975	-	4,743,975	-	109,435	-	109,435
Finance Cost	(j)	(59,427,017)	(20,415,154)	-	(79,842,171)	-	-	-	-
Other Financial Items		-	(49,368,225)	-	(49,368,225)	-	-	-	-
Negative Goodwill on Acquisition of Joint Venture		4,469,434	-	-	4,469,434	-	-	-	-
Profit / (Loss) before Tax		540,777,292	-	19,194,241	559,971,533	(29,784,377)	-	-	(29,784,377)
Taxation		(30,189,623)	-	2,318,383	(27,871,240)	(31,032)	-	-	(31,032)
Profit / (Loss) for the year		510,587,669	-	21,512,624	532,100,293	(29,815,409)	-	-	(29,815,409)
Reconciliation of Other Comprehensive Income for the year ended 31st March 2012									
Profit / (Loss) for the year		510,587,669	-	21,512,624	532,100,293	(29,815,409)	-	-	(29,815,409)
Other Comprehensive Income		-	-	-	-	-	-	-	-
Total Comprehensive Income for the year		510,587,669	-	21,512,624	532,100,293	(29,815,409)	-	-	(29,815,409)
Attributable to									
Equity Holders of the Parent		256,388,549	-	2,580,040	258,968,589	(29,815,409)	-	-	(29,815,409)
Non Controlling Interest		254,199,120	-	18,932,585	273,131,705	-	-	-	-
		510,587,669	-	21,512,625	532,100,294	(29,815,409)	-	-	(29,815,409)

FIRST TIME ADOPTION OF SLFRS

3.4 Notes to the reconciliation of equity as at 1 April 2011, 31March 2012 Income Statement and Other comprehensive income for the year ended 31 March 2012.

(a) Property, Plant & Equipment

The Group elected to reassess the fair value of certain items of Property, Plant & Equipment as at the date of transition and the carrying values were adjusted accordingly.

Biological Assets

According to LKAS 41 managed agricultural activities were recorded at fair value, which was ascertained by a Professionally Qualified Valuer.

(b) Intangible Assets - Goodwill

Business combinations that occurred after the date of transition to SLFRS but with in the comparative period should be adjusted to comply with SLFRS - 03

Accordingly, Goodwill from acquisition of Richlife Dairies (Pvt) Ltd in the comparative period has been restated to comply with SLFRS - 03

(c) Deferred Tax

This represents effect on deferred tax adjustments due to reassessment of fair value of certain items of Property, Plant & Equipment and Fair valuation of Biological assets.

(d) Trade and Other Receivables & Trade & Other Payables.

This represents the reclassification of non financial instruments as other current assets and other current liabilities.

(e) Retained Earnings

The net effect of adoption of SLFRS as of the transition date is recorded through "Retained Earnings"

(f) Revenue

Reclassification column represents the classification of NBT Expenses to administration expenses.

Revenue recognition on Harvested crop up to 2011/12 has been recognized in the financial period of harvesting in terms of SLAS 32. Thus the unsold stocks were treated as a part of revenue. The scope of revenue recognition for 2012/13 was changed to LKAS 18. Accordingly, the revenue is recognized based on the date of auction where the recognition criterias are met and therefore the quantity which is sold at auction is treated as the sales.

(g) Cost of Sales

Reclassification column represents the effect on depreciation in 2011/2012 arising on reassessment of fair value of certain items of Property Plant & Equipment.

Recognition of the cost of sales has been changed simultaneous to the changes to the revenue recognition. Thus, cost of sales consists of the directly attributable cost of the goods sold. Cost of opening stocks and the closing stocks were adjusted to the cost of production in computing the cost of sales. Further, the measurement of unsold harvested crop has been changed.

(h) Other Operating Income & Finance Income

As per SLAS, Financé income was classified under Other Operating Income. Under SLFRS / LKAS the Group is required to classify Finance Income separately.

(i) Administration3 Expenses.

Reclassification of NBT Expenses to administration expenses.

Remeasurement represents the effect on depreciation in 2011/2012 arising as a result of re assessing the fair value of certain items of Property Plant & equipment.

(j) Finance Cost

Reclassification of Impairment provision of Financial Assets from Distribution costs to Finance Cost.

(k) Statement of Cash Flows.

The transition from SLAS to SLFRS / LKAS did not have a material impact on the statement of Cash flows.

3.5 Exemption applied.

(a) SLFRS 3 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses for SLFRS, or of interests in Joint Ventures, and that occurred before 1st April 2011.

Use of this exemption means that the SLAS carrying amounts of assets and liabilities, that are required to be recognized under SLFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with SLFRS. Assets and liabilities that do not qualify for recognition under SLFRS are excluded from the opening SLFRS statement of financial position.

The Group has restated its business combination in the comparative period to comply with SLFRS 03.

(b) Certain items of Property, Plant & Equipment have been measured at fair vale at the date of transition to SLFRS in accordance with LKAS 16.

(c) SLFRS 01 also requires that the previous SLAS carrying amount of goodwill must be used in the opening SLFRS statement of financial position (apart from adjustment for goodwill impairment and recognition or derecognition of intangible assets).In accordance with SLFRS 01 the group has tested goodwill for impairment at the dated of transition to SLFRS. No goodwill impairment was deemed necessary as at 1st April 2011.

4 - ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

4.1 Group

The carrying amounts of Financial Assets and Financial Liabilities in each category are as follows.

	Note	Fair Value through Profit & Loss (Carried at FVTPL) Rs.	Available for Sale (Carried at FV) Rs.	Held to Maturity (Carried at Amortised Cost) Rs.	Loans & Receivables (Carried at Amortised Cost) Rs.	Total Rs.
31st March 2013						
Financial assets						
Other Investments	10(d)	-	223,958,952	-	-	223,958,952
Short Term Financial Assets	13	-	-	-	-	-
Trade & Other Receivables	14	-	-	-	993,421,527	993,421,527
Short Term Investment in Deposits	17	-	-	527,198	36,486,399	37,013,597
Amounts due from Related Companies	16	-	-	-	35,909,094	35,909,094
Cash at Bank & in Hand	18	-	-	-	121,020,714	121,020,714
		-	223,958,952	527,198	1,186,837,733	1,411,323,883

	Note	Other Liabilities at FVTPL Rs.	Other Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities				
Interest Bearing Borrowings	21(a)&(b)	-	732,236,232	732,236,232
Trade & Other Payables	23	-	567,093,468	567,093,468
Amounts due to Related Companies	25	-	2,280,932	2,280,932
Bank Overdrafts	18	-	212,744,145	212,744,145
		-	1,514,354,777	1,514,354,777

	Note	Fair Value through Profit & Loss (Carried at FVTPL) Rs.	Available for Sale (Carried at FV) Rs.	Held to Maturity (Carried at Amortised Cost) Rs.	Loans & Receivables (Carried at Amortised Cost) Rs.	Total Rs.
31st March 2012						
Financial assets						
Other Investments	10(d)	-	223,958,952	-	-	223,958,952
Long Term Receivable	11	-	-	-	28,538,000	28,538,000
Short Term Financial Assets	13	288,857,840	-	-	-	288,857,840
Short Term Investment in Deposits	17	-	-	203,236	23,167,601	23,370,838
Trade & Other Receivables	14	-	-	-	1,052,703,021	1,052,703,021
Amounts due from Related Companies	16	-	-	-	54,837,721	54,837,721
Cash at Bank & in hand	18	-	-	-	93,390,884	93,390,884
		288,857,840	223,958,952	203,236	1,252,637,228	1,765,657,256

4.1 Group (contd.)

				Other Liabilities at FVTPL	Other Liabilities at Amortised Cost	Total
				Rs.	Rs.	Rs.
Financial Liabilities						
Interest Bearing Borrowings	21(a)&(b)			-	1,077,575,785	1,077,575,785
Trade & Other Payables	23			-	985,056,612	985,056,612
Amounts due to Related Companies	25			-	471,203,073	471,203,073
Bank Overdraft	18			-	154,176,998	154,176,998
				-	2,688,012,467	2,688,012,467

	Note	Fair Value through Profit & Loss (Carried at FVTPL)	Available for Sale (Carried at FV)	Held to Maturity (Carried at Amortised Cost)	Loans & Receivables (Carried at Amortised Cost)	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
1st April 2011						
Financial assets						
Other Investments	10(d)	-	224,463,942	-	-	224,463,942
Long Term Receivable	11	-	-	-	28,538,000	28,538,000
Short Term Financial Assets	13	382,178,100	-	-	-	382,178,100
Short Term Investment in Deposits	17	-	-	106,434,092	15,769,983	122,204,075
Trade & Other Receivables	14	-	-	-	679,270,256	679,270,256
Amounts Due from Related Companies	16	-	-	-	-	-
Cash at Bank & in hand	18	-	-	-	88,738,920	88,738,920
		382,178,100	224,463,942	106,434,092	812,317,159	1,525,393,293

				Other Liabilities at FVTPL	Other Liabilities at Amortised Cost	Total
				Rs.	Rs.	Rs.
Financial Liabilities						
Interest Bearing Borrowings	21(a)&(b)			-	275,178,343	275,178,343
Trade & Other Payables	23			-	458,970,320	458,970,320
Amounts due to Related Companies	25			-	460,603,577	460,603,577
Bank Overdraft	18			-	63,834,969	63,834,969
				-	1,258,587,209	1,258,587,209

A description of the Company's Financial Instrument risks, including risk management objectives and policies is given in Note 44

4 - ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

4.2 Company

The carrying amounts of Financial Assets and Financial Liabilities in each category are as follows.

	Note	Fair Value through Profit & Loss (Carried at FVTPL) Rs.	Available for Sale (Carried at Amortised Cost) Rs.	Loans & Receivables (Carried at Amortised Cost) Rs.	Total Rs.
31st March 2013					
Financial assets					
Short Term Financial Assets	13	-	-	-	-
Short Term Investment in Deposits	17	-	-	613,187	613,187
Amounts due from Related Companies	16	-	-	799,186,660	799,186,660
Cash at Bank & in Hand	18	-	-	1,741,596	1,741,596
		-	-	801,541,443	801,541,443

	Note		Other Liabilities at FVTPL Rs.	Other Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities					
Interest Bearing Borrowings	21(a)&(b)		-	-	-
Trade & Other Payables	25		-	1,132,086	1,132,086
Amounts due to Related Companies	25		-	391,894,980	391,894,980
			-	393,027,066	393,027,066

	Note	Fair Value through Profit & Loss (Carried at FVTPL) Rs.	HTM (Carried at Amortised Cost) Rs.	Loans & Receivables (Carried at Amortised Cost) Rs.	Total Rs.
31st March 2012					
Financial assets					
Short Term Financial Assets	13	112,780,200	-	-	112,780,200
Amounts due from Related Companies	16	-	-	452,906,593	452,906,593
Short Term Investment in Deposits	17	-	-	1,943,330	1,943,330
Cash at Bank & in Hand	18	-	-	169,427	169,427
		112,780,200	-	455,019,350	567,799,550

	Note		Other Liabilities at FVTPL Rs.	Other Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities					
Trade & Other Payables	23		-	611,291	611,291
Amounts due to Related Companies	25		-	645,690,940	645,690,940
Bank Overdraft	18		-	43,953	43,953
			-	646,346,184	646,346,184

4.2 Company (contd.)	Note	Fair Value through Profit & Loss (Carried at FVTPL) Rs.	HTM (Carried at Amortised Cost) Rs.	Loans & Receivables (Carried at Amortised Cost) Rs.	Total Rs.
1st April 2011					
Financial assets					
Short Term Financial Assets	13	172,074,920	-	-	172,074,920
Amounts due from Related Companies	16	-	-	631,694,990	631,694,990
Short Term Investment	17	-	-	2,299,153	2,299,153
Cash at Bank & in Hand	18	-	-	853,736	853,736
		172,074,920	-	634,847,879	806,922,799

		Other Liabilities at FVTPL Rs.	Other Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities				
Trade & Other Payables	23	-	310,500	310,500
Amounts due to Related Companies	25	-	646,067,837	646,067,837
		-	646,378,337	646,378,337

5 - PROPERTY , PLANT & EQUIPMENT

Group

Cost	As at 01.04.2011	Acquisition of new Subsidiaries	Additions	Disposals	As at 31.03.2012	Additions/ Transfers	Disposals	Disposal of Subsidiaries	As at 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	570,451,243	95,879,779	18,499,000	(16,583,600)	668,246,422	468,520,559	-	(114,999,959)	1,021,767,022
Buildings	195,987,624	192,897,600	244,825,871	(2,732,236)	630,978,859	81,638,773	-	-	712,617,632
Plant & Machinery	357,725,474	239,880,792	87,013,930	-	684,620,196	123,484,610	-	-	808,104,806
Motor Vehicles	83,032,082	17,295,900	31,751,633	(1,385,000)	130,694,615	23,777,726	(2,731,668)	-	151,740,673
Equipment & Tools	87,996,800	49,658,744	33,425,920	(286,025)	170,795,439	44,199,128	(5,800)	-	214,988,767
Furniture & Fittings	37,258,315	3,729,821	3,086,187	-	44,074,323	32,794,398	(826,129)	(500,000)	75,542,591
Electrical Installation	13,556,054	-	1,605,577	-	15,161,631	2,079,183	-	-	17,240,814
Computer & software	-	1,417,226	3,648,518	-	5,065,744	3,379,442	-	-	8,445,185
	1,346,007,592	600,759,861	423,856,636	(20,986,861)	2,349,637,228	779,873,818	(3,563,597)	(115,499,959)	3,010,447,490

