RENUKA GROUP

ANNUAL REPORT 2015

RENUKA HOLDINGS PLC

CONTENTS

Vision, Culture And Values	1
Our Origins	2 - 3
Our Sectors	4 - 6
Group Performance	7
At A Glance	8
Profiles of Directors	9
Chairperson's Review	10 - 11
Corporate Governance	12 - 16
Audit Committee Report	17 - 18
Remuneration Committee Report	19
Risk Management	20 - 23
Sustainability Report	24
Report of The Directors	25 - 28
Statement of Directors Responsibility	29

Financial Reports

independent Auditors' Report	31
Consolidated Statements of Financial Position	32 - 33
Consolidated Statements of Comprehensive Income	34 - 35
Statement of Changes In Equity	36 - 37
Consolidated Statement of Cash Flows	38 - 39
Notes to The Financial Statements	40 - 97
Real Estate Portfolio	98
Five Year Summery	99
Shareholders And Investor Information	100 - 102
Notice of Meeting	103
Form of Proxy	104

"ACHIEVING WORLD CLASS POSSIBILITIES"

Renuka Holdings PLC is a diversified organisation listed on the Colombo Stock Exchange and is the holding company for subsidiaries engaged in Agri Business (Plantations, Manufacturing, Export Marketing), FMCG (Distribution, Dairy) Automotive, Property, Strategic Investments & Support Services.

Today, we are Sri Lanka's leading manufacturer & exporter of Coconut based food & beverage products with our own Organic certified plantations; also with over a century of experience in the Tea industry. Adding value to the agri business sector, we are also one of the top five Dairy manufacturers; and owners of the number one Fish brand in Sri Lanka. Currently we represent two fortune 500 companies in the automotive sector,

We have been awarded the "best under a billion" title by Forbes Asia in the year 2012 and 2013.We are also the winners of numerous Presidential, National and International awards for excellence in manufacturing, exports, brands, distribution and growing year after year.

VISION

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

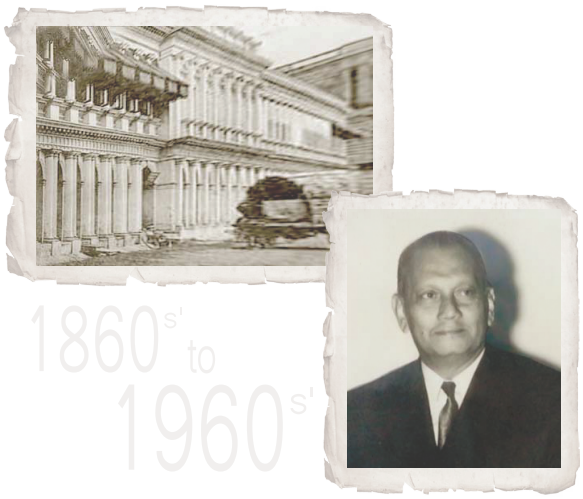
CULTURE AND VALUES

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 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

We intend to leave a legacy of a solid, sustainable company that enriches the lives of all stakeholders, for years to come. We have the key ingredients to make this story a legacy –inner drive, determination and the passion to make things happen.

ORIGINS



1866: The Cargo Boat Desptach Co. Ltd is established with the aim of launching into the world of shipping. In 1936, Mr. Alfred L. Thambiayah, Member of Parliament of Ceylon, acquires controlling interest of the company from its then foreign owners and grows it to the forefront of shipping and trading, accounting for the majority of the business of the port of Colombo prior to nationalization in 1958. In 1969 Mr. Thambiayah establishes Renuka Hotels Ltd, the company being named after Mr. Thambiayah's youngest daughter, Renuka.

1975: Renuka Enterprises Ltd is established by Mrs. I. Renuka Rajiyah and within the first three years of operations became one of the leading exporters of agriculture commodities – desiccated coconut and spices from Sri Lanka. The export business grew by 500% in the first 3 years, paving the way for investments in other areas.

1979: Dr. S. Ranjit Rajiyah, a medical doctor by profession joins the business. Renuka Holdings Ltd is incorporated to act as a promoter for infrastructure development projects such as the construction of the Mahaweli dams with foreign partners.

1980: Renuka Teas Ceylon (Pvt) Ltd commences as a producer and exporter of Ceylon tea bags from Sri Lanka.

1980: The Cargo Boat Development Co PLC commences construction of a high rise building in Colombo Fort and is listed under the property sector of the Colombo Stock Exchange.

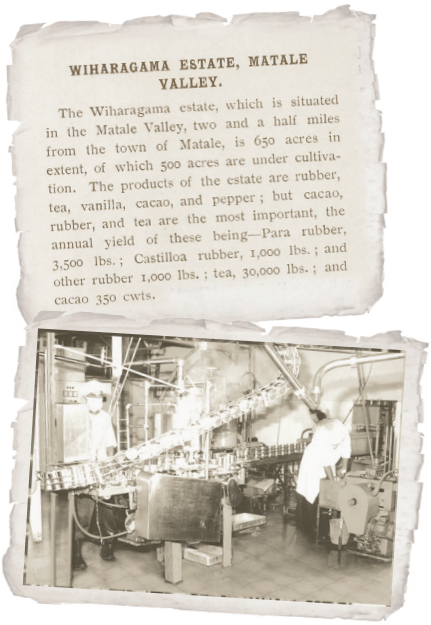
1982: Renuka Agro Exports Ltd commences as Sri Lanka's pioneer value added exporter of Coconut products.

1989: Renuka Group Ltd emerges as the parent company, with only affiliate stakes retained in Renuka Hotels and Cargo Boat.

1990: Ceylon Botanicals Ltd was formed to venture into organic cultivation and processing. Its Viharagama estate having been in the family since the turn of the century. The successor to the company is Kandy Plantations Ltd which establishes Sri Lanka's largest organic-certified coconut farm.

1990: Renuka Foods PLC (formally known as Coco Lanka PLC) is established and becomes the leading manufacturer of value added coconut based food products. In 1994 it is listed on the Colombo Stock Exchange under the Food and Beverage sector.

1990's


WIHARAGAMA ESTATE, MATALE VALLEY.

The Wiharagama estate, which is situated in the Matale Valley, two and a half miles from the town of Matale, is 650 acres in extent, of which 500 acres are under cultivation. The products of the estate are rubber, tea, vanilla, cacao, and pepper; but cacao, rubber, and tea are the most important, the annual yield of these being—Para rubber, 3,500 lbs.; Castilloa rubber, 1,000 lbs.; and other rubber 1,000 lbs.; tea, 30,000 lbs.; and cacao 350 cwts.

2000's

2003: The business of Renuka Foods PLC is expanded by its subsidiary Renuka Agri Foods PLC commissioning a state-of-the-art coconut based food and coconut water beverage manufacturing facility.

2008: Renuka Holdings PLC is listed on the Colombo Stock Exchange.

2010: Renuka Agri Foods PLC is listed on the Colombo Stock Exchange.

2011: Shaw Wallace Ceylon Ltd (est. 1909) and its subsidiaries including Bois Brothers & Co Ltd (Est 1891) is acquired. Shaw Wallace is a leading FMCG Food and Beverage, Automotive business house with strong national brands. Bois Brothers & Co. is amalgamated with Shaw Wallace and the tea business amalgamated with Renuka Teas.

2012: McShaw Automotive Ltd is incorporated as a joint venture by the transfer of the automotive business.

2012: Richlife Dairies Ltd, Sri Lanka's first UHT Dairy milk manufacturer is acquired.

2014: Renuka Organics (Pvt) Ltd acquires Unagahadeniya Desiccated Coconut Mills (est. 1961) while Renuka Agri Organics Ltd opens an expanded Virgin Coconut Oil manufacturing facility.

2015: Galle Face Properties Ltd commences a high rise building project in the central business district Colombo.

AGRI BUSINESS SECTOR

The Agri business sector consists of trading, manufacturing and plantations. Renuka Agro Exports, Renuka Agri Foods, Renuka Agri Organics and Renuka Organics manufacture and market coconut based food and beverage products for the local and International markets while continuously innovating; and Renuka Teas Ceylon (Pvt) Ltd is dedicated to value addition of Ceylon Tea in various forms to niche export markets. Kandy Plantations Ltd operates our Organic certified farms, the largest in the island and an extensive out grower network while promoting sustainable organic farming methods throughout the island.

FINANCIAL & OPERATIVE PERFORMANCE

TURNOVER RS. 3,417 MILLION

The Sector performed satisfactorily by gross profit crossing Rs 1,060 Mn. With more focus on innovation and value addition through investment in Tetra machinery, the sector was able exploit the world demand for tetra based coconut beverages such as Coconut water and Coconut milk drink. With the commencement of the new Virgin Coconut oil plant the capacity increase enabling shorter shipment lead times thus ensuring greater satisfaction to our consumers. However the tea sector did witness a decrease in demand in certain countries such as Russia, as the dip in demand did affect the top line yet with adding new markets the company was able to continue its growth momentum.

FUTURE OUTLOOK

The Renuka agri business sector hopes to focus more on sustainability and innovation for the year ahead. We believe backward integration by cultivation of Coconut land in war affected areas thereby generating income and livelihood for the Region, expanding the number of farmer families in our out-grower networks and creating a line of organic certified fruit and herb infused tea blends are a few such measures to reach this goal.

FMCG SECTOR

The FMCG Sector of the group consists of Shaw Wallace Ceylon Ltd- one of the leading FMCG brand owners and distributors in the country as well as Richlife Dairies Ltd- Pioneers in introducing UHT milk to Sri Lanka. The sector currently sources, manufactures and markets a range of food and beverage products.

FINANCIAL & OPERATIVE PERFORMANCE

TURNOVER RS. 3,560 MILLION

The FMCG arm further consolidated its manufacturing capabilities by setting up its own fish canning line producing fish based products and bringing in-house productions of its snack range. At our dedicated dairy manufacturing facility additional investment was made into new cultured dairy products. The sector sales accounts to over 51% and current distribution to 65,000 outlets throughout the island with a sales force of 184. All our sales teams are equipped with sales force automation systems, thus ensuring access to real time data, which results in efficient deliveries. Our commitment in delivering value added, innovative products for the evolving Sri Lankan consumer are through a meticulous process involving our Quality and Research & Development team and the products are either manufactured at our state of art production facilities or out sourced from overseas.

The sector posted a healthy gross profit of **RS. 686 MILLION**

FUTURE OUTLOOK

The company is focused on adding value to the existing product portfolio by offering Sri Lankan consumers quality products made to International standards, while enhancing our distribution coverage. Our commitment to the Sri Lankan dairy farmers and production remains unchanged and with the support of Sri Lankan government, we will make our country self-sufficient with our own milk.

INVESTMENT AND SERVICES SECTOR

AUTOMOTIVE

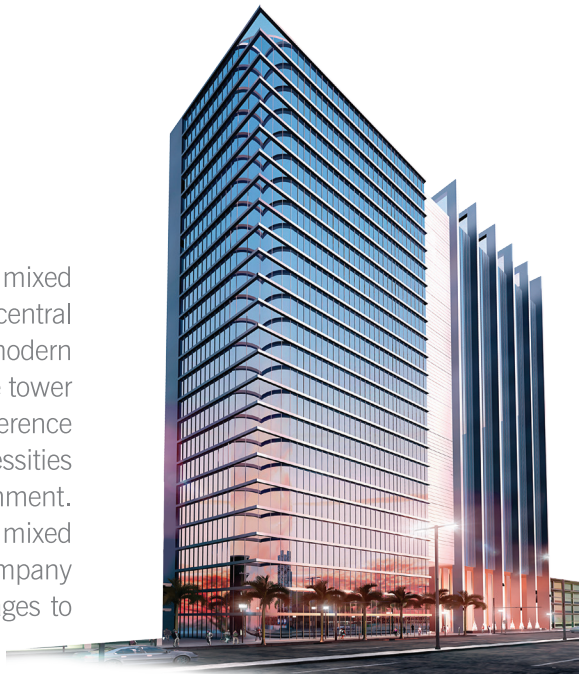
McShaw Automotive Ltd a joint venture for the distributorship of renowned global brands such as Mobil and Delphi Lockheed. The company has a team of over 100 dedicated personnel in the automotive sector covering the segments of key accounts, franchise car dealers, service stations, fuel stations, retailers, spare part shops, IWS (Individual workshops) and franchise workshops etc. A portfolio of products ranging from lubricants such as Brake Oil, Engine Oil, Radiator Coolant, Auto Parts, Accessories and Car Care Products. The company also represents auto agencies and handles fleet management which covers a portfolio of over 4500 customers.

AUTOMOTIVE SBU TURNOVER	AUTOMOTIVE SBU GROSS PROFIT
RUPEES	RUPEES
1.6 Bn	272.3 Mn

* Turnover of the Automotive SBU which is a JV is not consolidated from the FY 2014/2015 as per revised accounting standards.

PROPERTY

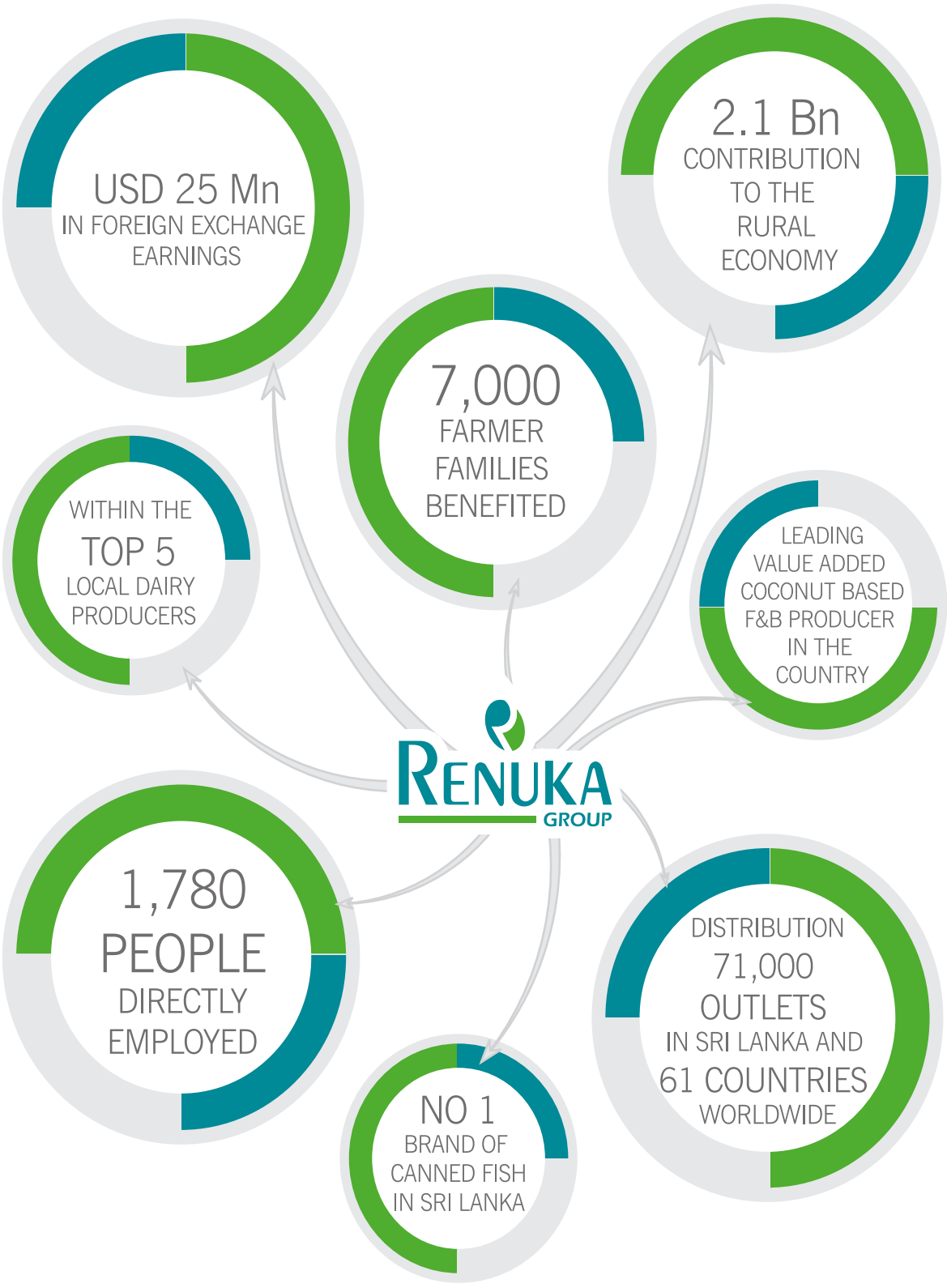
Galle Face Properties Ltd has embarked on a mixed development project on prime real estate in the central business district Colombo. The Renuka Tower will be a modern 25+ storey tower providing 'A' grade office facilities. The tower will also have corporate entertainment areas, conference facilities, dining, recreation and all the modern necessities required to create a pleasant and safe working environment. Renuka Developments envisages carrying out a mixed development property project on over an acre of company owned land in Colombo 9 while Renuka Beach envisages to carry out a leisure property development on the coast.



STRATEGIC INVESTMENTS & SUPPORT SERVICES

Renuka Enterprises (Pvt) Ltd is engaged in the provision of management services of Finance, Information Technology, Human Resources, Legal, Secretarial and logistics to group companies. It also acts as a promoter to foreign principles in the various development projects in Sri Lanka along with its subsidiary Renuka investments (Pvt) Ltd which has investments in enterprises engaged in property development, provision of laundry services porfolio management among others.

GROUP PERFORMANCE



AT A GLANCE

Group	Rupees
Revenue	7,042 Mn
EBIT	668 Mn
Net Profit	618 Mn
Total Assets	10,561 Mn
Employees	1,780 Nos

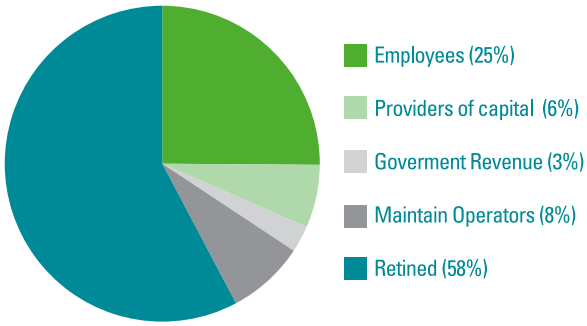
Group Revenue Rupees

7,042 Mn

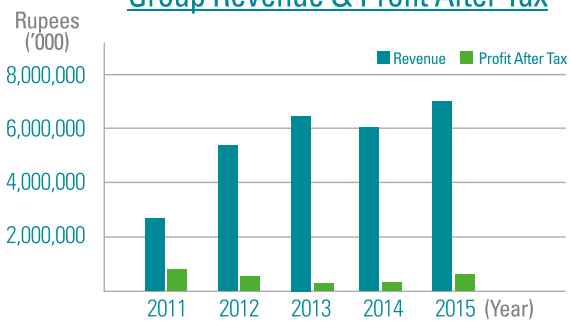
Net Profit Rupees

618 Mn

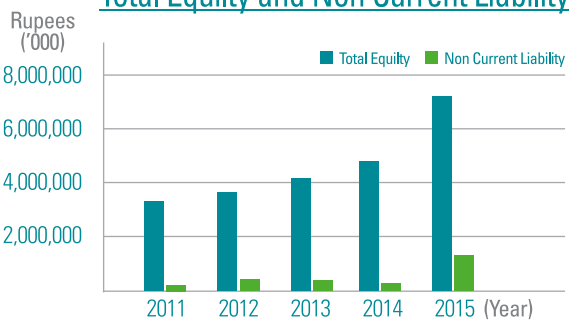
Value Added Distribution



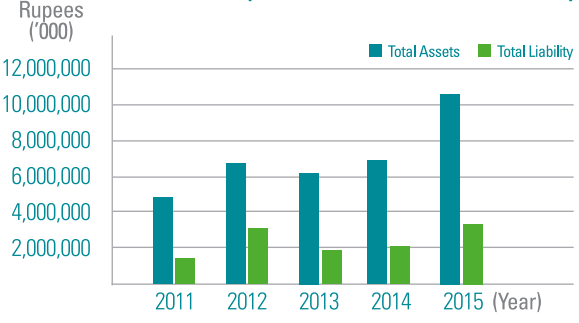
Group Revenue & Profit After Tax



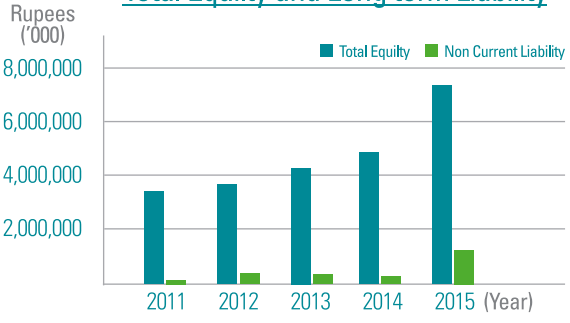
Total Equilty and Non Current Liability



Total Group Assets and Total Liability



Total Equilty and Long term Liability



PROFILES OF DIRECTORS

Mrs. I. R. Rajiyah (Chairperson)

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 38 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 the Executive Deputy Chairperson of Renuka Foods PLC, Renuka Agri Foods PLC, Director of Shaw Wallace Ceylon Ltd, Richlife Dairies Ltd and several un-listed companies.

Dr. S. R. Rajiyah (Managing Director)

Dr. S. R. Rajiyah is the Group Managing Director. He is also the Executive Chairman of Renuka Foods PLC, Renuka Agri Foods PLC. He is a medical doctor qualified in Sri Lanka and counts over 38 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 Foods PLC, Shaw Wallace Ceylon Ltd and Richlife Dairies 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 14 years of experience in General Management. He is a member of the Young Leaders Steering Committee of the Chamber of Commerce and a member of the Economic Fiscal Policy Planning Committee of the Ceylon Chamber of Commerce.

Mr. M. S. Dominic

Mr. M. S. Dominic is an Independent Non-Executive Director and holds a BSc (Hons) degree in Information Technology from the University of South Bank, United Kingdom. He has over 28 years of experience in the Information Technology field. He is also Director of The Autodrome PLC and Renuka Foods PLC.

Ms. A. L. Rajiyah

Ms. A. L. Rajiyah is a Non-Executive Director of the Company and holds a BSc (Hons) degree in Accounting and Finance from the University of Warwick and MSc in 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 Renuka Foods PLC and Renuka Agri Foods PLC.

Mr. C. J. De S. Amaratunge

Mr. C. J. De S. Amaratunge is an 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, Attorneys at Law, Notaries Public and Solicitors. He counts over 43 years of experience in all civil branches of the law including Commercial, Corporate, Conveyancing and Litigation. 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 28 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 CIM Sri Lanka region. He serves as an Independent Non-Executive Director on the Boards of Renuka Foods PLC & Renuka Agri Foods PLC.

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. He was a Senior Partner managing a large portfolio of clients. He is also a Director of Renuka Foods PLC, Nawaloka Hospitals PLC, Overseas Realty (Ceylon) PLC, Samson International PLC, Laugfs Gas PLC, Brown and Company PLC, Harischandra Mills PLC, Micro Holdings Ltd.

