

Raigam

Raigam Wayamba Salterns PLC.

AGAINST THE TIDE

ANNUAL REPORT 2021/2022



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ANNUAL REPORT 2021/2022

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WEATHERING THE SOCIOECONOMIC AND POLITICAL ROIL



First it was a storm cloud in the form of the coronavirus pandemic that forced Sri Lankan citizens into deprivations they had never experienced before. Next it was a torrential downpour of citizen worry and doubt that resulted in a confused and confounded citizenry. Finally, it was a growing wave of serious trouble for the future coming in the form of trade imbalances, debt servicing issues and dollar dearth that could very well lead to a total societal collapse of such historic proportions that could destroy the very idea of Sri Lanka as a nation.

Such was the state of the nation by the time the dust settled on the year from April 2021 to March 2022.

Anyone would pity a country that had to deal with such serried ranks of disasters and forgive any company operating under such dire circumstances for throwing in the towel. Raigam Salterns however, is not your typical company nor does it think for one moment that Sri Lanka is an impossible country in which to do business. It knew well in advance that its operational circumstances would only get worse as the country slid further and further into an unfathomable political and socioeconomic nadir. It also knew its own resilience and that of the people of the country.

Understanding that in the darkest of hour the finest qualities of an organization must shine forth to move itself and, by extension, the greater cloud of Sri Lankans out of the national economic hole, Raigam Salterns moved swiftly in a number of directions to mitigate near impossible situations. Knowing that disaster was also another word for opportunity, it reimagined some of its business approaches, went directly to production sources, reduced its cost of sales, optimized its human resource efficiency and consolidated its core businesses to push the company quickly away from any possibility of ever having to deal with an internal business crisis.

Knowing that it would have to pull all stops to weather the effects of combined crises, the company manned-up to the task, with every single employee resolute and committed to never give up,

to take on every challenge,
fight against all odds,
and, most importantly, steer the company

AGAINST THE TIDE

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REPORT RATIONALE



This Annual Report is providing our stakeholders a holistic view of our strategy and performance during the financial year 2021/ 2022. Through this reporting, we aim to provide our stakeholders information that we believe is of material interest in making an informed assessment of our ability to create value over the short, medium and long-term. The Report includes material information relating to strategy, governance, performance, market risks and opportunities.

Scope and Boundary

This Report covers the operations of **Raigam Wayamba Salterns PLC (RWS)** and its fully owned subsidiaries, **Southern Salt Company (Pvt) Limited (SSC)** and **Raigam Wayamba Cereals (Pvt) Limited (RWC)** from April 1, 2021 to March 31, 2022.

Standards and Principles

The annual financial statements have been prepared based on the principles and/or requirements of the Sri Lanka Accounting Standards (SLFRS/LKAS). The Report also complies with the requirements of the Companies Act No. 7 of 2007, the Listing Requirements of the Colombo Stock Exchange (CSE) and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission. The sustainability reporting also complies with the Environmental, Social and Governance (ESG) reporting guidelines published by the CSE.

Materiality

In determining content to be included in this Report, we have considered matters that are of interest to current and prospective investors as well as other stakeholders who wish to assess our ability to deliver value. These material topics form the anchor of this Report and have been identified through numerous stakeholder engagement platforms, as discussed in this Report.

External Assurance

A combined assurance model is used to ensure that the credibility and integrity of our reporting. External assurance on the financial statements has been provided by Messrs. Ernst and Young. The Company's Audit Committee also monitors adequacy and effectiveness of the financial reporting and internal control systems.

Feedback

We welcome your feedback on our Annual Report and encourage you to put forward any suggestions you may have in terms of what you would like to see in our next Report.

Pushpa Hewamannage

Senior Manager – Finance
Raigam Wayamba Salterns PLC
No: 23, Walukarama Road, Colombo 03.
Email: hewamannage@raigam.lk

UNPRECEDENTED SUCCESS AGAINST UNPRECEDENTED CHALLENGES!



**HIGHEST EVER
TURNOVER AND
NET PROFIT**

Despite massively resistive socioeconomic forces besetting the country, your company posted its highest ever net, proving not only its resilience but its abilities to respond to adversity.



**MARKETING
COSTS DOWN**

Reduced the cost of advertising and instead, leveraged situational opportunities to push the trade and increased our national sales footprint.



DIVIDEND UP

With the positive turn of your company despite the negative operational environment, the dividend for the year under review has increased from Rs. 0.10 per share to Rs. 0.15.



**APPROACH
RESTRUCTURED**

Instead of relying on its base product, your company diversified into the production of fortifying cereals that would be an affordable and ideal food for the citizens of the country in the face of rapidly deteriorating purchasing power and employment opportunities.



**POSITIVE
POLICY
LEVERAGED**

Your company continued to optimize policies that prevented the importation of its primary product to increase its national footprint and position Raigam Wayamba Salterns as the leader in the sector



**VALUE-CHAIN
OPTIMIZED**

Instead of focusing on a single need of the people, the company diverted its focus to diversified products entering into agro-processing sector with outgrown systems that ultimately benefited not only the company but the farming community as well.

PRODUCT IMPROVEMENT AND PROCESS EFFICIENCY OF SALT



OPTIMIZING THE NATURAL PROCESS

Nature's salt is harvested from the sea through careful evaporation and filtered to make natural crystals under highly controlled conditions.

Research is being conducted to explore possibilities of using and entirely natural process in salt manufacture.

ALTERNATIVE PROCESSING METHODS

Salt is made using some of the oldest available technology and in it, the crystal size is carefully controlled in line with the requirements of various market segments.

R&D is being conducted into alternative methods to produce fine-powdered salt without damaging the chemical composition of the end product.

PVD ENHANCEMENT

Pure Vacuum Dried (PVD) salt is the purest form of salt made from sea salt and designed for sectors who expect extra purity.

During the year under review, the company further strengthen the use of latest technology, boosting product quality and reducing cost of production.



ABOUT US



Vision

"To be the convenient partner in enhancing the taste and health needs of the nation"

Mission

"To become the largest value added salt supplier in the island contributing to fulfillment of salt and iodine needs of the nation by way of extracting best resources from nature using modern technology and improved productivity while satisfying stakeholders of every facet"



Values

- We value our customers as the most important group and ensure that all of our internal processes are customer centric and aimed at exceeding their needs and wants to the point of thrilling them.
- We value management by evidence over management by opinion in all of our decision making processes.
- We ensure that all our employees are afforded equal opportunity and equitable treatment.
- We work constantly to create the optimal work environment for our employees in line with the strongest attention to employee rights.
- We recognize that our employees are our greatest and most crucial asset.
- We recognize and value the drivers of continuous improvement of our internal processes and systems.
- We value team effort over individual goal achievement.
- We recognize and accept our social and environmental responsibilities and value non-compromised effort for the preservation and enhancement of both.

THE JOURNEY HAS ALWAYS BEEN FRAUGHT WITH RISK AND DANGER

2005

Wayamba Salterns (Pvt) Ltd. is launched as a commercial operation and perceiving the need to provide the country with its own salt as well as to secure the source of the raw material, Raigam Marketing Services (Pvt) Ltd, acquires a 26% stake in Puttalam Salt Ltd.

2007

Wayamba Salterns (Pvt) Ltd. expands its raw material sources by acquiring 100% ownership of the Southern Salt Company (Pvt) Ltd, situated at Bata-atha, in the Hambantota district.

2016

The company starts servicing the retail market with PVD in packs of 100g, 200g, 400g and 1kg

2014

In an excellent culmination of a years-long effort, Southern Salt Company (Pvt) Ltd. starts making profits

2017

The great national effort of the company is recognized by the National business Excellence Awards and it wins the Gold Award for its entrepreneurial contributions to Sri Lanka.