Depreciation	As at 01.04.2011	Acquisition of new Subsidiaries	Charge For the Year	On Disposals	As at 31.03.2012	Charge For the Year	On Disposals	Disposal of Subsidiaries	As at 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	-	-	-	-	-	-	-	-	-
Buildings	18,391,808	-	12,047,378	(331,655)	30,107,531	24,310,650	-	-	54,418,181
Plant & Machinery	154,180,103	34,170,149	27,314,670	-	215,664,923	39,748,355	-	-	255,413,278
Motor Vehicles	45,516,843	9,601,754	12,918,769	(1,045,000)	66,992,366	18,775,370	(2,339,000)	-	83,428,735
Equipment & Tools	34,962,524	28,932,316	9,131,800	-	73,026,640	12,261,595	(5,800)	-	85,282,435
Furniture & Fittings	23,100,630	1,894,646	2,838,423	-	27,833,699	8,119,537	(1,009,922)	-	34,943,315
Electrical Installation	8,910,460	-	1,448,910	-	10,359,370	1,500,367	-	-	11,859,737
Computer & software	-	17,012	1,601,902	-	1,618,914	1,514,375	-	-	3,133,289
	285,062,369	74,615,877	67,301,852	(1,376,655)	425,603,443	106,230,249	(3,354,722)	-	528,478,970

Impairment	As at 01.04.2011	Acquisition of new Subsidiaries	Charge For the Year	On Disposal	As at 31.03.2012	Charge For the Year	On Disposal	On Disposal of Subsidiaries	As at 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings	-	-	25,321,250	-	25,321,250	-	-	-	25,321,250
	-	-	25,321,250	-	25,321,250	-	-	-	25,321,250

5 - PROPERTY , PLANT & EQUIPMENT (contd.)

Group

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.	As at 01.04.2011 Rs.
Written Down Value	**2,456,647,270**	1,898,712,535	1,060,945,223
Capital Work in Progress	**23,638,794**	110,228,701	171,152,013
	2,480,286,064	2,008,941,236	1,232,097,236

Property, Plant & Equipment Additions/ Transfers during 2012/13 :

Additions at Cost	**301,467,707**
Assets transferred from Investment Property	**478,406,111**
	779,873,818

06 - INTANGIBLE ASSETS

	Goodwill	Trade Mark	Other Intangible Assets	Total
Cost				
Balance on 1st April 2011	71,161,144	-	-	71,161,144
Addition during the year	67,956,740	-	13,648,153	81,604,893
Disposed during the year	(85,125)	-	-	(85,125)
Balance on 31st March 2012	139,032,759	-	13,648,153	152,680,912
Addition during the year	-	15,000,000	-	15,000,000
Disposed during the year	(22,979,694)	-	-	(22,979,694)
Balance on 31st March 2013	**116,053,065**	**15,000,000**	**13,648,153**	**144,701,218**
Accumulated Amortization/ Impairment				
Balance on 1st April 2011	-	-	-	-
Amortized/Disposed during the year	-	-	2,729,631	2,729,631
Balance on 31st March 2012	-	-	2,729,631	2,729,631
Amortized/Disposed during the year	-	156,164	2,742,964	2,899,128
Balance on 31st March 2013	**-**	**156,164**	**5,472,595**	**5,628,759**
Net Book Value				
Balance on 1st April 2011	71,161,144	-	-	71,161,144
Balance on 1st April 2012	139,032,759	-	10,918,522	149,951,281
Balance on 31st March 2013	**116,053,065**	**14,843,836**	**8,175,558**	**139,072,459**

Goodwill

Goodwill represents the excess of an acquisition over the group interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition, and is carried at cost less accumulated impairment losses. The Group goodwill has been allocated to the following cash generating units, for impairment testing.

Name of the Subsidiary	31.03.2013	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.
(1) Shaw Wallace Ceylon Ltd	**49,621,455**	72,355,303	70,830,173
(2) Coco Resorts & Villas (Pvt) Ltd	**-**	245,846	330,971
(3) Richlife Dairies Ltd	**66,431,610**	66,431,610	-
	116,053,065	139,032,759	71,161,144

SLFRS 01 includes an optional exemption from restating business combinations that occurred prior to the date of transition to SLFRS. However, this exemption does not extend to business combinations that occurred after the date of transition to SLFRS but within the comparative period. Accordingly, business combination of Richlife Dairies Ltd in the comparative period has been restated to comply with SLFRS 03.

When testing for impairment for goodwill the recoverable amount of a cash generating unit is determined on the basis of value-in-use calculations. These calculations use cash flow projections based on financial budgets, which are approved by the management typically covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates. The cash flows were discounted at an appropriate pre-tax discount rate. The management is of the view that a provision for impairment of goodwill is not required as at the reporting date.

Trademark

The Group had acquired the "Mr. POP" Trade Mark for a sum of Rs. 15Mn during the period under review. The Management is of the opinion that the Trademark has a useful life of 10 years

7 - INVESTMENT PROPERTY

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
(a) Movement in Investment Property						
Balance at the beginning of the year	**1,075,333,111**	934,015,111	320,279,000	**-**	-	-
Additions during the year	**-**	597,000	327,324,111	**-**	-	-
Transferred to Property,Plant,Equipment	**(478,406,111)**	-	-	**-**	-	-
Change in fair value of Investment Property	**191,080,500**	140,721,000	286,412,000	**-**	-	-
Balance at the end of the year	**788,007,500**	1,075,333,111	934,015,111	**-**	-	-

(b) Details of Investment Property as at 31.03.2013

Name of the Company	Details of the Property	Location	Fair Value as at 31.03.2013	Directors Valuation as at 31.03.2013	Valuer's Valuation Date	Valuer's Valuation Value
Coco Hotels & Properties (Pvt) Ltd	Land & Building	No. 27, 27A, Galleface Tarrace,	**788,007,500**	**788,007,500**	31st December 2012	788,007,500
			788,007,500	**788,007,500**		

(c) Change in fair value of Investment Property during 2012/13.

Coco Hotels & Properties (Pvt) Ltd	191,080,500
	191,080,500

(d) Transfers to Plant & Equitment

Due to the change in the nature of use the Land & Building at No, 210,Sri Dharmma Mawatha,Colombo 09 was classified as Property,Plant & Equipment in 2012/13 .

(e) Rental Income earned & Direct Operating Expenses incurred

Coco Hotels & Properties (Pvt) Ltd

Rent income earned from Investment Property by the Group amounted to Rs, 3,901,000/- during the year (2011/12 - Rs. Nill) and no direct operating Expenses incurred in relation to the Investment Property.

This Property has been valued by valuer Leon M.P. Perera D.I.V, F.I.V (Asst. Govt. Valuer (Retired)) as stated in (b) above based on the Market value of the adjoining properties.

8 - RIGHT TO USE LAND

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
(a) Kandy Plantations Ltd						
Land, Building, Mature and Immature Plantations	**82,500,000**	82,500,000	82,500,000	**-**	-	-
Less : Accumulated Amortization	**(27,500,016)**	(24,750,012)	(22,000,008)	**-**	-	-
Balance as at	**54,999,984**	57,749,988	60,499,992	**-**	-	-
(b) Renuka Agri Foods PLC						
Balance as at 1st April	**2,624,602**	2,693,672	2,762,742	**-**	-	-
Amortization during the year	**(69,070)**	(69,070)	(69,070)	**-**	-	-
Balance as at	**2,555,532**	2,624,602	2,693,672	**-**	-	-
(c) Shaw Wallace Properties Ltd.						
Balance as at 1st April	**239,883,591**	252,300,000	-	**-**	-	-
On Acquisition of Subsidiaries	**-**	-	252,300,000	**-**	-	-
Amortization during the year	**(12,416,409)**	(12,416,409)	-	**-**		
Balance as at	**227,467,182**	239,883,591	252,300,000	**-**	-	-
Total	**285,022,698**	300,258,181	315,493,664	**-**	-	-

(a) KANDY PLANTATIONS LTD

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 assets taken over by Kandy Plantations Ltd.

(b) Renuka Agri Foods PLC

This amount represents the premium paid to the Board of Investment of Sri Lanka for the acquisition of leasehold land in 2006 and it, is being amortized over the period of 50 years with effect from 2006.

(c) Shaw Wallace Properties Ltd.

The acquisition cost of the leasehold rights of the Land situated at No. 42/1, Nuge Road, Peliyagoda is recognized under Right to use Land. This Land is on a ninety nine year lease from the Urban Development Authority. This lease, which was 'assigned, by the previous lessee, to the Company on 12th June 2008, expires on 31st August 2085.

9 - BIOLOGICAL ASSETS

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
(a) Bearer Biological Assets - Coconut Plantations						
Balance as at 1st April	-	-	-	-	-	-
Additions during the year	**85,585**	-	-	-	-	-
Balance as at 31st March	**85,585**	-	-	-	-	-
(b) Consumable Biological Assets - Timber Plantations						
Balance as at 1st April	**28,098,711**	5,633,879	5,011,990	-	-	-
Gain arising from changes in fair value	**1,135,379**	22,023,127	-	-	-	-
Additions during the year	**193,573**	441,705	621,889	-	-	-
Balance as at 31st March	**29,427,663**	28,098,711	5,633,879	-	-	-
	29,513,248	28,098,711	5,633,879	-	-	-

Biological Assets as at 31 March 2013 wholly consists of investments made on immature coconuts plants & teak timber.

Timber Plantation

The total extent of the land is 67 acres. The planted area is 42 acres. Number of Trees are 21,560. Managed trees include commercial Teak timber plantations cultivated on estates. The cost of immature trees is treated as approximate fair value based on the period that would take up to the harvested age. When such plantations become mature, the additional investments made from the time of taking over to bringing them to maturity are transferred from Immature to Mature.

The fair value of managed trees was ascertained since the LKAS 41 is only applicable for managed agricultural activities in terms of the ruling issued by The Institute of Chartered Accountants of Sri Lanka. The valuation was carried by Mr. Korelege Dayananda Tissera, Chartered Valuer, using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber, a random check of girth measured at breast height.

Key assumption used in valuation

1. The harvesting is approved by the Plantation Management Monitoring Division(PMMD) and Forest Department based on the forestry development plan
2. The price adopted are net of expenditure.
3. Discount rate is 12.5%
4. The marginal increase of timber content is ranges from 0.55 to 1.5 cm and diameter girth over 10 cm per year.

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.

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 show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

Group	-10%		+ 10%
As at 31st March 2013	Rs	Rs	Rs
Managed Timber	25,274,030	29,427,663	30,890,481
	25,274,030	29,427,663	30,890,481

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 show that a rise or decrease by 1.5% of the estimated future discount rate has the following effect on the net present value of biological assets:

Group	-1.5%		+ 1.5%
As at 31st March 2013	Rs	Rs	Rs
Managed Timber	29,379,307	29,427,663	27,779,406
	29,379,307	29,427,663	27,779,406

The carrying amount of biological assets pledged as securities for liabilities are nil for year 2012/13 (2011/12-nil). There are no Commitments for the development or acquisition of biological assets.

10 - INVESTMENTS

(a) - INVESTMENTS IN SUBSIDIARIES

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	31.03.2013	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
Cost	**-**	-	-	**102,000,010**	644,175,501	470,000,210
Less : Provision for fall in Value of Investment	**-**	-	-	**-**	-	-
	-	-	-	**102,000,010**	644,175,501	470,000,210

	% Holding			No of Shares					Value				
	31.03.2013	31.03.2012	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011
									Rs.	Rs.	Rs.	Rs.	Rs.
Renuka Developments Ltd	**50%**	100%	100%	**4,997,000**	-	4,997,000	-	4,997,000	**35,000,000**	-	35,000,000	-	35,000,000
Renuka Enterprises (Pvt) Ltd	**97%**	97%	97%	**3,100,000**	-	3,100,000	-	3,100,000	**31,000,000**	-	31,000,000	-	31,000,000
Renuka Agro Exports Ltd	**96%**	96%	96%	**9,600,000**	-	9,600,000	-	9,600,000	**36,000,000**	-	36,000,000	-	36,000,000
Coco Resorts & Villas (Pvt) Ltd	**-**	-	100%	**-**	-	-	(20)	20	**-**	-	-	(200)	200
Coco Hotels & Properties (Pvt) Ltd	**100%**	50%	100%	**10**	-	10	-	10	**10**	-	10	-	10
Shaw Wallace Ceylon Limited	**-**	79.80%	61.78%	**-**	(77,280,834)	77,280,834	74,117,557	3,163,277	**-**	(542,175,491)	542,175,491	174,175,491	368,000,000
									102,000,010	(542,175,491)	644,175,501	174,175,291	470,000,210

(b) - GROUP INVESTMENTS IN SUBSIDIARIES

Investor

Renuka Agro Exports Ltd

Investee

Quoted Investments

	% Holding			No of Shares					Value				
Renuka Shaw Wallace PLC (Formerly Coco Lanka PLC)	**62.97%**	50.60%	50.60%	**56,533,428**	45,603,777	10,929,651	-	10,929,651	**889,257,048**	608,422,205	280,834,843	-	280,834,843

(b) - GROUP INVESTMENTS IN SUBSIDIARIES (Contd.)