Mr. J. M. Swaminathan

Mr. J. M. Swaminathan is an Independent, Non-Executive Director of the Company. He holds LLB (Ceylon) LLM, M.Phil. (Colombo), Hon LLD (Colombo) degrees and is an Attorney at Law. He has been in the legal profession for over 50 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 is 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 the Course Director of Post Attorneys Diploma Programme in International Trade Law, conducted by the Sri Lanka Law College. He is an Independent, Non-Executive Director of several listed and unlisted Companies.

CHAIRPERSON'S REVIEW

It is with great pleasure that I welcome all of you, our valued shareholders, to the 35th Annual General Meeting of Renuka Holdings PLC and present to you the Annual Report and Audited Financial Statement for the year ended 31st March 2015.

ECONOMY

Recovery of the global economy which began in 2013 continued into 2014. According to the International Monetary Fund, global growth in 2014 was 3.4% compared to 3.3% in 2013, and is expected to be about 3.5% in 2015. Sri Lanka's economy grew by 7.4% in 2014 compared to 7.2% in 2013, becoming one of the fastest growing countries in South Asia. Strengthened domestic economic activity and improved exports were key contributors to this growth. Low inflation and downward revision in interest rates are conducive for business. We expect Sri Lanka's post war growth story to continue with enhanced transparency and improved international image after the August 2015 elections.

BUSINESS & FINANCIAL PERFORMANCE

We have maintained the momentum of overall growth with total Group Revenue recorded for the year being Rs 7.04 billion, being a 17% increase in top line, while profit after tax was Rs. 618 Mn.

The Group Total Comprehensive Income for the year, Net of Tax recorded a commendable Rs 1,172 million as against Rs 272 million last year. Our total Group Assets recorded a 55% increase, to a position of Rs 10.5 billion and the increase in value of our Property, Plant and Equipment alone to Rs 3.9 billion, net of depreciation, is an increase of 54% over previous year.

The Group Retained Earnings increased by 395 million to Rs 3 billion, while Net Assets (Equity) increased by 58% to Rs 4.5 billion.

The all-important Earnings Per Share (EPS) increased by 60% from Rs 3.77 to Rs 6.02 per share.

SECTOR PERFORMANCE

The Agri business sector recorded a turnover of Rs 3,417 million and an operating profit of Rs 431 million. In the year under review various cost optimization measures were put in to place across our manufacturing locations and distribution chain while we have also have embarked actively in brand development overseas.

The FMCG sector recorded a turnover of Rs 3,560 million which continued to grow amidst a host of challenges in the Sri Lankan market. We have invested during the year to grow our brands and distribution reach. We also will aggressively seek to introduce new products, mindful of the need for innovation to sustain long term growth.

The Agribusiness and FMCG sectors combined has resulted in foreign exchange earnings of US$ 25 million and contributing Rs 2.1 billion to the rural economy by way of raw material procurement.

Our Investment and Services sector can be categorized into sub segments as outlined in further detail below. In Automotive, due to the slowdown in economic growth in the country, sub sector revenue and gross profit have decreased by 4% over the same period in the last financial year. Further, due to the change in the accounting standards, only share of profits have been recorded in the year under review as the business is a joint venture. In the property sub sector, we embarked on our maiden project with plans for a multi-storied mixed development complex in the heart of the Colombo business district. In our Strategic Investment and Services sub sector, dividend income was recorded from non-controlling stakes held in public unlisted companies whose businesses vary from provision of laundry services, property development to portfolio management while we also received capital gain from trading in our listed share portfolio. The group is currently re-evaluating its portfolio with a view of maximizing returns. In services the subsidiaries in management services and shipping, continued being service providers to group and related companies.

The Group has evolved into an organization with a diverse portfolio. This diversity allows for resilience, when challenging times faced by one sector are balanced by improved performance in another. Driven by an approach of professionalism and expertise we have grown rapidly.

CORPORATE SOCIAL RESPONSIBILITY

At Renuka, the philosophy guiding our social responsibility efforts is to stay true to the values and principles that the Company holds important, and meet our obligations toward the community we live and work in. In line with this, the Company's sustainability initiatives involve manufacturing products that deliver health and wellness, marketing genuine products and services to our customers, providing services that are also accessible to the community, such as workshops for farmers.

FUTURE OUTLOOK

Looking ahead, there are two main drivers of growth that will propel the Company to further success. These are technology and innovation. The appropriate technology can change the course of an entire industry and define new standards of products, cost efficiency, speedy delivery and marketing communications. In keeping with the vision of Renuka to excel through cutting edge technology, we have invested in ERP and Shared Services solutions, which will provide the Company with the technical advancement required to improve processes and facilitate the growth envisaged. In addition, Renuka will continuously innovate to provide new and improved products, giving the Company a strategic advantage.

CHAIRPERSON'S REVIEW (CONTD.)

In terms of new business areas, Renuka will focus on expanding its presence in Agribusiness and FMCG. We will also continue to invest in the automotive sector through our joint venture. Another important area of focus will be the Property industry, which is expected to grow significantly over the next few years. The Renuka Group has several properties that are suited for development and will become revenue generating in the medium term. Development plans being considered for these locations range from office complexes to mixed development and leisure. An improved business climate, political stability and increased per capita income, makes the real estate sector attractive.

ACKNOWLEDGMENTS

I would like to conclude this review by thanking our customers, financial institutions, suppliers, shareholders and other business partners for their continued loyalty and support. I would also like to thank our employees for their hard work and dedication that has been instrumental in achieving the success we have to date. I also place on record my appreciation to the Board of Directors for their constant support and guidance.

Renuka is a Company that is growing from strength to strength and is well poised to achieve great success. We look forward to the continued support of our customers, our shareholders and our partners, as we continue on this journey.

Sgd.
Mrs Indu Renuka Rajiyah
Chairperson

5th August 2015

CORPORATE GOVERNANCE

Corporate Governance is a system of rules, practices and processes by which a company is directed and controlled. Corporate Governance essentially involves balancing the interests of the many stakeholders in a company. These include its shareholders, management, customers, suppliers, financiers, government and the community. Corporate Governance also provides the framework for attaining company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

The Company holds itself accountable to the highest standards of Corporate Governance and provides public accessibility to the information of the Company. Corporate Governance has been institutionalized at all levels in the Group through a strong set of corporate values which have been adhered to by the senior management and Board of Directors in the performance of their official duties and in other situations which could affect the Group image. The Group is committed to the highest standards of integrity, ethical values and professionalism in all its activities.

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

INTERNAL GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

The Board of Directors are the ultimate governing body of the Company and diverse experience, Professionalism and has a wide range of expertise in diverse fields as set out on page 9.

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

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

COMPOSITION OF THE BOARD AND DIRECTORS INDEPENDENCE

Composition of the Board of Directors as at 31st March 2015 is consists of 9 members of which

- 3 Executive Directors
- 2 Non-Executive Director
- 4 Non-Executive Independent Directors

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

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

BOARD RESPONSIBILITIES

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

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

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

BOARD BALANCE

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

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

CORPORATE GOVERNANCE (CONTD.)

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.

BOARD MEETINGS AND ATTENDANCE

There were 6 Board Meetings for the year ended 31st March 2015 and attendance to meeting is as follows. Further below chart shows Audit Committee and Remuneration Committee meeting attendance as well.

Name of Director	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting
Mrs I.R. Rajiyah	6/6		
Dr S.R. Rajiyah	6/6		
Mr S.V. Rajiyah	6/6		
Ms A.L. Rajiyah	4/6		
Mr C.J.De.S. Amaratunge	6/6	4/5	1/1
Mr T.K. Bandaranayake	5/6	5/5	1/1
Mr L.M. Abeywickrama	1/6		
Mr M.S. Dominic	6/6	4/5	1/1
Mr J.M. Swaminathan	5/6		

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Company's Articles of Association call for 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.

PROCEDURE FOR DIRECTORS TO OBTAIN PROFESSIONAL ADVICE

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

The Audit Committee reviews issues of accounting policy and presentation for external audit function and ensures that an objectives and professional relationship is maintained with the external auditors. Its principal function is to assist 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 pages 17 and 18 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.

SHAREHOLDER RELATIONS

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

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

INTERNAL AUDIT AND CONTROL

The Board is responsible for the Group's internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing grate discipline on decision making. It covers all controls, including financial, operational and compliance control and risk management. It is important

CORPORATE GOVERNANCE (CONTD.)

to state, that any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable time.

The Group obtains the services of an independent, a leading professional accounting firm other than the statutory auditors to carryout internal audits and reviews. These reports along with management comments discuss with Audit Committee and with the Board. Further at each meeting follow up issues from previous meeting also discuss in order to make sure implementation of appropriate policies and procedures as prevention mechanism.

EXTERNAL AUDIT

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

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

MAJOR TRANSACTION

There 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.

GOING CONCERN

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

CORPORATE GOVERNANCE DISCLOSURE

The Group adheres to regulations, codes and best practices laid down by different regulating authorities.

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

CORPORATE GOVERNANCE (CONTD.)

The Corporate Governance Practices adopted by the Group, including that extent of adoption of the Code of Best Practice on Corporate Governances issued jointly by the CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka and Rules set out in Section 7.10 of the Colombo Stock Exchange's Listing Rules on Corporate Governance, are summarized below.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
7.10	**COMPLIANCE**		
a./b./c.	Compliance with Corporate Governance Rules	Compliant	The Group is in compliance with the Corporate Governance Rules and any deviations are explained where applicable
7.10.1	**NON-EXECUTIVE DIRECTORS (NED)**		
a./b./c.	At least 2 members or 1/3 of the Board, whichever is higher should be NEDs	Compliant	Six out of nine Directors are Non-Executive Directors
7.10.2	**INDEPENDENT DIRECTORS**		
a.	2 or 1/3 of NEDs, whichever is higher shall be 'independent'	Compliant	Four out of six Non-Executive Directors are independent
b.	Each NED to submit a signed and dated declaration annually of his/her independence or non-independence	Compliant	All Non-Executive Directors have submitted their confirmation on independence
7.10.3	**DISCLOSURES RELATING TO DIRECTORS**		
a./b.	Board shall annually determine the independence or otherwise of NEDs	Compliant	Although Mr. T.K. Bandaranayake and Mr M.S. Dominic, are Directors of other group companies, the Board is of the opinion that their independence will not be affected.
c.	A brief resume of each Director should be included in the annual report including the directors' experience	Compliant	Refer page 9 for a brief resume of each Director
d.	Provide a resume of new Directors appointed to the Board along with details	N/A	There are no new appointments during the year
7.10.4	**CRITERIA FOR DEFINING INDEPENDENCE**		
a. - h.	Requirements for meeting the criteria to be an Independent Director	Compliant	As per 7.10.2 a & b in determining of the independence or otherwise of NEDs, board reviewed the criteria for defining independence as per 7.10.4 a to h
7.10.5	**REMUNERATION COMMITTEE**		
a.1	Remuneration Committee shall comprise of NEDs, a majority of whom will be independent	Compliant	The remuneration committee comprises of 3 Non-Executive Directors of whom 2 are independent.
a.2	One Non-Executive Director shall be appointed as Chairman of the Committee by the board of directors	Compliant	Mr. M.S. Dominic is the chairman of the committee
b.	Remuneration Committee shall recommend the remuneration of the CEO and the Executive Directors	Compliant	Refer Page 19 for Remuneration Committee scope
C.1	Names of Remuneration Committee members	Compliant	Refer page 19 for names of the Committee members
C.2	Statement of Remuneration policy	Compliant	Refer page 19
C.3	Aggregate remuneration paid to EDs and NEDs	Compliant	Refer page 79

CORPORATE GOVERNANCE (CONTD.)

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Company's Extent of Adoption
7.10.6	**AUDIT COMMITTEE**		
a.1	Audit Committee shall comprise of NEDs, a majority of whom should be independent	Compliant	The Audit Committee comprises of three Non-Executive Directors of whom two are independent
a.2	A NED shall be the Chairman of the committee	Compliant	The Chairman of the Committee is an Independent Non-Executive Director
a.3	CEO and CFO should attend Audit Committee meetings	Compliant	Refer page 17 and 18
a.4	The Chairman of the Audit Committee or one member should be a member of a professional accounting body	Compliant	The Chairman of the Audit Committee is a Member of Institute of Chartered Accountants of Sri Lanka
b.	Functions of the Audit Committee		
b.1	Overseeing of the preparation, presentation and adequacy of disclosure in the financial statements in accordance with SLFRS/LKAS	Compliant	Refer page 17 and 18 for Audit Committee Report
b.2	Overseeing the compliance with financial reporting requirements, information requirements as per the laws and regulations	Compliant	Refer page 17 and 18 for Audit Committee Report
b.3	Ensuring the internal controls and risk management, are adequate, to meet the requirements of the SLFRS/LKAS	Compliant	Refer page 17 and 18 for Audit Committee Report
b.4	Assessment of the independence and performance of the Entity's external auditors	Compliant	Refer page 17 and 18 for Audit Committee Report
b.5	Make recommendations to the board pertaining to external auditors	Compliant	Refer page 17 and 18 for Audit Committee Report
c.1	Names of the Audit Committee members shall be disclosed	Compliant	Refer page 17 and 18 for Audit Committee Report
c.2	Audit Committee shall make a determination of the independence of the external auditors	Compliant	Refer page 17 and 18 for Audit Committee Report
c.3	Report on the manner in which Audit Committee carried out its functions	Compliant	Refer page 17 and 18 for Audit Committee Report

AUDIT COMMITTEE REPORT

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

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

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee, appointed by and responsible to the Board of Directors, comprises three Independent Non-Executive Directors as follows:

1. Mr T.K. Bandaranayake (IND/NED) – Chairman
2. Mr C.J.De.S. Amaratunge (IND/NED)
3. Mr M.S. Dominic (IND/NED)

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

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. He was a Senior Partner managing a large portfolio of clients. He is also a Director of Renuka Foods PLC, Nawaloka Hospitals PLC, Overseas Realty (Ceylon) PLC, Samson International PLC, Laugfs Gas PLC, Brown and Company PLC, Harischandra Mills PLC, Micro Holdings Ltd.

Brief profiles of each member are given on page 9 of this report. Their individual and collective financial knowledge and business acumen and the independence of the Committee are brought to bear on their deliberations and judgments on the matters that come within the Committee's purview.

Executive Director – Mr S.V. Rajiyah, Chief Operating Officer – Shared Services and Head of Finance attend meetings of the Committee by invitation.

CHARTER OF THE AUDIT COMMITTEE

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

MEETINGS OF THE AUDIT COMMITTEE

The attendance of the members of Audit Committee meeting is stated in the table on page 13. The Committee met 5 times during the year.

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

DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

Financial Reporting

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

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

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

Internal Audit

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

Internal Audits are outsourced to leading audit firms in line with an agreed audit plan. Follow-up reviews are schedules to ascertain that audit recommendations are being acted upon. These reports reviewed by the committee in the presence of the senior Manages of the Company and compliance with the recommendations of the Internal Auditors have been followed through at subsequent reviews.

Controls And Risks

During the year, the Committee reviewed the effectiveness of the Company's system of Internal Control. The Committee also assessed the major business and control risks and the control environment prevalent in the Company and advised the Board on action to be taken where weaknesses were observed.

AUDIT COMMITTEE REPORT (CONTD.)

External Auditors

The Audit Committee evaluated the independence of the External Auditors and the effectiveness of the audit process. The Committee met with the External Auditors in relation to the scope of the audit and also to discuss the Management letter at the conclusion of the Audit.

The Committee reviewed the audited Financial Statements with the External Auditors who are responsible to expressing an opinion on it conformity with the Sri Lanka Accounting Standards. And also the External Auditor's kept the Audit Committee advised on an on-going basis regarding any unresolved matters of significance.

The Audit Committee evaluated the independence of the External Auditors and recommended to the Board of Directors that M/s Kreston MNS & Co, Chartered Accountants be appointed as Auditors for the financial year ending 31st March 2016 subject to the approval of the shareholders at the Annual General Meeting.

Sgd.
T. K. Bandaranayake
Chairman
5th August 2015

REMUNERATION COMMITTEE REPORT

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

The members are:

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

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

The brief profiles of the Directors are given on page 9 of the Annual Report.

The Committee studies and recommends the remuneration based on the prevailing market rates and perquisites applicable to the Key Management personnel of the Company and makes appropriate recommendations to the Board of Directors for Approval.

The 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 address 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 Personal of the Group and makes appropriate recommendations to the Board of Directors for approval.

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

Sgd
M.S. Dominic
Chairman
5th August 2015

RISK MANAGEMENT

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

We reviewed and refined our investment and business processes balancing 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 business operations.

OUR APPROACH TO RISK MANAGEMENT

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

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

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

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

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

2. Operational Risk - is the potential loss that might arise in business operation resulting from inadequate or failed internal processes, people and systems or external events which ultimately affect the day to day activities of the Group.

3. Financial Risk- The likelihood of loss inherent in financing procedures which may weaken the ability to deliver adequate return to the Group. This may include liquidity risk, currency risk, and interest rate risk.

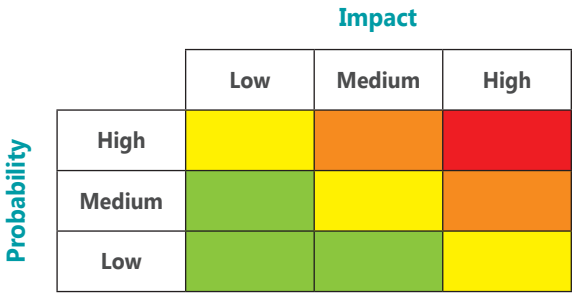
The systems and process are in place to deal with these risks, and the chain of responsibility within the organization to monitor the effectiveness of our mitigation measures.

ENTERPRISE RISK MANAGEMENT PROCESS

Risk Identification, Prioritization and Assessment

As the initial step of the risk framework, it is important to identify risks for efficient management. Renuka Holdings identifies all the risks by key stakeholders. We consider risk identification to be a key component of a robust Risk management framework. In the absence of a proper risk identification process, the organization is incapable of effectively managing its key risks.

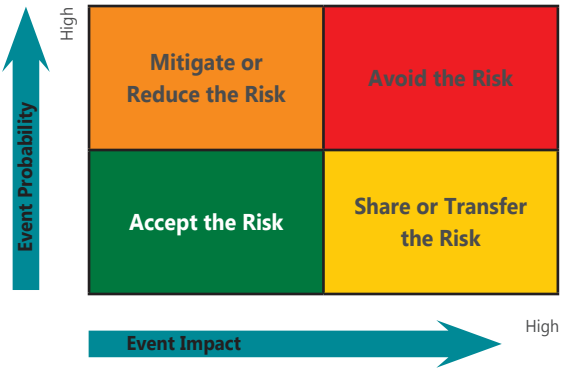
We evaluate risks according to the likelihood of occurrence and magnitude of impact. This assessment provides a prioritized risk list, identifying those risks that need the most urgent attention.



Develop Risk management Strategy

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

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



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

RISK MANAGEMENT (CONTD.)

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

STRATEGIC RISK

Risk	Impact	Risk Management Strategies
Competitive Risk		
Risks to the group's reputation and Brand image	Reduced market share and rates reducing revenue, cash flow and profitability. Increased promotional Expenditure. The positive correlation between cost of resources and competition.	Aim to have a broad appeal in price, range and format in a way that allows us to compete effectively in different markets. Formed strategic relationships with a diverse pool of suppliers, enabling flexibility in pricing contracts and hedging mechanisms are used wherever possible to mitigate exposure to commodity price fluctuations. The Group's service excellence, committed and award winning staff, uniqueness of properties, innovative products and service developments and the strength of its brands enables the group to counter threats from new and existing players. Maintaining a positive relationship with employees with a better remuneration and performance appraisal scheme.

OPERATIONAL RISK

Risk	Impact	Risk Management Strategies
Risk from not being able to attract and retain skilled and experienced staff.	Reduced productivity. Reduced quality of service resulting in reduced market share and Group's image.	Significant resources are invested in strengthening our human capital through the deployment of the latest Human Resource Information Systems, regular staff training & development, succession planning and fostering a performance-based culture. Maintaining cordial relationships with labour unions and adopting interest based negotiations for win-win solutions. Implemented well structured talent management process to Identify critical employees and retain them in the long run. Periodic employee satisfaction surveys to ensure that remuneration is in line with the market. Investments in strengthening employee brand image.
Issue Pertaining to Employees and industrial Relationship	Adverse impact on service levels, expected quality standards, operational efficiency and group reputation. Loss of revenue.	Review all the issues with regard to employees and Industrial Regulations which affect the performance of the Group. Steps taken to ensure employees are satisfied at all the levels and their issues are addressed in order to retain talented employees. Maintain cordial relationship with Trade Unions and adopting interest-based negotiations for win-win solutions. Well structured grievance handling system is in place to handle the grievance of employees at all levels and development of a Multi-skilled work force through structured and focused training programmes. Ensure proper industrial relationships with all the government agencies.

RISK MANAGEMENT (CONTD.)

OPERATIONAL RISK (CONTD.)

Risk	Impact	Risk Management Strategies
IT systems and infrastructure	Inability to obtain timely and accurate information due to failures in IT systems. Potential disruption to operations Significant financial losses.	Implementation of effective IT infrastructure and to ensure consistency of delivery, All relevant staffs are effectively engaged to mitigate IT related risks through effective policy and procedures as well as increased awareness. Implementation of a comprehensive IT policy within the Group, supported by adequate systems and controls, ensure the safety and security of data. Contingency plans are in place to mitigate any short term loss on IT services. All employees are bound by the code of conduct to safeguard the Group's information, irrespective of its physical form. A dedicated central IT team is in place to support all IT related aspects of the group.
Product Risk	Product risk implies any effect of perceived impact of our product on stakeholders in general which could bring down our market share.	In order to eliminate loss of market share or market leadership, we monitor market leadership and customer needs. Develop innovation that add value to our customers. Enhance productivity and efficiency to improve price competitiveness and investing in high quality machinery and equipment. Employ established operating procedures to review and approve all raw material prior to use to ensure that quality control is maintained. Take into account safety, health and environmental hazards to cover all avenues of possible negative publicity. Research and development team is equipped to field any technical questions about our product, Marketing and distribution procedures ensure complete control of the supply chain
Supply Chain and Operational Risk	Operational disruption can occur due to inadequate quantity or quality of raw material supplies, longer lead time, supply disruption caused by global Supply and Demand. Unable to maintain strong bond with critical suppliers over the period. Operational risks cover the areas of system failure, continuity of decision making, dealing with contingencies and ensuring there are no deficiency in operations, application of recommended management practices.	Consistent engagement with a diverse pool of suppliers to maintain strong relationships Structured processes are in place to add value to our supplier base through livelihood development programmes. Technical support and guidance on enhancing quality. Manage operational risks by identifying areas of risk, formulating plans for their management, promoting best practices. Implement internal controls and systems and monitoring compliance.

RISK MANAGEMENT (CONTD.)

OPERATIONAL RISK (CONTD.)