2018

The company's continued commitment to excellence all spheres of industrial, social and environmental actionables is recognized by being awarded the National Business Excellence Gold Award for the second consecutive year.

2022

The company diversifies its product portfolio to reduce dependence on a single vertical line of offerings by entering into agri-processing.

None have been as hard to address as those that occurred during the year under review. Yet, given its history of operation, it is clear that the way the company has conducted its affairs over the years created the enablers to allow it to come out on top again significant resistance.

2009

The company is converted into a public company as Raigam Wayamba Salterns Limited.

The Southern Salt Company (Pvt) Ltd. issues 682,354 shares

2010

In a significant milestone in the history of the company, it makes an Initial Public Offering (IPO) under the theme of "Hiru Samuduru Pavathinathuru" and is listed with the Colombo Stock Exchange (CSE) as Raigam Wayamba Salterns PLC

2012

Fulfilling its promise to the shareholders and the country, the company launches fully Sri Lankan manufactured PVD to the local market

2011

Southern Salt Company (Pvt) Ltd. issues a further five million shares in order to expand its operations

Continuing with the primary aim of the company to provide the best quality salt to the people, for the very first time in Sri Lanka, Raigam Wayamba Salterns commences the manufacture of Pure Vacuum Dried Salt (PVD) as one of its first value added salt products to the local market

2019

The company expands its operations to the northern and eastern markets through its newly introduced RUSI brand

2020

With the country in lockdown and the economy greatly vulnerable, the company was one of the few that was strong enough or reduce fringe benefits.

2021

The pandemic rages across the planet debilitating economies and bringing about near total societal collapse. The company quickly responds to these external threats by increasing efficiency, reducing fiscal risks and maximizing safety of its staff becoming a model for operating a business in the face of a global crisis

CORPORATE INFORMATION





Name of the Company

Raigam Wayamba Salterns PLC

Registered Office

No. 23, Walukarama Road, Colombo 3

Contact Details

Tel: 0112 753340-1, 0114 886777 | Fax: 0112 753342,
E-mail: info@raigam.lk | Web: www.wayambasalterns.lk

Company Registration Number

PV 10922 PB/PQ

Details of Incorporation

Incorporated as a Private Limited Liability company under the Companies Act No. 17 of 1982 on 15 June 2005 in Colombo, and re-registered under the Companies Act No. 07 of 2007 on 15 January 2009, converted to a Public Company in December 2009. Later the company was listed on the Dirisavi Board of the Colombo Stock Exchange on 29 April 2010 converting into a Public Limited Company.

Board of Directors

Dr. Ravi Liyanage
Mr. Kishan Rohana Theodore
Mr. G.V.P. Ganaka Amarasinghe
Snr. Prof. S.P.P. Amaratunge
Mr. W.A. Upali Gunawardena (Upto 9th January 2022)
Mr. T. Dharmarajah (Since 10th January 2022)
Mr. H.A.S. Samaraweera
Mr. W.M.S.V. Keerthirathne

Auditors to the Company

Messrs. Ernst & Young, Chartered Accountants
201, De Saram Place, Colombo 10.

Registrars to the Company

Business Intelligence (Pvt) Limited
No: 08, Tickell Road, Colombo 08.

Secretaries to the Company

Business Intelligence (Pvt) Limited
No: 08, Tickell Road, Colombo 08.

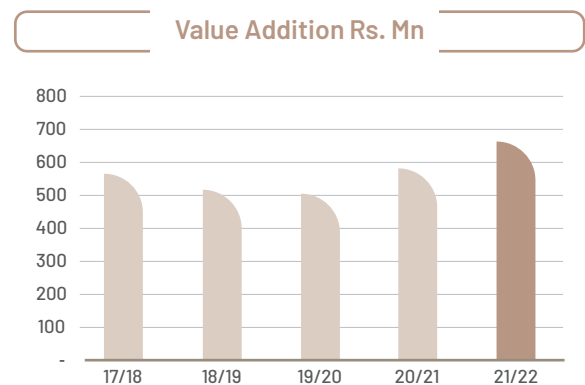
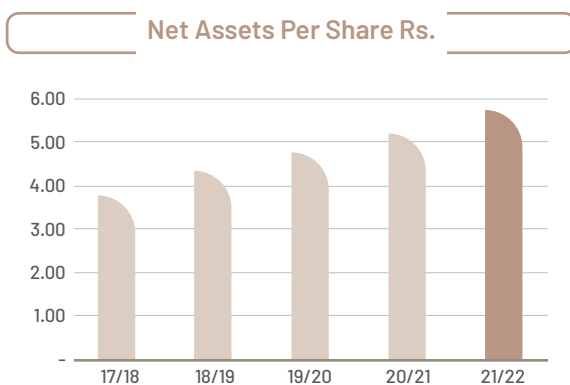
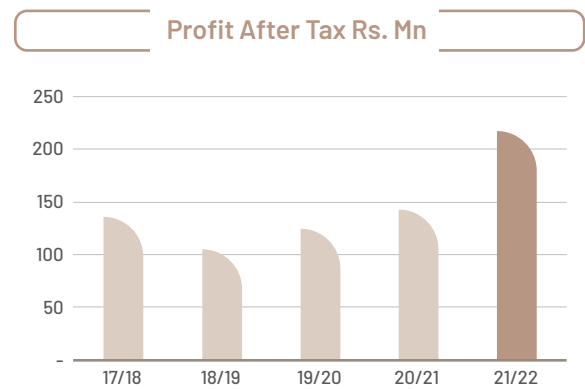
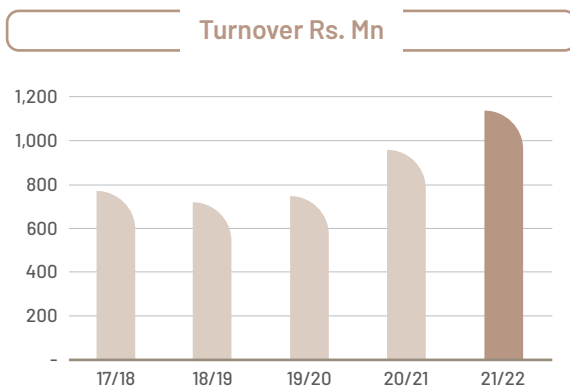
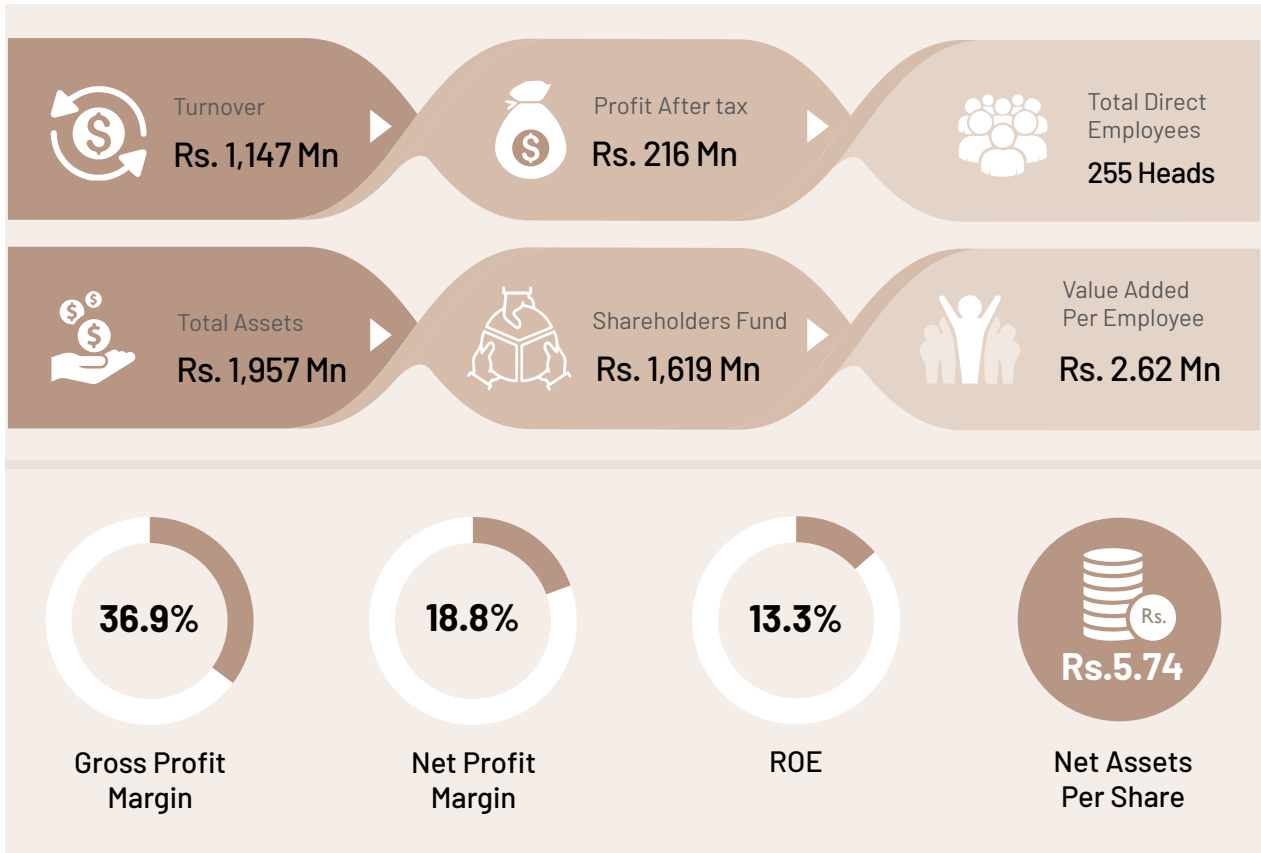
Bankers to the Company