	% Holding			No of Shares					Value				
	31.03.2013	31.03.2012	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011
									Rs.	Rs.	Rs.	Rs.	Rs.
Investor													
Renuka Shaw Wallace PLC													
(Formerly Coco Lanka PLC)													
Investee													
Quoted Investments													
Renuka Agri Foods PLC	**50.09%**	50.09%	50.09%	**281,400,000**	80,370,000	201,030,000	-	201,030,000	**521,172,082**	321,600,011	199,572,072	-	199,572,072
Unquoted Investments													
Coco Hotels & Properties (Pvt)Ltd	**-**	50.00%	-	**-**	(10)	10	10	-	**-**	(285,000,000)	285,000,000	285,000,000	-
Renuka Consumer Foods Ltd	**100.00%**	-	-	**4,500,000**	4,500,000	-		-	**450,000,000**	450,000,000	-	-	-
Investor													
Renuka Consumer Foods LTD													
Investee													
Shaw Wallace Ceylon Ltd	**84.14%**	-	-	**81,870,593**	81,870,593	-	-	-	**560,880,278**	560,880,278	-	-	-
Investor													
Renuka Agri Foods PLC													
Investee													
Richlife Dairies Ltd	**100%**	76%	-	**20,290,000**	4,869,600	15,420,400	15,420,400	-	**605,000,000**	100,000,000	505,000,000	505,000,000	-
Renuka Products (Pvt)Ltd	**-**	37.5%	-	-	(150,000)	150,000	150,000	-	**-**	(18,750,000)	18,750,000	18,750,000	-
Renuka Organics (Pvt) Ltd	**100%**	100%	100%	**500,000**	-	500,000	-	500,000	**50,000,000**	-	50,000,000	-	50,000,000
Renuka Teas (Ceylon) Ltd - Voting	**100%**	100%	100%	**1,250,000**	-	1,250,000	-	1,250,000	**46,875,000**	-	46,875,000	-	46,875,000
- Non-Voting	**-**	-	-	**1,250,000**	-	1,250,000	-	1,250,000	**50,000,000**	-	50,000,000	-	50,000,000
Investor													
Renuka Organics (Pvt) Ltd													
Investee													
Kandy Plantations Ltd	**78.57%**	50%	50%	**3,299,995**	1,199,993	2,100,002	-	2,100,002	**40,761,025**	19,656,000	21,105,025	-	21,105,025
Renuka Products (Pvt) Ltd	**-**	-	100%	**-**	-	-	(100,000)	100,000	**-**	-	-	(10,000,000)	10,000,000
Renuka Developments Ltd	**50%**	-	-	**5,000,000**	5,000,000	-	-	-	**450,000,000**	450,000,000	-	-	-

(b) - GROUP INVESTMENTS IN SUBSIDIARIES (Contd.)

	% Holding			No of Shares					Value				
	31.03.2013	31.03.2012	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011
									Rs.	Rs.	Rs.	Rs.	Rs.
Investor													
Kandy Plantations Ltd													
Investee													
Ceylon Forestry (Pvt) Ltd	**60%**	60%	60%	**2,100,000**	-	2,100,000	-	2,100,000	**20,000,000**	-	20,000,000	-	20,000,000
Investor													
Ceylon Forestry (Pvt) Ltd													
Investee													
Ceylon Botanicals (Pvt) Ltd	**100%**	100%	100%	**2,500,000**	-	2,500,000	-	2,500,000	**25,000,000**	-	25,000,000	-	25,000,000
Investor													
Renuka Teas (Ceylon) Ltd													
Investee													
Campbell Teas (Pvt) Ltd	**100%**	100%	100%	**499,998**	-	499,998	-	499,998	**4,999,980**	-	4,999,980	-	4,999,980
Renuka Trading (Pvt) Ltd	**100%**	100%	100%	**20**	-	20	-	20	**110,000,000**	-	110,000,000	-	110,000,000
Investor													
Renuka Enterprises (Pvt) Ltd													
Investee													
Renuka Shipping & Travels (Pvt) Ltd	**100%**	100%	100%	**549,980**	-	549,980	-	549,980	**5,499,800**	-	5,499,800	-	5,499,800
Renuka Investments (Pvt) Ltd	**50%**	50%	50%	**5,000**	-	5,000	-	5,000	**50,000**	-	50,000	-	50,000
Investor													
Renuka Investments (Pvt) Ltd													
Investee													
Renuka Resorts Ltd	**-**	89.60%	89.60%	**-**	(89,600)	89,600	-	89,600	**-**	(1,796,000)	1,796,000	-	1,796,000
Renuka Villas (Pvt) Ltd	**30%**	30%	50%	**7,500**	-	7,500	(5,000)	12,500	**7,500**	-	7,500	(5,000)	12,500

(b) - GROUP INVESTMENTS IN SUBSIDIARIES (Contd.)

	% Holding			No of Shares					Value				
	31.03.2013	31.03.2012	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011
									Rs.	Rs.	Rs.	Rs.	Rs.
Investor													
Shaw Wallace Ceylon Ltd													
Investee													
Shaw Wallace Food Service Ltd	**100%**	100%	100%	**600,000**	-	600,000	-	600,000	**6,990,000**	-	6,990,000	-	6,990,000
Shaw Wallace Properties Ltd	**100%**	100%	100%	**6,000,002**	-	6,000,002	6,000,000	2	**211,218,411**	-	211,218,411	211,218,341	70
Shaw Wallace Services Ltd	**100%**	100%	100%	**10,000**	-	10,000	-	10,000	**1,250,000**	-	1,250,000	-	1,250,000
Shaw Wallace Agencies Ltd	**100%**	100%	100%	**5,000**	-	5,000	-	5,000	**5,115,000**	-	5,115,000	-	5,115,000
Renuka Product (Pvt) Ltd	**100%**	62.50%	-	**150,000**	(100,000)	250,000	-	-	**150,000**	(225,000)	375,000	375,000	-
Bois brothers (Pvt) Ltd	**100%**	100%	-	**1**	-	1	1	-	**100**	-	100	100	-
Investor													
Coco Hotels & Properties (Pvt)Ltd													
Investee													
Coco Resort & Villas (Pvt) Ltd	**-**	100%	-	**-**	(200)	200	200	-	**-**	(200)	200	200	-

10(c) - INVESTMENTS IN JOINT VENTURES

	31.03.2013	31.03.2012	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011
Investor													
Renuka Holdings PLC													
Investee													
Mcshaw Automotive Ltd	**50%**	-	-	**2,750,000**	2,750,000	-	-	-	**59,491,500**	59,491,500	-	-	-
									59,491,500	59,491,500	-	-	-
Investor													
Shaw Wallace Ceylon Ltd													
Investee													
McShaw Automotive Ltd	**-**	50%	-	**-**	(252,500)	252,500	252,500	-	**-**	(2,725,000)	2,725,000	2,725,000	-
									-	(2,725,000)	2,725,000	2,725,000	-
Investor													
McShaw Automotive Ltd													
Investee													
Interocean Lubricants (Pvt) Ltd	**100%**	100%	100%	**500,006**	-	500,006	-	500,006	**5,000,060**	-	5,000,060	-	5,000,060
									5,000,060	-	5,000,060	-	5,000,060

10(c) - INVESTMENTS IN JOINT VENTURES (contd.)

Renuka Holdings PLC has 50% equity shareholding of McShaw Automative Ltd, a Joint Venture incorporated in Sri Lanka with the McLarance Holdings Ltd with effect from 12.10.2012. The acquired 50% holding was previously held by Shawwallace Ceylon Ltd.

The Group interest in the income,expenses, Profit for the year, assets & Liabilities of Joint Venture is given below.

Summarized financial statements of Joint Venture group Share

Group Share Of	31.03.2013	31.03.2012
Revenue	**1,001,353,672**	381,118,596
Expense	**(998,859,618)**	(367,744,738)
Profit before Taxation	**2,494,054**	13,373,858
Group Share Of		
Total Assets	**441,669,406**	590,707,009
Total Liabilities	**398,281,847**	571,781,783
Net Assets	**43,387,559**	18,925,226

10(d) - OTHER INVESTMENTS

	% Holding			No of Shares					Value				
	31.03.2013	31.03.2012	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011
									Rs.	Rs.	Rs.	Rs.	Rs.
Investor													
Renuka Enterprises (Pvt) Ltd													
Investee													
Cresent Launders & Dry Clearners (Pvt) Ltd*	**44.25%**	44.25%	44.25%	**265,500**	-	265,500	-	265,500	**56,882,542**	-	56,882,542	-	56,882,542
									56,882,542	-	56,882,542	-	56,882,542
Investor													
Renuka Investments (Pvt) Ltd													
Investee													
Renuka Consultants & Services Ltd*	**20.71%**	20.71%	20.71%	**12,420**	-	12,420	-	12,420	**96,112,570**	-	96,112,570	-	96,112,570
Renuka Properties Ltd*	**20.64%**	20.64%	20.64%	**12,386**	-	12,386	-	12,386	**46,062,520**	-	46,062,520	-	46,062,520
Lancaster Holdings Ltd*	**20.64%**	20.64%	20.64%	**12,386**	-	12,386	-	12,386	**24,901,310**	-	24,901,310	-	24,901,310
The Cargo Boat Despatch Co. Ltd	**-**	-	-	**-**	-	-	(50,498)	50,498	**-**	-	-	(504,980)	504,980
									167,076,400	-	167,076,400	(504,980)	167,581,380

10(d) - OTHER INVESTMENTS (contd.)

	% Holding			No of Shares					Value				
	31.03.2013	31.03.2012	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011	31.03.2013	Movement	31.03.2012	Movement	01.04.2011
									Rs.	Rs.	Rs.	Rs.	Rs.
Investor													
Renuka Shiping & Travels (Pvt) Ltd													
Investee													
The Cargo Boat Despatch Co. Ltd	**-**	-	-	**-**	-	-	(1)	1	**-**	-	-	(10)	10
Investor													
Renuka Enterprises (Pvt) Ltd													
Investee													
The Cargo Boat Despatch Co. Ltd	**-**	-	-	**1**	-	1	-	1	**10**	-	10	-	10
									10	-	10	(10)	10
									223,958,952	-	223,958,952	(504,990)	224,463,942

* The Group percentage holding in the above companies is more than 20% but less than 50% as at 31st March 2013. However, there is no representation in the Board of Directors of these companies by the Group. In the absence of significant influence in these companies, these investments have not been accounted as investment in Associates.

11 - LONG TERM RECEIVABLE

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
Shaw Wallace & Hedges PLC	**-**	28,538,000	28,538,000	**-**	-	-
	-	28,538,000	28,538,000	**-**	-	-

12 - INVENTORIES

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
Raw Materials & Consumables	**79,273,121**	118,430,011	28,543,278	**-**	-	-
Finished Goods	**364,292,601**	527,534,938	333,403,452	**-**	-	-
Packing Material & Chemicals	**123,170,537**	80,519,382	73,840,248	**-**	-	-
Machinery Spare Parts	**41,760,852**	11,802,714	5,055,184	**-**	-	-
Goods in Transit	**88,909,726**	339,633,913	10,768,946	**-**	-	-
Work in Progress	**40,214,081**	40,141,497	158,426,068	**-**	-	-
Harvested Crop	**10,630,977**	5,801,151	8,294,060	**-**	-	-
Lubricants, Tyre Tube & Lockhead	**85,619,604**	126,179,105	-	**-**	-	-
Less: Provision for Stock Loss	**(26,480,515)**	(1,892,937)	(3,321,946)	**-**	-	-
	807,390,983	1,248,149,774	615,009,290	**-**	-	-

13 - SHORT TERM FINANCIAL ASSETS

Investment In Shares

(a) Renuka Holdings PLC

	No. of Shares			Carrying Value of Shares			
	As at 01.04.2011	As at 31.03.2012	As at 31.03.2013	As at 01.04.2011	As at 31.03.2012	As at 31.03.2013	Sale Proceeds from Disposal
				Rs.	Rs.	**Rs.**	Rs.
Quoted Shares							
DFCC	1,001,600	1,001,600	-	172,074,880	112,780,160	-	119,455,824
Vanik Incorporation PLC	50	50	-	40	40	-	-
Total				172,074,920	112,780,200	-	119,455,824

(b) Renuka Shaw Wallace PLC
(Formerly Coco Lanka PLC)

	No. of Shares			Carrying Value of Shares			
	As at 01.04.2011	As at 31.03.2012	As at 31.03.2013	As at 01.04.2011	As at 31.03.2012	As at 31.03.2013	Sale Proceeds from Disposal
Ceylon Tobacco PLC	150,000	150,000	-	53,700,000	77,265,000	-	115,349,422
Distilleries Company PLC	250,000	225,000	-	45,000,000	32,265,000	-	24,534,181
DFCC Bank PLC	92,600	92,600	-	15,908,680	45,922,950	-	12,679,110
Hatton National Bank	200,100	300,150	-	76,038,000	10,786,760	-	46,841,310
Sampath Bank	50,000	51,152	-	14,415,000	9,197,130	-	10,346,646
Lanka Ceramic PLC	10,000	9,000	-	1,464,000	640,800	-	560,587
John keels Holdings PLC	5,000	-	-	2,007,500	-	-	-
Royal Ceramic PLC	5,000	-	-	1,570,000	-	-	-
National Development Bank (Purchased & disposed during the year - Cost Rs. 2,119,315/-)				-	-	-	2,773,635
Total				210,103,180	176,077,640	-	213,084,891
Grand total				382,178,100	288,857,840	-	332,540,715

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.