Risk	Impact	Risk Management Strategies
Legal Regulatory Compliance	Risk of legal action due to non performance of legal and statutory requirements Result high cost of legal and penalty fees that reduced profitability Adversely impact to the Groups' reputation and brand image.	The legal support services to Renuka groups comes through the legal department which ensure all legal and regulatory provisions are complied with . The legal function proactively identified and sets up appropriate system and processes for legal regulatory compliance in any foreign country that we operate in, and in such instances through legal council retained in those environments. Internal audit function of the Group ensures the safeguarding of company assets and recommends process improvements in areas where process control failure are noted. The operations of the Renuka Holding 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 regulation.
Break down of Internal Controls	Wastage of management time and resources. Possible loss of data. Increased possibility of fraud and misuse. Disruptions to the normal course of operations. lack of ability to track performance against budgets, forecasts and schedules.	Regular reviews of the effectiveness of internal controls by the corporate internal audit department supplemented by regular management audits carried out by internal teams within the Group ensures the robustness of internal controls. The Company uses comprehensive general and specific reporting and monitoring systems to identify, assess and manage risks. Making each employee accountable for ethical behavior, high standards for business conduct and adherence to laws ensures that transactions occur in a reliable way. Staff rotation and Special verification audits across the Group. Internal auditors are also engaged to carry out special reviews wherever necessary. The Company uses comprehensive general and specific reporting and monitoring systems to identify, assess and manage risks. Ensuring that only trained, trustworthy, knowledgeable and competent personnel perform tasks, prevents errors, irregularities and fraud.

FINANCIAL RISK

Financial risk management obligations and policies have been described in the note No 51 of the notes to the Financial Statement.

SUSTAINABILITY REPORT

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

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

INTERNAL OPERATIONS

Economic Performance

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

Group has made substantial investment during the year to improve value addition to economic development. These investments have helped to improve resources utilization as well as minimization of waste and pollution.

Renuka Work Place

At Renuka we have created a work place policy and created employee awareness for the total group. With an employee base of over 1,700, creation of Group identity and belongings is priority. We also have an open communication policy and have implemented a process to identify and report corruption within the business units. We have adopted effective two way communication system with employees and management through human resources division has created short and long term benefits to the group. We also have adopted other communication methods like e-mails, presentations and team briefings on daily operations for betterment of the organization. Employees are also encouraged to access the corporate websites.

Environmental Impact

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

STAKEHOLDER ENGAGEMENT

Our Customers

World class quality products and customer satisfaction is our key with our customers. We engage our customers through regular meetings, visits, International trade fair participation and web portal.

Our Employees

The foundation of our business is built on employees. 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 full fill 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 grow capital and in the process we must make a sound return to them. In meeting global challenges and evolving consumer needs we must be geared to be proactive with new ideas and ready with the output as well. When we operate according to these principles the shareholders should realize a fair return.
We have open doors policy which enables shareholders to keep in contact, visit and obtain information from the Company Secretaries and engage in dialogue. Further e-mail address provided for comments and suggestions. Update with latest financials for shareholders/ investor rational decision is very important. We produce quarterly financial reports and Annual Report with enhance disclosures timely and accurate manner.

Local Community

Renuka has been actively involved in supporting the rural farmer network for our coconut, soya, rice, corn and dairy requirments. Renuka procures over Rs. 2.1Bn worth of produce from our farmer network. It also conducts farmer training programs, 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.

REPORT OF THE DIRECTORS

1. General

The Board of Directors of Renuka Holdings PLC has pleasure in presenting to members their Report and the Audited Consolidated Financial Statements for the year ended 31st March 2015. The details set out herein provide the required information under Companies Act No.7 of 2007, the Colombo Stock Exchange Listing Rules and the recommended best practices on Corporate Governance.

2. Review of the Business

2.1 Principle Activities of the Company and the Group

Renuka Holdings PLC is a holding company that owns, directly or indirectly, investments in the numerous companies and the Group consists of a portfolio of diverse business operations. The main subsidiaries and equity accounted investees of Renuka Holdings PLC are listed on page 64.

The Principle activities of the Group are categorized into different business segments i.e. Agri Business, FMCG, Investment & Services-Property, Investment & Services-Support and Investment & Services-Automotive. The main activities of the subsidiaries are listed on page 66.

2.2 Review of Business and Future Developments

The review of the Group Progress and the performance during the year with comments on the financial results and prospects is contained in the Chairperson's Review on pages 10 and 11. These reports form an integral part of report of the Directors.

2.3 Statement of Directors of Responsibilities

The Statement of Directors responsibilities for the Financial Statements is given on page 29

2.4 Auditors' Report

The Auditors' Report to the Financial Statements of the Company and Group is given on page 31

2.5 Financial Statements of the Company and Group

The Financial Statements of the Company and Group are given on pages 32 to 97.

2.6 Accounting Policies and Changes During the Year

The accounting policies adopted in the preparation and presentation of the Financial Statements are given on pages 40 to 52. Further Accounting Standards issued but not yet effective are disclosed on page 52.

2.7 Group Turnover

The Turnover of the Group was Rs. 7.04 Bn as compared with Rs. 6.04 Bn in the previous year. A detailed analysis of the Group Turnover is given in Note No 30 of the Financial Statement.

2.8 Gross Profit

The Group Gross Profit for the year was Rs. 1.73 Bn, compared with the Group Gross Profit of Rs. 1.16 Bn for the previous year.

2.9 Net Profit

The Group Profit after Taxation for the year was Rs. 618 Mn, compared with of Rs. 270 Mn for the previous year.

3. Group Investments

Investment of the Company and the Group in Subsidiaries, Associates, Joint Ventures and Other long term External equity investment amounted to Rs. 200 Mn. Detailed description of the Subsidiaries, Associates, Joint Ventures and other long term external equity investments held at the Balance Sheet date are given in Note No 14 in the Financial Statements.

4. Property, Plant and Equipment

Group has incurred Capital Expenditure during the year on Property, Plant & Equipment (including capital work-in-progress), Biological assets, Investment Properties, Intangible assets amounting to Rs. 642 Mn (2014 – Rs. 174 Mn).

Detailed information relating to capital expenditure on Property, Plant & Equipment (including capital work-in-progress), Biological assets, Investment Properties, Intangible assets are given in Note 8 to Note 12 to the Financial Statements.

Extent, Locations, number of buildings and Valuations of the properties of the Group are given in the Statement of Value of Real Estate on page 98.

5. Market Value of Land and Buildings

The market values of the Land and Buildings owned by the Company and Group are included on the basis of valuation carries out by a professionally qualified valuer. Detailed description is given in Note No 8.1 to the Financial Statements.

REPORT OF THE DIRECTORS (CONTD.)

6. Stated Capital, Reserves, Solvency Test and Dividends

6.1 Stated Capital

The Company issued ordinary voting shares of Rs. 934,863,573 and ordinary Non-voting shares of Rs. 96,426,225 during the year ended 31st March 2015.

The Stated Capital of the Company as at 31st March 2015 was Rs. 1,199 Mn (2014 – Rs. 175 Mn) comprising of Voting Ordinary Shares of 89,034,626 (2014-44,517,313) and Non-Voting Ordinary share of 12,856,830 (2014 - 6,428,415)

6.2 Reserves

Total Group Reserves as at 31st March 2015 amounts to Rs. 4.5 Bn (2014 – Rs, 2.8 Bn) representing Revenue Reserve and the detailed movement of the Reserves shown in the Statement of Changes in Equity in the Financial Statements.

6.3 Solvency Test

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

A solvency certificate has been sought in respect of the first and Final dividend of Rs. 0.35 per share (2014 – Rs. 0.70) proposed to be paid to the holders of the Company as at the close of the business on 21st September 2015.

6.4 Dividends

The Board of Directors has recommended a payment of Rs. 0.35 per share payable for 2014/15 (2013/14 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 of No 7 of 2007 immediately after the proposed final dividend distribution.

7. Shareholders

7.1 Major Shareholdings

Details of the twenty largest shareholders of Voting Ordinary and Non-Voting shares with the percentage of their respective holdings are given on page 102

7.2 Public Holding

There were 2,224 voting and 1,124 non voting (2014 – 1,724 voting and 945 non voting) registered shareholders as at 31st March 2015, with the percentage of shares held by the public , as per the Colombo Stock Exchange Rules, being 42.14% voting and 94.16% non voting (2014 – 42.94% voting and 94.61% non voting)

7.3 Share Holdings/ Share Information

Information relating to earnings, dividend, net assets, market value per share, share trading and distribution of shareholding is given on pages 99 to 101

8. Ratios and Market Price Information

The ratios relating to equity as required by the listing requirement of the Colombo Stock Exchange are given in Page 99 to this report.

9. Directors

9.1 Renuka Holdings PLC

The names of the Directors who held office during the financial year are given below. The brief profiles of the Board of Directors appear on page 9.

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

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

9.2 Recommendation for re-election

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

2. To re-appoint Mr. C.J. De S. Amaratunge who is 75 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.

3. To re-appoint Mr. T.K. Bandaranayake who is 72 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. T.K. Bandaranayake.

REPORT OF THE DIRECTORS (CONTD.)

4. To re-appoint Mr. J.M. Swaminathan who is 74 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.

9.3 Disclosure of Directors Dealing in Shares

Directors dealing in shares are given in Note 9.4.1

Directors' holdings, in ordinary shares of the Company are given in Note 9.4.1.

9.4 Entries in the Interest Register

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

9.4.1 Directors' Interest in Transactions

The Company carried out transactions in the ordinary course of business with the entities which a Director of the Company is a Director. The transactions with entities where a Director of the Company either has control or exercises significant influence have been classified as related party transaction and disclosed in Note 48 to Financial Statements.

As at 31st March	2015		2014	
Name of Directors	Voting	Non Voting	Voting	Non-Voting
Dr & Mrs Rajiyah (Jt)	4,542,058	171,422	2,225,866	85,771
Mr S.V.Rajiyah	306,392	435,414	77,491	2,017,707
Mr C.J.De.S.Amaratunge	23,282	-	11,641	-
Mr L.M.Abeywickrama	-	-	-	-
Mr T.K.Bandaranayake	-	-	-	-
Mr M.S.Dominic	-	-	-	-
Ms A.L.Rajiyah	330,783	42,850	148,338	21,425
J.M.Swaminathan	-	-	-	-

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

9.4.2 Directors Interest in Shares

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

Renuka Holdings PLC

There were no share transactions by the Directors during the year other than allotment to the entitlement during right issue of shares.

9.4.3 Remuneration of Directors

The remuneration of the Directors in respect of the Company for the year ended 31st March 2015 is given in Note 35 to Financial Statements.

10. Board Committees

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

10.1 Audit Committee

1. Mr. T.K. Bandaranayake (IND/NED) – Chairman
2. Mr. C.J.De.S. Amaratunge (NED)
3. Mr. M.S. Dominic (IND/NED)

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

The Audit Committee reviewed the type and quantum of non-audit services provided by External Auditors to the Group to ensure that their independence as Auditors has not been impaired. Detail scope of Audit Committee and their work during the year disclosed in Audit Committee report given on Pages 17 and 18.

10.2 Remuneration Committee

1. Mr. M.S. Dominic - Chairman
2. Mr. T.K. Bandaranayake
3. Mr. C.J.De S. Amaratunge

The report of the Remuneration Committee is given on Page 19.

11. Environmental Protection

The group effort in minimizing and conserve scarce and non-renewable resources as well as environmental objectives are discusses in detail in Sustainability Report on page No 24.

12. Statutory Payments

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government, other regulatory institutions and those related to employees have been made on time. The declaration relating to statutory payments is made in the Statement of Directors Responsibilities on page No 29.

REPORT OF THE DIRECTORS (CONTD.)

13. Event Occurring After the Balance Sheet Date

No event of material significance that requires adjustment to the Financial Statements has occurred subsequent to the date of the reporting date, other than those disclosed in Note 41 to the Financial Statements.

14. Going Concern

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

15. Risk Management

The group exposure to risk and structure to manage and mitigate risk is discussed in more detail to Risk Management Report on page No 51.

16. Corporate Donations

Donation by the Group for the year ended 31st March 2015 is Rs. 36,750.

No donations were made for political purposes.

17. 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 31 of the Annual Report.

The Auditors Messrs Kreston MNS were paid Rs. 229,500 (2014 – Rs. 199,500) and Rs. 911,500 (2014 – Rs. 660,500) as audit fees by the Company and its Subsidiaries respectively.

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

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

18. Employment Policies

The Group employment policies respect the individuals and offer equal career opportunities, regardless of sex, race or religion and consider the relationship with the employees to be good. The number of persons employed in the Company and its subsidiaries as at 31st March 2015 was 1780 (2014 – 1420)

19. Segment Reporting

Segmental reporting is provided in pages 90 to 94 to Annual Report.

20. Annual Report

The Board of Directors approved the Consolidated Financial Statement along with Company Financial Statements on 5th of August 2015. The appropriate number of copies of this report will be submitted to Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board on or before 31st August 2015.

21. Shareholders

It is the Group policy to endeavor to ensure equitable treatment to its shareholders.

22. Corporate Governance

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

The Corporate Governance Report on pages 12 to 16 discusses this further.

23. Annual General Meeting

The Annual General Meeting will be held at the Sri Lanka Foundation Institute, No. 100, Independence Square, Colombo 7 on the 18th September 2015 at 4.00 p.m. The notice of the Annual General Meeting appears on page 103.

For and on behalf of the Board

Sgd
Mrs. I.R. Rajiyah

Sgd
Dr. S.R. Rajiyah

Sgd
Renuka Enterprises (Pvt) Ltd
Company Secretaries
5th August 2015

STATEMENT OF DIRECTORS RESPONSIBILITY

The responsibility of the Directors in relation to the Financial Statements for the year ended 31st March 2015 which have been prepared and presented in accordance with the requirements of the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange and the Companies Act No.7 of 2007 is set out in the following statement .

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

a) An Income Statement, which presents a true and fair view of the Profit and loss of the Company and its subsidiaries for the financial year;
b) A statement of Changes in Equity which presents a true and fair view of the changes in the Company's and its Subsidiaries retained earnings for the financial year;
c) A Statement of Cash Flows which presents a true and fair view of the flow of cash in and out of the business for the financial year; and
d) A Statement of Finacial Position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year together with explanatory notes to the financial statements

and which comply with the requirements of the Act.

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

a) The appropriate accounting policies have been selected and applied in a consistent manner, material deviations if any have been disclosed and explained;
b) All applicable Accounting Standards, as relevant have been followed
c) Judgments and estimates have been made which are reasonable and prudent.

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

The External Auditors, M/s Kreston MNS & Co who were deemed reappointed in terms of the Companies Act No. 07 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion the Financial Statements. The Report of the Auditors, shown on page 31 set out their responsibilities in relation to the Financial Statements .

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

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

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

COMPLIANCE REPORT

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

By order of the Board
Renuka Enterprises (Pvt) Ltd

Sgd
Company Secretaries
5th August 2015

FINANCIAL REPORTS

INDEPENDENT AUDITORS' REPORT	31
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	32-33
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	34-35
STATEMENT OF CHANGES IN EQUITY	36-37
CONSOLIDATED STATEMENT OF CASH FLOWS	38-39
NOTES TO THE FINANCIAL STATEMENT	40-97

INDEPENDENT AUDITORS' REPORT

Kreston MNS & Co

Chartered Accountants
P.O. Box 210
50/2, Sir James Peiris Mawatha.
Colombo 02, Sri Lanka.
T +94 (0) 11 2323571
F +94 (0) 11 2433388
E audit@kreston.lk
www: webasia.com/kreston

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 Statement of Financial Position as at 31st March 2015, and the Statement of Income, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory notes, exhibited on pages 40 to 97.

Board's Responsibility for the Financial Statements

The Board of Directors ("the Board") is responsible for the preparation of these Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position of the Group as at 31st March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above.

b) In our opinion:

- We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.
- The Financial Statements of the Company give a true and fair view of its Financial Position as at 31st March 2015, and of its Financial Performance and Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.
- The Financial Statements of the Company and the Group, comply with the requirements of Section 151 and 153 of the Companies Act No. 07 of 2007.

Kreston MNS & Co

CHARTERED ACCOUNTANTS
COLOMBO
5TH August 2015

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*

Kreston MNS & Co
City Office at 18-1/2A, First Floor, State Bank of India Building, Colombo 01. T +94 (0) 11 2327444
Branches in Anuradhapura, Badulla, Batticaloa, Hatton, Jaffna, Kandy, Kurunegala, Matara, Negombo, Nuwara Eliya, Trincomalee
Correspondent firm within Grant Thornton International Ltd (Grant Thornton International).
Grant Thornton International and the member and correspondent firms are not a worldwide partnership.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH	Note	Group 2015 Rs.	Group 2014 Rs. Restated	Company 2015 Rs.	Company 2014 Rs.
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	8	3,861,735,376	2,511,137,209	-	-
Intangible Assets	9	145,777,758	134,957,311	-	-
Investment Property	10	1,001,000,000	937,000,000	-	-
Right to Use land	11	281,670,096	279,044,358	-	-
Biological Assets	12	45,842,832	35,648,016	-	-
Investment Securities	13	-	376,000,000	-	-
Investment in Subsidiaries	14 (a)	-	-	256,000,010	852,000,010
Investment in Joint Ventures	14 (d) & 40 (b)	65,937,990	54,982,219	59,491,500	59,491,500
Investment in Associate	14 (c)	934,719	-	-	-
Other Investments	14 (e)	223,958,952	223,958,952	-	-
Deferred Tax Asset	23	101,956,189	26,737,471	-	-
		5,728,813,913	4,579,465,536	315,491,510	911,491,510
Current Assets					
Short Term Investments in Shares	15	5,274,049	3,658,840	-	-
Inventories	16	1,206,850,653	833,217,394	-	-
Trade and Other Receivables	17	746,246,594	774,717,695	-	-
Other Current Assets	18	265,522,858	87,601,976	-	-
Income Tax Refund Due	29	4,302,362	13,397,468	33,297	-
Amounts due from Related Companies	19	-	1,000,000	9,310,000	6,540,000
Short Term Investments in Deposits	20	1,886,704,716	310,355,548	810,436,790	24,884
Cash at Bank and Cash in Hand	21	716,949,373	211,588,725	451,213,288	1,168,239
		4,831,850,605	2,235,537,646	1,270,993,375	7,733,123
TOTAL ASSETS		10,560,664,518	6,815,003,182	1,586,484,885	919,224,633
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	22	1,198,897,063	175,000,000	1,198,897,063	175,000,000
Revaluation Reserve		244,371,473	-	-	-
Retained Earnings		3,047,001,115	2,652,600,806	385,991,726	386,105,636
Equity Attributable to Equity holders of Parent		4,490,269,651	2,827,600,806	1,584,888,789	561,105,636
Non Controlling Interest		2,769,400,455	2,012,814,534	-	-
Total Equity		7,259,670,106	4,840,415,340	1,584,888,789	561,105,636
Non Current Liabilities					
Deferred Tax Liability	23	258,884,683	48,377,308	-	-
Interest Bearing Borrowings due after one year	24 (a)	858,352,460	107,796,188	-	-
Lease obligation	24 (e)	57,500,000	60,105,992	-	-
Retirement Benefit Obligation	25	53,345,079	53,815,791	-	-
		1,228,082,222	270,095,279	-	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTD.)

		Group		Company	
AS AT 31ST MARCH		**2015**	**2014**	**2015**	**2014**
	Note	**Rs.**	**Rs.**	**Rs.**	**Rs.**
			Restated		
Current Liabilities					
Trade and Other Payables	26	594,653,313	575,003,576	1,425,401	1,308,972
Other Current Liabilities	27	182,038,671	96,430,974	105,106	199,280
Interest Bearing Borrowings due within one year	24 (b)	1,113,441,279	450,780,702	-	-
Current portion of Lease obligation	24 (e)	2,605,992	2,698,815		
Amount due to Related Companies	28	-	324,450,000	-	356,436,140
Income Tax Payable	29	-	-	-	104,623
Bank Overdraft	21	180,172,935	255,128,497	65,589	69,982
		2,072,912,190	1,704,492,564	1,596,096	358,118,997
TOTAL EQUITY AND LIABILITIES		10,560,664,518	6,815,003,182	1,586,484,885	919,224,633

The Accounting Policies and Notes on pages 40 to 97 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.

P. Gunathilake
Chief Operating Officer - Shared Services

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.

Dr. S. R. Rajiyah
Director
5th August 2015
Colombo.

S. V. Rajiyah
Director

STATEMENT OF COMPREHENSIVE INCOME

		Group		Company	
FOR THE YEAR ENDED 31ST MARCH	**Note**	**2015** **Rs.**	**2014** **Rs.** Restated	**2015** **Rs.**	**2014** **Rs.**
REVENUE	30	7,041,656,713	6,041,517,809	35,888,508	27,994,794
Cost of Sales		(5,315,619,007)	(4,882,890,618)	-	-
		1,726,037,706	1,158,627,191	35,888,508	27,994,794
Other Operating Income	31	94,460,871	193,682,537	-	-
Distribution Expenses		(536,859,542)	(619,668,567)	-	-
Administrative Expenses		(640,936,643)	(415,594,187)	(3,762,991)	(1,789,386)
Other Operating Expenses		(10,351,955)	(2,192,007)	-	-
Profit from Operations		632,350,437	314,854,967	32,125,517	26,205,407
Finance Income	32	55,342,707	10,426,364	15,024,289	1,080,236
Finance Cost	33	(59,164,032)	(58,175,070)	(386,499)	(35,714)
Other Financial Items	34	26,874,084	10,727,530	-	-
Profit on Disposal of Subsidiaries		-	2,259,579	-	-
Share of Profit of Associates and Joint Ventures	39 (b)	12,319,546	18,804,218	-	-
Profit before Taxation	35	667,722,742	298,897,588	46,763,308	27,249,929
Taxation	36	(49,492,299)	(29,301,792)	-	(196,603)
Profit for the year		618,230,443	269,595,796	46,763,308	27,053,326
Attributable to :					
Equity Holder of the Parent		395,849,866	192,316,125	46,763,308	27,053,326
Non Controlling Interest		222,380,577	77,279,669	-	-
		618,230,443	269,595,796	46,763,308	27,053,326
Earnings Per Share	37	6.02	3.77	0.71	0.53
Dividend per Share	38	0.70	0.70	0.70	0.70

The Accounting Policies and Notes on pages 40 to 97 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

STATEMENT OF COMPREHENSIVE INCOME (CONTD.)

		Group		Company	
FOR THE YEAR ENDED 31ST MARCH		**2015**	**2014**	**2015**	**2014**
	Note	**Rs.**	**Rs.**	**Rs.**	**Rs.**
			Restated		
Profit for the year		618,230,443	269,595,796	46,763,308	27,053,326
Other comprehensive income / (expenses) not to be reclassified to profit or loss in subsequent periods					
Defined benefits plan actuarial gains		5,846,456	2,994,621	-	-
Tax on Other Comprehensive Income		(306,207)	(498,511)	-	-
Other comprehensive income / (expenses) to be reclassified to profit or loss in subsequent periods					
Revaluation reserve on Land & Buildings		666,948,859	-	-	-
Tax on Other Comprehensive Income		(118,544,175)	-	-	-
Total Other comprehensive income for the year		553,944,933	2,496,110	-	-
Total comprehensive income for the year		1,172,175,376	272,091,906	46,763,308	27,053,326
Total Comprehensive Income Attributable to					
Equity Holder of the Parent		641,452,653	193,509,289	46,763,308	27,053,326
Non Controlling Interest		530,722,723	78,582,618	-	-
Total Comprehensive Income for the year		1,172,175,376	272,091,906	46,763,308	27,053,326

The Accounting Policies and Notes on pages 40 to 97 form an integral part of these Financial Statements.