Sampath Bank PLC
People's Bank
Commercial Bank of Ceylon PLC

KEY PERFORMANCE SIGNS - GROUP

	2021 / 2022	2020 / 2021	Change	2019 / 2020	Change
Operating Results	Rs.000	Rs.000	%	Rs.000	%
Turnover	1,147,189	959,681	19.5%	756,991	26.8%
Gross Profit	423,768	355,121	19.3%	277,782	27.8%
Profit Before Tax	277,406	187,549	47.9%	142,552	31.6%
Profit After Tax	215,590	149,759	44.0%	114,611	30.7%
Dividend	28,221	28,221	0.0%	14,110	100.0%
Retained Profit	187,369	121,539	54.2%	100,500	20.9%
Revenue to Government	129,276	89,501	44.4%	87,898	1.8%
Value Addition	669,239	582,554	14.9%	505,672	15.2%
Position At The Year End					
Shareholders' Fund	1,619,315	1,428,717	13.3%	1,306,933	9.3%
Total Assets	1,957,491	1,719,062	13.9%	1,465,052	17.3%
Per Share Details					
Earnings Per Share - Rs.	0.76	0.53	44.0%	0.41	29.43%
Net Assets (Year End) - Rs.	5.74	5.06	13.3%	4.63	9.3%
Ratios					
Gross Profit Ratio (GP / Sales)	36.9%	37.0%	-0.2%	36.7%	0.8%
Net Profit Ratio (NP / Sales)	18.8%	15.6%	20.4%	15.1%	3.1%
Return on Assets	11.0%	8.7%	26.4%	7.8%	11.4%
Return on Equity	13.3%	10.5%	27.0%	8.8%	19.5%
Current Ratio (CA / CL)	4.8	4.8	1.5%	8.6	-44.8%
Equity / Asset Ratio	82.7%	83.1%	-0.5%	89.2%	-6.8%
Debt to Equity Ratio	20.9%	20.3%	2.8%	12.1%	68.0%

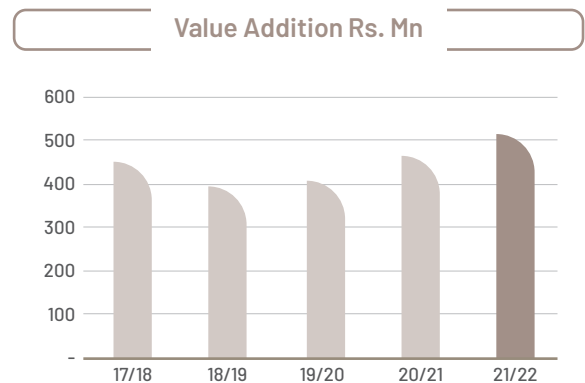
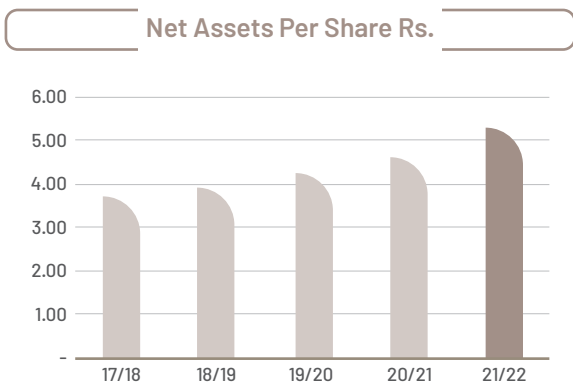
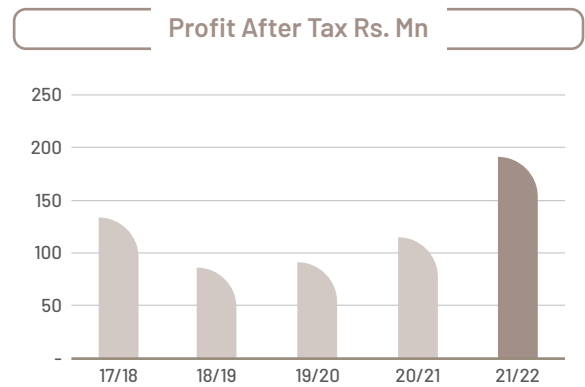
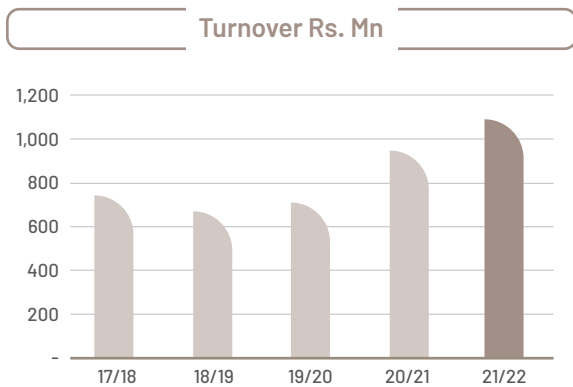
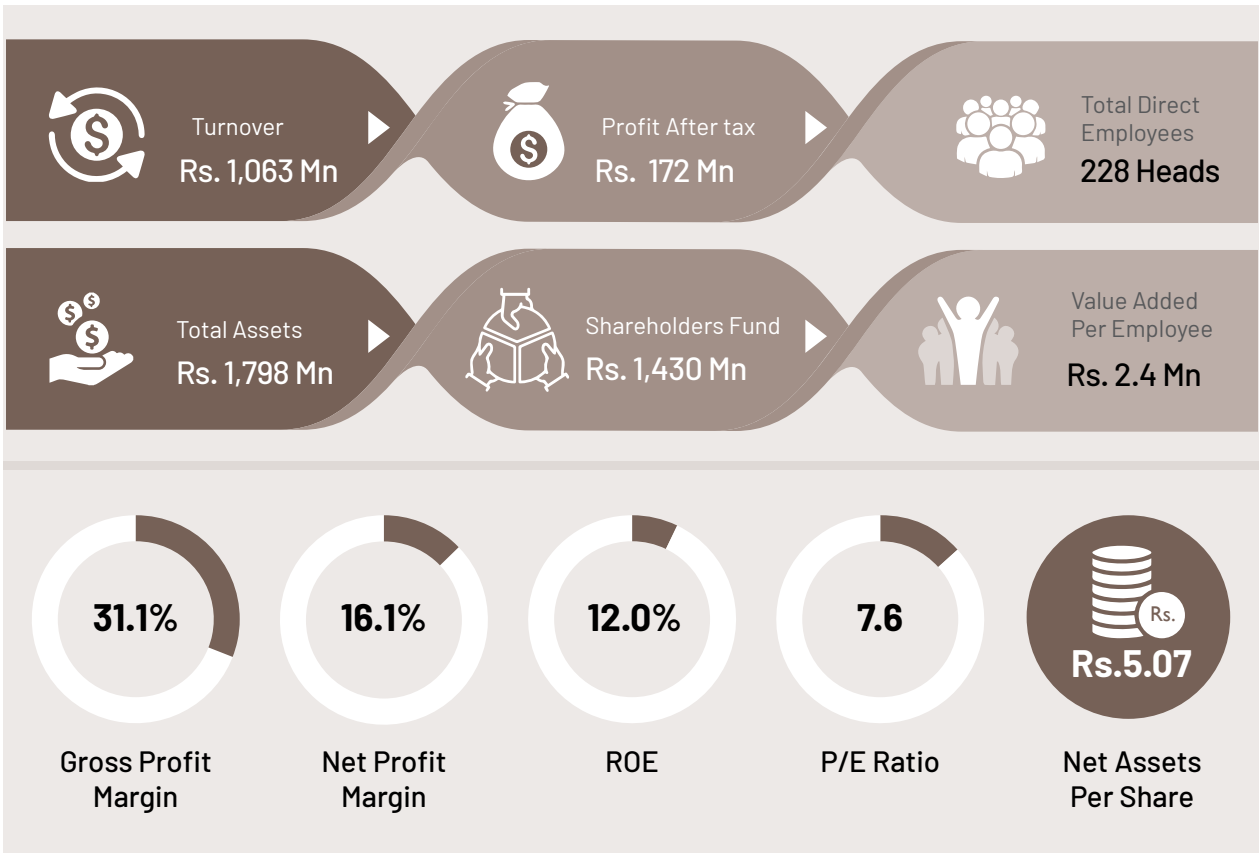
FINANCIAL HIGHLIGHTS - GROUP