14 - TRADE AND OTHER RECEIVABLES

14.1 Summary

	31.03.2013	31.03.2012	01.04.2011	31.03.2013	31.03.2012	01.04.2011
Trade Debtors	**923,912,402**	958,923,330	512,663,231	**-**	-	-
Less : Provision for Impairment (14.2)	**(60,119,832)**	(48,749,375)	(28,334,221)	**-**	-	-
	863,792,570	910,173,955	484,329,010	**-**	-	-
Refundable Deposits	**105,128,550**	95,409,999	37,857,839	**-**	-	-
Other Debtors	**24,500,407**	47,119,067	157,083,407	**-**	-	-
	129,628,957	142,529,066	194,941,246	**-**	-	-
	993,421,527	1,052,703,021	679,270,256	**-**	-	-

14.2 Provision for Impairment

	31.03.2013	31.03.2012	01.04.2011	31.03.2013	31.03.2012	01.04.2011
Balance at the beginning of the year	**48,749,375**	28,334,221	28,334,221	**-**	-	-
Provision made during the year	**11,370,457**	20,415,154	-	**-**	-	-
Balance at the end of the year	**60,119,832**	48,749,375	28,334,221	**-**	-	-

15 - OTHER CURRENT ASSETS

	31.03.2013	31.03.2012	01.04.2011	31.03.2013	31.03.2012	01.04.2011
Advances & Prepayments	**6,906,349**	4,632,040	2,274,982	**-**	-	-
Other Current Assets	**71,731,090**	75,190,107	53,446,348	**-**	95,587	74,638
	78,637,439	79,822,147	55,721,330	**-**	95,587	74,638

16 - AMOUNT DUE FROM RELATED COMPANIES

	31.03.2013	31.03.2012	01.04.2011	31.03.2013	31.03.2012	01.04.2011
Renuka Agro Export (Pvt) Ltd	**-**	-	-	**445,429,860**	-	27,462,397
Coco Hotels & Properties (Pvt) Ltd	**-**	-	-	**307,940,200**	-	-
Mcshaw Automotive Ltd	**-**	-	-	**45,363,835**	-	-
Shaw Wallace Properties Ltd	**-**	-	-	**452,765**	-	-
Renuka Developments Ltd	**-**	-	-	**-**	32,707,593	372,307,593
McLarens Holdings Ltd	**762,500**	54,837,721	-	**-**	-	-
Renuka Shipping Ltd	**-**	-	-	**-**	-	41,925,000
Shaw Wallace Ceylon Ltd	**-**	-	-	**-**	420,199,000	190,000,000
Motors	**35,146,594**	-	-	**-**	-	-
	35,909,094	54,837,721	-	**799,186,660**	452,906,593	631,694,990

17 - SHORT TERM INVESTMENTS IN DEPOSITS

	31.03.2013	31.03.2012	01.04.2011	31.03.2013	31.03.2012	01.04.2011
Short Term Deposits	**527,198**	203,236	106,434,092	**-**	-	-
Call Deposits	**36,486,399**	23,167,601	12,269,983	**613,187**	1,943,330	2,299,153
Repo	**-**	-	3,500,000	**-**	-	-
	37,013,597	23,370,838	122,204,075	**613,187**	1,943,330	2,299,153

18 - CASH AND CASH EQUIVALENTS

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
18.1 Favorable Cash and Cash Equivalents Balances						
Cash & Bank Balances	**121,020,714**	93,390,884	88,738,920	**1,741,596**	169,427	853,736
	121,020,714	93,390,884	88,738,920	**1,741,596**	169,427	853,736
18.2 Unfavorable Cash and Cash Equivalents Balances						
Bank Overdrafts	**(212,744,145)**	(154,176,998)	(63,834,969)	**-**	(43,953)	-
	(212,744,145)	(154,176,998)	(63,834,969)	**-**	(43,953)	-
Total Cash and Cash Equivalents for the purpose of Cash Flow Statements	**(91,723,431)**	(60,786,114)	24,903,951	**1,741,596**	125,474	853,736

19 - STATED CAPITAL

		Group/Company		
		31.03.2013	31.03.2012	01.04.2011
		Rs.	Rs.	Rs.
Number of Ordinary Shares Issued and Fully Paid				
Balance at the beginning of the year		**50,945,728**	50,000,000	50,000,000
Issue of Shares (Scrip Dividend)	- Voting Shares	**-**	767,313	-
	- Non Voting Shares	**-**	178,415	-
Balance at the end of the year		**50,945,728**	50,945,728	50,000,000
Stated Capital				
Balance at the beginning of the year		**175,000,000**	125,000,000	125,000,000
Issue of Shares (Scrip Dividend)	- Voting Shares	**-**	43,750,000	-
	- Non Voting Shares	**-**	6,250,000	-
Balance at the end of the year		**175,000,000**	175,000,000	125,000,000

20 - DEFERRED TAXATION

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
The gross movement in Deferred tax account						
Balance at the beginning of the year	**40,974,792**	10,730,858	26,916,169	**-**	-	-
Impact on transition to SLFRS	**-**	(2,029,222)	(6,044,757)	**-**	-	-
Acquisition of Subsidiaries	**-**	37,758,362	(8,313,371)	**-**	-	-
Transfer from / (to) Income Statement	**(25,239,464)**	(5,485,206)	(1,827,183)	**-**	-	-
Balance at the end of the year	**15,735,328**	40,974,792	10,730,858	**-**	-	-

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to off-set current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred tax liabilities	**43,574,815**	63,890,043	26,420,364	**-**	-	-
Deferred tax assets	**(27,839,487)**	(22,915,251)	(15,689,506)	**-**	-	-
	15,735,328	40,974,792	10,730,858	**-**	-	-

21 - INTEREST BEARING BORROWINGS & LEASE INSTALMENTS

21(a) - INTEREST BEARING BORROWINGS AND LEASE INSTALMENTS DUE AFTER ONE YEAR

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
Long Term Loan (21[c])	**189,038,501**	178,679,187	13,100,651	**-**	-	-
Lease Instalments Payable (to the Owner of the Estate / Lesser) (21[d])	**62,500,000**	65,000,000	67,000,000	**-**	-	-
Finance Lease Obligation (Motor Vehicles) (21[e])	**2,622,189**	3,516,706	521,161	**-**	-	-
Total Non-Current Portion of Interest Bearing Borrowings & Lease Instalments	**254,160,690**	247,195,893	80,621,812	**-**	-	-

21(b) - INTEREST BEARING BORROWINGS AND LEASE INSTALMENTS DUE WITHIN ONE YEAR

	Group			Company		
Long Term Loan (21[c])	**388,838,236**	383,529,678	3,208,356	**-**	-	-
Lease Instalments Payable (to the Owner of the Estate / Lesser) 21[d])	**2,500,000**	2,000,000	2,000,000	**-**	-	-
Finance Lease Obligation (Motor Vehicles (21[e])	**1,068,992**	1,483,641	1,587,384	**-**	-	-
Project Loan (21[f])	**40,750,000**	402,841,080	168,635,000	**-**	-	-
Other Loans	**44,918,314**	40,525,493	19,125,791	**-**	-	-
Total Current Portion of Interest Bearing Borrowings & Lease instalments	**478,075,542**	830,379,892	194,556,531	**-**	-	-

21(c) - LONG TERM BORROWINGS

	Group			Company		
Balance as at 1st April	**562,208,865**	16,309,007	20,628,770	**-**	-	-
Acquisition of Subsidiaries	**-**	112,100,741	-	**-**	-	-
Loans Obtained During the year	**1,007,070,169**	451,382,355	-	**-**	-	-
Payments made during the year	**(991,402,297)**	(17,583,238)	(4,319,763)	**-**	-	-
Balance as at 31st March	**577,876,737**	562,208,865	16,309,007	**-**	-	-
Payments due within one year	**388,838,236**	383,529,678	3,208,356	**-**	-	-
Payments due after one year	**189,038,501**	178,679,187	13,100,651	**-**	-	-

21(d) - LIABILITIES TO MAKE LEASE PAYMENTS (TO THE OWNER OF THE ESTATE / LESSOR)

	Group			Company		
Total Lease instalments payable under the	**82,500,000**	82,500,000	-	**-**	-	-
lease for 30 years commencing 01.04.2003	**-**	-	82,500,000	**-**	-	-
Amount paid up to the year end	**(17,500,000)**	(15,500,000)	(13,500,000)	**-**	-	-
Balance payable on lease as at 31st March	**65,000,000**	67,000,000	69,000,000	**-**	-	-
Lease Instalments payable in the ensuing year	**(2,500,000)**	(2,000,000)	(2,000,000)	**-**	-	-
Lease instalments payable after one year	**62,500,000**	65,000,000	67,000,000	**-**	-	-

21(e) - LEASE OBLIGATION (MOTOR VEHICLES (Refer Next Page)

21(f) - PROJECT LOAN DUE WITHIN ONE YEAR

	Group			Company		
Balance as at 1st April	**402,841,080**	168,635,000	684,616	**-**	-	-
Acquisition of Subsidiaries	**-**	-	168,635,000	**-**	-	-
Loans obtained during the year	**40,750,000**	402,841,080	-	**-**	-	-
Payments made during the year	**(402,841,080)**	(168,635,000)	(684,616)	**-**	-	-
Balance as at 31st March	**40,750,000**	402,841,080	168,635,000	**-**	-	-

21(e) - LEASE OBLIGATION (MOTOR VEHICLES)

	Consolidated Total Rs
Lease Liability	
Balance on 01.04.2011	2,260,996
Acquisition of Subsidiaries	814,140
Lease Obtained during the year	5,564,786
Instalments Paid during the year	(2,391,881)
Balance on 31.03.2012	6,248,041
Acquisition of Subsidiaries	-
Lease Obtained during the year	-
Instalments Paid during the year	(1,796,589)
Balance on 31.03.2013	4,451,452
Interest in Suspense	
Balance on 01.04.2011	152,450
Acquisition of Subsidiaries	126,191
Lease Obtained during the year	1,364,785
Charged to Income Statement	(395,732)
Balance on 31.03.2012	1,247,694
Lease Obtained during the year	-
Charged to Income Statement	(487,423)
Balance on 31.03.2013	760,271
Net Balance	3,691,181
Instalments payable within one year	1,068,992
Instalments payable after one year	2,622,189
Net Balance	3,691,181

21(g) - DETAILS OF LONG TERM BORROWINGS

Lender	Interest Rate	Facility Obtained	Balance as at 31st March 2013	Repayment Terms	Security
DFCC Bank	AWPR + 6.5% p.a	Boiler Loan	9,830,876	To be paid in 72 instalments with a grace period of 24 Months commencing from July 2008 monthly instalment being Rs. 267,363/-	Primary Mortgage over leasehold rights of an allotted plot of land depicted on lot no 28, Yatadawala
	AWPR +3% p.a	Term Loan	35,000,000	To be paid in 48 monthly instalments each at of Rs.729,167/-	Corporate guarantee
	AWPR +2% p.a	Import Loan Facility	782,438	3 months	Corporate guarantee
National Development Bank PLC	1 year LIBOR + 3.75 p.a	Medium term loan	124,191,524	24 equal monthly instalments of USD 40,625 each	(a) Primary mortgage over stock and book debt for USD. 740,000 (b) Agreement to mortgage over stocks and book debts for USD 1,180,000/-
		Packing Credit Loan	97,240,456	Repayable on demand	(c) Corporate guarantee from Renuka Agro Exports Ltd. for USD 940,000/-
	3 months LIBOR + 4% p.a	Letters of credits		120 Days (maximum)	(c) Corporate guarantee from Renuka Agro Exports Limited for USD 940,000/-
HSBC Limited	1 or 3 months LIBOR+ 3.5% p.a	Packing credit loan	25,822,783	Repayable on demand	Corporate Guarantee of USD 1,000,000/- from Renuka Shaw Wallace PLC and LKR 25,000,000/- from Richlife Daries Ltd.
	1 or 3 months LIBOR+ 3.5% p.a		-	Repayable on demand	Letter of set off/ Memo of deposit dated 26 February 2010
Bank of Ceylon	6.5% p.a	Long term Loan	9,508,403	Repayable over 96 equal monthly instalments	Property held at, Pirivena Road, Moligoda, Wadduwa for Rs. 426 Mn
	14% p.a	Long term Loan	-	To be Paid in 66 equal monthly instalments	
	16.5% p.a	Import Loan	7,604,000	3 Months	
Hatton National Bank	14.24%	Loan	40,750,000	Maximum roll over tenor 01 month and each loan to be settled in 90 Days.	