Figures in brackets indicate deductions

STATEMENT OF CHANGES IN EQUITY

GROUP	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Non Controlling Interest Rs.	Total Rs.
Balance as at 1st April 2013 as reported previously	175,000,000	-	2,081,548,504	1,974,003,762	4,230,552,266
Prior year adjustment due to changes in accounting policy	-	-	2,901,701	-	2,901,701
Balance as at 1st April 2013 as restated	175,000,000	-	2,084,450,205	1,974,003,762	4,233,453,967
Profit for the year - Restated	-	-	192,316,125	77,279,669	269,595,796
Other Comprehensive Income	-	-	1,193,162	1,302,949	2,496,110
Total comprehensive income	-	-	193,509,287	78,582,618	272,091,906
Adjustments due to Disposal of subsidiaries	-	-	-	(6,309,801)	(6,309,801)
Adjustments due to changes in shareholdings of Subsidiaries	-	-	410,303,324	12,115,108	422,418,432
Dividend Paid	-	-	(35,662,010)	(45,577,153)	(81,239,163)
Balance as at 31st March 2014	175,000,000	-	2,652,600,806	2,012,814,534	4,840,415,340
Profit for the year	-	-	395,849,866	222,380,577	618,230,443
Other Comprehensive Income	-	244,371,473	1,231,314	308,342,146	553,944,933
Total comprehensive income	-	244,371,473	397,081,180	530,722,723	1,172,175,376
Share Issues	1,023,897,063	-	-	-	1,023,897,063
Share issues Expenses	-	-	(18,637,307)	(11,074,394)	(29,711,701)
Adjustments due to changes in shareholdings of Subsidiaries	-	-	51,618,446	318,854,579	370,473,025
Dividend Paid	-	-	(35,662,010)	(81,916,987)	(117,578,997)
Balance as at 31st March 2015	1,198,897,063	244,371,473	3,047,001,115	2,769,400,455	7,259,670,106

STATEMENT OF CHANGES IN EQUITY (CONTD.)

COMPANY	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31st March 2013	175,000,000	394,714,320	569,714,320
Profit for the year	-	27,053,326	27,053,326
Other Comprehensive Income	-	-	-
Total comprehensive income	-	27,053,326	27,053,326
Dividend Paid	-	(35,662,010)	(35,662,010)
Balance as at 31st March 2014	175,000,000	386,105,636	561,105,636
Profit for the year	-	46,763,308	46,763,308
Other Comprehensive Income	-	-	-
Total comprehensive income	-	46,763,308	46,763,308
Share Issues	1,023,897,063	-	1,023,897,063
Share issues Expenses		(11,215,208)	(11,215,208)
Dividend Paid	-	(35,662,010)	(35,662,010)
Balance as at 31st March 2015	1,198,897,063	385,991,726	1,584,888,789

The Accounting Policies and Notes on pages 40 to 97 form an integral part of these Financial Statements.

CASH FLOW STATEMENT

	Group		Company	
FOR THE YEAR ENDED 31ST MARCH	**2015**	**2014**	**2015**	**2014**
	Rs.	**Rs.**	**Rs.**	**Rs.**
		Restated		
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	667,722,742	298,897,588	46,763,308	27,249,929
Adjustments :				
Share of profit of Associate & Joint Venture companies	(12,319,546)	(18,804,218)	-	-
Interest Income	(55,342,707)	(10,426,364)	(15,024,289)	(1,080,236)
(Gain) from Change in market Value of Current Investments	(645,291)	-	-	-
Provision for Retiring Gratuity	14,097,003	13,434,748	-	-
Depreciation	134,582,038	127,462,707	-	-
Amortization of Intangible Assets	4,179,553	4,115,148	-	-
Interest Paid	54,395,916	60,809,634	-	35,714
Lease Interest	18,289	35,846	386,499	-
Negative Goodwill on Acquisition of Subsidiary	(291,875)	-	-	-
Amortisation of Leasehold Assets	6,110,890	5,978,340	-	-
Profit / (Loss) on Disposal of Property Plant & Equipment	-	(3,129,033)	-	-
Change in fair value of Investment Property	(64,000,000)	(148,992,500)	-	-
Profit on disposal of subsidiary	-	(2,259,579)	-	-
Fair value adjustment of biological assets	(10,194,816)	(6,056,368)	-	-
Provision for Stock Loss	-	3,863,453	-	-
Provision for impairement of Doubtful debt	4,749,827	(2,670,410)	-	-
Operating Profit before changes in Working Capital	743,062,023	322,258,992	32,125,518	26,205,407
(Increase) / Decrease in :				
Inventories	(373,633,259)	(273,680,304)	-	-
Trade & Other Receivables	23,721,274	(25,666,336)	-	-
Other Current Assets	(177,920,882)	(29,974,104)	-	-
Amounts due from Related Companies	1,000,000	27,997,745	(2,770,000)	792,646,660
Short Term Financial Assets	(969,918)	(3,658,840)	-	-
Trade & Other Payables	19,558,239	186,141,051	116,430	176,885
Other Current Liabilities	85,607,697	(108,343,324)	(94,175)	150,728
Amount due to Related Companies	(324,450,000)	322,169,068	(356,436,140)	(35,458,840)
Cash Generated from Operations	(4,024,826)	417,243,949	(327,058,367)	783,720,840
Gratuity Paid	(8,721,259)	(5,395,428)	-	-
Income Tax / WHTax Paid	(21,526,369)	(27,772,695)	(137,920)	(334,995)
Tax effect on Group Dividend	(2,432,549)	(2,774,057)	-	-
Interest Income	55,342,707	10,426,364	15,024,289	1,080,236
Interest Paid	(54,395,916)	(60,809,634)	(386,499)	(35,714)
Net Cash from / (used in) Operating Activities	(35,758,212)	330,918,499	(312,558,497)	784,430,367

CASH FLOW STATEMENT (CONTD.)

	Group		Company	
FOR THE YEAR ENDED 31ST MARCH	**2015**	**2014**	**2015**	**2014**
	Rs.	**Rs.**	**Rs.**	**Rs.**
		Restated		
CASH FLOW FROM INVESTING ACTIVITIES				
Intangible Assets Additions	(15,000,000)	-	-	-
Additions to Right to use Land	(5,408,100)	-	-	-
Purchase of Shares in Subsidiary	(199,607,226)	-	-	-
Sales Proceed on Disposal of Shares in Subsidiaries	-	(3,497,651)	-	-
Sales Proceed on Deemed Disposal of Shares in Subsidiaries	-	422,418,512	-	-
Withdrawal / (Investment) in Securities	376,000,000	(376,000,000)	-	-
Purchase of Property Plant & Equipment	(621,559,875)	(173,828,258)	-	-
Sale proceeds from disposal of Proprety, Plant & Equipment	-	3,821,288	-	-
Additions to Immature Plantation	-	(78,400)	-	-
Net advance Paid for Investment	-	-	596,000,000	(750,000,000)
Net Cash from/ (used in) Investing Activities	(465,575,201)	(127,164,509)	596,000,000	(750,000,000)
CASH FLOW FROM FINANCING ACTIVITIES				
Share Issue expenses	(18,637,307)	-	(11,215,208)	-
Shares Issued	1,023,897,063	-	1,023,897,063	(35,662,010)
Shares Issued to Non Controlling Intrests	359,818,287	-	-	-
Dividend Paid	(35,662,010)	(35,662,010)	(35,662,010)	-
Dividend Paid to Minority	(81,916,987)	(45,577,153)	-	-
Leasing Installments Paid	(2,717,104)	(2,717,104)	-	-
Net Long Term & Short Term Borrowings	1,413,216,849	201,727,887	-	-
Net Cash from / (used in) Financing Activities	2,657,998,791	117,771,620	977,019,845	(35,662,010)
Net Increase / (Decrease) in Cash and Cash Equivalents	2,156,665,378	321,525,610	1,260,461,348	(1,231,643)
Cash and Cash Equivalents at the Beginning of the year	266,815,776	(54,709,834)	1,123,140	2,354,783
Cash and Cash Equivalents at the End of the year	2,423,481,154	266,815,776	1,261,584,488	1,123,140
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Short Term Investments in Deposits	1,886,704,716	310,355,548	810,436,790	24,884
Cash at Bank and Cash in Hand - (Note 21)	536,776,438	(43,539,772)	451,147,698	1,098,256
	2,423,481,154	266,815,776	1,261,584,488	1,123,140

The Accounting Policies and Notes on pages 40 to 97 form an integral part of these Financial Statements.

NOTES TO THE 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 2015.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company, Subsidiaries and Joint venture entities are given in Note 50.

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. STATEMENT OF COMPLIANCE

The Statement of Financial Position, Statement of Comperhensive Income and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, together with Notes to the financial statements ("Financial Statements") of the Group as at 31st March 2015 and for the year then ended, comply with the Sri Lanka Accounting Standards (SLFRSs / LKASs) as laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

2.1. Basis of preparation

These financial statements for the year ended 31st March 2015 are prepared in accordance with Sri Lanka Accounting Standards(SLFRS& LKAS) effective for the periods beginning on or after 01st January 2012.

The consolidated financial statements have been prepared on a historical cost basis, except for the financial instruments and Land and Buildings, Investment Property, Biological assets 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 Rupees (Rs.)

2.2. Basis of measurement

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

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

2.3. Basis of consolidation

The consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiaries as at 31 March 2015.

Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns When the Group has less than a majority of the voting or similar rights of an investee; the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value. The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Consolidated statement of financial position. Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Consolidated income statement and statement of comprehensive income and as a component of equity in the Consolidated statement of financial position, separately from equity attributable to the shareholders of the parent .The Consolidated statement of cash flows includes the cash flows of the Company and its subsidiaries.

A list of subsidiaries within the Group is set out in Note 14(f) 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.

The details of non-controlling interests are given in Note 14(f) to the financial statements.

2.4. Summary Of Significant Accounting Policies Applied

2.4.1. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year other than the follwing,

- Land and Buildings are statead at fair value from 31/3/2015
- Investment in Joint Ventures (Note 2.7)

There have been no significant effect to the accounting policies due to the adoption of the following Sri Lanka Accounting Standards.

- Sri Lanka Accounting Standard (SLFRS 10) - Consolidated Financial Statements
- Sri Lanka Accounting Standard (SLFRS 12) - Disclosure of Interests in Other Entities
- Sri Lanka Accounting Standard (SLFRS 13) – Fair Value Measurement
- Amendments to LKAS 28 – Investment in Associates and Joint Ventures
- Amendments to LKAS 1 – Presentation of Financial Statements
- Amendments to LKAS 27 – Separate Financial Statements

The impact of Sri Lanka Accounting Standard (SLFRS 11) - "Joint Arrangements" is discussed in Note 2.7

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

2.4.2. Comparative Information

The presentation and classification of the financial statements of the previous year has been amended, where relevant for better presentation and to be comparable with those of the current year.

The following are the significant accounting policies applied by the Group in preparing its Consolidated Financial Statements:

2.5. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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.

2.6. Investment in Equity Accounted Investee

The Group investment in associates is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

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

The Income Statement reflects the Group's share of results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of an associate is shown on the face of the Income Statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

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

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

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

A listing of the Group's Associates are set out in Note 14(c) to the Financial Statements.

Summarised financial information of the Associates of the Group are given in Note 39(c) to the Financial Statements.

2.7. Interest in joint ventures

Upon adoption of SLFRS 11, the group has determined its interest in Mcshaw Automotive Limited to be classified as a joint venture under SLFRS 11 and it is required to be accounted for using the equity method. Prior to the transition to SLFRS 11 Mcshaw Automotive Limited was classified as a jointly controlled entity and the Group's share of the assets, liabilities, revenue, income and expenses was proportionately consolidated in the consolidated financial statements.

Impact of change in Accounting Policy

The transition was applied retrospectively as required by SLFRS 11 and the comparative information for the immediate preceding period 2013/14 is restated. The effect of appling SLFRS 11 on the consolidated Financial Statements is disclosed in Note 47 to the Financial Statement.

2.8. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

2.8.1. 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).

2.9. 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

a. 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.

b. 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 Foods PLC

a. 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.

b. 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 which came to an end in year of assessment 2011/2012.

Subsequent to the said exemption period was extended for another two years of assesments ending 2014/2015 for a supplementary agreement.

After the expiration of said tax exempt period, the company will be liable for taxtaion at rate of 12%.

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.

Other Income is liable for Income tax at the rate of 28%.

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. Captain Foods (Pvt) Ltd

Company 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. Renuka Beach Hotels Ltd.

Company 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 Consumer Foods Ltd

The company is liable to tax at 28%.

XIV. Renuka Shipping and Travel (Pvt) Ltd

The company is liable to tax at 28%.

XV. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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 income tax.

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%.

XVI. Ceylon Botanicals (Pvt) Ltd
The company is liable to tax at 28%.

XVII. Renuka Villas (Pvt) Ltd
The company is liable to tax at 28%.

XVIII. Renuka Trading (Pvt) Ltd
The company is liable to tax at 28%.

XIX. Galle Face Properties (Pvt) Limited
The company is liable to tax at 28%.

XX. Shaw Wallace Ceylon Ltd
The company is liable to tax at 28%.

XXI. 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.

The company is liable to tax at 10% for the year of assessment 2014/15

XXII. Shaw Wallace Food Services (Pvt) Ltd
The company is liable to tax at 28%.

XXIII. Shaw Wallace Services Ltd
The company is liable to tax at 28%.

XXIV. Shaw Wallace Agencies Ltd
The company is liable to tax at 28%.

XXV. McShaw Automotive Ltd
The company is liable to tax at 28%.

XXVI. Inter Ocean Lubricants (Pvt) Ltd
The company is liable to tax at 28%.

XXVII. Bois Brothers (Pvt) Ltd.
The company is liable to tax at 28%.

XXVIII. Richlife Dairies Ltd
The Company is liable to income tax at 10% on profit from agriculture and 28% on other Income.

XXIX. Renuka Agri Organic Ltd
The enterprise shall be entitled for a tax exemption period of four years in terms of IRD (Amendement) Act No. 8 of 2012. (Section 16)

2.10. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

2.11. 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.

2.12. Property, Plant & Equipment

Property, Plant & Equipment other than Land & Buildings 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.

Land and buildings are stated at fair value from 31.03.2015

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.

2.12.1. 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.

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.

2.12.2. 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.

2.12.3. Biological Assets

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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.

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.

Consumable biological assets are measured at fair value less costs to sell. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs.

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 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.

2.13. Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is 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 property is 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.

2.14. 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.

2.15. 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.

2.16. 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.

2.17. Going Concern

The Company's management has made an assetsment that the company has adequate resources to continue its operations in the foreseeable future. Therefore, going concern basis has been adopted in preparing these Financial Statements.

2.18. 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.

2.19. Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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.

2.20. 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.

2.20.1. 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.

2.20.2. Input Material, Spares and Consumables

At actual cost on weighted average basis.

2.21. Employee Benefit Cost

2.21.1. 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 the Other Comprehensive Income in the period in which they arise.

2.21.2. 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.

2.22. 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.

2.23. 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.

2.24. 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.

2.25. 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.

2.26. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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.

3. FINANCIAL INSTRUMENTS-INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

3.1. Financial assets

3.1.1. 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 7

3.1.2. Subsequent measurement

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

3.2. 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.

3.3. 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.

3.4. 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.

3.5. 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.

3.5.1. 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:

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

- 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.

3.5.2. 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.

3.6. 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.

3.7. 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.

3.8. Financial liabilities

3.8.1. 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 7.

3.8.2. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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.

3.8.3. 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.

3.9. 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.

3.10. 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.

3.11. Determination of Fair Value

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

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

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

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

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

Level 1
When available, the Company measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price), without any deduction for transaction costs. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

Level 2
If a market for a financial instrument is not active, then the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses, credit models, option pricing models and other relevant valuation models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

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

Level 3
Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined by using valuation models that have been tested against prices or inputs to actual market transactions and also using the best estimate of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models. Also, profit or loss calculated when such financial instruments are first recorded ('Day 1' profit or loss) is deferred and recognised only when the inputs become observable or on derecognition of the instrument.

4. INCOME STATEMENT

4.1. 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.

4.2. 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.

4.3. Rendering of Services

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

4.4. 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.

4.5. Dividend Income

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

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

4.6. Expenditure Recognition

4.6.1. 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.

4.6.2. 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.

5. 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 Group's reportable segments are as follows;

1. Agri Busniess
2. FMCG
3. Investment and Services - Automotive
4. Investment and Services - Property
5. Investment and Services – Strategic Investment & Support Serviess

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

6. EFFECT OF SRI LANKA ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's Financial Statements are disclosed below. The Group intends to adopt these Standards, if applicable, when they become effective.

6.1. Sri Lanka Accounting Standard (SLFRS 9) – "Financial Instruments: Classification and Measurement"

In December 2014, the CA Sri Lanka issued the final version of SLFRS 9 Financial Instruments which reflects all phases of the Financial Instruments project and replaces LKAS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. SLFRS 9 is effective for annual periods beginning on or after 1st January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

6.2. Sri Lanka Accounting Standard (SLFRS 15) – "Revenue from Contracts with Customers"

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including Sri Lanka Accounting Standard (LKAS 18) – "Revenue", Sri Lanka Accounting Standard (LKAS 11)– "Construction Contracts" and IFRIC 13 – "Customer Loyalty Programmes". This standard is effective for the annual periods beginning on or after 01 January 2017.

The Group will adopt these standards when they become effective. Pending the completion of detailed review, the financial impact is not reasonably estimable as at the date of publication of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 7 - ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

7.1 Group

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

31st March 2015	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.
Financial Assets						
Investment securities	13	-	-	-	-	-
Other Investments	14(e)	-	223,958,952	-	-	223,958,952
Trade & Other Receivables	17	-	-	-	746,246,594	746,246,594
Short Term Investment in Deposits	20	-	-	54,912,529	1,831,792,188	1,886,704,717
Amounts due from Related Companies	19	-	-	-	-	-
Short Term Invesment in Shares	15	5,274,049	-	-	-	5,274,049
Cash at Bank & in Hand	21	-	-	-	716,949,373	716,949,373
		5,274,049	223,958,952	54,912,529	3,294,988,155	3,579,133,685

		Other Liabilities at FVTPL Rs.	Other Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities				
Interest Bearing Borrowings	24	-	1,971,793,739	1,971,793,739
Trade & Other Payables	26	-	594,653,313	594,653,313
Amounts due to Related Companies	28	-	-	-
Bank Overdrafts	21	-	180,172,935	180,172,935
		-	2,746,619,987	2,746,619,987

31st March 2014	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.
Financial Assets						
Investment securities	13	-	-	376,000,000	-	376,000,000
Other Investments	14	-	223,958,952	-	-	223,958,952
Trade & Other Receivables	17	-	-	-	774,717,695	774,717,695
Short Term Investment in Deposits	20	-	-	54,593,875	255,761,674	310,355,549
Amounts due from Related Companies	19	-	-	-	1,000,000	1,000,000
Short Term Invesment in Shares	15	3,658,840	-	-	-	3,658,840
Cash at Bank & in Hand	21	-	-	-	211,588,725	211,588,725
		3,658,840	223,958,952	430,593,875	1,243,068,094	1,901,279,761

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 7 - ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (CONTD.)

7.1 Group

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

31st March 2014	Note	Other Liabilities at FVTPL	Other Liabilities at Amortised Cost	Total
		Rs.	Rs.	Rs.
Financial Liabilities				
Interest Bearing Borrowings	24	-	558,576,890	558,576,890
Trade & Other Payables	26	-	575,003,576	575,003,576
Amounts due to Related Companies	28	-	324,450,000	324,450,000
Bank Overdrafts	21	-	255,128,497	255,128,497
		-	1,713,158,963	1,713,158,963

A description of the Company's Financial Instrument risks, including risk management objectives and policies are given in Note 51.

7.2 Company

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

31st March 2015	Note	Fair Value through Profit & Loss (Carried at FVTPL)	Loans & Receivables (Carried at Amortised Cost)	Total
			Rs.	Rs.
Financial Assets				
Amounts due from Related Companies	19	-	9,310,000	9,310,000
Short Term Investment in Deposits	20	-	810,436,790	810,436,790
Cash at Bank & in Hand	21	-	451,213,288	451,213,288
		-	1,270,960,078	1,270,960,078

		Other Liabilities at FVTPL	Other Liabilities at Amortised Cost	Total
		Rs.	Rs.	Rs.
Financial Liabilities				
Trade & Other Payables	26	-	1,425,401	1,425,401
Bank Overdraft	21	-	65,589	65,589
		-	1,490,990	1,490,990

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 7 - ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS (CONTD.)

7.2 Company

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

31st March 2014	Note	Fair Value through Profit & Loss (Carried at FVTPL) Rs.	Available for Sale (Carried at Amortised Cost) Rs.	Loans & Receivables Rs.	Total Rs.
Financial Assets					
Amounts due from Related Companies	19	-	-	6,540,000	6,540,000
Short Term Investment in Deposits	20	-	-	24,884	24,884
Cash at Bank & in Hand	21	-	-	1,168,239	1,168,239
		-	-	7,733,123	7,733,123

		Other Liabilities at FVTPL Rs.	Other Liabilities at Amortised Cost Rs.	Total Rs.
Financial Liabilities				
Trade & Other Payables	26	-	1,308,972	1,308,972
Amounts due to Related Companies	28	-	356,436,140	356,436,140
Bank Overdraft	21	-	69,982	69,982
		-	357,815,094	357,815,094

NOTE 8 - PROPERTY , PLANT & EQUIPMENT

Group

	As at 01.04.2014 Rs.	Transfer to Revaluation Reserve Rs.	Additions Rs.	Transfer to Right to Use Land Rs.	As at 31.03.2015 Rs.
Cost/ Valuation					
Freehold Land	936,290,986	84,984,589	268,893,083	3,328,528	1,286,840,130
Buildings	652,375,413	465,884,853	14,841,216	-	1,133,101,482
Leasehold Buildings	205,406,790	-	-	-	205,406,790
Plant & Machinery	880,683,026	-	401,613,301	-	1,282,296,327
Motor Vehicles	146,949,689	-	10,813,965	-	157,763,654
Equipment & Tools	223,295,249	-	62,270,908	-	285,566,157
Furniture & Fittings	77,588,701	-	11,419,152	-	89,007,853
Electrical Installation	18,524,798	-	-	-	18,524,798
Computer & Software	7,192,874	-	333,715	-	7,526,589
Waste Water Treatment Plant	-	-	2,356,839	-	2,356,839
	3,148,307,526	550,869,442	772,542,179	3,328,528	4,468,390,619

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 8 - PROPERTY , PLANT & EQUIPMENT (CONTD.)