KEY PERFORMANCE SIGNS - COMPANY

	2021 / 2022	2020 / 2021	Change	2019 / 2020	Change
Operating Results	Rs.000	Rs.000	%	Rs.000	%
Turnover	1,063,409	924,087	15.1%	717,246	28.8%
Gross Profit	330,694	272,862	21.2%	223,637	22%
Profit Before Tax	221,595	136,949	61.8%	119,530	15%
Profit After Tax	171,557	108,337	58.4%	94,244	15%
Dividend	28,221	28,221	0.0%	14,110	100%
Retained Profit	143,336	80,117	78.9%	80,134	0%
Revenue to Government	117,887	84,970	38.7%	72,734	17%
Value Addition	545,636	468,670	16.4%	412,410	14%
Position At The Year End					
Shareholders' Fund	1,430,317	1,283,424	11.4%	1,203,467	7%
Total Assets	1,797,631	1,624,850	10.6%	1,357,670	20%
Market Capitalization	1,298,154	1,467,478	-11.5%	507,973	189%
Per Share Details					
Earnings Per Share - Rs.	0.61	0.38	58.4%	0.33	16%
Net Assets (Year End) - Rs.	5.07	4.55	11.4%	4.26	7%
Dividend Per share - Rs	0.10	0.10	0.0%	0.05	100%
Market Value Per Share (Year End) - Rs	4.60	5.20	-11.5%	1.80	189%
Ratios					
Gross Profit Ratio (GP / Sales)	31.1%	29.5%	5.3%	31.2%	-5.3%
Net Profit Ratio (NP / Sales)	16.1%	11.7%	37.6%	13.1%	-10.8%
Return on Assets	9.5%	6.7%	43.1%	6.9%	-3.9%
Return on Equity	12.0%	8.4%	42.1%	7.8%	7.8%
Current Ratio (CA / CL)	3.7	3.4	7.7%	6.7	-49.3%
Equity / Asset Ratio	79.6%	79.0%	0.7%	88.6%	-10.9%
Debt to Equity Ratio	25.7%	26.6%	-3.5%	12.8%	107.6%

FINANCIAL HIGHLIGHTS - COMPANY



Raigam Wayamba Salterns PLC

A BRIEF ABOUT THE GROUP



Established in 2005, Raigam Wayamba Salterns PLC is a B0I company engaged in the manufacture, refining, packaging and marketing of salt and salt based value added products. The trade is widely accepted to give one of the highest profit ratios in the manufacturing field compared to the investment. The company's manufacturing facilities are situated in two strategic locations, giving a unique advantage in minimizing transport costs of the finished product. Salt, being a low value commodity, has a very high cost component in transport. Having manufacturing facilities in Puttlam and Bata-Atha have definitely given Wayamba Salterns an advantage over its competitors. It should also be pointed out that solar salt manufacture is one of the very few industries where the raw material (brine) and energy source for the manufacturing process (sun light) is totally free of charge. Raigam has a unique advantage of its own having full control of vertical integration starting from raw materials to the door step of its consumers. There are only few such industries existing in the world where any manufacturer/marketer has almost total vertical control over its operation.

Southern Salt Company (Pvt) Ltd

To supplement and complement our main stream activities and for better control over peripheral input, Southern Salt Company (Pvt) Ltd has been established, 250 kilometers from Colombo, in to the southern part of Sri Lanka, on a parcel of land of 8 acres for the factory situated in the Bata-atha Industrial Park, and 204 acres for the salterns, will be looked to supply table salt in consumer packs as well as in bulk to the discerning customers in the south and contiguous areas.