22 - RETIREMENT BENEFIT OBLIGATION

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
Movement in the Present Value of the Defined Benefit Obligation						
(a) Provision for Retiring Gratuity						
Balance at the beginning of the year	**66,406,410**	44,451,530	12,500,395	**-**	-	-
Acquisition of Subsidiaries	**-**	6,877,837	29,589,181	**-**	-	-
Provision made during the year	**10,012,042**	19,511,089	3,847,461	**-**	-	-
Benefit Paid	**(26,392,238)**	(4,434,046)	(1,485,507)	**-**	-	-
Balance at the end of the year	**50,026,214**	66,406,410	44,451,530	**-**	-	-
(b) Pension Fund						
Balance at the beginning of the year	**1,169,027**	2,130,000	-	**-**	-	-
Acquisation of Subsidiary	**-**	-	2,130,000	**-**	-	-
Paid during the year	**(835,361)**	(960,973)	-	**-**	-	-
Balance at the end of the year	**333,666**	1,169,027	2,130,000	**-**	-	-
	50,359,880	67,575,437	46,581,530	**-**	-	-

Pension fund represents the amount payable to 37 employees who joined Shaw Wallace & Hedges PLC prior to 20th April 1969.All these employees eligible for a pension under this scheme have retired from Service.

22.1 - NET BENEFIT EXPENSES CATEGORIZED UNDER PERSONAL EXPENSES

Provision made during the year						
Current Service Cost	**7,097,470**	5,919,775	2,890,902	**-**	-	-
Interest Cost	**6,848,541**	5,655,896	1,160,619	**-**	-	-
Actuarial (gain) / loss	**(3,933,969)**	7,935,418	(204,060)	**-**	-	-
	10,012,042	19,511,089	3,847,461	**-**	-	-

22.2 This obligation is not externally funded.

22.3 Gratuity liability is based on the actuarial valuation carried out by Messrs. Actuarial and Management Consultants (Private) Limited, Actuaries, on 31 March 2013. The principal assumptions used in the actuarial valuation are as follows:

	31.03.2013	31.03.2012
Discount rate	**11%**	11%
Retirement Age	**55 years**	55 years
Future salary increase	**10%**	10%

22.4 In addition to the above, demographic assumptions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A67/07 mortality table" issued by the Institute of Actuaries, London was used to estimate the gratuity liability of the Group.

23 - TRADE & OTHER PAYABLES

	Group			Company		
	31.03.2013	31.03.2012	01.04.2011	**31.03.2013**	31.03.2012	01.04.2011
	Rs.	Rs.	Rs.	**Rs.**	Rs.	Rs.
Trade Creditors	**465,867,980**	817,629,228	381,146,604	**-**	-	-
Payable to Tetra Pak South East Asia (Pvt Ltd (Note 23(a))	**-**	15,354,785	-	**-**	-	-
Accrued Expenses & Other Payables	**101,225,488**	152,072,599	77,823,716	**1,132,086**	611,291	310,500
	567,093,468	985,056,612	458,970,320	**1,132,086**	611,291	310,500

23 (a) - PAYABLE TO TETRA PAK SOUTH EAST ASIA (PVT) LTD

Gross Payable	**-**	61,419,140	-	**-**	-	-
Less: Defferred Income	**-**	(46,064,355)	-	**-**	-	-
Net Payable to Tetra Pak South East Asia (Pvt) Ltd	**-**	15,354,785	-	**-**	-	-

24 - OTHER CURRENT LIABILITIES

Other Payables	**207,175,374**	146,940,032	28,842,835	**48,552**	13,164	-
Other Statutory Obligations	**7,276,460**	2,789,297	1,946,007	**-**	-	-
	214,451,834	149,729,329	30,788,842	**48,552**	13,164	-

25 - AMOUNTS DUE TO RELATED COMPANIES

Renuka Group Ltd	**1,350,000**	384,439,880	460,603,577	**-**	384,439,880	460,567,837
Renuka Enterprises (Pvt) Ltd	**-**	-	-	**34,894,980**	41,009,980	33,000,000
Renuka Agri Foods PLC	**-**	-	-	**-**	211,140	2,500,000
Coco Hotels & Properties (Pvt) Ltd	**-**	-	-	**-**	159,159,800	150,000,000
Interocean Services Limited,	**-**	84,419,065	-	**-**	-	-
Renuka Development Ltd	**-**	-	-	**357,000,000**	-	-
McLarens Holdings Ltd	**930,932**	2,344,128	-	**-**	-	-
Renuka Agro Export (Pvt) Ltd.	**-**	-	-	**-**	60,870,140	-
	2,280,932	471,203,073	460,603,577	**391,894,980**	645,690,940	646,067,837

26 - INCOME TAX PAYABLE / (REFUND DUE)

Balance at the beginning of the year	**2,578,897**	34,052,090	4,128,033	**2,997**	95,608	(82,171)
Acquisition of Subsidiaries	**-**	(3,480,554)	27,028,391	**-**	-	-
Income Tax provision made for the year	**26,541,987**	29,895,637	10,183,187	**651,949**	31,032	403,054
Payments made during the year	**(34,925,244)**	(57,787,986)	(6,949,572)	**(152,955)**	(112,699)	(113,143)
WHT	**(386,854)**	(93,600)	(280,114)	**(258,976)**	(10,944)	(112,132)
Notional Tax	**(8,597)**	(6,690)	(57,835)	**-**	-	-
Balance at the end of the year	**(6,199,811)**	2,578,897	34,052,090	**243,015**	2,997	95,608

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
27 - REVENUE				
Agri Business Sector				
Exports	**1,830,851,455**	2,155,042,690	**-**	-
Local	**211,917,179**	102,171,882	**-**	-
Dairy	**831,526,009**	113,398,094	**-**	-
FMCG	**2,260,901,110**	2,563,891,864	**-**	-
Automative	**1,001,353,672**	381,118,596	**-**	-
Investment Services & Others 27(a)	**384,534,309**	84,458,569	**694,297,762**	31,763,040
	6,521,083,734	5,400,081,695	**694,297,762**	31,763,040

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
27(a) - Investment Services & Others				
Rent Income - Investment Property	**3,901,000**	1,500,000	**-**	-
- Others	**3,276,000**	6,409,939	**-**	-
Local Services	**39,504,931**	41,157,148	**-**	-
Dividend Income	**5,311,663**	26,541,475	**33,876,100**	31,763,040
Sales proceeds from sale of Investments	**332,540,715**	8,850,007	**660,421,662**	-
	384,534,309	84,458,569	**694,297,762**	31,763,040

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
28 - OTHER OPERATING INCOME				
Other Income	**12,315,092**	3,462,989	**-**	-
Insurance Claim	**219,814**	201,440	**-**	-
Profit on Disposal of Property, Plant & Equipment	**4,937,423**	595,680	**-**	-
Sundry Sales	**8,023,802**	17,625,486	**-**	-
Creditors Written Back	**54,335**	-	**-**	-
Rebate on Purchase	**46,064,355**	-	**-**	-
Change in fair value of Investment Properties	**191,080,500**	140,721,000	**-**	-
Gains on fair value change in Biological Assets	**1,135,379**	22,023,127	**-**	-
	263,830,700	184,629,722	**-**	-

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
29 - FINANCE INCOME				
Interest Income on				
- Call Deposits	**3,032,234**	2,561,811	**863,734**	109,435
- Foreign Currency Account	**278,011**	1,261,596	**-**	-
- Fixed Deposits	**21,249,336**	853,656	**1,726,028**	-
- Repo	**4,155,251**	66,912	**-**	-
- Loan	**994,521**	-	**994,521**	-
	29,709,353	4,743,975	**3,584,283**	109,435

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
30 - FINANCE COST				
Interest on Loans & Bank Overdraft	**146,650,432**	58,852,195	**310,869**	-
Lease Interest	**487,423**	395,732	**-**	-
Others	**509,412**	-	**-**	-
Factoring Discount	**-**	179,090	**-**	-
Provision for Impairment - Trade Receivables	**11,370,457**	20,415,154	**-**	-
Short Term Financial Assets written off	**40**	-	**40**	-
	159,017,764	79,842,171	**310,909**	-

	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
31 - OTHER FINANCIAL ITEMS				
Exchange Gain or (Loss)	**2,193,107**	(49,368,225)	**-**	-
	2,193,107	(49,368,225)	**-**	-

	Group		Company	
	2013	2012	**2013**	2012
	Rs.	Rs.	**Rs.**	Rs.
32 - PROFIT / (LOSS) BEFORE TAXATION				
is stated after charging all expenses including the following :				
Directors Remuneration and fees	**7,692,000**	495,000	**125,000**	195,000
Auditors Remuneration - Note 32(a)	**3,307,250**	2,544,513	**190,000**	145,000
Depreciation on Property, Plant & Equipment	**106,230,249**	67,301,852	**-**	-
Donation	**143,922**	113,200	**-**	-
Staff Cost	**-**	-	**-**	-
Defined Benefit Plan	**10,012,042**	19,511,089	**-**	-
Other Staff Cost (Including EPF & ETF)	**476,314,739**	413,218,840	**-**	-
Amotization of Intangible assets	**2,742,964**	2,729,631	**-**	-
Amortisation of Right to use Land	**15,235,483**	15,235,483	**-**	-
Loss on Disposal of Property, Plant & Equipment.	**-**	2,400,581	**-**	-
Loss on Disposal of Shares in Subsidiaries	**-**	-	**1,209,653**	-
Assets written off	**114,999,959**	-	**-**	-
Provision for Obsolete Stock	**24,587,578**	-	**-**	-

32(a) - AUDITOR'S REMUNERATION				
Fees payable to Kreston MNS & Co.				
for the audit of annual accounts of Renuka Holdings PLC	**190,000**	145,000	**190,000**	145,000
Fees payable to Kreston MNS & Co.				
for the audit of subsidiaries of Renuka Holdings PLC	**465,000**	491,467	**-**	-
Fees payable to Other auditors				
for the audit of subsidiaries & Joint Venture of Renuka Holdings PLC	**2,652,250**	1,908,046	**-**	-
	3,307,250	2,544,513	**190,000**	145,000

33 - TAXATION				
Current year Income Tax	**26,541,987**	29,895,637	**651,949**	31,032
Tax effect on Group Dividend	**10,666,578**	3,460,809	**-**	-
Transferred to / (from) Deferred Taxation	**(25,239,464)**	(5,485,206)	**-**	-
	11,969,101	27,871,240	**651,949**	31,032

33.1 - RECONCILIATION BETWEEN TAXABLE PROFIT AND THE ACCOUNTING PROFIT				
Profit/(Loss) before Taxation	**286,537,839**	559,971,534	**40,319,986**	(29,784,377)
Aggregate Disallowed Items	**361,134,139**	434,859,802	**3,584,282**	29,893,812
Aggregate Allowed Expenses	**(98,004,003)**	(126,249,620)	**(39,342,111)**	-
Tax Exempt Income	**(455,367,942)**	(515,923,942)	**(977,915)**	-
Losses of Tax Liable Companies	**3,356,053**	7,113,169	**-**	-
	97,656,086	359,770,943	**3,584,242**	109,435
Tax loss set-off	**(2,904,510)**	(5,126,725)	**(1,254,499)**	-
Taxable Income	**94,751,576**	354,644,218	**2,329,743**	109,435
Income Tax @ 28%	**10,968,754**	14,141,566	**652,339**	30,642
Income Tax @ 12%	**13,464,830**	14,707,376	**-**	-
Income Tax @ 10%	**1,073,655**	949,800	**-**	-
(Over) / under provision in the previous year	**1,034,748**	96,895	**(390)**	390
Income Tax on current year profits	**26,541,987**	29,895,637	**651,949**	31,032
Deferred Tax	**(25,239,464)**	(5,485,206)	**-**	-
Tax effect on Group Dividend	**10,666,578**	3,460,809	**-**	-
	11,969,101	27,871,240	**651,949**	31,032

34 - EARNINGS PER SHARE

34.1 Basic Earnings per Share is calculated by dividing the Profit / (Loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary Shares outstanding during the year.

34.2 The following reflect the Income and Share data used in the basic Earnings per Share computation.

	Group		Company	
	2013	2012	**2013**	2012
	Rs.	Rs.	**Rs.**	Rs.
Amount used as the Numerator				
Profit / (Loss) Attributable to equity holders of the Company for basic Earnings per share	**191,480,779**	258,968,589	**39,668,037**	(29,815,409)
Number of Ordinary Shares used as Denominator				
Weighted Average number of Ordinary Shares in issue applicable to basic Earnings per Share	**50,945,728**	50,473,058	**50,945,728**	50,473,058
	Rs.	**Rs.**	**Rs.**	**Rs.**
Earnings per Share	**3.76**	5.13	**0.78**	(0.59)

35 - DIVIDEND PER SHARE

1. The final dividend of Rs. 0.70 per share for the financial year ended 31st March 2012 was paid on 28th September 2012.
2. The Directors recommended Rs. 0.70 per share as the final dividend for the year ended 31st March 2013.