Group

	As at 01.04.2014	Transfer to Revaluation Reserve	Charge for the year	Depreciation on Disposal	As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.
Accumulated Depreciation					
Freehold Land	-	-	-	-	-
Buildings	72,031,757	90,758,167	18,726,410	-	-
Leasehold Buildings	5,807,246	-	895,325	-	6,702,571
Plant & Machinery	308,041,348	-	66,651,408	-	374,692,756
Motor Vehicles	96,129,347	-	20,550,252	-	116,679,599
Equipment & Tools	92,401,890	-	10,837,290	-	103,239,180
Furniture & Fittings	48,163,396	-	14,946,186	-	63,109,582
Electrical Installation	13,590,164	-	532,003	-	14,122,167
Computer & Software	3,055,634	-	1,443,164	-	4,498,798
Waste Water Treatment Plant	-	-	-	-	-
	639,220,782	90,758,167	134,582,038	-	683,044,653

	As at 01.04.2014	Charge for the year	Transfer to Revaluation Reserve	As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.
Impairment Provision				
Buildings	25,321,250	-	25,321,250	-
	25,321,250	-	25,321,250	-

	As at 31.03.2015	As at 31.03.2014
	Rs.	Rs.
Written Down Value	3,785,345,965	2,483,765,494
Capital Work in Progress	76,389,411	27,371,715
	3,861,735,376	2,511,137,209

- Based on the assessment carried out internally, by the Board of Directors no Provision was required for the Potential impairment of fixed assets as at 31 March 2015.
- Property, Plant and Equipment include fully depreciated assets having a gross amount of Rs. 134,852,434 as at 31 March 2015. (Rs. 94, 140,573 as of 31 March 2014)
- There were no restrictions on the title of the Property, Plant and Equipment as at 31 March 2015
- There were no items of Property, Plant and Equipment Pledged as security as at 31 March 2015 other than disclosed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 8.1 - REVALUATION OF LAND & BUILDINGS

Company	Location	Last Revaluation Date	Land Extent (Perches)	Fair value as at 31.03.2015 Rs. Land	Buildings
Shaw Wallace Ceylon Ltd	Danister De Silva Mw, Colombo - 8 and	31st March 2015			627,693,015
	Karishue Place, Colombo - 8	31st March 2015	45	197,500,000	
Captains Foods (Pvt) Ltd	Gamunu Mw, Ekala, Jaela	31st March 2015	60	53,000,000	267,771
RichLife Diaries Ltd	Priivena road, Molligoda,Wadduwa	31st March 2015	682	127,815,000	174,072,920
Renuka Developments Ltd	Sri Dharma Mw, Colombo - 9	31st March 2015	184	488,000,000	
Renuka Trading (Pvt) Ltd	Kent Road, Dematagoda, Colombo - 9	31st March 2015	76	75,863,000	64,137,000
Renuka Agri Foods PLC	Unagahadeniya EPZ, Wathupitiwala	31st March 2015	420.4	21,428,000	239,162,900
Renuka Foods PLC	Samagi Mw, Ekala Jaela	31st March 2015			27,767,875
	Dharmalapala Mw, Ekala Jaela		215	80,531,250	
Ceylon Botanicals (Pvt) Ltd	Owela Village, Matale East	31st March 2015	10,842	20,000,000	
Renuka Beach Hotels Ltd	Wellaboda, Ahungalla	31st March 2015	377	200,000,000	
Renuka Organics (Pvt) Ltd	Unagahadeniya	31st March 2015	303.3	22,702,880	
			Total	1,286,840,130	1,133,101,482

Fair value of the Land & Buildings are ascertained by an independent valuation carried out by L.M.P.Perera - FIV (SriLanka) as at 31 March 2015.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 9 - INTANGIBLE ASSETS

	Goodwill	Trade License	Trade Mark	Other Intangible Assets	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Cost					
Balance on 1st April 2014	116,053,065	-	15,000,000	13,648,153	144,701,218
Addition during the year	-	15,000,000	-	-	15,000,000
Disposed during the year	-	-	-	-	-
Balance on 31st March 2015	116,053,065	15,000,000	15,000,000	13,648,153	159,701,218
Accumulated Amortization/ Impairment					
Balance on 1st April 2014	-	-	1,656,164	8,087,743	9,743,907
Amortized / Disposed during the year	-	-	1,500,000	2,679,553	4,179,553
Balance on 31st March 2015	-	-	3,156,164	10,767,296	13,923,460
Net Book Value					
Balance on 1st April 2014	116,053,065	-	13,343,836	5,560,410	134,957,311
Balance on 31st March 2015	116,053,065	15,000,000	11,843,836	2,880,857	145,777,758

Goodwill

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

As at 31st March		2015	2014
		Rs.	Rs.
Name of the Subsidiaries			
1	Shaw Wallace Ceylon Ltd	49,621,455	49,621,455
2	Richlife Dairies Ltd	66,431,610	66,431,610
		116,053,065	116,053,065

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 impairement of goodwill is not required as at the reporting date.

Trade License

The Company has acquired the Trade License to operate Coconut Mill at Unagahadeniya for a sum of Rs. 15Mn during 2014/15. The Management has estimated to amortised the cost of the Trade License over a period of 10 years from financial year 2015/16.

Trade Mark

The Group had acquired the "Mr. POP" Trade Mark for a sum of Rs. 15 Mn during 2012/2013. The management is of the opinion that the Trademark has a useful life of 10 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 10 - INVESTMENT PROPERTY

As at 31st March		Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
(a)	**Movement of Investment Property**				
	Balance at the beginning of the year	937,000,000	788,007,500		-
	Change in fair value of investment property	64,000,000	148,992,500		-
	Balance at the end of the year	1,001,000,000	937,000,000		

(b)	**Details of Investment Property as at 31.03.2015**				
	Name of the Company	**Fair Value as at 31.03.2015**	**Directors Valuation as at 31.03.2015**	**Date**	**Value**
	Galle Face Properties (Pvt) Ltd	1,001,000,000	1,001,000,000	31st March 2015	1,001,000,000
		1,001,000,000	1,001,000,000		

Rental Income Earned & Direct Operating Expenses incurred

Temporary parking fees earned from Investment Property by the Group amounted to Rs, 3,206,451/- (2013 - Rs, 4,200,000/-) 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.

NOTE 11 - RIGHT TO USE LAND

As at 31st March	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Kandy Plantations Ltd - Note 11 (a)				
Land, Building, Mature and Immature Plantations	82,500,000	82,500,000	-	-
Less : Accumulated Amortization	(33,000,024)	(30,250,020)	-	-
	49,499,976	52,249,980	-	-
Renuka Agri Foods PLC - Note 11 (b)				
Balance as at 1st April	2,486,462	2,555,532	-	-
Additons made during the year	5,220,000	-	-	-
Amortization during the year	(131,914)	(69,070)	-	-
Balance as at 31st March	7,574,548	2,486,462	-	-
Shaw Wallace Properties Ltd. - Note 11 (c)				
Balance as at 1st April	224,307,916	227,467,182	-	-
Amortization during the year	(3,159,266)	(3,159,266)	-	-
Balance as at 31st March	221,148,650	224,307,916	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 11 - RIGHT TO USE LAND (CONTD.)

As at 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Renuka Agri Organics Ltd. - Note 11 (d)				
Transfer from Property, Plant and Equipment	3,328,528	-	-	-
Additons made during the year	188,100	-	-	-
Amortization during the year	(69,706)	-	-	-
Balance as at 31st March	3,446,922	-	-	-
	281,670,096	279,044,358	-	-

NOTE 11 (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.

NOTE 11 (b) - RENUKA AGRI FOODS PLC

This represents the premiums paid to the Board of Investment of Sri Lanka for the acquisition of leasehold land in 2001 and 2014. These premiums are amortized over the leasehold period of 50 years with effect from the year 2001 and 2014.

NOTE 11 (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.

NOTE 11 (d) - RENUKA AGRI ORGANICS LTD

The land is acquired under 50 years lease term from Board of Investment of Sri Lanka. The total lease rent will be amortised during lease term at 2% per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 12 - BIOLOGICAL ASSETS

As at 31st March		Group		Company	
		2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
(a)	**Bearer Biological Assets - Coconut Plantations**				
	Balance as at 1st April	85,585	85,585	-	-
	Additions during the year	-	-	-	-
	Balance as at 31st March	85,585	85,585	-	-
(b)	**Consumable Biological Assets - Timber Plantations**				
	Balance as at 1st April	35,562,431	29,427,663	-	-
	Gain arising from changes in fair value	10,194,816	6,056,368	-	-
	Additions during the year	-	78,400	-	-
	Balance as at 31st March	45,757,247	35,562,431	-	-
Total		45,842,832	35,648,016	-	-

Biological Assets as at 31 March 2015 wholly consists of investments made on immature Coconuts Plants & Teak Plants.

Timber Plantation

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 bring 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.

Variable	Comment
Timber Content	Estimated based on the grith, height and considering the growth and present age of the trees of each species in different geographical regions, factoring all the prevaling statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company approved by the Forestry Department
Economic Useful Life	Estimated based on normal life span of each species by factoring the forestry plan of the Company approved by the Forestry Department.
Sellilng Price	Estimated based on prevalling Sri Lankan market prices factoring all the conditions to be fulfilled in bringing the trees in to salable condition.
Discount Rate	Future cash flows are discounted at the rate of 12.5% (2014 - 12.5%)

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 12 - BIOLOGICAL ASSETS (CONTD.)

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:

	-10%	0	+ 10%
	Rs	Rs	Rs
Managed Timber	41,181,522	45,757,247	50,332,972
	41,181,522	45,757,247	50,332,972

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% of the estimated future discount rate has the following effect on the net present value of biological assets:

	-1%	0	+ 1%
	Rs	Rs	Rs
Managed Timber	52,155,644	45,757,247	40,277,140
	52,155,644	45,757,247	40,277,140

There are no commitments for the development or acquisition of biological assets.

NOTE 13 - INVESTMENT SECURITIES

	Group		Company	
As at 31st March	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Treasury Fund	-	151,000,000	-	-
Fixed deposit	-	225,000,000	-	-
	-	376,000,000	-	-

NOTE 14 - INVESTMENTS

		Group		Company	
As at 31st March		2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
Note (14a)	Investments In Subsidiaries				
	Cost	-	-	256,000,010	852,000,010
		-	-	256,000,010	852,000,010

NOTE 14 - INVESTMENTS (CONTD.)

As at 31st March		% Holding 2015	% Holding 2014	No of Shares 2015	No of Shares Movement	No of Shares 2014	Value 2015	Value Movement	Value 2014
Note (14a)	**Investments In Subsidiaries**								
	Renuka Developments Ltd	50%	50%	49,997,000	44,997,300	4,999,700	35,000,000	-	35,000,000
	Renuka Enterprises (Pvt) Ltd	97%	97%	3,100,000	-	3,100,000	31,000,000	-	31,000,000
	Renuka Agro Exports Ltd	96%	96%	9,600,000	-	9,600,000	36,000,000	-	36,000,000
	Galle Face Properties (Pvt) Ltd	100%	100%	10	-	10	10	-	10
	Advance Paid for Investment - Renuka Agro Exports Ltd						-	(450,000,000)	450,000,000
	Advance Paid for Investment - Galle Face Properties (Pvt) Ltd						-	(300,000,000)	300,000,000
	Advance Paid for Investment - Renuka Enterprises (Pvt) Ltd						154,000,000	154,000,000	-
							256,000,010	(596,000,000)	852,000,010

As at 31st March	Investor	Investee	% Holding 2015	% Holding 2014	No of Shares 2015	No of Shares 2014	Value 2015	Value 2014
Note (14b)	**GROUP INVESTMENTS IN SUBSIDIARIES**							
	Renuka Agro Exports Ltd	Renuka Foods PLC - Voting	62.97%	62.97%	56,533,428	56,533,428	889,257,048	889,257,048
		- Non Voting	15.73%	15.73%	751,031	751,031	13,813,762	13,813,762
	Renuka Enterprises (Pvt) Ltd	Renuka Shipping & Travels (Pvt) Ltd	100%	100%	549,980	549,980	5,499,800	5,499,800
		Renuka Investments (Pvt) Ltd	50%	50%	5,000	5,000	50,000	50,000
		Renuka Beach Hotels Ltd	100%	-	4,000,000	-	200,000,000	-
	Renuka Foods PLC	Renuka Agri Foods PLC	50.09%	50.09%	281,400,000	281,400,000	521,172,082	521,172,082
		Renuka Consumer Foods Ltd	80%	100%	6,400,000	4,500,000	640,000,000	450,000,000
		Renuka Developments Ltd	50%	50%	50,000,000	5,000,000	450,000,000	450,000,000
		Renuka Teas (Ceylon) (Pvt) Ltd	100%	100%	3,500,000	1,250,000	118,437,500	48,437,500
		Renuka Agri Organics Ltd	50%	-	9,999	-	9,999,000	-

NOTE 14 - INVESTMENTS (CONTD.)

Investor	Investee	% Holding		No of Shares		Value	
As at 31st March		2015	2014	2015	2014	2015	2014
Note (14b) GROUP INVESTMENTS IN SUBSIDIARIES							
Renuka Agri Foods PLC	Renuka Organics (Pvt) Ltd	100%	100%	5,350,000	500,000	659,000,000	50,000,000
Renuka Teas (Ceylon) (Pvt) Ltd	Renuka Trading (Pvt) Ltd	100%	100%	20	20	110,000,000	110,000,000
Renuka Consumer Foods Ltd	Shaw Wallace Ceylon Ltd	60.17%	42.24%	177,501,500	41,252,933	1,107,709,776	291,974,644
Shaw Wallace Ceylon Ltd	Richlife Dairies Ltd	100%	-	40,580,000	-	1,105,000,000	-
	Shaw Wallace Food Service Ltd	100%	100%	-	600,000	-	6,990,000
	Shaw Wallace Properties Ltd	100%	100%	7,333,335	6,000,002	311,218,411	211,218,411
	Shaw Wallace Services Ltd	100%	100%	10,000	10,000	1,250,000	1,250,000
	Shaw Wallace Agencies Ltd	100%	100%	5,000	5,000	5,115,000	5,115,000
	Captain Foods (Pvt) Ltd	100%	100%	9,015,000	15,000	90,150,000	150,000
	Bios Brothers (Pvt) Ltd	100%	100%	1	1	10	10
Renuka Organics (Pvt) Ltd	Kandy Plantations Ltd	93.60%	78.6%	22,463,972	3,299,995	238,760,725	40,761,025
	Renuka Consumer Foods Ltd	20%	-	1,600,000	-	329,600,000	-
	Renuka Agri Oraganics Ltd.	-	-	1	1	1,000	1,000
Kandy Plantations Ltd	Ceylon Forestry (Pvt) Ltd	60%	60%	2,100,000	2,100,000	20,000,000	20,000,000
Ceylon Forestry (Pvt) Ltd	Ceylon Botanicals (Pvt) Ltd	100%	100%	2,500,000	2,500,000	25,000,000	25,000,000
Note (14c) INVESTMENTS IN ASSOCIATES							
Renuka Enterprises (Pvt) Ltd	Inter Ocean Lubricants (Pvt) Ltd	25%	-	175,000	-	918,891	-
Renuka Investments (Pvt) Ltd	Renuka Villas (Pvt) Ltd	30%	-	7,500	-	15,828	-
					Total	934,719	-

NOTE 14 - INVESTMENTS (CONTD.)

Investor	Investee	% Holding		No of Shares		Value	
As at 31st March		2015	2014	2015	2014	2015	2014
Note (14d) INVESTMENTS IN JOINT VENTURES							
Renuka Holdings PLC	Mcshaw Automotive Ltd	50.00%	50.00%	2,750,000	2,750,000	59,491,500	59,491,500
						59,491,500	59,491,500

Renuka Holdings PLC has 50% equity shareholding of Mcshaw Automative Ltd, Joint Venture incorporated in Sri Lanka with Mclarens Holdings Ltd with effect from 12.10.2012.

Note (14e) OTHER INVESTMENTS							
Renuka Enterprises (Pvt) Ltd	Cresent Launders & Dry Clearners (Pvt) Ltd *	44.25%	44.25%	265,500	265,500	56,882,542	56,882,542
	The Cargo Boat Despatch Co. Ltd	-	-	1,000	1,000	10	10
						56,882,552	56,882,552
Renuka Investments (Pvt) Ltd	Renuka Consultants & Services Ltd *	20.71%	20.71%	12,420	12,420	96,112,570	96,112,570
	Renuka Properties Ltd *	20.64%	20.64%	12,386	12,386	46,062,520	46,062,520
	Lancaster Holdings Ltd *	20.64%	20.64%	12,386	12,386	24,901,310	24,901,310
						167,076,400	167,076,400
						223,958,952	223,958,952

* The Group percentage holding in the above companies is more than 20% but less than 50% as at 31st March 2015. However, there is no representation in the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 14(f) - PRINCIPAL SUBSIDIARIES (CONTD.)

Company and Country of Incorporation/ Operation	Principal Activities	Class of Shares held	Group Interest (%)	Non Controlling Interest (%)
The following disclosure excerpt highlights the group composition and the portion of ownership interests held by NCI				
Sri Lanka				
Renuka Foods PLC	Investment in Agri Business, FMCG	Ordinary	61.15%	38.85%
Renuka Agri Foods PLC	Manufacture and market range of coconuts products	Ordinary	30.63%	69.37%
Renuka Teas (Ceylon) (Pvt) Ltd.	Export bulk tea, value added tea products	Ordinary	61.15%	38.85%
Renuka Organics (Pvt) Ltd.	Organic certification license holder and investment in plantation / farm & vertical integration projects	Ordinary	30.63%	69.37%
Kandy Plantations Ltd.	cultivation & processing of organics certified coconut, pepper,cinnamon & dairy farming	Ordinary	28.67%	71.33%
Renuka Trading (Pvt) Ltd.	Warehousing	Ordinary	61.15%	38.85%
Ceylon Forestry (Pvt) Ltd.	Planting and Managing forestry	Ordinary	17.20%	82.80%
Ceylon Botanicals (Pvt) Ltd.	Investment in agricultural property	Ordinary	17.20%	82.80%
Renuka Agro Exports Ltd.	Engaged in sourcing, manufacturing & exporting of ethnic food products	Ordinary	96.00%	4.00%
Renuka Agri Organics Ltd.	Manufacturing & export coconut based products	Ordinary	30.58%	69.42%
Renuka Developments Ltd.	Property Development	Ordinary	80.58%	19.42%
Renuka Enterprises (Pvt) Ltd.	Provide support services to group companies	Ordinary	96.88%	3.12%
Renuka Shipping & Travel (Pvt) Ltd.	providing shipping , clearing, Wharf and travel services	Ordinary	96.88%	3.12%
Renuka Investments (Pvt) Ltd.	Investment in shares	Ordinary	48.44%	51.56%
Galle Face Properties (Pvt) Ltd.	Property Development	Ordinary	100.00%	0.00%
Renuka Consumer Foods Ltd	Investment in FMCG	Ordinary	55.05%	44.95%
Richlife Dairies Ltd.	Manufacturing of dairy & fruit based products	Ordinary	33.13%	66.87%
Shaw Wallace Ceylon Ltd.	Manufacturing, trading and distributing of FMCG products	Ordinary	33.13%	66.87%
Captain Foods (Pvt) Ltd.	Renting plant & equipment, providing support services for manufacturing of consumer goods	Ordinary	33.13%	66.87%
Shaw Wallace Services Ltd.	Providing accounting services	Ordinary	33.13%	66.87%
Shaw Wallace Agencies Ltd.	Company has ceased its commercial operation as at reporting date	Ordinary	33.13%	66.87%
Shaw Wallace Properties Ltd.	Providing warehouse facilities	Ordinary	33.13%	66.87%
Bois Brothers (Pvt) Ltd.	Company has ceased its commercial operation as at reporting date	Ordinary	33.13%	66.87%
Shaw Wallace Food Services Ltd.	Company has ceased its commercial operation as at reporting date	Ordinary	33.13%	66.87%
Renuka Beach Hotels Ltd.	Tourism (Has not commenced its commercial operations)	Ordinary	96.88%	3.12%

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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

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

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

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

NOTE 15 - SHORT TERM INVESTMENT IN SHARES

As at 31st March	Group Investment			
	2015	2014	2015	2014
	Number of Shares		Rs.	Rs.
Investment In Quoted Shares				
Investor				
Renuka Investments (Pvt) Ltd				
Investee				
The Autodrome PLC	2,032	1,000	1,879,600	859,446
The Cargo Boat Development PLC.	3,675	3,675	444,675	457,128
Renuka City Hotels PLC	8,936	8,936	2,949,774	2,342,266
			5,274,049	3,658,840

NOTE 16 - INVENTORIES

As at 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Raw Materials & Consumables	167,782,592	48,902,449	-	-
Finished Goods	570,884,996	550,887,618	-	-
Packing Material & Chemicals	234,938,363	126,972,862	-	-
Machinery Spare Parts	65,185,207	51,947,770	-	-
Goods in Transit	61,259,393	-	-	-
Work in Progress	130,513,235	75,281,450	-	-
Harvested Crop	3,751,755	8,954,997	-	-
Others	1,785,444	614,216	-	-
Less: Provision for Stock Loss	(29,250,332)	(30,343,968)	-	-
	1,206,850,653	833,217,394	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 17 - TRADE AND OTHER RECEIVABLES

As at 31st March		Group		Company	
		2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
17.1	**Summary**				
	Trade Debtors	677,254,569	676,834,865	-	-
	Less : Provision for Impairment (17.2)	(42,014,868)	(37,265,041)	-	-
		635,239,701	639,569,825	-	-
	Refundable Deposits	2,311,500	2,506,500	-	-
	Other Debtors	108,695,393	132,641,370	-	-
		111,006,893	135,147,870	-	-
		746,246,594	774,717,695	-	-
17.2	**Provision for Impairment**				
	Balance at the beginning of the year	37,265,041	39,935,451	-	-
	Provision made during the year	4,749,827	(2,670,410)	-	-
	Balance at the end of the year	42,014,868	37,265,041	-	-

NOTE 18 - OTHER CURRENT ASSETS

As at 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Advances & Prepayments	101,057,030	36,343,882	-	-
Other Current Assets	164,465,828	51,258,093	-	-
	265,522,858	87,601,976	-	-

NOTE 19 - AMOUNT DUE FROM RELATED COMPANIES

As at 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Renuka Enterprises (Pvt) Ltd	-	-	770,000	-
Galle Face Properties (Pvt) Ltd	-	-	8,540,000	6,540,000
Renuka Resorts Ltd	-	1,000,000	-	-
	-	1,000,000	9,310,000	6,540,000

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 20 - SHORT TERM INVESTMENTS IN DEPOSITS

As at 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Short Term Deposits	54,912,528	54,593,874	-	-
Call Deposits	67,340,066	115,761,674	25,744,953	24,884
Fixed Deposits	42,564,724	140,000,000	-	-
Unit Trusts	1,721,887,398	-	784,691,837	-
	1,886,704,716	310,355,548	810,436,790	24,884

NOTE 21 - CASH AND CASH EQUIVALENTS

As at 31st March		Group		Company	
		2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
21.1	**Favourable Cash and Cash Equivalents Balances**				
	Cash & Bank Balances	716,949,373	211,588,725	451,213,288	1,168,239
		716,949,373	211,588,725	451,213,288	1,168,239
21.2	**Unfavourable Cash and Cash Equivalents Balances**				
	Bank Overdrafts	(180,172,935)	(255,128,497)	(65,589)	(69,982)
		(180,172,935)	(255,128,497)	(65,589)	(69,982)
Total		536,776,438	(43,539,772)	451,147,698	1,098,256

NOTE 22 - STATED CAPITAL

As at 31st March	Group/Company	
	2015	2014
	Rs.	Rs.
Number of Ordinary Shares Issued and Fully Paid		
Balance at the beginning of the year	50,945,728	50,945,728
Issue of Shares	50,945,728	-
Balance at the end of the year	101,891,456	50,945,728
Stated Capital		
Balance at the beginning of the year	175,000,000	175,000,000
Issue of Shares	1,023,897,063	-
Balance at the end of the year	1,198,897,063	175,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 23 - DEFERRED TAXATION

As at 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
The gross movement of Deferred tax account				
Balance at the beginning of the year	21,639,837	15,735,328	-	-
Deferred Tax Charged / (Reversed) to Income Statement	16,438,275	5,405,998	-	-
Deferred Tax Charged / (Reversed) to Statement of Other Comprehensive Income	306,207	498,511	-	-
Deferred Tax on Revaluation on Land & Buildings	118,544,175	-	-	-
Balance at the end of the year	156,928,494	21,639,837	-	-

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	258,884,683	48,377,308	-	-
Deferred tax assets	(101,956,189)	(26,737,471)	-	-
	156,928,494	21,639,837	-	-

NOTE 24 - INTEREST BEARING BORROWINGS & LEASE INSTALLMENTS

As at 31st March		Group		Company	
		2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
Note 24(a)	**Interest Bearing Borrowings Due After One Year**				
	Long Term Loan - 24(c)	858,352,460	107,796,188	-	-
	Total Non-Current Portion of Interest Bearing Borrowings	858,352,460	107,796,188	-	-
Note 24(b)	**Interest Bearing Borrowings Due Within One Year**				
	Long Term Loan - 24(c)	803,869,095	70,177,282	-	-
	Project Loan - 24(d)	171,000,000	300,000,000	-	-
	Other Loans	138,572,184	80,603,421	-	-
	Total Current Portion of Interest Bearing Borrowings	1,113,441,279	450,780,702	-	-
Note 24(c)	**Long Term Borrowings**				
	Balance as at 1st April	177,973,470	271,177,689	-	-
	Acquisition of Subsidiaries	-	-	-	-
	Loans Obtained During the year	1,868,397,562	372,564,063	-	-
	Payments made during the year	(384,149,477)	(465,768,283)	-	-
	Balance as at 31st March	1,662,221,554	177,973,470	-	-
	Payments due within one year	803,869,095	70,177,282	-	-
	Payments due after one year	858,352,460	107,796,188	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 24 - INTEREST BEARING BORROWINGS & LEASE INSTALLMENTS (CONTD.)