Raigam Wayamba Cereals (Pvt) Ltd

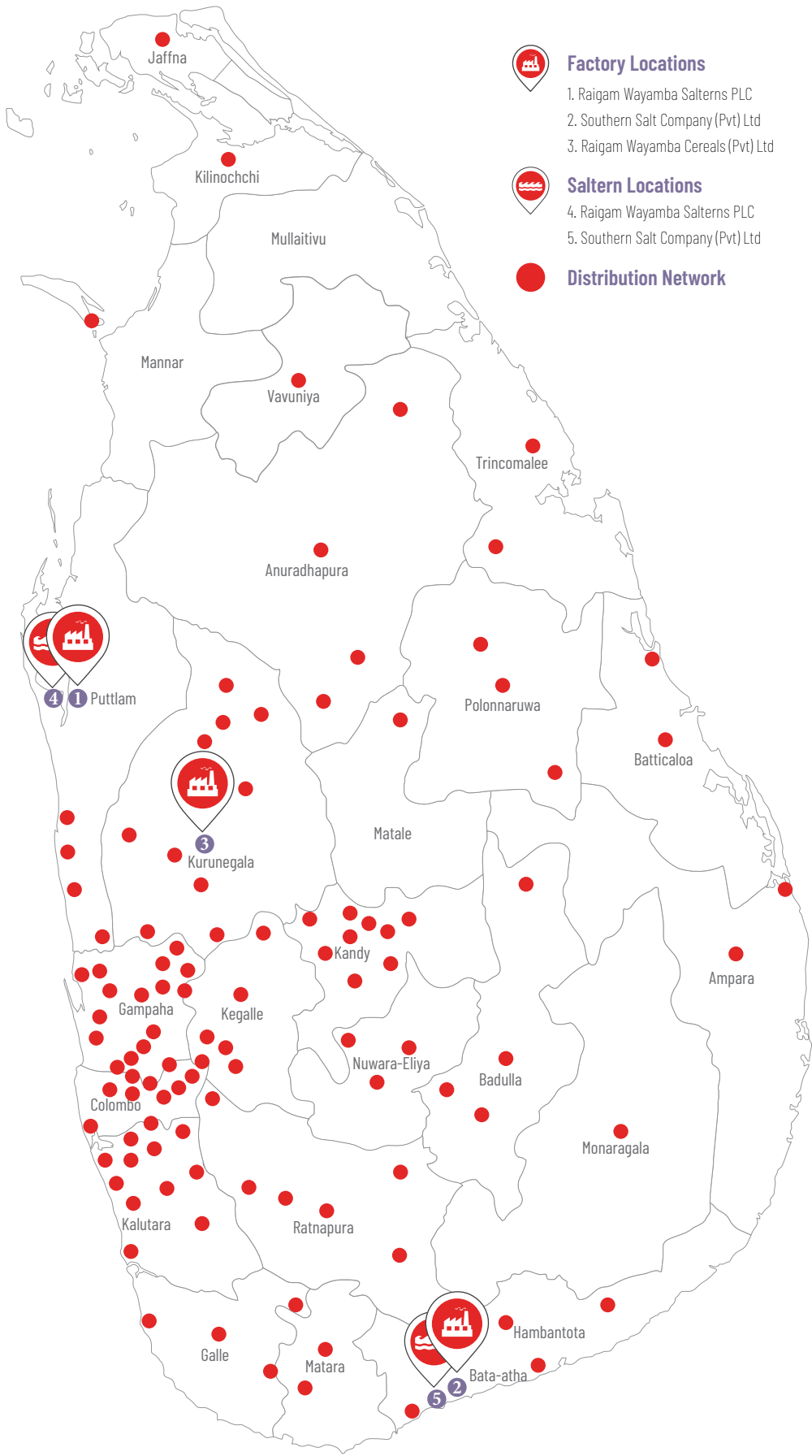
Wayamba Cereals (Pvt.) Ltd. is a diversified company under the Raigam Wayamba Salterns umbrella and was incorporated on 13th April 2021, as a fully owned subsidiary. The company will engage in the business of processing local grains to manufacture various value added products while promoting and assisting farmers to acquire inputs in the right quality and quantity. During the year under review the company set up a factory and a storage facility at Wellawa in Kurunegala on a leased property and implemented a pilot cultivation program with farmers to cultivate Soya bean in the North Central Province of Sri Lanka, collected a substantial stock of grains and also commenced rice milling and trading at a primary level. The company will become fully operational during the latter part of 2022 with launching of a breakfast cereal under the brand "**Nenaposh**a" comprising of Corn, Soya bean, Rice and Green Gram all of which will be locally grown. An extended program has been launched in the Yala season of 2022 for growing Soya bean on land exceeding 1,200 Acres, providing the required inputs backed by a purchase agreement with a guaranteed price. Other inputs are directly sourced from farmers.



OUR PRESENCE



Agalawatta
 Akuressa
 Alawwa
 Aluthgama
 Ambalangoda
 Ambalanthota
 Ampara
 Anuradhapura
 Aralaganwila
 Awissawella
 Badalgama
 Badulla
 Balangoda
 Bandarawela
 Battaramulla
 Bataatha
 Batticaloa
 Biyagama
 Borella
 Bulnewa
 Chilaw
 Dambulla
 Dankotuwa
 Delgoda
 Deniyaya
 Deraniyagala
 Digana
 Ehaliyagoda
 Elpitiya
 Embilipitiya
 Galagedara
 Galgamuwa
 Galle
 Gampaha
 Gampola
 Hanguranketha
 Hanwella
 Hatton
 Hingurakgoda
 Homagama
 Horana
 Ibbagamuwa
 Ja-Ela
 Jaffna
 Kadawatha
 Kaduwela
 Kahawatta
 Kalmunai
 Kalutara
 Kamburupitiya
 Kandana
 Kandy
 Kantale
 Katugasthota
 Katunayake
 Kebathigollewa
 Kegalle
 Kekirawa
 Kelaniya
 Kesbewa
 Kesellenawa
 Kilinochchi
 Kiribathgoda
 Kuliypitiya
 Kurunegala
 Kuruwita
 Maharagama
 Mahawewa
 Mahiyanganaya
 Maho
 Maligawaththa
 Manikhinna
 Mannar
 Matale
 Matara
 Mathugama



Meerigama	Nikawaratiya	Piliyandala	Rajagiriya	Tangalle	Wathupitiwala
Minuwangoda	Nugegoda	Polgahawela	Rambukkana	Thissamaharama	Welimada
Monaragala	Nuwara-Eliya	Polonnaruwa	Rathmalana	Trincomalee	Wennappa
Naranmala	Padukka	Polpithigama	Rathnapura	Valaichchenai	Weyangoda
Nawalapitiya	Panadura	Pothuhera	Reddegama	Vavuniya	Yakkala
Negombo	Pilimathalawa	Puttalam	Ruwanvella	Wattala	Yatyanthota

A portrait of a man with a mustache, wearing a dark suit, white shirt, and a red tie with a small white pattern. He is smiling and looking towards the camera. The background is a blurred green and blue, suggesting an outdoor setting with trees.

CHAIRMAN'S MESSAGE

.....

“Our commitment to improving efficiency has never been more proven than during the year under review where the company cut its sales costs, increased its diversity and leveraged its opportunities to provide the best possible investment scenarios for our valued shareholders.”

Dear Shareholders,

Whilst taking pleasure in presenting the annual report of your company at the 17th Annual General Meeting where the year under review is a testament to the capabilities of a well-structured company that can respond to significant downturns in all aspects of Sri Lankan society.

Sri Lanka faced many challenges during the year under review although it managed to see itself past the worst of the pandemic with minimal human loss. The first three quarters of the year saw the company manage its operational mechanisms with care and control knowing full well that taken as a whole the economy of the country was on very shaky ground. During the fourth quarter of the year under review, Sri Lanka saw some significant effects of national policy decisions that commenced putting unprecedented pressure on the economy.

The knock-on effects of the pandemic as well as that of the looming economic problems affected every business including the company. Yet, it is with quiet pride that I can stand before you, our valuable stakeholders, and say that our management team prepared for the worst well in advance and we rode out the tide not only unscathed but also posting our highest turnover and highest net profit for the entire period of its operation.

The company continued to leverage positive policy that banned the import of salt to consolidate and grow its market share of its salt based portfolio of products. Additionally, it optimized opportunities presented to it through external issues and events such as the fire onboard the Express Pearl in May 2021 and the concerns over economic circumstances that created an unexpected and sudden demand through citizen fear of a shortfall in salt production that resulted in a spike in demand that was imminently managed by through the stocks of the company.

However, on the downside, inclement weather caused severe flooding in the Puttalam district that sent the company's Puttalam factory under water and diluted the harvested salt as well as brine stocks in the salterns. Although the damage to the facilities was significant, our insurer indemnified the damage causing a minimum impact on the affairs of the company.

With the requirement for stabilizing the company under stressful economic headwinds, departing from dependence on a sole product and also with intention of investing cash surpluses in a sustainable venture, it diversified its business operations to include a new company, Raigam Wayamba Cereals (Pvt) Ltd. that will engage in the business of processing local grains into many value added products while simultaneously promoting

and assisting farming communities to obtain inputs in the right quality and quantity. These plans are slated to bear fruit in the current year with the outgrow farmer system already established in the North-Central province. The new operation will expand the business footprint of the company.