36 - ADJUSTMENTS DUE TO CHANGES IN SUBSIDIARIES

(a) ADJUSTMENTS DUE TO CHANGES IN SHAREHOLDING OF SUBSIDIARIES

Net Asset change due to shares issued to Renuka Organic (Pvt)Ltd in Renuka Development Ltd	477,227
The effective reduction of the holding precentage of group in Renuka Development Ltd due to this share issue was 34.86%	
Net Assets Change due to Acquisition of shares of Mcshaw Automative Ltd by Renuka Holdings PLC from Shaw Wallace Ceylon Ltd	5,075,563
Gain from Net Assets change on reduction of share capital of Coco Hotel & properties Ltd.The effective increase in the holding precentage of the group in Coco Hotel & Properties (Pvt) Ltd due to this capital Reduction was 34.86%	73,540,213
Net Assets change on reduction of share capital of Renuka Product (Pvt) Ltd. The effective reduction in the holding precentage of the group in Renuka Product (Pvt) Ltd due to this capital Reduction was 8.26%	(13,595,979)
Gain from acquisition of Kandy Plantation Ltd shares by Renuka Organic (Pvt) Ltd. The effective increase in the holding precentage of group in Kandy Plantation Ltd due to this Acquisition was 11.62%	
Net Assets Change	8,628,241
Investment Made	(5,951,837)
	2,676,404
Net Assets change from acquisition of shares of Renuka Shaw Wallace PLC by Renuka Agro Export Ltd through the Right Issue.The effective increase in the holding precentage of group in Renuka Shaw Wallace PLC was 12.57%.	339,171,594
Loss on disposal of Renuka Shaw Wallace PLC shares by Renuka Agro Export Ltd. The effective reduction in the holding precentage due to this disposal was 0.69%	
Sales Proceed from disposal	11,846,616
Net Assets disposed	(28,760,108)
	(16,913,492)
Net Assets Change due to Disposal of Shaw Wallace Ceylon Ltd Shares by Renuka Holdings PLC to Renuka Consumer Foods Ltd. The effective reduction in the holding presentage of group in Shaw Wallace Ceylon Ltd was 18.86%	
Net Asset change	(335,255,393)
Goodwill Written off	(22,733,848)
	(357,989,240)
Gain from acquisition of further shares of Shaw Wallace Ceylon Ltd by Renuka Consumer Food Ltd.The effective increase in the holding precentage of group due to this acquisition was 2.02%	
Net Assets acquired	16,430,823
Investment Made	(9,674,435)
	6,756,388
Loss from acquisition of shares of Richlife Dairies Ltd by Renuka Agri Food PLC.The effective increase in the holding precentage of group in Richlife Dairies Ltd due to this Acquisition was 11.79%	
Net Assets acquired	18,067,977
Investment Made	(30,280,000)
	(12,212,023)
Total Shown under Statement of Changes in Equity	26,986,655

36 - ADJUSTMENTS DUE TO CHANGES IN SUBSIDIARIES (Contd.)

(b) The Effect of Changes in Cash Flow

	Total Consideration Paid / (Received) Rs	Share of Renuka Holdings PLC Rs
1) Acquisition of Richlife Dairies Ltd by Renuka Agri Food PLC.	100,000,000	30,280,000
2) Acquisition of Shaw Wallace Ceylon Ltd by Renuka Consumer Foods Ltd	19,914,440	9,674,435
3) Acquisition of Kandy Plantation Ltd by Renuka Organics (Pvt) Ltd	19,656,000	5,951,837
4) Disposal of Renuka Shaw Wallace PLC shares by Renuka Agro Export Ltd	(12,340,225)	(11,846,616)
	127,230,215	45,906,272

(c) Profit on Disposal of Subsidairies

	Renuka Resorts (Pvt)Ltd	Coco Resorts & Villas Ltd	Total
Assets			
Property,Plant & Equipment	500,000	-	500,000
Trade & Other Receivable	266,500	-	266,500
Cash & Cash Equivalents	6,191	26,291	32,482
	772,691	26,291	798,982
Liablities			
Trade & Other Payables	3,000	50,270	53,270
	3,000	50,270	53,270
Net Identifiable Assets	769,691	(23,979)	745,712
Less: Non Controlling Interest	(432,154)	6,167	(425,987)
Net Identifiable Assets Disposed	337,537	(17,812)	319,725
Goodwill Written off	-	245,846	245,846
Consideration Received for disposal	995,000	200	995,200
Profit/(Loss) on Disposal of Subsidiaries	657,463	(227,834)	429,629

The effect of disposal on Cash flow

Consideration settled in cash	995,000	200	995,200
Less : Cash and Cash Equivalents of Subsidiaries disposed	(6,191)	(26,291)	(32,482)
Net Cashflow on Disposal	988,809	(26,091)	962,718

37 - EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

38 - LITIGATIONS AGAINST THE GROUP

(a) Renuka Shaw Wallace PLC

During the year 2001 a case was filed by Renuka Hotels Ltd against seven respondents including the Company and its subsidiary Renuka Agri Foods PLC (Case No. HC (civil) 4/2001 (2) in the Colombo Commercial High Courts with regard to the investment made by the Company in the above mentioned subsidiary. This action was dismissed with cost to the defendants.

They have appealed the verdict and the legal consultants are of the view that there is a strong likelyhood of the outcome of this case being in favour of Renuka Shaw Wallace PLC even in the appeal too.

(b) Kandy Plantations Ltd.

Land Reform Commission has filed a case in the District court of Attanagalla against the Trustees where the Company is a respondent.

(c) Renuka Agri Foods PLC

The Company is a Respondent in case No. H.C.(Civil) 4/2001 (2) mentioned in Note 38 (a) above

39 - CAPITAL COMMITMENTS

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

40 - CONTINGENT LIABILITIES

There are no contingent liabilities which would require adjustments to or disclosure in the Financial Statement.

41 - DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of the Financial Statements of the Company in accordance with the Sri Lanka Accounting Standards and also for the Provision of information as required by the Companies Act No. 07 of 2007. The Directors are accordingly satisfied that the Financial Statements presented herein give a true and fair view of the state of affairs of the Company as at 31st March 2013 and the Profit for the year then ended.

42 - RELATED PARTY TRANSACTIONS

42.1 Transactions with Key Managerial Persons

42.1.1 Key Managerial Persons include members of the Board of Directors of the Company and its Subsidiaries.

42.1.2 Transactions with Key Managerial Persons are given below :

42 - RELATED PARTY TRANSACTIONS (contd.)

42.1.3 Transactions with Key Managerial Persons

	31.03.2013 Rs.	31.03.2012 Rs.	
Remuneration to Key Managerial Persons – Group	**33,455,000**	16,683,125	
Rent	**3,600,000**	3,600,000	

42.1.4 Transactions with Relared Entities

(a) Amount due from / due to Related entities

Group

	31.03.2013 Rs.	31.03.2012 Rs.	
Long Term Receivable			
Shaw Wallace Hedges PLC	-	28,538,000	
Amount Due From Related Companies			
Motors	**35,146,594**	-	Affiliate
McLarens Holdings Ltd	**762,500**	54,837,721	Joint Venture Partner
	35,909,094	54,837,721	
Amount Due to Related Companies			
Renuka Group Ltd	**1,350,000**	384,439,880	Parent Company
Interocean Services Ltd	-	84,419,065	Affiliate
McLarens Holdings Ltd	**930,932**	2,344,128	Joint Venture Partner
	2,280,932	471,203,073	

Company

	31.03.2013 Rs.	31.03.2012 Rs.	
Amount Due From Related Companies			
Renuka Development Ltd	-	32,707,593	Subsidiary
Shaw Wallace Ceylon Ltd	-	420,199,000	Subsidiary
Renuka Agro Exports Ltd	**445,429,860**	-	Subsidiary
McShaw Automotive Ltd	**45,363,835**	-	Joint Venture
Shaw Wallace Properties Ltd	**452,765**	-	Subsidiary
Coco Hotels & Properties (Pvt) Ltd	**307,940,200**	-	Subsidiary
	799,186,660	452,906,593	
Amount Due to Related Companies			
Renuka Group Ltd	-	384,439,880	Parent Company
Renuka Enterprises (Pvt) Ltd	**34,894,980**	41,009,980	Subsidiary
Renuka Agri Foods PLC	-	211,140	Subsidiary
Coco Hotels & Properties (Pvt) Ltd	-	159,159,800	Subsidiary
Renuka Agro Exports Ltd	-	60,870,140	Subsidiary
Renuka Development Ltd	**357,000,000**	-	Subsidiary
	391,894,980	645,690,940	

(b) Transactions with related entities

Related Party Transactions

Name Of the Company	Relationship	Nature of Transactions	Values 2013 Rs.	2012 Rs.
Symbosis Business (Pvt) Ltd	Common Director	Consultancy Services	**6,285,440**	3,370,840
Chadha Oriental Foods Limited	Common Director	Purchase of Goods	**18,981,468**	58,760,053
Enco Products Limited	Common Director	Purchase of Goods	**94,786,838**	87,235,131
B.Teffloth and CIE (Canada)	Common Director	Purchase of Goods	**32,050,783**	22,645,814
Interocean Services Ltd	Affiliate	Fund Transfers/Purchase of Goods	**47,193,478**	262,077,143
McShaw Automotive Ltd	Joint Venture	Purchase of Goods	**-**	10,883,193
McLarens Holdings Ltd	Joint Venture	Purchase of Goods	**-**	9,856
	partner	Shared Service Provider	**2,449,600**	20,706
McLarens Lubricants Ltd	Affiliate	Purchase of Goods	**931,850,122**	298,494,819
Motors	Affiliate	Purchase of Goods	**70,293,187**	-

42.3 Directors of Group Companies

Name of Director	RHL	RSWP	RAFL	RTL	ROL	KPL	RPL	CTL	RTRL	CFL	CBL	RAEL	RDL	REL	RSTL	RIL	RVL	SWCL	SWFSL	SWPL	SWSL	SWAL	CHPL	BBL	RDL	MAL	ILPL	RCFL
Mrs. I.R. Rajiyah (Chairman)	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	-	√	√	-	√
Dr. S.R. Rajiyah	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	-	√	√	√	√
Mr. C.J.De.S. Amaratunge	√	√	√	-	-	√	√	-	-	-	-	√	-	-	-	-	-	√	-	√	-	-	√	√	√	-	-	√
Mr. S.V. Rajiyah	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Mr L.M.Abeywickrama	√	√	√	-	-	-	√	-	-	-	-	-	-	-	-	-	-	√	√	-	√	√	-	-	√	-	-	√
Mr. T.K. Bandaranayake	√	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. M.S. Dominic	√	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. J.M. Swaminathan	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. A.L. Rajiyah	√	√	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

√ - indicates director

Renuka Shawwallace PLC	RSWP	Campbell Teas (Pvt) Ltd	CTL	Renuka Enterprises (Pvt) Ltd	REL	Shaw Wallace Ceylon Ltd	SWCL	Richlife Dairies Ltd	RDL
Renuka Agri Foods PLC	RAFL	Renuka Trading (Pvt) Ltd	RTRL	Renuka Shipping & Travel(Pvt) Ltd	RSTL	Shaw Wallace Agencies Ltd	SWAL	Mcshaw Automative Ltd	MAL
Renuka Teas (Ceylon) Ltd	RTL	Ceylon Forestry (Pvt) Ltd	CFL	Renuka Investments (Pvt) Ltd	RIL	Shaw Wallace Food Service Ltd	SWFSL	Interocean Lubricants(Pvt) Ltd	ILPL
Renuka Organics (Pvt) Ltd	ROL	Ceylon Botanical (Pvt) Ltd	CBL	Renuka Villas (Pvt) Ltd	RVL	Shaw Wallace Properties Ltd	SWPL		
Kandy Plantations Ltd	KPL	Renuka Agro Exports Ltd	RAEL	Coco Hotels & Properties (Pvt) Ltd	CHPL	Shaw Wallace Services Ltd	SWSL		
Renuka Products (Pvt) Ltd	RPL	Renuka Development Ltd	RDL	Renuka Consumer Foods Ltd.	RCFL	Bois Brothers(Pvt) Ltd	BBL		