As at 31st March		Group		Company	
		2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
Note 24(d)	**Project Loan Due Within One Year**				
	Balance as at 1st April	300,000,000	40,750,000	-	-
	Loans obtained during the year	1,020,000,000	861,000,000	-	-
	Payments made during the year	(1,149,000,000)	(601,750,000)	-	-
	Balance as at 31st March	171,000,000	300,000,000	-	-
Note 24(e)	**Liabilities To Make Lease Payments (To The Owner of The Estate / Lessor)**				
	Total Lease installments payable under the lease for 30 years commencing 01.04.2003	82,500,000	82,500,000	-	-
	Amount paid up to the year end	(22,500,000)	(20,000,000)	-	-
	Balance payable on lease as at 31st March	60,000,000	62,500,000	-	-
	Lease Installments payable in the ensuing year	(2,500,000)	(2,500,000)	-	-
	Lease installments payable after one year	57,500,000	60,000,000	-	-
	Lease obligation payable after one year	57,500,000	60,105,992	-	-
	Current portion of Lease obligation	2,605,992	2,698,815	-	-
Note 20(f)	**Finance Lease Obligation (Motor Vehicles)**				**Consolidated**
	Lease Liability				**Total**
	Balance on 01.04.2013	-	-	-	542,759
	Installments Paid during the year	-	-	-	(217,104)
	Balance on 31. 03. 2014	-	-	-	325,655
	Installments Paid during the year	-	-	-	(217,104)
	Balance on 31.03.2015	-	-	-	108,551
	Interest in Suspense				
	Balance on 01.04.2013	-	-	-	56,693
	Charged to Income Statement	-	-	-	(35,845)
	Balance on 31.03.2014	-	-	-	20,848
	Charged to Income Statement	-	-	-	(18,289)
	Balance on 31.03.2015	-	-	-	2,559
	Net Balance	-	-	-	105,992
	Installments payable within one year	-	-	-	105,992
	Installments payable after one year	-	-	-	-
	Net Balance	-	-	-	105,992

NOTE 24 - INTEREST BEARING BORROWINGS & LEASE INSTALLMENTS (CONTD.)

Note 24 (g) Details Of Long Term Borrowings

Financial Institution	Facility Obtained	Rates	Repayment Terms	Assets Pledged	31/03/2015	31/03/2014
GALLE FACE PROPERTIES (PVT) LIMITED						
HNB	Short term Loan	AWPLR + 0.5% p.a.	Repayable on Demand	N/A	300,000,000	-
					300,000,000	-
KANDY PLANTATIONS LIMITED						
NDB	Term Loan	8% p. a.	Repayable in 5 years	N/A	8,188,685	-
					8,188,685	-
RENUKA AGRI FOODS PLC						
DFCC Bank	Boiler Loan	6.5% p.a	To be paid in 72 installments with a grace period of 24 months a monthly installment Rs.267,363/-	Primary mortgage over leasehold rights of an alloted plot of land depicted on lot no 28 at Yatadawala	3,414,163	6,657,943
NDB	Medium Term Loan	6% p.a	24 Installments of USD 40,625	a) Primary Mortgage bond over stocks and Book debts for SLRs 1,480,000 b) Corporate Guarantee from Renuka Agro Exports Ltd for USD 840,000	8,493,812	64,227,771
	Packing Credit Loan	6.5% p. a.	Repayable on demand		188,398,637	17,932,748
HSBC	Packing Credit Loan	LIBOR + 3.75%	Repayable on demand	Corrporate Gurantee of USD 1 Mn given by Renuka Foods PLC	32,832,800	23,862,311
					233,139,412	112,680,773
RENUKA AGRO EXPORTS LIMITED						
NDB	Packing Credit Loan	6.5% p. a.	Repayable on demand	Primary Mortgage bond over stocks and Book debts for SLRs 70,000,000	43,500,983	62,056,737
HNB	Term Loan	8.5% p. a for the first 5 years, thereafter AWPLR + 0.5%	To be paid in 59 monthly installments of Rs. 5.9 Mn each and a final instalment of Rs. 1.9 Mn plus interest, commencing after an initial grace period of 24 months. Interest to be serviced monthly during the grace period.	N/A	350,000,000	-
	Short Term Loan	AWPLR + 0.5%	Repayable on demand	N/A	150,000,000	-
					543,500,983	62,056,737

NOTE 24 - INTEREST BEARING BORROWINGS & LEASE INSTALLMENTS (CONTD.)

Note 24 (g) Details Of Long Term Borrowings

Financial Institution	Facility Obtained	Rates	Repayment Terms	Assets Pledged	31/03/2015	31/03/2014
RENUKA AGRI ORGANICS LTD						
HNB	Packing Credit Loan	LIBOR + 3.5% p.a.	Repayable on Demand	N/A	101,612,000	-
					101,612,000	-
RENUKA ORGANICS (PVT) LIMITED						
NDB	Packing Credit Loan	8.5% p.a.	Repayable on Demand	N/A	60,653,760	-
					60,653,760	-
RENUKA TEAS (CEYLON) (PVT) LIMITED						
NDB	Packing Credit Loan	6.5% p.a.	Repayable on demand	Primary Mortgage bond over stocks and Book debts for SLRs 82,500,000	34,417,441	-
	Short Term Loan	6.5% p.a.	Repayable on demand		-	3,087,239
					34,417,441	3,087,239

NOTE 24 - INTEREST BEARING BORROWINGS & LEASE INSTALLMENTS (CONTD.)

Note 24 (g) Details Of Long Term Borrowings

Financial Institution	Facility Obtained	Rates	Repayment Terms	Assets Pledged	31/03/2015	31/03/2014
RICHLIFE DAIRIES LIMITED						
BOC	Term Loan	6.5% p.a.	Repayable over 96 equal monthly installments	Property held at, Pirivena Rd, Moligoda, Wadduwa for Rs.426 Mn	-	3,775,068
DFCC	Term Loan	AWPLR +3% p. a.	To be paid in 48 installments with a grace period of 12 a monthly installment of Rs. 729,167	Corporate gurantee of Rs. 95 Mn given by Renuka Agri Foods PLC	-	26,979,162
HNB	Term Loan	AWPLR + 0.75% p. a.	To be repaid over a period of 05 years in 47 monthly installments of Rs.3.4Mn each & final installments of Rs.3.4Mn each & final instalment of Rs. 0.2Mn plus interest commencing after an initial grace period of 01 year. Interest to be serviced monthly during the grace period.	"Corporate Guarantee of Renuka Foods PLC for Rs.325,000,000/-"	17,639,285	17,639,285
	Term Loan (Special Scheeme)	8% p.a	To be repaid over a period of 05 years in 53 equal monthly installments of Rs. 0.465Mn each & final instalment of Rs. 355Mn plus interest commencing after an initial grace period of 06 months. Interest to be serviced monthly during the grace period		1,642,173	4,897,173
	Working Capital Loan	AWPLR + 0.5% p.a.	Repayable with in 90 days		-	12,002,000
					19,281,457	65,292,688
SHAW WALLACE CEYLON LIMITED						
HNB	Short Term Loan	Money Market rate	Maximu roll over tenor - 1 month	Corporate gurantee given by Renuka Foods PLC to the value of Rs. 325Mn	171,000,000	300,000,000
	Term Loan	8.5% p.a.	Within 5 years including a grace period of 2 years with effect from january 2015	N/A	500,000,000	-
					671,000,000	300,000,000
				Total Term Loan	1,971,793,739	558,576,890
				Total Shrort Term Loan	1,113,441,279	450,780,702
				Total Long term Loan	858,352,460	107,796,188

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 25 - RETIREMENT BENEFIT OBLIGATION

As at 31st March		Group		Company	
		2015	2014	2015	2014
		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	53,815,791	48,435,426	-	-
	Provision made during the year	8,250,547	10,442,127	-	-
	Benefit Paid	(8,721,259)	(5,061,762)	-	-
	Balance at the end of the year	53,345,079	53,815,791	-	-
(b)	**Pension Fund**				
	Balance at the beginning of the year	-	333,666	-	-
	Paid during the year	-	(333,666)	-	-
	Balance at the end of the year	53,345,079	53,815,791	-	-
25.1	**NET BENEFIT EXPENSES CATEGORIZED UNDER PERSONAL EXPENSES**				
	Provision made during the year				
	Current Service Cost	8,546,852	7,505,310	-	-
	Interest Cost	5,550,151	5,931,438	-	-
	Actuarial (gain) / loss	(5,846,456)	(2,994,621)	-	-
		8,250,547	10,442,127	-	-

25.2 This obligation is not externally funded.

25.3 Gratuity liability is based on the actuarial valuation carried out by Messrs. Actuarial and Management Consultants (Private) Limited, Actuaries, on 31 March 2015. The principal assumptions used in the actuarial valuation are as follows:

Discount rate	11.00%	10.50%
Retirement Age	55 years	55 years
Future salary increase	10%	10%

25.4 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.

25.5 Sensitivity Analysis

Values appearing in the Financial Statements are very sensitive to the changes in financial and non financial assumptions used. The sensitivity was carried for both the salary escalation rate and discount rate. Simulations made for retirement benefit obligation show that an increase or decrease by 1% of salary escalation rate and discount rate has the following effect on the retirement benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 25 - RETIREMENT BENEFIT OBLIGATION (CONTD.)

As at 31st March	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Salary escalation Rate	**Discount Rate**		**Revised Defined Benefit Obligation Group Rs.**	
One point increase	As given in Report - 11%		56,933,020	
One point decrease	As given in Report - 11%		49,929,031	
As given in Report - 10%	One point increase		50.176.500	
As given in Report - 10%	One point decrease		56,711,054	

NOTE 26 - TRADE & OTHER PAYABLES

As at 31st March	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Trade Creditors	376,946,294	365,513,360	-	-
Accrued Expenses & Other Payables	217,707,019	209,490,216	1,425,401	1,308,972
	594,653,313	575,003,576	1,425,401	1,308,972

NOTE 27 - OTHER CURRENT LIABILITIES

As at 31st March	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Other Payables	179,417,346	95,004,612	105,106	199,280
Other Statutory Obligations	2,621,325	1,426,362	-	-
	182,038,671	96,430,974	105,106	199,280

NOTE 28 - AMOUNTS DUE TO RELATED COMPANIES

As at 31st March	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Renuka Group Ltd	-	324,450,000	-	323,000,000
Renuka Enterprises (Pvt) Ltd	-	-	-	33,000,000
Renuka Agro Export (Pvt) Ltd.	-	-	-	436,140
	-	324,450,000	-	356,436,140

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 29 - INCOME TAX PAYABLE / (REFUND DUE)

As at 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the year	(13,397,468)	(6,196,153)	104,623	243,015
Disposal of Subsidiaries	-	(305)	-	-
Income Tax provision made during the year	30,621,475	21,121,737	-	196,603
Payments made	(19,831,548)	(27,772,695)	(104,675)	(328,067)
WHT	(1,694,821)	(550,052)	(33,245)	(6,928)
Balance at the end of the year	(4,302,362)	(13,397,468)	(33,297)	104,623

NOTE 30 - REVENUE

For the Year Ended 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Exports	3,313,429,215	2,371,167,503	-	-
Local	3,702,654,331	3,656,051,063	211,972	-
Dividend Income	3,577,895	4,592,003	35,676,536	27,994,794
Rent Income	21,995,272	9,707,240	-	-
	7,041,656,713	6,041,517,809	35,888,508	27,994,794

NOTE 31 - OTHER OPERATING INCOME

For the Year Ended 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Other Income	3,577,967	5,738,560	-	-
Insurance Claim	1,310,095	850,720	-	-
Profit on Disposal of Property, Plant & Equipment	-	3,129,033	-	-
Sundry Sales	14,322,203	16,097,391	-	-
Creditors and Payables Written Back	118,624	12,817,966	-	-
Change in fair value of Investment Properties	64,000,000	148,992,500	-	-
Gains on fair value change in Biological Assets	10,194,816	6,056,368	-	-
Gain on change in fair value of current Investment	645,291	-	-	-
Negative Goodwill	291,875	-	-	-
	94,460,871	193,682,537	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 32 - FINANCE INCOME

For the Year Ended 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Interest Income on				
- Call Deposits	3,893,179	923,672	326,699	69,277
- Foreign Currency Account	353,669	263,233	-	-
- Fixed Deposits	19,971,070	8,228,500	5,753	-
- Unit Trust	31,124,450	-	14,691,837	-
- Savings	339	-	-	-
- Loan	-	1,010,959	-	1,010,959
	55,342,707	10,426,364	15,024,289	1,080,236

NOTE 33 - FINANCE COST

For the Year Ended 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Interest on Loans & Bank Overdraft	49,157,005	57,430,231	386,499	35,714
Lease Interest	18,289	35,846	-	-
Others	5,238,911	3,379,403	-	-
Provision for Impairment - Trade Receivables	4,749,827	(2,670,410)	-	-
	59,164,032	58,175,070	386,499	35,714

NOTE 34 - OTHER FINANCIAL ITEMS

For the Year Ended 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Exchange Gain	26,874,084	10,727,530	-	-
	26,874,084	10,727,530	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 35 - PROFIT BEFORE TAXATION

For the Year Ended 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Is stated after charging all expenses including the following :				
Directors Remuneration and fees	46,728,000	40,900,000	260,000	300,000
Auditors Remuneration - Note 35 (a)	3,710,967	3,591,500	229,500	199,500
Depreciation on Property, Plant & Equipment	134,582,038	127,462,707	-	-
Donation	36,750	19,300	-	-
Staff Cost				
Defined Benefit Plan	14,097,003	13,436,748	-	-
Other Staff Cost (Including EPF & ETF)	443,071,442	436,343,279	-	-
Amotization of Intangible assets	4,179,553	4,115,148	-	-
Amortisation of Right to use Land	6,110,890	5,978,340	-	-
NOTE 35(a) Auditor's Remuneration				
Fees payable to Kreston MNS & Co. for the audit of annual accounts of Renuka Holdings PLC	229,500	199,500	229,500	199,500
Fees payable to Kreston MNS & Co. for the audit of subsidiaries of Renuka Holdings PLC	682,000	461,000	-	-
Fees payable to Other auditors for the audit of subsidiaries , associates & Joint Venture of Renuka Holdings PLC	2,799,467	2,931,000	-	-
	3,710,967	3,591,500	229,500	199,500

NOTE 36 - TAXATION

For the Year Ended 31st March	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Current year Income Tax	30,621,475	21,121,737	-	196,603
Tax effect on Group Dividend	2,432,549	2,774,057	-	-
Transferred to / (from) Deferred Taxation	16,438,275	5,405,998	-	-
	49,492,299	29,301,792	-	196,603

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 36 - TAXATION (CONTD.)

For the Year Ended 31st March		Group		Company	
		2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
NOTE 36.1	**RECONCILIATION BETWEEN TAXABLE PROFIT AND THE ACCOUNTING PROFIT**				
	Profit before Taxation	667,722,742	298,897,588	46,763,803	27,249,929
	Aggregate Disallowed Items	138,343,647	532,692,254	-	2,905,332
	Aggregate Allowed Expenses	(537,413,568)	(447,622,501)	(35,676,536)	(29,075,027)
	Tax Exempt Income	15,157,689	(254,599,147)	(14,691,837)	-
		283,810,510	129,368,194	(3,604,570)	1,080,234
	Tax loss set-off	(4,056,225)	(8,589,515)	3,820,664	(378,082)
	Taxable Income	279,754,285	120,778,679	216,094	702,152
	Income Tax @ 28%	17,872,233	10,917,046	60,506	196,603
	Income Tax @ 12%	17,325,188	9,851,587	-	-
	Income Tax @ 10%	1,724,714	-	-	-
	(Over) / under provision	(6,300,060)	353,104	(60,506)	-
		30,621,475	21,121,737	-	196,603
	Deferred Tax	16,438,275	5,405,999	-	-
	Tax effect on Group Dividend	2,432,549	2,774,057	-	-
	Income Tax on current year profits	49,492,299	29,301,792	-	196,603

NOTE 37 - EARNINGS PER SHARE

For the Year Ended 31st March		Group		Company	
		2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
37.1	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.				
37.2	The following reflect the Income and Share data used in the basic Earnings per Share computation.				
	Amount used as the Numerator				
	Profit / (Loss) Attributable to equity holders of the Company for basic Earnings per share	395,849,866	192,316,125	46,763,308	27,053,326
	Number of Ordinary Shares used as Denominator				
	Weighted Average number of Ordinary Shares in issue applicable to basic Earnings per Share	65,804,899	50,945,728	65,804,899	50,945,728
	Earnings per Share	6.02	3.77	0.71	0.53

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 38 - DIVIDEND PER SHARE

1. The final dividend of Rs. 0.70 per share for the financial year ended 31st March 2014 was paid on 30th September 2014

2. The final dividend of Rs. 0.70 per share for the financial year ended 31st March 2013 was paid on 30th September 2013

NOTE 39 - ACQUISITION OF SUBSIDIARY AND SHARE OF PROFIT OF ASSOCIATE AND JOINT VENTURES

		Renuka Beach Hotels Ltd
(a)	**Acquisition of Subsidiary**	
	Assets	
	Free hold Land	200,000,000
	Cash & Cash Equivalents	392,774
		200,392,774
	Liablities	
	Trade & Other Payables	91,500
		91,500
	Net Identifiable Assets	200,301,274
	Less: Non Controlling Interest	(9,399)
	Net Identifiable Assets Acquired	200,291,875
	Consideration paid for Acquisition	200,000,000
	Negative Goodwill	291,875
	The effect of acquisition on Cash flow	
	Consideration settled in cash	200,000,000
	Less : Cash and Cash Equivalents of Subsidiary - Acquired	(392,774)
	Net Cashflow	199,607,226

	For the Year Ended 31st March	**2015 Rs.**	**2014 Rs.**
(b)	**Share of Profit of Associate & Joint Ventures**		
	The Revenue, Profit before Tax and the Group's share of profir before Tax of the Associates and the Joint Venture are given below.		
	McShaw Automotive Ltd		
	Revenue	788,265,151	874,602,980
	Profit before tax	24,705,292	37,608,436
	Group's share of profit before tax	12,352,646	18,804,218
	(-) Tax on Joint venture results	(3,296,142)	(5,897,066)
	Group share of profit after tax	9,056,504	12,907,152
	Renuka Villas (Pvt) Ltd		
	Loss before tax	(33,100)	-
	Group's share of loss before tax	(33,100)	-
	(-) Tax on associate results	-	-
	Group share of Loss after tax	(33,100)	-
	Total Share of profit	12,319,546	18,804,218

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 39 - ACQUISITION OF SUBSIDIARY AND SHARE OF PROFIT OF ASSOCIATE AND JOINT VENTURES(CONTD.)

	2015 Rs.	2014 Rs.
Inter Ocean Lubricants Ltd		
Revenue	592,846,942	523,351,871
Profit before Tax	8,872,532	3,878,056
(c) Summarised financial information of Joint Venture and Associates		
McShaw Automotive Ltd - Joint Venture		
Total Current Assets	682,770,297	817,635,378
Total Non Current Assets	13,069,309	25,155,195
	695,839,608	842,790,573
Total Current Liabilities	557,817,069	718,896,218
Total Non Current Liabilities	6,146,561	7,378,886
	563,963,630	726,275,104
Renuka Villas (Pvt) Ltd - Associate		
Total Current Assets	44,935	1,033,535
Total Non Current Assets	575,000	575,000
	619,935	1,608,535
Total Current Liabilities	511,000	1,466,500
Total Non Current Liabilities	-	-
	511,000	1,466,500
Inter Ocean Lubricants Ltd - Associate		
Total Current Assets	440,006,143	312,910,954
Total Non Current Assets	1,421,295	9,530,134
	450,427,438	322,481,088
Total Current Liabilities	444,716,870	327,280,283
Total Non Current Liabilities	1,916,640	2,179,748
	446,633,510	329,460,031

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 40 - INVESTMENTS IN JOINT VENTURES

As at Names of the company	Principal Activity	Principal place of Business	% Holding	31.03.2015 Cost of Investment	Directors Valuation
40 (a) Investment in Joint Venture					
McShaw Automotive Ltd	Distribution of Automotive Products	193, Dr. Danister De Silva Mw, Colombo -8	50%	59,491,500	59,491,500

40 (b) Investment in Joint Venture - Group	**31.3.2015 Rs.**	**31.3.2014 Rs.**
Group share of net assets of joint venture company as at 1st April	54,982,219	42,075,068
Share of profit on joint venture (Net of tax)	9,056,504	12,907,151
Dividend received and other adjustments	1,899,267	-
Group share of net assets as at 31 st March	65,937,990	54,982,219

40 (c) Composition of Assets and Liabilities in the Joint Venture as at 1st April 2013

The Group applied Sri Lanka Accounting Standard (SLFRS - 11) - " Joint arrangements" with effect from 1st April 2013. Accordingly, the Group changed its method of accounting in joint venture from proportionate consolidation to equity method. In accordance with the tansitional provisions set out in SLFRS 11 the Group applied the standard with retrospective effect. The composition of the assets and liabilities within the investment in joint venture as at 1st April 2013 is given below.