The company is well aware that while it has seen itself past the worst, there is still much to be done in the future to increase its stability and to this end, it is already planning improvements to its risk management structure both for business processes as well as for employees. Our commitment to improving efficiency has never been more proven than during the year under review where the company cut its sales costs, increased its diversity and leveraged its opportunities to provide the best possible investment scenarios for our valued shareholders.

Your investment in the group has never been in stronger hands as has been proven in the last year and it is with pride that we note that we have increase earnings per share from LKR 0.53 to LKR 0.76.

As the value of your investment continues to remain above calculated market prices and with the effort that was put in by the management and staff of the company, we are happy to note that earnings per share increased to LKR 0.61, up from LKR 0.38 in the preceding year. Therefore, in keeping with the dividend policy of the company, your Board has recommended a first and final dividend of LKR. 0.15 per share.

United in the face of common trials and travails both as a team at the company and as Sri Lankan citizens, our sense of togetherness and working for a common cause not only for our gain but for that of the nations as well, we worked hard and worked collectively to make sure that the company carried its flag high for our stakeholders including our loyal team of employees, without whom none of this would be possible.

Finally, a word of heartfelt thanks to our board of directors and a special vote of gratitude to former board member Mr. S. A. Wickremapala who served on the Board for ten long years and who sadly passed away recently.



Dr. Ravi Liyanage

Chairman

31 August 2022



A gathering economic storm despite initial positives

Despite a good start, the later part of the year saw what may well be the precursor of the worst crisis in recorded history. While socioeconomic experts have weighed in with predictions of economic meltdown in quarter four of 2021/2022, for most of the year, the business environment was conducive and productive for the company. However, the management has always been careful with a finger on the pulse of the nation and a great sense of how the social, economic and fiscal winds were blowing and it recognized that the resultants of multiple internal and external dependencies that Sri Lanka witnessed over the

year under review may have serious future repercussions. Therefore, the company took a very serious view of the possibilities for a negative future and adjusted its processes and approaches accordingly since it was that against this backdrop, a highly challenging business environment might arise. Scenarios where it knew that it required rapid, bold and highly proactive decisions to be made to shore up its business model and strengthen its fiscal viability.

Despite challenges for Sri Lanka, your company has its best year on record

Your company has proved itself to be capable of sober assessment of practical realities over the sixteen years of

CEO'S REVIEW



“Over the years the Raigam brand has earned itself an enviable position in the food sector of the country, garnering many accolades on its way to its present position. The reach and penetration of its diversified portfolio has provided a strong baseline reference for your company's range of products.”

its existence. This carefulness enabled it to come through a wildly fluctuating period during the year under review with the best performance metrics on record.

Overall turnover increased by 15% YoY from LKR 924.1 million to LKR 1,063.4 million. We earned a pre-tax profit of LKR 221.6 million on that turnover as compared to the pre-tax profit of LKR 136.9 million which is a massive 62% increase YoY. The company has continued to be vigilant despite its successes, best seen by the fact that net assets per share increased to LKR 5.07 over LKR 4.55 YoY giving a clear indication of asset growth and overall stability. Despite economic woes and market recalcitrance, investor confidence still remained high with share prices reaching a high of LKR 9.70 over LKR

11.30 YoY. The year-end market value stood at LKR 1,298 million over LKR 1,467 million YoY.

Given the highly volatile economic situation that was created as 2021 moved into 2022, the company continues to make careful decisions and therefore, due to gains during the year under review, it was able to increase the dividend per share to LKR 0.15 from LKR 0.10 YoY.

The company makes optimal use of the opportunities that came its way

A key positive for the primary product was that none of the negatives of the year under review directly impacted

the raw material for the primary product since 100% of the salt was generated domestically from the nation's own waters. With the government fortunately continuing with its policy of not importing salt, your company increased its production to cater to the local demand by 35% allowing it to consolidate and grow its market share. The fire aboard the ship Express Pearl in May 2021 sent alarm bells ringing through the citizenry creating a fear in their minds that salt production would be negatively affected and this resulted in panic buying. Fortunately, your company had sufficient stocks and the demand increase was responded to without any shortage with a reciprocal increase of income.

The company reduces the impact of the threats

With costs of doing business fluctuating during the year under review, it was imperative that some of those costs were either reduced or eliminated through strong business decisions related to both physical cash outlays as well as internal efficiencies. With respect to the former, your company cut its sales costs (primarily in advertising costs) from Rs. 49.7 million for 2020/2021 to Rs. 16.7 million for 2021/2022. This resulted in a saving of Rs. 33.0 million.

However, despite these positive responses, there were significant floods in the Puttalam district in November 2021 that resulted in the Puttalam facilities of your organization going under water for the first time in history. Although the damage was significant we responded to the situation with a

minimum impact on our operations due to strong insurance cover.

The company branches out and diversifies its portfolio

For over 15 years, your company focused all of its attention on strengthening the supply and market penetration of its salt based product range. However, with the advent of new challenges and various national level forces, it became imperative that other revenue streams were also aggressively explored. Towards this end, your company, diversified its operations into the agri-processing market planning to manufacture a range of cereal products, establishing the fully owned subsidiary, Raigam Wayamba Cereals (Pvt) Ltd. This project includes an out grower scheme for Soya bean, a field network for sourcing other grains, logistic arrangements and a state of the art agro-processing facility. During the year under review a pilot program was implemented in the North Central province of Sri Lanka, with the farmers provided with inputs of Seeds, Fertilizer and essential chemicals on a loan basis backed up by a purchase agreement with a minimum guaranteed price. The first commercial level outgrow farmer programme for Soya bean has been launched in the Yala season of 2022 on a land extent exceeding 1,200 Acres in the Huruluwewa and Mahaweli System H areas, of which the harvest is expected during the next month. Other raw materials will be sourced from farmers directly by the field staff of your

company. Stores complex and the processing centre have been established at Wellawa in the Kurunegala District. A limited operation of rice milling and primary processing was conducted during the year under review.

The first ever ready to eat product of the company, **"Nenaposha"** was launched on August 08, 2022 and expected to market through the widespread distribution network of the Raigam Group. **"Nenaposha"** is a breakfast cereal comprising of Corn, Soya Bean, Rice and Green Gram, a healthy, highly nutritious, convenient product made from 100% locally cultivated grains. In addition, with the Raigam brand being perennially associated with processed food products, your company also engaged itself in rice milling with additional pilot projects already carried out in some other beneficial agricultural products.

Trust in the brand increases due to the strength of the mother brand

Over the years the Raigam brand has earned itself an enviable position in the food sector of the country, garnering many accolades on its way to its present position. The reach and penetration of its diversified portfolio has provided a strong baseline reference for your company's range of salt products. This implied strength has served to consolidate the company and push it to the forefront of the market. In addition, its capabilities to cut its costs by leveraging both internal and group synergies have ensured that it not only enjoy its present position but also has the effect of lowering the competition.

Careful planning critical to maintaining a steady course in trying times

The general outlook at the end of the year under review is excellent. However, many factors can still weigh in as threats to the company. Inclement weather, price fluctuations, changes in policy and emerging socioeconomic and national negatives that are slated to escalate into the future are all issues that the directors of your company take a very serious view on. Therefore, they will work ceaselessly and tirelessly to reduce and eradicate internal risk factors while also minimizing the impact of external threats and risks it cannot control so that you, our valued shareholders, can rest, assured that your company is in the safest of managerial hands.

As a final word, I wish to extend my gratitude to the total commitment of management and staff of Raigam Wayamba Salterns who were instrumental in reporting these excellent results, the management teams of the parent company and other sister companies of Raigam Group for their excellent support, the Chairman and my colleagues on the Board for their direction and valuable guidance.