43 - SEGMENTAL REPORT

	AGRI FOOD EXPORTS		DAIRY		FMCG		AUTOMOTIVE		INVESTMENTS & SERVICES		GROUP	
	31.03.2013	31.03.2012	**31.03.2013**	31.03.2012	**31.03.2013**	31.03.2012	**31.03.2013**	31.03.2012	**31.03.2013**	31.03.2012	**31.03.2013**	31.03.2012
	Rs.	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.
Turnover												
Export	**1,830,851,455**	2,155,042,690	**-**	-	**-**	-	**-**	-	**-**	-	**1,830,851,455**	2,155,042,690
Local	**389,566,367**	278,875,890	**831,570,533**	113,398,094	**2,336,758,497**	2,806,031,912	**1,001,353,672**	381,118,596	**385,674,309**	137,045,276	**4,944,923,378**	3,716,469,768
Intra Group	**(177,649,188)**	(176,704,008)	**(44,524)**	-	**(75,857,387)**	(242,140,048)	**-**	-	**(1,140,000)**	(52,586,707)	**(254,691,099)**	(471,430,763)
Total External Sales	**2,042,768,634**	2,257,214,572	**831,526,009**	113,398,094	**2,260,901,110**	2,563,891,864	**1,001,353,672**	381,118,596	**384,534,309**	84,458,569	**6,521,083,734**	5,400,081,695
Loss from the change in Market Value of Current Investment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(85,096,360)	**-**	(85,096,360)
Profit/(Loss) before Finance Cost	**246,772,792**	472,279,358	**(36,478,950)**	3,952,341	**47,694,346**	103,849,811	**67,535,685**	37,040,407	**120,031,690**	22,691,787	**445,555,563**	639,813,704
Finance Cost	**(24,517,672)**	(6,798,153)	**(17,303,743)**	(1,977,906)	**(51,565,796)**	(43,703,759)	**(65,041,630)**	(23,666,549)	**(588,923)**	(3,695,804)	**(159,017,764)**	(79,842,171)
Profit/(Loss) for the year before Tax	**222,255,120**	465,481,205	**(53,782,693)**	1,974,435	**(3,871,450)**	60,146,052	**2,494,054**	13,373,858	**119,442,807**	189,959,844	**286,537,799**	559,971,534
Total assets	**1,896,558,089**	1,454,933,187	**784,277,637**	617,403,588	**1,646,757,779**	1,777,269,036	**441,669,406**	590,707,009	**1,284,030,660**	2,238,814,129	**6,053,293,571**	6,679,126,948
Fixed Assets including Investment Property	**1,145,632,055**	695,623,766	**526,135,318**	511,117,355	**753,663,352**	402,572,864	**16,646,575**	15,529,783	**826,216,264**	1,459,430,579	**3,268,293,564**	3,084,274,347
Other Long Term Investment	**-**	-	**-**	-	**-**	-	**-**	-	**223,958,952**	223,958,952	**223,958,952**	223,958,952
Deferred Tax Asset	**-**	14,012,834	**-**	-	**27,839,487**	8,902,417	**-**	-	**-**	-	**27,839,487**	22,915,251
Non Interest Bearing Liabilities												
Deferred Tax Liability	**19,424,185**	31,539,204	**21,325,809**	31,402,849	**-**	-	**-**		**2,824,821**	947,990	**43,574,815**	63,890,043
Retirement Benefit Obligation	**22,312,886**	19,969,308	**6,771,025**	7,032,794	**16,193,252**	34,992,570	**1,995,376**	497,944	**3,087,341**	5,082,821	**50,359,880**	67,575,437
Trade & Other Payable	**113,633,964**	86,239,348	**42,858,900**	96,927,986	**328,607,499**	650,399,564	**75,212,243**	144,017,253	**6,780,863**	7,472,460	**567,093,468**	985,056,612
Other Current Liabilities	**124,375,320**	113,371,132	**63,782,966**	-	**17,207,783**	32,129,970	**6,741,851**	2,295,381	**2,343,914**	1,932,846	**214,451,834**	149,729,329

44 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES,

Risk management framework

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

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

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

Financial risk factors

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

1. Market risk
    - Currency risk,
    - Interest rate risk
    - Price risk
2. Credit risk
3. Liquidity risk

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

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

1. Market Risk

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

a. Currency Risk

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

Exposure to currency risk

The Group exposure to foreign currency risk was as follows based on notional amounts. 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.

	2013		2012	
	Rs.	USD	Rs.	USD
Amounts Due to Related Company	(2,280,932)	(17,800)	(471,203,073)	(4,119,268)
Trade and Other Payables	(567,093,468)	(4,425,577)	(985,056,612)	(8,611,387)
Amounts Due from Related Company	35,909,094	280,233	54,837,721	479,392
Trade and Other Receivables	993,421,527	7,752,626	1,052,703,021	9,202,753
Cash and Cash Equivalents	121,020,714	944,441	93,390,884	816,425
Bank Overdraft	(212,744,145)	(1,660,247)	(154,176,998)	(1,347,818)
Gross Statement of Financial Position exposure	368,232,689	2,873,676	(409,505,059)	(3,579,903)

The following significant exchange rates were applicable during the year.

	Average Rate		Reporting date spot Rate	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
US Dollars	128.14	114.39	125.10	132.08

Sensitivity Analysis

A strengthening of the LKR, as indicated below, against the US Dollar at 31st March 2013 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 Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Strengthening	Weakening
	Profit or Loss	Profit or Loss
	Rs.	Rs.
31st March 2013		
USD (10% movement)	36,823,327	(36,823,271)
31st March 2012		
USD (10% movement)	(40,950,510)	40,950,510

b. Interest rate risk

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

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

	Carrying Amount	
	2013	**2012**
	Rs.	**Rs.**
Fixed Rate Instruments		
Financial Assets		
Fixed Deposits	-	-
Staff Loans	-	-
Financial Liabilities		
Interest Bearing Borrowings from Related Company	-	-
	-	-
Variable Rate Instruments		
Financial Assets		
Call and Savings Deposits	**37,013,597**	23,370,838
Financial Liabilities		
Bank Overdrafts	**(212,744,145)**	(154,176,998)
Borrowings	**(732,236,228)**	(1,077,575,785)
	(907,966,776)	(1,208,381,945)

c. Price risk

Risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market.

2. Credit risk

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

Exposure to Credit Risk

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

	Carrying Amount	
	2013	**2012**
	Rs.	**Rs.**
Trade and Other Receivables	**993,421,527**	1,052,703,021
Amount due from Related Company	**35,909,094**	54,837,721
Balances with Banks	**121,020,714**	93,390,884
	1,150,351,335	1,200,931,626

Impairment losses

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

The maximum exposure to credit risk for Trade and Other Receivables as at the reporting date by geographic was as follow.

	Carrying Amount	
	2013	2012
	Rs.	Rs.
Domestic	**844,137,439**	937,278,950
Europe	**40,622,094**	35,309,576
Middle East	**43,208,744**	47,808,141
Asia	**1,500,323**	20,168,507
United State	**16,337,377**	4,195,908
Canada	**15,031,998**	-
Caribbean	**32,583,552**	7,941,939
	993,421,527	1,052,703,021

Cash and Bank Balances

The Company held favourable cash and bank balances of Rs.121,020,714 at 31st March 2013 (Rs.93,390,884 as at 31st March 2012) which represent its maximum credit exposure on these assets.

3. Liquidity Risk

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

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

As at 31st March 2013	Carrying Amount	0-12 Months	More than 1 Year
	Rs.	Rs.	Rs.
Financial Liabilities (Non- Derivative)			
Interest Bearing Borrowings	**732,236,232**	**478,075,542**	**254,160,690**
Other Amounts Due to Related Company	**2,280,932**	**2,280,932**	**-**
Trade and Other Payable	**567,093,468**	**567,093,468**	**-**
Bank overdraft	**212,744,145**	**212,744,145**	**-**
Total	**1,514,354,777**	**1,260,194,087**	**254,160,690**

As at 31st March 2012	Carrying Amount	0-12 Months	More than 1 Year
	Rs.	Rs.	Rs.
Financial Liabilities (Non- Derivative)			
Interest Bearing Borrowings	1,077,575,785	830,379,892	247,195,893
Other Amounts Due to Related Company	471,203,073	471,203,073	-
Trade and Other Payable	985,056,612	985,056,612	-
Bank overdraft	154,176,998	154,176,998	-
Total	2,688,012,468	2,440,816,575	247,195,893

4. Capital management risk

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

The gearing ratio as at 31st March was as follows:

	Group		Company	
	2013	2012	**2013**	2012
Borrowings (Note 21)	**732,236,232**	1,077,575,785	**-**	-
Total equity	**4,230,552,265**	3,661,276,410	**569,714,320**	565,708,293
Gearing ratio %	**17.3**	29.4	**-**	-

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

Real Estate Portfolio

Classification	Name of the Company	Location	Land Perches Lease Hold	Land Perches Free Hold	No.of Buildings	Building in Sq.ft	Value (Rs.000) Cost/Valuation
Property, Plant & Equipment	Bois Brothers (Pvt) Ltd	Colombo 08		5			18,199
	Ceylon Botanical (Pvt) Ltd	Matale		10,842			20,000
	Kandy Plantations Ltd	Diwuldeniya	102,552		4	8,094	72,683
	Renuka Agri Foods PLC	Wathupitiwala	670		8	81,364	103,622
	Renuka Development Ltd	Colombo 09		184	2		478,406
	Renuka Shaw Wallace PLC	Ekala Ja-ela		215	9	29,919	94,250
	Renuka Trading (Pvt) Ltd	Colombo 09		76	3	34,706	110,178
	Richlife Dairies Ltd	Wadduwa		682	6	57,550	322,187
	Shaw Wallace Ceylon Ltd	Colombo 08		40	1	66,227	420,916
	Shaw Wallace Properties Ltd	Peliyagoda	215		2	61,473	438,655
Investment Properties	Coco Hotels & Properties Ltd	Colombo 03		85			788,007

	2013 Rs'000	2012 Rs'000	2011 Rs'000	2010 Rs'000	2009 Rs'000
A) Summary of the Operation					
Revenue	**6,521,084**	5,400,082	2,697,274	1,663,397	163,680
Gross Profit	**1,356,230**	1,369,442	641,360	522,213	43,994
Profit before Finance Cost and Tax	**445,556**	639,814	846,220	401,835	449,653
Profit before Taxation	**286,538**	559,972	838,122	387,121	446,878
Taxation	**(11,969)**	(27,871)	(8,630)	(14,050)	(3,691)
Profit after Tax	**274,569**	532,100	829,492	373,071	443,187
Profit attributable to Equity Holders of the Company	**191,481**	258,969	618,465	240,749	440,223
B) Summary of Financial Position					
Capital and Reserves					
Stated Capital	**175,000**	175,000	125,000	125,000	75,000
Retained Earnings	**2,081,549**	1,898,743	1,712,210	1,031,170	805,421
Shareholders' Fund	**2,256,549**	2,073,743	1,837,210	1,156,170	880,421
Non Controlling Interest	**1,974,004**	1,587,533	1,536,575	1,099,578	550,879
Total Equity	**4,230,552**	3,661,276	3,373,784	2,255,748	1,431,300
Liabilities					
Non-Current Liabilities	**348,095**	378,661	153,624	129,691	164,813
Current Liabilities	**1,474,646**	2,639,189	1,242,806	362,774	230,444
Total Liabilities	**1,822,741**	3,017,850	1,396,430	492,465	395,257
Total Equity and Liabilities	**6,053,294**	6,679,127	4,770,214	2,748,213	1,826,557
Assets					
Property, Plant and Equipment	**2,480,286**	2,008,941	1,232,097	749,705	640,054
Investment Properties	**788,008**	1,075,333	934,015	320,279	307,000
Investments	**223,959**	223,959	224,464	224,464	224,464
Other Non-Current Assets	**466,604**	490,941	423,117	68,362	66,132
Current Assets	**2,079,593**	2,841,132	1,943,122	1,385,403	588,907
Total Assets	**6,053,294**	6,679,127	4,770,214	2,748,213	1,826,557
C) Key Indicators					
Earnings per share (Rs.)	**3.76**	5.13	12.37	5.04	9.54
Net Profit Margin (%)	**4.21**	9.85	30.75	22.43	270.76
Net Assets value per Share (Rs.)	**44.29**	40.70	36.74	23.12	23.48
Dividends Paid per share (Rs.)	**0.70**	1.70	0.83	0.40	0.16
Dividends Payout (%)	**18.67**	13.65	11.12	3.38	52.18
Dividend Cover (Times)	**5.37**	7.40	8.99	29.55	1.92
Interest Cover (Times)	**2.80**	8.01	107.86	27.31	161.98
Current Ratio (Times)	**1.41**	1.08	1.56	3.82	2.56
Gearing Ratio on Long Term Debt (%)	**6**	6.75	2.39	3.85	8.31
Return on Equity (%)	**6.49**	14.53	24.73	16.54	30.96

Shareholder's Information

Stock Exchange Listing

The issued ordinary shares of Renuka Holdings PLC are listed on the Main Board of the Colombo Stock Exchange (CSE) in Sri Lanka.