Cash and Cash Equivalents	2,233,182
Investments in Subsidiary Companies	2,500,030
Property, Plant & Equipment (WDV)	16,538,946
Intangible Assets (WDV)	107,625
Other Assets	490,293,983
Total Assets	511,673,765
Other Provisions	1,590,788
Current Tax Liability	114,295,190
Deferred Tax Liability	983,796
Other Liability	352,728,925
Total Liabilities	469,598,698
Share of identifiable assets and liabilities of joint venture as at 1st April 2013	42,075,068

NOTE 41 - EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen which would require adjustment to or disclosure in the financial statement other than stated below,
The Board of Directors of Renuka Agri Foods PLC has approved the subscripition to the entitlement of the rights issue of it fully owned Subsidiary, Renuka Organic (Pvt) Ltd, of 1,800,000 Ordinary Shares for a total consideration of Rs. 252,000,000 on 27th May 2015.

NOTE 42 - LITIGATIONS AGAINST THE GROUP

Kandy Plantations Ltd.

Land Reform Commission has filed a case in the District Court of Attanagalla against the Trustees of John Leo De Cross Trust & the Company. In the opinion of the Lawyers, that there is a strong likelihood of the outcome of this case being in favour of the trustees The John Leo De Croos Trust.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 43 - CAPITAL COMMITMENTS

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

NOTE 44 - CONTINGENT LIABILITIES

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

NOTE 45 - 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 Company's 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 2015 and the Profit for the year then ended.

NOTE 46 - GOING CONCERN OF SUBSIDIARIES

(a) Shaw Wallace Food Services Limited

The Board of Directors intends to cease operations. Therefore the financial statement of Shaw Wallace Food Services Limited have been prepared and presented on other than on the basis of a going concern reflecting the cessation of the operations.

(b) Shaw Wallace Agencies Limited

The Board of Directors intends to cease operations and currently management is in the process of amalgamating the company with Shaw Wallace Ceylon Limited. Therefore the financial statement of Shaw Wallace Agencies Limited have been prepared and presented on other than on the basis of going concern reflecting the cessation of the operations. Accordingly, the financial statements of Shaw Wallace Agencies Limited are prepared at the recoverable amount of Assets and settlements of Liabilities in the immediate future.

(c) Bios Brothers (Pvt) Ltd

The Board of Directors intends to cease operations and currently management is in the process of amalgamating the company with Shaw Wallace Ceylon Limited. Therefore the financial statement of Bios Brothers (Pvt) Limited have been prepared and presented on other than on the basis of going concern reflecting the cessation of the operations. Accordingly, the financial statements of Bios Brothers (Pvt) Ltd are prepared at the recoverable amount of Assets and settlements of Liabilities in the immediate future.

(d) Captain Foods (Pvt) Ltd

The Financial Statements are prepared on the assumptions that Captain Foods (Pvt) Limited is going concern, i.e. as continuing in operation for foreseeable future. However, as at reporting date Captain Foods (Pvt) Limited's accumulated losses amounted to Rs.33,003,216/- (31st March 2014 - Rs. 33,940,335/-) and its current liabilities exceeded current assets by Rs. 7,232, 175/- (31st March 2014 - Rs. 9,420,457/-).

However, the Directors are currently evaluating new business opportunities to restructure the business operations of Captain Food (Pvt) Ltd and future to enhance the business operations that currently engaged in. Also the parent company has committed to provide continuous financial support to meet the company's current and future liabilities to enable the company to continue as a going concern. Accordingly, the directors have made an assurance of the company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 47 - COMPARATIVE INFORMATION

The Group's financial statements for the year 2013/2014 was changed as a result of the change in accounting policy on accounting for joint venture company. The effect on this accounting policy change is summarised below

	As Disclosed Previously	Current Presentation	Adjustments
Income Statement	**Rs**	**Rs**	**Rs**
Revenue	7,177,796,724	6,041,517,809	1,136,278,915
Cost of Sales	(5,795,971,793)	(4,882,890,618)	(913,081,175)
	1,381,824,931	1,158,627,191	223,197,740
Other Operating Income	193,705,324	193,682,537	22,787
Distribution Expenses	(659,515,708)	(619,668,567)	(39,847,142)
Administrative Expenses	(511,929,408)	(415,594,187)	(96,335,221)
Other Operating Expenses	(13,816,707)	(2,192,007)	(11,624,700)
Profit from Operations	390,268,432	314,854,968	75,413,464
Finance Income	12,880,031	10,426,364	2,453,667
Finance Cost	(115,406,413)	(58,175,070)	(57,231,343)
Other Financial Items	10,834,984	10,727,530	107,454
Profit on Disposal of Subsidiaries	2,259,579	2,259,579	-
Share of Profit of Associates and Joint Venture	-	18,804,218	(18,804,218)
Profit before Taxation	300,836,613	298,897,588	1,939,024
Taxation	(31,828,592)	(29,301,792)	(2,526,800)
Profit for the year	269,008,021	269,595,796	(587,776)
Share of Profit / (Loss) of Joint Ventures for the Year 2013/ 2014			
- McShaw Automotive Ltd.			18,804,218
- Inter Ocean Lubricant Ltd.			(587,776)
Financial Position as at 31st March 2014			
Property, Plant & Equipment	2,525,979,843	2,511,137,209	14,842,634
Intangible Assets	134,957,311	134,957,311	-
Investment Property	937,000,000	937,000,000	-
Right to Use land	279,044,358	279,044,358	-
Biological Assets	35,648,016	35,648,016	-
Investment Securities	376,000,000	376,000,000	-
Other Investments	223,958,952	223,958,952	-
Deferred Tax Asset	26,737,471	26,737,471	-
Short Term Investments in Shares	3,658,840	3,658,840	-
Inventories	1,091,643,415	833,217,394	258,426,021
Trade and Other Receivables	1,041,669,711	774,717,695	266,952,016
Other Current Assets	108,611,543	87,601,976	21,009,567
Income Tax Refund Due	5,932,185	13,397,468	(7,465,283)
Amounts due from Related Companies	7,911,349	1,000,000	6,911,349
Short Term Investments in Deposits	310,355,548	310,355,548	-
Cash at Bank and Cash in Hand	215,305,797	211,588,725	3,717,072

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 47 - COMPARATIVE INFORMATION (CONTD.)

Deferred Tax Liability	48,377,308	48,377,308	-
Interest Bearing Borrowings and Lease Installments due after one year	169,431,548	167,902,180	1,529,369
Retirement Benefit Obligation	56,896,203	53,815,791	3,080,412
Trade and Other Payables	753,266,824	575,003,576	178,263,248
Other Current Liabilities	106,108,510	96,430,974	9,677,536
Interest Bearing Borrowings and Lease Installments due within one year	755,806,062	453,479,517	302,326,545
Amount due to Related Companies	324,450,000	324,450,000	-
Bank Overdraft	273,152,018	255,128,497	18,023,521
Net Change			51,492,747
Add : Adjustment in respect of Inter Ocean Lubricant Ltd.			
- Prior year adjustments made on 1st April 2013		2,901,701	
- Adjustments relating to 2013/ 2014		587,776	3,489,472
Group's share of net assets of joint venture company as at 31st March 2014 (McShaw Automotive Ltd)			54,982,219

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 48 - RELATED PARTY TRANSACTIONS

FOR THE YEAR 31ST MARCH	Group 2015 Rs.	Group 2014 Rs.	
48.1 Transactions with Key Managerial Persons			
48.1.1 According to Lanka Accounting Standards 24 – Related Party Disclosures, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive & Non-Executive Directors), CEO/COO, Head of the Divisions of the Company has been classified as Key Management Personnel of the Company. The transactions with key Management Personnel are as follows.			
48.1.2 Transactions with Key Managerial Persons			
Remuneration to Key Managerial Persons – Group	133,729,120	117,050,000	
Rent	8,640,000	5,760,000	
48.1.3 Transactions with Related Entities			
(a) Amount due from / due to Related Entities			
Group			
Amount Due From Related Companies			
Renuka Resorts Limited	-	1,000,000	
Amount Due to Related Companies			
Renuka Group Ltd	-	324,450,000	Parent Company
	-	324,450,000	
Company			
Amount Due From Related Companies			
Renuka Enterprises (Pvt) Ltd	770,000	-	Subsidiary
Galle Face Properties (Pvt) Ltd	8,540,000	6,540,000	Subsidiary
	9,310,000	6,540,000	
Amount Due To Related Companies			
Renuka Group Ltd	-	323,000,000	Parent Company
Renuka Enterprises (Pvt) Ltd	-	33,000,000	Subsidiary
Renuka Agro Exports Ltd	-	436,140	Subsidiary
	-	356,436,140	

(b) Transactions with related entities

Name of the Company	Relationship	Nature of Transactions	31.03.2015 Rs.	31.03.2014 Rs.
Symbosis Business (Pvt) Ltd	Common Director	Consultancy Services	-	857,136
Chadha Oriental Foods Limited	Common Director	Purchase of Goods	11,474,459	19,697,247
Enco Products Limited	Common Director	Purchase of Goods	33,071,685	36,387,655
B.Teffloth and CIE (Canada)	Common Director	Purchase of Goods	1,978,641	20,192,664
Gracekennedy Limited	Common Director	Purchase of Goods	147,215,230	168,111,552
Dissanayake Amarathunge Associates	Common Director	Consultancy Services	496,634	-

NOTE 49 - RELATED PARTY TRANSACTIONS

	RH	RFD	RAF	RTCL	ROL	KPL	RVL	RTRL	CFL	CBL	RAEL	RAOL	RDL	REL	RSTL	RIL	GFP	RCF	RLDL	SWCL	CFPL	SWSL	SWAL	SWPL	BBL	SWFS	MAL	ILPL	RBH
Directors of Group Companies																													
Mrs. I.R. Rajiyah (Chairperson)	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	-	√	-	√
Dr. S.R. Rajiyah	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	-	√	-	√
Mr. C.J. de Silva Amaratunge	√	√	√	-	-	√	-	-	-	-	√	-	-	-	-	-	√	-	√	√	√	-	-	√	√	-	-	-	-
Mr. S.V. Rajiyah	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	-	√
Mr. L.M. Abeywickrama	√	√	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. T.K. Bandaranayake	√	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. M.S. Dominic	√	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	√	-	-	-	-	-	-	-	-	-	-	-	-
Ms. A.L. Rajiyah	√	√	√	-	-	-	-	-	-	-	-	√	-	-	-	-	-	√	√	-	-	-	-	-	-	-	√	-	-
Mr. J.M. Swaminathan	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. S. Vasanthakumara	-	√	√	√	√	√	-	-	√	-	-	√	√	-	-	-	√	-	√	√	√	√	√	√	√	√	-	-	-
Dr. J.A.S. Felix	-	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. M. Terfloth	-	-	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. M.K.A. Ranglin	-	-	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. T.G. Hockley	-	-	-	-	-	-	-	-	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. P. Gunathilake	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	√	-	-	-	-	-	-	-	√	-	√	√	-
Mr. S. Nagarajah	-	-	√	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. J.J.B. Aloysius Rajiyah	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	√	-	-	-	-	-	-	-	-	-	√	√	-
Ms. A.S. Patel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	√	√	√	-	√	-	-	-	-	-
Mrs. S.R. Nirmalalingam	-	-	-	-	-	-	√	-	-	-	-	-	-	-	-	√	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. D.J. Nirmalalingam	-	-	-	-	-	-	√	-	-	-	-	-	-		-	√	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. S.S.W.Senanayake	-	-	-	-	-	-	-	-	-	-	-	-	-	√	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. A.U.Kodagoda	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-	-	√	√	√	-	√	√	-	-	-	-

RH	Renuka Holdings PLC	RVL	Renuka Villas (Pvt) Ltd.	RDL	Renuka Developments Ltd.	RCF	Renuka Consumer Foods Ltd	SWPL	Shaw Wallace Properties Ltd.
RFD	Renuka Food PLC	RTRL	Renuka Trading (Pvt) Ltd.	REL	Renuka Enterprises (Pvt) Ltd.	RLDL	Richlife Dairies Ltd.	BBL	Bois Brothers (Pvt) Ltd.
RAF	Renuka Agri Foods PLC	CFL	Ceylon Forestry (Pvt) Ltd.	RSTL	Renuka Shipping & Travel (Pvt) Ltd.	SWCL	Shaw Wallace Ceylon Ltd.	SWFS	Shaw Wallace Food Services Ltd.
RTCL	Renuka Teas (Ceylon) (Pvt) Ltd.	CBL	Ceylon Botanicals (Pvt) Ltd.	RIL	Renuka Investments (Pvt) Ltd.	CFPL	Captain Foods (Pvt) Ltd.	MAL	McShaw Automotive Ltd.
ROL	Renuka Organics (Pvt) Ltd.	RAEL	Renuka Agro Exports Ltd.	GFP	Galle Face Properties (Pvt) Ltd.	SWSL	Shaw Wallace Services Ltd.	ILPL	Interocean Lubricants (Pvt) Ltd.
KPL	Kandy Plantations Ltd.	RAOL	Renuka Agri Organices Ltd.			SWAL	Shaw Wallace Agencies Ltd.	RBH	Renuka Beach hotel (pvt)ltd

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 50 - SEGMENTAL REPORT

SUB SECTOR	COMPANY	NATURE OF OPERATION
Agri Business	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
	Ceylon Forestry (Pvt) Ltd	Planting and managing forestry
	Ceylon Botanicals (Pvt) Ltd	Investment in agricultural property
	Renuka Teas (Ceylon) (Pvt) Ltd	Export bulk tea, value added tea products
	Renuka Trading (Pvt) Ltd	Hold investment properties for rent income
	Renuka Agri Organics Ltd	Export coconut based products
	Renuka Agro Exports Ltd	Sourcing, manufacturing & exporting ethnic food products
FMCG	Renuka Foods PLC	Investment in food and beverage ventures
	Richlife Dairies Ltd	Manufacturing of dairy and fruit juice based products
	Renuka Consumer Foods Ltd	Holding investments in FMCG
	Shaw Wallace Ceylon Ltd	Manufacturing and distribution of Fast Moving Consumer Goods
	Shaw Wallace Food Services Ltd	Company has ceased its commercial operation as at reporting date
	Shaw Wallace Properties Ltd	Providing warehousing facilities
	Shaw Wallace Services Ltd	Providing accounting services to parent company
	Shaw Wallace Agencies Ltd	Company has ceased its commercial operation as at reporting date
	Captain Foods (Pvt) Ltd	Renting plant & equipment and providing support services for manufacturing of consumer goods
	Bois Brothers (Pvt) Ltd	Company has ceased its commercial operation as at reporting date
Investment & Services - Automotive	McShaw Automotive Ltd	Distribution of automotive products
	Interocean Lubricants (Pvt) Ltd	Importing, blending, distributing and marketing lubricant oil and greases
Investment & Services - Property	Renuka Development Ltd	The company is in the business of property development
	Galle Face Properties (Pvt) Ltd	The company is in the business of property development
Investment & Services - Strategic Investment & Support Services	Renuka Holdings PLC	Holding investments
	Renuka Enterprises (Pvt) Ltd	Provide support services to Group companies
	Renuka Shipping & Travels (Pvt) Ltd	Provide shipping, clearing and wharf services
	Renuka Investments (Pvt) Ltd	Investment in shares of companies for dividend income
	Renuka Villas (Pvt) Ltd	Investment in tourism property
	Renuka Beach Hotels Ltd	Investment in tourism property

NOTE 50 - SEGMENTAL REPORT (CONTD.)

31st March	AGRI BUSINESS		FMCG		I&S_Automotive		I&S_PROPERTY		I&S_SRATEGIC INVESTMENTS & SUPPORT SERVICES		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs. '000		Rs. '000		Rs. '000		Rs. '000		Rs. '000		Rs. '000	
Revenue	3,654,429	2,667,977	3,598,141	3,651,696	-	-	4,706	5,564	178,913	117,477	7,436,190	6,442,714
Intra Group	(237,641)	(247,306)	(38,421)	(100,443)	-	-	(13,077)	(1,364)	(105,395)	(52,083)	(394,533)	(401,196)
Segment Revenue	3,416,789	2,420,672	3,559,720	3,551,253	-	-	(8,371)	4,200	73,518	65,394	7,041,657	6,041,518
Gross Profit	1,060,463	545,466	685,670	681,672	-	-	4,706	5,308	177,465	116,152	1,928,304	1,348,599
Other Operating Income	27,200	51,762	25,864	258,061	-	-	73,594	148,993	16,782	1,202	143,440	460,017
Distribution Expenses	(85,627)	(86,118)	(455,939)	(530,849)	-	-	-	-	(43)	(31)	(541,609)	(616,998)
Administrative Expenses	(439,158)	(251,035)	(194,344)	(179,414)	-	-	(4,064)	(332)	(71,698)	(59,648)	(709,264)	(490,429)
Other Operating expense	(8,771)	(9,182)	-	-	-	-	-	-	-	-	(8,771)	(9,182)
Segment Elimination	(97,546)	(132,639)	(54,171)	(244,513)	-	-	(11,094)	-	(16,939)	-	(179,749)	(377,152)
Profit from Operations	456,561	118,253	7,081	(15,043)	-	-	63,142	153,969	105,567	57,676	632,350	314,855
Finance Cost	(22,845)	(20,452)	(35,422)	(39,967)	-	-	(11)	(10)	(886)	(417)	(59,164)	(60,845)
Finance Income	10,658	6,350	837	296	-	-	28,155	269	15,693	3,512	55,343	10,426
Other Financial Items	21,223	7,196	5,651	6,210	-	-	-	-	-	(8)	26,874	13,398
Net Finance Cost	9,036	(6,907)	(28,933)	(33,461)	-	-	28,144	260	14,807	3,087	23,053	(37,021)
Profit on disposals of subsidiary	-	-	-	-	-	-	-	-	-	-	-	2,260
Share of Profit of Associate & Joint Ventures	-	-	-	-	12,320	18,804	-	-	-	-	12,320	18,804
Profit before Taxation	465,596	111,346	(21,852)	(48,504)	12,320	18,804	91,286	154,229	120,374	60,763	667,723	298,898
Taxation	(34,661)	(18,431)	(6,330)	(2,140)	(3,296)	(5,897)	(396)	(1,214)	(4,810)	(1,620)	(49,492)	(29,302)
Profit for the year	430,936	92,915	(28,182)	(50,644)	9,023	12,907	90,890	153,015	115,564	59,143	618,230	269,596

NOTE 50 - SEGMENTAL REPORT (CONTD.)

31st March	AGRI BUSINESS		FMCG		I&S_Automotive		I&S_PROPERTY		I&S_SRATEGIC INVESTMENTS & SUPPORT SERVICES		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs. '000		Rs. '000		Rs. '000		Rs. '000		Rs. '000		Rs. '000	
ASSETS												
Non-Current Assets												
Property, Plant & Equipment	807,822	517,457	1,561,381	1,151,004	-	-	-	575	201,506	1,102	2,570,709	1,670,138
Intangible Assets	13,803	5,560	15,922	13,344	-	-	-	-	-	-	29,725	18,904
Right To use Land	60,521	54,736	221,149	224,308	-	-	-	-	-	-	281,670	279,044
Investment Property	160,000	54,736	550,000	224,308	-	-	1,001,000	1,415,406	596,299	94,258	2,307,299	1,788,709
Immature Plantations/ Biological Asset	45,843	35,648	-	-	-	-	-	-	-	-	45,843	35,648
Goodwill	-	-	116,053	116,053	-	-	-	-	-	-	116,053	116,053
Segment Elimination	-	-	-	-	-	-	-	-	-	-	(15,273)	(10,710)
SEGMENT SUB TOTAL	1,087,989	668,139	2,464,505	1,729,016	-	-	1,001,000	1,415,981	797,805	95,361	5,336,026	3,897,787
Investment In Joint Venture	-	-	-	-	65,938	54,982	-	-	-	-	65,938	54,982
Other Investments	-	-	-	-	-	-	-	-	230,991	227,625	230,991	227,625
Investment Securities	-	151,000	-	-	-	-	-	225,000	-	-	-	376,000
Deferred Tax Asset	7	-	97,293	25,541	-	-	-	-	1,007	746	98,308	26,287
Segment Elimination	-	-	-	-	-	-	-	-	-	-	(2,448)	(3,216)
SEGMENT SUB TOTAL	7	151,000	97,293	25,541	65,938	54,982	-	225,000	231,998	228,371	392,788	681,679
SEGMENT NON-CURRENT ASSETS	1,087,996	819,139	2,561,798	1,754,557	65,938	54,982	1,001,000	1,640,981	1,029,803	323,732	5,728,814	4,579,466
Inventories	828,112	432,843	383,586	405,221	-	-	-	-	37	37	1,211,735	838,102
Short Term Investments in Shares	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables	378,908	254,045	421,102	516,363	-	-	4,237	512	1,903	4,256	806,151	775,176
Other Current Assets	179,468	71,620	22,802	15,086	-	-	-	393	154	503	202,424	87,602
Income Tax Refund Due	453	14	23,150	20,964	-	-	224	289	61	916	23,889	22,182
Amounts due from Related Companies	70,258	121,620	43,567	50,228	-	-	-	41,000	12,183	57,225	126,008	270,073

NOTE 50 - SEGMENTAL REPORT(CONTD.)

31st March	AGRI BUSINESS		FMCG		I&S_Automotive		I&S_PROPERTY		I&S_SRATEGIC INVESTMENTS & SUPPORT SERVICES		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs. '000		Rs. '000		Rs. '000		Rs. '000		Rs. '000		Rs. '000	
Short Term Investments in Deposits	634,448	155,415	173	265	-	-	437,383	151,185	814,700	5,998	1,886,705	312,862
Cast at Bank and Cash in Hand	238,049	157,227	17,685	47,298	-	-	3,885	3,034	457,376	4,029	716,994	211,589
Segment Elimination		-	-	-	-	-	-	-	-	-	(16,047)	(11,975)
SEGMENT CURRENT ASSETS	2,329,696	1,192,784	912,065	1,055,426	-	-	445,730	196,411	1,286,414	72,964	4,831,851	2,235,538
TOTAL SEGMENT ASSETS	3,417,692	2,011,923	3,473,864	2,809,984	65,938	54,982	1,446,730	1,837,393	2,316,217	396,696	10,560,665	6,815,003
Deferred Tax Liability	50,808	23,800	101,834	21,079	-	-	-	-	7,200	3,122	159,842	48,000
Interest Bearing Borrowings	415,852	127,677	500,000	40,225	-	-	-	-	-	-	915,852	167,902
Retirement Benefit Obligation	23,907	25,963	24,654	23,873	-	-	-	-	4,631	3,827	53,192	53,662
Segment Elimination		-	-	-	-	-	-	-	-	-	99,196	531
SEGMENT NON-CURRENT LIABILITIES	490,567	177,440	626,488	85,176	-	-	-	-	11,831	6,948	1,228,082	270,095
Trade and Other Payables	266,969	218,271	337,686	364,325	-	-	75	1,110	1,568	4,292	606,298	587,999
Other Current Liabilities	152,572	44,600	64,811	48,529	-	-	-	185	4,223	3,118	221,607	96,431
Amount due to Related Companies	43,307	80,319	12,102	96,155	-	-	9,115	7,990	20,867	409,055	-	593,518
Dividend Payable	-	7,451	-	1,547	-	-	-	-	-	773	-	9,771
Income Tax Payable	-	4,826	-	204	-	-	-	1,121	-	2,633	-	8,785
Short Term Interest Bearing Borrowings	625,824	128,107	190,387	325,373	-	-	300,000	-	-	-	1,116,211	453,480
Bank Overdraft	112,674	93,453	66,731	159,874	-	-	312	-	455	1,801	180,173	255,128
Segment Elimination	-	-	-	-	-	-	-	-	-	-	(51,376)	(300,620)
TOTAL CURRENT LIABILITIES	1,201,347	577,027	671,718	996,007	-	-	309,502	10,406	27,114	421,672	2,072,912	1,704,493
Total Liabilities	1,691,914	754,467	1,298,207	1,081,183	-	-	309,502	10,406	38,945	428,621	3,300,994	1,974,588

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 51 - 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 risk faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limit. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The Group, through its trainning and mangement 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 Risks Factors

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

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

1. Market Risk

Market risk 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 accepatable parameteres, 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, puchases that are denominated in a currency other than Sri Lankan Rupees (LKR). The foreign currencies in which these transactions primarly 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 currency transactions and exposed to foreign exchange risk arising from various currency exposures, primarily with respect to 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 51 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

	2015		2014	
	RS	USD	RS	USD
Amounts due to Related Company	-	-	(324,450,000)	(2,524,313)
Trade and Other payables	(594,653,315)	(4,535,876)	(575,003,576)	(4,478,692)
Amounts due from Related Company	-	-	1,000,000	7,780
Trade and Other receivables	746,246,594	5,692,194	774,717,695	6,027,524
Cash and cash equivalants	716,949,373	5,468,721	211,588,725	1,646,221
Bank Overdraft	(180,172,935)	(1,354,684)	(255,128,497)	(1,984,972)
Gross Statement of Financial Position Exposure	688,369,717	5,250,722	(167,275,653)	(1,306,452)

The following significant exchange rates were applcable during the year.