Kishan Rohana Theodore

Executive Director / CEO

31 August 2022



BOARD OF DIRECTORS

Mr. T. Dharmarajah
Independent Non-Executive Director

Mr. H.A.S. Samaraweera
Independent Non-Executive Director

Snr. Prof. S.P.P. Amaratunge
Independent Non-Executive Director



Dr. Ravi Liyanage
Chairman

Mr. Kishan Rohana Theodore
Executive Director / Chief Executive Officer

Mr. G.V.P. Ganaka Amarasinghe
Executive Director

Mr. W.M.S.V. Keerthirathne
Independent Non-Executive Director

BOARD OF DIRECTORS



DR. RAVI LIYANAGE
Chairman

Dr. Liyanage is the Founder, Chairman and Chief Executive Officer of The Kingdom of Raigam, one of the leading foods, personal care and furniture manufacturing and distribution companies in Sri Lanka. He holds a B.Sc. degree in Business Administration from the University of Sri Jayawardenapura and an MBA from University of Colombo. Also, he obtained a PhD in Business Administration from Lacrosse University USA.

Dr. Liyanage, a chartered marketer by profession and holds many professional qualifications in the field of marketing and finance and is the first fellow member of Sri Lanka Institute of Marketing (SLIM).

He was honored as the FCCISL Best Entrepreneur of the Year 2005 awarding National Platinum Award and also received CIMA Pinnacle Award for Business Leader of the Year 2005/2006 and became the first ever Sri Lankan Entrepreneur who was awarded FCCISL Platinum Award for Best Entrepreneur and CIMA Pinnacle Award for Best Business Leader in a single year.

He is an academic more than a business leader, where he is a regular visiting lecturer of many universities and professional institutes in Sri Lanka. He served as a faculty board member of Faculty of Management, University of Sri Jayawardenapura for last 12 years and advisory panel member of Entrepreneurship Development in National School of Business Management (NSBM).

He served as a member of the Governing Council of University of Colombo, National Pay Commission of Sri Lanka, Education Reforms Commission and Mahapola Scholarship Trust Fund Board and holds directorial positions in many companies.

Currently, he is serving as a member of various statutory bodies including Presidential Task Force for Economic Revival and Poverty Alleviation, Salaries and Cadre Commission, Standing Committee on Accreditation and Quality Assurance (SCAQA) of the Ministry of Higher Education, National Science and Technology Commission (NASTEC), The Intellectual Property Advisory Commission (IPAC) and Monetary Policy Consultative Committee of Central Bank of Sri Lanka.



MR. KISHAN ROHANA THEODORE

Executive Director

Chief Executive Officer

Mr. Kishan Rohana Theodore, was a co-founder and the current Managing Director of the Raigam Group. He was appointed as a Director to the company with effect from 27th March 2013. He also serves as a Director of Puttlam Salt Limited.

He is a veteran in the ICT Industry in Sri Lanka and is a pioneer in the introduction of novel ICT concepts including a mobile ICT lab, Integrated Network Solutions etc. to Sri Lanka. After completing his studies he started his own ICT business, with an affiliation in Singapore, achieving tremendous success.

Diversity of his portfolio is witnessed in his remarkable achievements in the FMCG industry that has made him the Managing Director of the Raigam Group where he plays the primary role in the marketing and sales sector of the organization. Through his full schedule in multiple business sectors, he has contributed immensely to the country as the Head of the Centre for the Non-Governmental Sector attached to the Ministry of Finance where he played a significant role during the post-tsunami period.



MR. G.V.P. GANAKA AMARASINGHE

Executive Director

Mr. Ganaka Amarasinghe commenced his career at Raigam in early 1999 and served as the Managing Director of the group up to July 2019 and presently serves as the Group Senior Director. He also served as the Chief Executive Officer of Raigam Wayamba Salterns PLC for three years up to July 2019. He has also served as a Director of Puttalam Salt Limited for more than a decade.

He obtained his first Degree in Business Administration from the University of Sri Jaywardenepura and became a fellow member of the Institute of Chartered Accounts, Institute of Certified Management Accountants, and The Association of Accounting Technicians of Sri Lanka. For decades he has held senior positions in private and public sectors, as an Accountant, Financial Analyst, and Finance Manager. He has served as a member of the governing councils of the Institute of Chartered Accounts of Sri Lanka and the Association of Accounting Technicians of Sri Lanka (AATSL) for many years. He is also a Past President of AAT Sri Lanka. Mr. Amarasinghe served as a visiting lecturer of state universities and many other professional and academic institutions and he is currently serving as a governing council member of the National Institute of Business Management (NIBM). He has served as a member of the Panel of Judges of National Export Awards for many years and chaired the same Panel for three consecutive years. He also served the Panel of judges for the Annual Report Awards of CA Sri Lanka, Presidential Awards for Travel and Tourism and CSR & Sustainability Awards conducted by Japan Sri Lanka Technical and Cultural Association (JASTECA).

BOARD OF DIRECTORS



SNR. PROF. S.P.P. AMARATUNGE
Independent Non - Executive Director

Senior Professor Sampath Amaratunge is a visionary and builder of organizations, an astute university administrator, an academic par-excellence, a renowned business consultant and a humanist. He is the present Chairman of the University Grants Commission and has been twice appointed the Vice-Chancellor of the University of Sri Jayewardenepura, where he served as an academic for over 28 years. During his tenure at the helm of the University, he established the faculties of Technology, Engineering and Allied Health Sciences. He was also instrumental in laying the foundation stone to create the Faculty of Urban and Aquatic Bio-resources. He considered research to be the driving force of the Nation and took measures to upgrade the Research Committee to a Research Council that grew to accommodate 25 research centers. Furthermore, having identified the gap between University education and the Industry, Snr. Prof. Amaratunge founded the Invention Innovation and Venture creation Council at the University of Sri Jayewardenepura. This initiative encouraged students and staff to engage in innovations and ventures. At present, the University has nearly 50 registered companies operating under the council. During his tenure as the Vice-Chancellor, he was appointed as the Chairman of the Committee of Vice-Chancellors and Directors for the year 2019. He was also elected as a member of the Association of Commonwealth Universities, United Kingdom as a representative of the countries under the Constituency.

He served as the Dean of the Faculty of Management Studies and Commerce of the same university from 2008 to 2014. He obtained his B.A. (Hons.) in Economics from the same university and his M.A. in Economics from the University of Colombo. Further he obtained a M.Sc. in Economics of Rural Development from the Saga National University and a Ph.D. from Kogoshima National University in Japan. Snr. Prof. Amaratunge has published more than 75 papers in international and national journals.

Snr. Prof. Amaratunge was the recipient of the prestigious Research Excellence Award in 2002, awarded by the Kyushu Society of Rural Economics, Japan, in addition to several other local and international awards. He is considered as an expert in the field of Economics with special reference to Rural Development, whose attention is not focused solely on the university community, but additionally, he has a wide array of interests and is actively involved in the development of the country. He serves as a consultant to many reputed companies. He is also working as an Independent Director of several companies in Sri Lanka.



ENG. W.A. UPALI GUNAWARDENA
Independent Non - Executive Director
(Up to 09th January 2022)

Eng. Warusapperuma Arachchige Upali Gunawardena is a Chartered Engineer by Profession. He is an Honorary Life Member of the Institution of Engineers, Sri Lanka (IESL) and a Fellow Member of the Institution of Incorporated Engineers, Sri Lanka. He holds the Post Graduate Diploma in Engineering (Construction Management) from the University of Moratuwa and many other qualifications. In addition, he followed courses in Engineering Maintenance Management in Sweden and Norway.

He was a Member of the Board of Governors of University of Vocational Technology (UNIVOTEC), Project Manager of Relocation and Development of Institute of Technology, University of Moratuwa (ITUM).

After completing initial career in Civil Engineering, he gained over thirty five years of experience with significant exposure to the salt industry in Sri Lanka. During this period, he held several

positions in the management of the Sri Lanka National Salt Corporation, Lanka Salt Ltd, including the positions of Chief Engineer, General Manager and Consultant. He was a Director of Lanka Mineral Sands Ltd, and Mantai Salt Ltd.