Share Information

	2013		2012	
	Voting	**Non Voting**	**Voting**	**Non Voting**
Total No of Shareholders	**1,839**	**1,016**	1,926	1,023
Total No of Shares	**44,517,313**	**6,428,415**	44,517,313	6,428,415

Voting Shares

	31st March 2013			31st March 2012		
No of Shares Held - Voting	**No of Shareholders**	**No of Shares**	**%**	No of Shareholders	No of Shares	%
1-1000	1045	270,737	0.61	1051	286,958	0.65
1001-10,000	630	1,706,666	3.83	707	1,848,662	4.15
10,001-100,000	137	4,019,249	9.03	137	3,391,360	7.61
100,001-1,000,000	21	6,744,060	15.15	25	8,019,394	18.01
1,000,00 & Over	6	31,776,601	71.38	6	30,970,939	69.57
	1,839	**44,517,313**	**100**	**1,926**	**44,517,313**	**100**

	31st March 2013			31st March 2012		
Analysis of Shareholders – Voting	**No of Shareholders**	**No of Shares**	**%**	No of Shareholders	No of Shares	%
Individuals	1,710	9,937,960	22.32	1,792	10,323,102	23.18
Institutions	129	34,579,363	77.68	134	34,194,211	76.82
Total	**1,839**	**44,517,313**	**100**	**1,926**	**44,517,313**	**100**

	31st March 2013			31st March 2012		
Analysis of Shareholders -Voting	**No of Shareholders**	**No of Shares**	**%**	No of Shareholders	No of Shares	%
Residence	1,813	43,314,762	97.30	1,898	42,387,495	95.22
Non-Residence	26	1,202,551	2.70	28	2,129,818	4.78
Total	**1,839**	**44,517,313**	**100**	**1,926**	**44,517,313**	**100**

Non Voting

	31st March 2013			31st March 2012		
No of Shares Held – Non Voting	**No of Shareholders**	**No of Shares**	**%**	No of Shareholders	No of Shares	%
1-1000	514	133,799	2.08	527	137,595	2.14
1001-10,000	377	1,242,726	19.33	380	1,147,756	17.86
10,001-100,000	113	2,941,908	45.77	102	2,483,056	38.63
100,001-1,000,000	12	2,109,982	32.82	14	2,660,008	41.38
1,000,00 & Over	-	-	-	-	-	-
	1,016	**6,428,415**	**100**	**1,023**	**6,428,415**	**100**

	31st March 2013			31st March 2012		
Analysis of Shareholders – Non Voting	**No of Shareholders**	**No of Shares**	**%**	No of Shareholders	No of Shares	%
Individuals	948	4,496,576	69.95	947	4,662,302	72.53
Institutions	68	1,931,839	30.05	76	1,766,113	27.47
Total	**1,016**	**6,428,415**	**100**	**1,023**	**6,428,415**	**100**

	31st March 2013			31st March 2012		
Analysis of Shareholders – Non Voting	**No of Shareholders**	**No of Shares**	**%**	No of Shareholders	No of Shares	%
Residence	1,002	6,251,267	97.24	1,008	6,068,609	94.4
Non Residence	14	177,148	2.76	15	359,806	5.6
Total	**1,016**	**6,428,415**	**100**	**1,023**	**6,428,415**	**100**

Public Share Holding

		Voting	Non Voting
The percentage of shares held by the public	**2013**	**43.17%**	**94.95%**
	2012	43.61%	95.28%

Share Trading Information

1st April to 31st March	**2012/2013**		2011/2012	
	Voting	**Non Voting**	Non Voting	Non Voting
Share Prices				
Highest (Rs)	**52.00**	**36.50**	55.00	34.00
Lowest (Rs)	**23.50**	**21.00**	35.10	23.30
As at 31st March	**31.00**	**21.40**	38.50	26.00
Market Capitalization				
As at 31st March (Rs.'000)	**1,380,037**	**137,568**	1,713,916	167,138
No of Trades	**3204**	**1510**	5254	2501
No of shares traded	**6,011,840**	**2,402,245**	11,950,301	3,226.342
Value of shares traded (Rs.)	**225, 027,122**	**66,181,947**	723,050,723	123,116,169
Dividends				
Proposed/paid final dividend (Rs.)	**31,162,119**	**4,499,890**	**31,162,119**	**4,499,890**
	(Rs 0.70 cents per share)		(Rs 0.70 cents per share)	

Shareholders' Information *(contd.)*

Top 20 shareholders' Voting as at 31st March	2013		2012	
Name	**No of shares**	**%**	No of shares	%
Renuka Group Ltd	22,691,227	50.97%	23,170,051	52.05%
National Savings Bank C/o Manager Investments	2,678,073	6.02%	2,678,073	6.02%
Dr S.R.Rajiyah & Mrs I.R.Rajiyah (Jt)	2,225,866	5.00%	1,844,564	4.14%
Sri Lanka Insurance Corporation Ltd - C/o Life Fund	1,526,316	3.43%	1,526,316	3.43%
Employees Trust Fund Board	1,457,165	3.27%	940,650	2.11%
Deutsche Bank AG - National Equity Fund	1,197,954	2.69%	1,197,954	2.69%
Mr Dawood Mohideen Mohamed Sheik	979,386	2.20%	979,386	2.20%
Mr Mushtaq Mohamed Fuad	960,416	2.16%	666,356	1.50%
Deutsche Bank AG as Trustee for Namal Acuity Value Fund	804,877	1.81%	804,877	1.81%
Sri Lanka Insurance Corporation Ltd - General Fund	596,382	1.34%	596,382	1.34%
Waldock Mackenzie Ltd / Hi Line Trading (Pvt) Ltd	506,674	1.14%	171,558	0.39%
Merchant Bank of Sri Lanka Ltd A/c No.1	356,446	0.80%	356,446	0.80%
Lankem Developments PLC	334,152	0.75%		
Mr Kangasu Chelvadurai Vignarajah	235,496	0.53%	235,496	0.53%
Seylan Bank PLC/ Mr S.N.C.W.M.B.C.Kandegedara	200,000	0.45%	337,824	0.76%
Mr Gitendra Rajiyah	199,846	0.45%	199,846	0.45%
Deutsche Bank AG/ Namal Growth Fund	197,403	0.44%	197,403	0.44%
Mr Arunasalam Sithampalam	158,534	0.36%		
Corporate Druids (Pvt) Ltd	158,498	0.36%		
Mr Hemake Daminda De Alwis	158,228	0.36%		
Total	**37,622,939**	**84.53%**	**35,903,182**	**80.66%**

Top 20 Shareholders' Non Voting as at 31 st March	2013		2012	
Name	**No of shares**	**%**	No of shares	%
Mr Kangasu Chelvadurai Vignarajah	302,462	4.71%	301,768	4.69%
Pan Asia Banking Corp / Mr R.E.Rambukwelle	267,768	4.17%	267,768	4.17%
J.B.Cocoshell (Pvt) Ltd	223,491	3.48%	141,211	2.20%
Mr Shamindra Vatsalan Rajiyah	217,707	3.39%	217,707	3.39%
A.T.Cooray Pvt Ltd	195,428	3,04%	195,428	3,04%
National Savings Bank C/0 Manager Investments	148,406	2.31%	148,406	2.31%
Mr Mushtaq Mohamed Fuad	143,947	2.24%	279,629	4.35%
Mr Sellathurai Prabagar	137,100	2.13%	112,154	1.74%
E.W.Balasuriya & Co (Pvt) Ltd	136,709	2.13%		
Waldock Mackenzie Ltd/Hi Line Trading (Pvt) Ltd	123,428	1.92%	123,428	1.92%
Mr Shanaka Asitha Cooray	112,536	1.75%	118,388	1.84%
Corporate Druids (Pvt) Ltd	101,000	1.57%		
Mr Lalith Elabada Liyanage	100,000	1.56%	100,000	1.56%
Green Olive Investments (Pvt) Ltd	100,000	1.56%		
Commercial Bank of Ceylon PLC A/c No.4	100,000	1.56%		
Dr S.R.Rajiyah & Mrs I.R.Rajiyah (Jt)	85,711	1.33%	85,711	1.33%
Mr Arunasalam Sithampalam	72,000	1.12%	72,000	1.12%
Mr Rizmy Ahmed Rishard	58,891	0.92%	56,891	0.88%
Mr Mohamed Zahir Anamulla	55,599	0.86%		
Mr Ganeshamoorthy Duraisamy & P.Anandarajah Periyasaamipillai Jt	55,000	0.86%	90,000	1.40%
Total	**2,737,183**	**42.61%**	**2,310,489**	**32.90%**

Notice is hereby given that the 33rd Annual General Meeting of the Company will be held at the Sri Lanka Foundation Institute, No. 100, Independence Square, Colombo 7 on the 25th September 2013 at 11.30 a.m. for the following purposes :-

1. To receive and consider the Report of the Directors and the Statement of the Audited Financial Statement for the year ended 31st March 2013 with the Report of the Auditors thereon.

2. To re-elect Ms. A.L. Rajiyah as a Director who retires in terms of Article 26 (2).

3. To re-elect Mr. J.M. Swaminathan as a Director who retires in terms of Article 26 (2).

   Mr. J.M. Swaminathan who is above 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 Mr. J.M. Swaminathan.

4. To re-elect Mr. C.J. De S. Amaratunge as a Director who retires by rotation in terms of Article 28 (1).

   Mr. C.J. De S. Amaratunge who is above 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 Mr. C.J. De S. Amaratunge.

5. Mr. T.K. Bandaranayake who has attained the age of 70 years 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 Mr. T.K. Bandaranayake.

6. To declare a dividend of Rs. 0.70 per share.

7. To authorise the Directors to determine the contribution to charity.

8. To re-appoint M/s Kreston MNS & Co. 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

5th August, 2013

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 11.30 a.m. on 23rd September 2013, being not less than 48 hours before the time appointed for the holding of the Meeting.

I/We...

of...
being a member/members of Renuka Holdings PLC, hereby appoint:

Mrs. I.R.Rajiyah	(or failing her)
Dr. S.R.Rajiyah	(or failing him)
Mr. S.V.Rajiyah	(or failing him)
Mr. C.J.De.S.Amaratunge	(or failing him)
Mr. L.M.Abeywickrama	(or failing him)
Mr. T.K.Bandaranayake	(or failing him)
Mr. M.S.Dominic	(or failing him)
Ms. A.L.Rajiyah	(or failing her)
Mr. J.M.Swaminathan	(or failing him)

....(NIC No...) of

....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 25th day of September, 2013 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

1. To receive & consider the report of the Directors and the Statement of the Audited Financial Statements for the year ended 31st March 2013 with the report of the Auditors thereon
2. To re-elect Ms. A.L.Rajiyah as a Director
3. To re-elect Mr. J.M.Swaminathan as a Director
4. To re-elect Mr. C.J.De.S.Amaratunge as a Director
5. To re-appoint Mr. T.K.Bandaranayake as a Director
6. To declare a dividend of Rs.0.70 per share.
7. To authorize the Directors to determine the contribution to charity
8. To re-appoint M/s Kreston MNS & Co, Chartered Accountants as Auditors & authorize the Directors to determine their remuneration.

Dated this .... day of 2013

....
Signature of Shareholder

(a) A proxy need not be a member of the Company
(b) Instructions regarding completion appear overleaf

INSTRUCTIONS AS TO COMPLETION OF THE FORM PROXY

1. To be valid, the completed form of Proxy should be deposited at the Registered Office of the Company at "Renuka House" No.69 Sri Jinaratana Road, Colombo 2, on or before 11.30am on 23rd September 2013 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 a proxy signed by the Attorney, the Power of Attorney must be deposited at the Registered Office at "Renuka House", No.69, Sri Jinaratana Road, Colombo 2, for registration.

CORPORATE INFORMATION

Name Of Company
Renuka Holdings PLC

Registration No.
PQ 227

Legal Form
Quoted Public Company With Limited Liability

Subsidiaries:
Coco Hotels & Properties Ltd
McShaw Automotive Ltd
Renuka Agro Exports Ltd
Renuka Enterprises (Pvt) Ltd

Principal Activity
It is the holding company for subsidiaries engaged in the sectors of Agri Food Exports, Dairy, FMCG, Automotive and Strategic Investments & Services.

Board Of Directors - Company
Mrs. I.R.Rajiyah (Chairperson)
Dr. S.R.Rajiyah
Mr. C.J.De.S.Amaratunge
Mr. S.V.Rajiyah
Mr. L.M.Abeywickrama
Mr. M.S.Dominic
Mr. T.K.Bandaranayake
Mr. J.M.Swaminathan
Ms. A.L.Rajiyah

Company Secretaries
Renuka Enterprises (Pvt) Ltd
69, Sri Jinaratana Road, Colombo 2

Registrars
S.S.P.Corporate Services (Pvt) Ltd
546, Galle Road,
Colombo 3.

Registered Office
"Renuka House"
69, Sri Jinaratana Road,
Colombo 2
Telephone: 0094-11-2314750-5
Fax: 0094-11-2445549
Email: info@renukagroup.com

Postal Address
P.O.Box 25, Colombo

Stock Exchange Listing
Colombo Stock Exchange

Audit Committee
Mr. T.K.Bandaranayake
Mr. C.J.De.S.Amaratunge
Mr. L.M.Abeywickrama

Remuneration Committee
Mr. C.J.De.S.Amaratunge
Mr. L.M.Abeywickrama
Mr. M.S.Dominic

Auditors
Kreston MNS & Co
Chartered Accountants

Legal Consultants
Nithya Partners- Attorneys at Law

Bankers
National Development Bank PLC
Hong Kong & Shanghai Banking Corporation Ltd
Hatton National Bank PLC
Seylan Bank PLC
DFCC Vardhana Bank Ltd
Union Bank Ltd
Commercial Bank of Ceylon PLC
Bank of Ceylon Ltd
Peoples Bank Ltd

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