	Average Rate		Reporting Date spot rate	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
US Dollars	131.1	128.53	133.25	128.7

Sensitivity Analysis

A strengthening of the LKR, as indicated below, against the US Dollar at 31st March 2015 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 Profit or Loss	Weakening Profit or Loss
	Rs	Rs
31st March 2015		
USD (10% movement)	68,836,972	(68,836,972)
31st March 2014		
USD (10% movement)	(16,727,565)	16,727,565

b. Interest rate risk

The risk that the fair value or future cash flows of finacial instrument will fluctuate due to changes in Market interest rates at the reporting date, the company's interest baering financial instruments were as follows

	Carrying Amount	
	2015	2014
	Rs.	Rs.
Fixed Rate Instruments		
Financial Assets	-	-
Fixed Deposits	-	376,000,000.00
Staff Loans	-	-
Financial Liabilities	-	-
Interest Bearing borrowings from related party	-	-
	-	376,000,000.00

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 51 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

	Carrying Amount	
	2015	2014
	Rs.	Rs.
Variable rate Instruments		
Financial Assets		
Call and Savings Deposits	1,886,704,716	310,355,548
Financial Liabilities		
Bank Overdraft	(180,172,935)	(255,128,497)
Borrowings	(1,971,793,739)	(558,576,890)
	(265,261,958)	(503,349,838)

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 ceased 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 managed on company and the Group basis. Credit risk arises from cash equvialants, 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 risks 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 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	
	2015	2014
	Rs.	Rs.
Trade and Other receivables	746,246,594	774,717,695
Amount due from Related Company	-	1,000,000
Balances with Banks	716,949,373	211,588,725
	1,463,195,967	987,306,420

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 allowance is determined based on historical data of payment statistics for similar financial assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 51 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

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

	Carrying Amount	
	2015	2014
	Rs.	Rs.
Domestic	216,558,900	465,822,395
Europe	113,941,605	63,881,293
Middle East	26,060,635	26,121,477
Asia	8,031,244	3,465,476
United States	49,703,583	19,738,849
Canada	12,485,525	5,428,211
Caribbean	17,876,820	35,508,474
Africa	12,119,777	6,875,777
Australia	10,031,726	12,727,873
	444,658,311	619,966,175

Cash and bank balances

The Company held favourable cash and bank balances of Rs. 716,949,373 as at 31st March 2015 (Rs. 211,588,725 as at 31st March 2014) which represent its maximum credit exposure on these assets.

3. Liquidity Risk

Liquidity risk is the risk that 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 cashflows. 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 2015	Carrying amount	0-12 Months	More than one year
	Rs	Rs.	Rs.
Financial Liabilities (Non-Derivative)			
Interest Bearing borrowings	1,971,793,739	1,113,441,279	858,352,460
Trade and Other Payable	594,653,315	594,653,315	-
Bank Overdraft	180,172,935	180,172,935	-
Total	2,746,619,989	1,888,267,528	858,352,460

As at 31st March 2014	Carrying amount	0-12 Months	More than one year
	Rs	Rs.	Rs.
Financial Liabilities (Non-Derivative)			
Interest Bearing borrowings	558,576,890	450,780,702	107,796,188
Other Amounts Due to Related Companies	324,450,000	324,450,000	-
Trade and Other Payable	575,003,576	575,003,576	-
Bank Overdraft	255,128,497	255,128,497	-
Total	1,713,158,963	1,605,362,775	107,796,188

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 51 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

4. Capital Management risk

The Priimary 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 borrowings divided 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	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Borrowings (Note 24)	1,971,793,739	558,576,890	-	-
Total Equity	7,259,670,106	4,840,415,340	1,584,888,789	561,105,636
Gearing ratio %	27.2%	11.53%	-	-

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 resposibility is supported by the development of overall Company standards for the management of operational risk in the following areas.

- Requirement 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 procedure to address the risks identified.
- Development of Contingency plans.
- Trainning and Professional development.

REAL ESTATE PORTFOLIO

Company	Location	land extent (Perches)			Building		Classification Company	Classification Group	Fair value as at 31.03.2015 under fair value method
		land/ Building	Lease Hold	Free hold	No of Buildings	Building in sq.ft			
Renuka Developments Ltd	Siri Dharma Mw, Colombo - 9	Land		184					
		Building			2	7,507	IP	PPE	488,000,000
Renuka Trading (Pvt) Ltd	Kent Road, Dematagoda, Colombo - 9	Land		76					75,863,000
		Building			3	32,799	IP	PPE	64,137,000
Shaw Wallace Ceylon Ltd	Karishue Place, Colombo - 8	Land		5			PPE	PPE	17,500,000
	Danister De Silva Mawatha	Land		40					180,000,000
		Building			1	71,107	IP	PPE	627,693,015
Shaw Wallace Properties Ltd	New Nuge Road, Peliyagoda	Land	216				PPE	PPE	323,385,000
		Building			2	61,969	IP	PPE	226,615,000
Captain Foods (Pvt) Ltd	Gemunu mawatha, Ekala	land/ Building		60	2	10,150	PPE	PPE	53,267,771
Renuka Foods PLC	Samagi Mw, Ekala Jaela	Land		215			IP	PPE	80,531,250
		Building			9	37,390			27,767,875
Ceylon Botanical (Pvt) Ltd	Matale	Land		10,842			IP	PPE	20,000,000
Richlife Dairies Ltd	Privena Road, Wadduwa	Land		682					127,815,000
		Building			6	57,500	IP	PPE	174,072,920
Kandy Plantation Ltd	Kandy Plantation Ltd, Nalla Diuldeniya	Right to use Estate	102,552				IP	PPE	49,499,976
		Building			4	8,094	PPE	PPE	
Renuka Agri Foods PLC	EPZ, Wathupitiwela	Land	670						
		Building			9	81,364	PPE	PPE	239,162,900
	Unagahadeniya	Land		420.4			PPE	PPE	21,428,000
Renuka Organics (Pvt) Ltd	Unagahadeniya	Land		303.3			PPE	PPE	22,702,880
Renuka Beach Hotels Ltd	Wellaboda, Ahungalla	Land		377			IP	PPE	200,000,000
Galle Face Properties Ltd	Colombo -3	Land		85			IP	IP	1,001,000,000

FIVE YEAR SUMMERY

Year Ended 31St March	2015 Rs. '000	2014 Rs. '000	2013 Rs. '000	2012 Rs. '000	2011 Rs. '000
EQUITY					
a) Summery of Operation					
Revenue	7,041,657	6,041,518	6,521,084	5,400,082	2,697,274
Gross Profit	1,726,038	1,158,627	1,356,230	1,369,442	641,360
Profit before finance cost and tax	632,350	314,855	445,556	639,814	846,220
Profit before taxation	667,723	298,898	282,604	559,972	838,122
Taxation	(49,492)	(29,302)	(10,634)	(27,871)	(8,630)
Profit after tax	618,231	269,596	271,969	532,100	829,492
Profit attributable to equity holders of the company	395,850	192,316	188,881	258,969	618,465
b) Summery of Financial Position					
Capital and reserves					
Stated capital	1,198,897	175,000	175,000	175,000	125,000
Revaluation Reserve	244,371	-	-	-	-
Retained earnings	3,047,001	2,652,601	2,081,549	1,898,743	1,712,210
Shareholders' fund	4,490,270	2,827,601	2,256,549	2,073,743	1,837,210
Minority interest	2,769,400	2,012,815	1,974,004	1,587,533	1,536,575
Total Equity	7,259,670	4,840,415	4,230,552	3,661,276	3,373,784
LIABILITIES					
Non- Current liabilities	1,228,082	270,095	348,095	378,661	153,624
Current liabilities	2,072,912	1,704,493	1,474,646	2,639,189	1,242,806
Total Liabilities	3,300,994	1,974,588	1,822,741	3,017,850	1,396,430
Total Equity and Liabilities	10,560,665	6,815,003	6,053,293	6,679,126	4,770,214
ASSETS					
Property, plant and equipment	3,861,735	2,511,137	2,480,286	2,008,941	1,232,097
Investment properties	1,001,000	937,000	788,008	1,075,333	934,015
Investments	290,832	654,941	223,959	223,959	224,464
Other non-current assets	575,247	476,387	481,448	529,761	436,516
Current assets	4,831,850	2,235,538	2,079,593	2,841,132	1,943,122
Total Assets	10,560,665	6,815,003	6,053,294	6,679,126	4,770,214
c) Key Indicators					
Earnings per share (Rs.)	6.02	3.77	3.71	5.13	12.37
Net profit margin (%)	8.78%	4.46%	4.17%	9.85%	30.75%
Net assets value per share (Rs.)	44.07	55.50	44.29	41.09	36.74
Dividends per share (Rs.)	0.70	0.70	0.70	1.70	0.83
Dividends payout (%)	18.56%	18.86%	13.64%	13.74%	11.12%
Dividend cover (times)	5.38	5.30	7.32	7.27	8.99
Interest cover (times)	10.69	5.41	2.95	10.45	107.82
Current ratio (times)	2.33	1.31	1.41	1.08	1.56
Gearing ratio (%)	30.50%	16.46%	5.67%	6.32%	2.33%
Return on equity (%)	13.76%	9.51%	6.43%	4.53%	24.59%

SHAREHOLDER'S INFORMATION

SHARE INFORMATION	2015		2014	
	Voting	Non Voting	Voting	Non Voting
Total No of Shareholders	2,231	1,129	1,747	945
Total No of Shares	89,034,626	12,856,830	44,517,313	6,428,415

PUBLIC SHARE HOLDING	2015	2014
The percentage of Shares held by the public		
Voting	42.14%	42.94%
Non Voting	94.16%	94.61%

SHARE TRADING INFORMATION	2015		2014	
1st of April to 31st March	Voting	Non Voting	Voting	Non Voting
Share Price				
Highest (Rs.)	43.00	36.10	41.90	30.00
Lowest (Rs.)	26.60	20.00	27.10	20.00
As at 31St March	28.00	24.10	31.50	21.70
Market Capitalization				
As at 31St March (Rs. '000)	2,492,969	309,849	1,402,295	139,496
No of Trades	8,790	4,815	2,866	1,281
No of shares Traded	25,106,751	8,333,599	3,434,646	1,723,305
Value of Shares Traded (Rs.)	857,749,343	218,952,153	115,471,440	39,693,978
Dividends				
Proposed/paid final Dividend (Rs.)		35,662,010		35,662,009
		(Rs. 0.35 cents per Share)		(Rs. 0.70 cents per Share)

SHAREHOLDER'S INFORMATION (CONTD.)

VOTING SHARES

	31st March 2015			31st March 2014		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
No of Shares Held - Voting						
1 - 1,000	1,073	300,535	0.34%	1,036	247,752	0.56%
1,001 - 10,000	811	2,918,582	3.28%	553	1,542,794	3.47%
10,001 - 100,000	293	8,336,105	9.36%	128	3,469,693	7.79%
100,001 - 1,000,000	46	11,361,464	12.76%	24	7,310,324	16.42%
1,000,000 & Over	8	66,117,940	74.26%	6	31,946,750	71.76%
	2,231	89,034,626	100%	1,747	44,517,313	100%
Analysis of Shareholders - Voting						
Individuals	2,078	21,343,015	23.97%	1,637	9,638,708	21.65%
Institutions	153	67,691,611	76.03%	110	34,878,605	78.35%
Total	2,231	89,034,626	100%	1,747	44,517,313	100%
Resident	2,201	83,869,986	94.20%	1,724	43,069,504	96.75%
Non Resident	30	5,164,640	5.80%	23	1,447,809	3.25%
Total	2,231	89,034,626	100%	1,747	44,517,313	100%

NON VOTING SHARES

	31st March 2015			31st March 2014		
	No of Shareholders	No of Shares	%	No of Shareholders	No of Shares	%
No of Shares Held - Voting						
1 - 1,000	517	145,606	1.13%	491	123,539	1.92%
1,001 - 10,000	384	1,416,231	11.02%	336	1,129,049	17.56%
10,001 - 100,000	202	5,356,637	41.66%	107	3,073,771	47.82%
100,001 - 1,000,000	26	5,938,356	46.19%	11	2,102,056	32.70%
1,000,000 & Over	-	-	0.00%	-	-	0.00%
	1,129	12,856,830	100%	945	6,428,415	100%
Analysis of Shareholders - Voting						
Individuals	1,056	8,815,144	68.56%	879	4,347,610	67.63%
Institutions	73	4,041,686	31.44%	66	2,080,805	32.37%
Total	1,129	12,856,830	100%	945	6,428,415	100%
Resident	1,103	11,279,817	87.73%	931	6,192,562	96.33%
Non Resident	26	1,577,013	12.27%	14	235,853	3.67%
Total	1,129	12,856,830	100%	945	6,428,415	100%

SHAREHOLDER'S INFORMATION (CONTD.)

TOP 20 MAJOR SHAREHOLDERS

No.	Name	Voting as at 31.03.2015		Voting as at 31.03.2014	
		No. of shares	%	No. of shares	%
1	RENUKA GROUP LIMITED	45,577,498	51.19	22,788,749	51.19
2	NATIONAL SAVINGS BANK	5,356,146	6.02	2,678,073	6.02
3	DR. S. R. RAJIYAH & MRS. I.R. RAJIYAH (Jt)	4,542,058	5.10	2,225,866	5.00
4	EMPLOYEES TRUST FUND BOARD	2,914,330	3.27	1,457,165	3.27
5	UNION BANK OF COLOMBO PLC/PERPETUAL EQUITIES (PRIVATE) LIMITED	2,402,740	2.70	-	-
6	ELGIN INVESTMENTS LIMITED	1,958,044	2.20	-	-
7	MR. M.M.S. DAWOOD	1,840,808	2.07	999,968	2.25
8	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	1,526,316	1.71	1,526,316	3.43
9	BANK OF CEYLON NO. 1 ACCOUNT	842,332	0.95	176,723	0.40
10	WALDOCK MACKENZIE LTD/HI-LINE TRADING (PVT) LTD	760,000	0.85	495,576	1.11
11	ALLIANCE FINANCE COMPANY PLC	674,529	0.76	45,484	0.10
12	COMMERCIAL BANK OF CEYLON PLC/S.VASUDEVAN	520,174	0.58	67,768	0.15
13	HNB ASSURANCE PLC A/C NO2 (LIFE INSURANCE FUND)	425,000	0.48	50,877	0.11
14	LIFE INSURANCE CORPORATION (LANKA) LTD	410,582	0.46	-	-
15	DR. G. RAJIYAH	403,818	0.45	199,846	0.45
16	MR. K.C. VIGNARAJAH	394,355	0.44	235,496	0.53
17	CORPORATE DRUIDS (PVT) LIMITED	352,580	0.40	176,290	0.40
18	MS. S.R. RAJIYAH	330,783	0.37	148,388	0.33
19	MISS. A.L. RAJIYAH	330,783	0.37	148,388	0.33
20	MR. S.V. RAJIYAH	306,392	0.34	77,491	0.17
		71,869,268	80.71	33,158,045	74.48

TOP 20 MAJOR SHAREHOLDERS

No.	Name	Non-Voting as at 31.03.2015		Non-Voting as at 31.03.2014	
		No. of shares	%	No. of shares	%
1	MR. K.C. VIGNARAJAH	626,753	4.87	302,462	4.71
2	NATIONAL SAVINGS BANK	496,812	3.86	148,406	2.31
3	MR. S.V. RAJIYAH	435,414	3.39	217,707	3.39
4	E.W. BALASURIYA & CO. (PVT) LTD	306,521	2.38	136,709	2.13
5	HALLSVILLE TRADING GROUP INC.	295,977	2.30	-	-
6	WALDOCK MACKENZIE LIMITED/ MR.K.R.E.M.D.M.B.JAYASUNDARA	282,642	2.20	-	-
7	PAN ASIA BANKING CORPORATION PLC./ MR.R.E.RAMBUKWELLE	267,768	2.08	267,768	4.17
8	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	265,368	2.06	100,000	1.56
9	MUBASHER FINANCIAL SERVICES BSC	257,986	2.01	-	-
10	MR. A. SITHAMPALAM	251,797	1.96	72,000	1.12
11	ELGIN INVESTMENTS LIMITED	236,000	1.84	-	-
12	MR. P.V.E.JOSEPH	210,911	1.64	-	-
13	CORPORATE DRUIDS (PVT) LIMITED	202,000	1.57	101,000	1.57
14	MR. F.G.N.MENDIS	199,223	1.55	73,060	1.14
15	A.T. COORAY PVT LTD	195,428	1.52	195,428	3.04
16	DR. S. R. RAJIYAH & MRS. I.R. RAJIYAH (Jt)	171,422	1.33	85,711	1.33
17	DR. T. SENTHILVERL	156,672	1.22	-	-
18	MR. M.A.T.RAAYMAKERS	146,171	1.14	-	-
19	MR. K.D.A.M.KUMARAGE	140,000	1.09	-	-
20	ROCKPORT LIMITED	132,000	1.03	-	-
		5,276,865	41.04	1,700,251	26.47

NOTICE OF MEETING

Notice is hereby given that the 35thAnnual General Meeting of the Company will be held at the Sri Lanka Foundation Instute No. 100, Independence Square Colombo 7 on the 18th September 2015 at 4.00 p.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 2015 with the Report of the Auditors thereon.

2. To re-elect Mr. M.S. Dominic as a Director who retires by rotation in terms of Article 28 (1).

3. To re-appoint Mr. C.J. De S. Amaratungee who is 75 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.

4. To re-appoint Mr. T.K. Bandaranayake who is 72 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. T.K. Bandaranayake.

5. To re-appoint Mr. J.M. Swaminathan who is 74 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.

6. To declare a dividend of Rs. 0.35 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 2015

Note:

(i) A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of the member, such proxy need not be a member.

(ii) A Form of Proxy is enclosed with this Annual Report.

(iii) The completed Form of Proxy should be deposited at the Registered Office of the Company at "Renuka House", No. 69, Sri Jinaratana Road, Colombo 2, on or before 3.00 p.m. on 16th September 2015, being not less than 48 hours before the time appointed for the holding of the Meeting.

FROM OF PROXY

I / We ..... of .....

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

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

.....

Or failing her/him

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

as my/ our proxy to represent me / us and to speak and to vote on my / our behalf at the Annual General Meeting of the Company to be held on the .....day of ..... 2015 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

1. To receive and consider the Report of the Directors and the Statement of the Audited Financial Statements for the year ended 31st March 2015 with the Report of the Auditors thereon. ☐
2. To re-elect Mr. M.S. Dominic as a Director. ☐
3. To re-appoint Mr. C.J. De S. Amaratunge as a Director ☐
4. To re-appoint Mr. T.K. Bandaranayake as a Director ☐
5. To re-appoint Mr. J.M. Swaminathan as a Director ☐
6. To declare a dividend of Rs. 0.35 per share. ☐
7. To authorise the Directors to determine the contribution to charity. ☐
8. To re-appoint M/s KrestonMNS& Co., Chartered Accountants as Auditors to the Company and authorise the Directors to determine their remuneration. ☐

Dated this ..... day of ..... 2015.

.....
Signature of Shareholder

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

INSTRUCTIONS AS TO COMPLETION OF THE FORM OF PROXY

1. To be valid, the completed Form of Proxy should be deposited at the Registered Office of the Company, at "Renuka House", No. 69, Sri Jinaratana Road, Colombo 2, on or before 3.00 p.m. on 16th September 2015 being not less than 48 hours before the time appointed for the holding of the Meeting.

2. In perfecting the Form of Proxy, please ensure that all the details are legible.

3. Please indicate with an 'X' in the space provided how your proxy to vote on each resolution. If no indication is given the proxy, in his discretion, will vote, as he thinks fit.

4. In the case of a Company / Corporation, the proxy must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.

5. In the case of proxy signed by the Attorney, the Power of Attorney must be deposited at the Registered Office at "Renuka House", No. 69, Sri Jinaratana Road, Colombo 2, for registration.

CORPORATE INFORMATION

Name of the Company
Renuka Holdings PLC

Registration Number
PQ 227

Legal Form
Quoted Public Company with Limited Liability

Principal Activity
It is the holding company for subsidiaries engaged in Agri business (Plantation, Manufacturing, Export Marketing), FMCG (Distribution, Dairy), Automotive, Property, Strategic Investments & Support Services.

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

Company Secretaries
Renuka Enterprises (Pvt) Ltd.
No. 69, Sri Jinaratana Road,
Colombo 2.

Registrar
S.S.P. Corporate Services (Pvt) Ltd.
No. 546, Galle Road,
Colombo 3.

Registered Office
"Renuka House"
No. 69, Sri Jinaratana Road,
Colombo 2, Sri Lanka.
Telephone : 0094-11-2314750-5
Email :info@renukagroup.com
Fax : 0094-11-2445549

Postal Address
P.O. Box 25, Colombo

Stock Exchange Listing
Colombo Stock Exchange

Audit Committee
Mr. T.K. Bandaranayake (Chairman)
Mr. C.J. De S. Amaratunge
Mr. M.S. Dominic

Remuneration Committee
Mr. M.S. Dominic (Chairman)
Mr. C.J. De S. Amaratunge
Mr. T.K. Bandaranayake

Auditors
Kreston MNS & Co, Chartered Accountants

Legal Consultants
Nithya Partners – Attorneys -at-Law

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

“Renuka House” No. 69, Sri Jinaratana Road, Colombo 2, Sri Lanka.
Telephone: 0094-11-2314750-5 Fax : 0094-11-2445549
Email: info@renukagroup.com
Website: www.renukagroup.com