He was highly involved in the implementation of Universal Salt Iodization program at the inception in Sri Lanka, and installed the first Salt Iodization plant in Palavi Saltern donated by UNICEF. Eng. Upali Gunawardena handled a special assignment as a Consultant to UNICEF to assess the damages to the salterns in the country as a consequence of the tsunami. He also participated in many programs in managing, monitoring and controlling of iodine deficiency disorders, organized by WHO in India, Nepal and Thailand.

BOARD OF DIRECTORS



MR. T. DHARMARAJAH
Independent Non - Executive Director
(Since 10th January 2022)

Mr. Thiyagarajah Dharmarajah, is a fellow member of The Institute of Chartered Accountants of Sri Lanka, The Association of Accounting Technicians of Sri Lanka, and The Institute of Public Finance and Development Accountancy. He graduated from the University of Sri Jayewardenepura obtaining a B.Sc. Management (Sp) Degree and counts over 40 years' experience in the discipline of Finance and Accounting in the Public and Private Sectors. In addition, he holds the Higher National Diploma in Accountancy – Ceylon Technical College. Mr. Dharmarajah is well-known and respected in the field of Finance & Accountancy. He is a partner of Amerasekera and Company, a well-recognized firm of Chartered Accountants in Sri Lanka.

Mr. Dharmarajah was a member of the Governing Councils of the Institute of Chartered Accountants of Sri Lanka (CASL), the Association of Accounting Technicians of Sri Lanka (AATSL) and

the University of Sri Jayewardenepura. He is also a Past President of the Association of Accounting Technicians of Sri Lanka. He has been lecturing in Finance and Accountancy for decades and acknowledged as a respected lecturer who has contributed immensely to produce thousands of qualified Accountants in Sri Lanka. He has authored number of Accounting Books in Sinhala Medium.

He has served as a Director of DFCC Bank PLC and Central Engineering Consultancy Bureau (CECB) and LOLC Development Finance PLC. Mr. T. Dharmarajah currently serves as a member of the Board of Lanka Industrial Estates Ltd., Hapugastenne Plantations PLC & Udapussellawa Plantations PLC, Management Applications (Pvt) Limited, Renuka City Hotels PLC, Cargo Boat Development Company PLC and DHS Medical Group (Pvt) Limited.



MR. H.A.S. SAMARAWEEERA
Independent Non - Executive Director

Mr. H. A. S. Samaraweera is the 39th Auditor General of Sri Lanka. He served in this position from August 2011 until his retirement in October 2014. During his long tenure in public service he held numerous top positions of the country culminating in being appointed the Auditor General in 2011. In that capacity, apart from his regular responsibilities, he was instrumental in setting up a Corporate Plan for the period from 2012 to 2016 aimed at uplifting the supreme audit institution of the country to a level on par with those of developed countries worldwide. Further he added a set of innovative accounting concepts for the preparation of financial statements of the Department in addition to the conventional appropriation accounts approach.

Mr. Samaraweera graduated from the University of Sri Jayawardenapura obtaining a B Com (Special Degree) and is a fellow member of the Institute of Chartered Accountants of Sri Lanka and the Canadian Comprehensive Auditing Foundation (CCAF). Mr. Samaraweera served on two Parliamentary Committees namely Committee of Public Enterprise (COPE) and Public Accounts Committee (PAC). He also served as a member of the governing council of the Institute of Chartered Accountants of Sri Lanka (2011-2014).



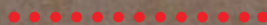
MR. W.M.S.V. KEERTHIRATHNE
Independent Non - Executive Director

Mr W.M.S.V. Keerthirathne is a landed proprietor and a successful entrepreneur with a vast amount of experience from managing public enterprises to formulating national policy. In his career as an administrator in public enterprises he held the position of Chairman of many institutions including the Kirindiwela Multi-Purpose Cooperative Society, the Land Reform Commission, the Social Security Board of Sri Lanka, the Coconut Cultivation Board, and the Gampaha District Cooperative Rural Bank. He also served as a Director of the Cooperative Life Insurance Company Limited.

Mr. Keerthirathne commenced his successful political career as the Chairman of the Dompe Pradeshiya Sabha. Subsequently, he was elected a Provincial Council Member of the Western Province and has served as Acting Chief Minister and Chief Government Whip of the Council. Being elected as a Member of the Parliament of Sri Lanka he served the county at the national policy level as the Deputy Minister of Agriculture.

He has gained experience in the salt industry from his engagement as a Director of Puttalam Salt Limited where he held the position of Chairman for a significant period. He is currently the Chairman of Cooperative Employees Commission.

SENIOR MANAGEMENT TEAM



Kishan Rohana Theadore	Executive Director / Chief Executive Officer
Ganaka Amarasinghe	Executive Director
Nevinda Jayasuriya	Director - Finance & Human Resource (Group)
Nalin Gangodavila	General Manager - R & D (Group)
Wasantha Hettiarachchi	General Manager - Operations
Rohana Kumara	Deputy General Manager - Promotion (Group)
Janaka Mayadunna	Deputy General Manager - Finance (Group)
Lalith Pallage	Deputy General Manager - Sales (Group)
Rohan Edirisinghe	Deputy General Manager - Sales Admin and Marketing (Group)
Dilruk Jayawardena	Deputy General Manager - Operations (Wayamba Cereals)
Ranjith Samarasekara	Assistant General Manager - Human Resource (Group)
Pushpa Hewamannage	Senior Manager - Finance
Kamani Gunathilake	Senior Manager - MIS
Janika Kumara	Senior Manager - Operations (Southern Salt)
Jayantha Weerasinghe	Internal Auditor

OPERATIONAL HIGHLIGHTS



Facing the worst economic crisis the country has ever dealt with, the company still posts the highest net profit during the year under review.

1

When demand spikes due to external dependencies, the company responds admirably with its stocks ensuring no shortfall despite increased sales.

2

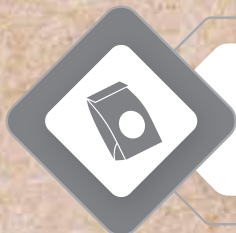


The company cuts its sales costs increasing its profitability despite national economic downturns.

3

The volume of salt increase from 17,592 MT to 22,927 MT with a reciprocal increase in company's turnover from LKR 924,086,572 to LKR 1,063,409,359

4



The company diversifies its business operations into the breakfast cereals market with plans for introduction of Nanaposha.

5

The company increase its earnings per share from Rs. 0.38 to Rs. 0.61 and net assets per share from Rs. 4.55 to Rs. 5.07.

6



The newly installed ERP system becomes fully commissioned and significantly reducing the cost of operations.

7

THE PROCESS

It has been a heady ride to bring the sea to the table.

Breaking the shameful practice of importing salt when it is abundantly available in the blue surrounding us, Raigam Wayamba Salterns PLC recaptured national pride by becoming the key local manufacturer of salt products. With the government taking the correct decision to restrict imports, the onus was on the company to make good on the import shortfall and we did so by rapidly readjusting our production capacities and technical capabilities. While we have covered the sodium chloride requirement of the nation to a large extent, the next great horizon for the company is to commence manufacturing collateral products from its salt manufacturing process such as Epsom Salts (magnesium sulphate), Gypsum (calcium sulfate dihydrate). We take it as a personal mission to work towards their manufacture since these products are still being imported from overseas despite local availability of the primary raw materials.

The Solar Salt Process

Solar salt is a result of evaporative crystallization of natural sea water or lagoon water under the sun. In man-made solar saltern ponds, this natural process is carried out to make solar salt commonly known as sea salt. The process is carefully controlled to get maximum purity of salt, Sodium Chloride by continuous irrigation based on availability of sunshine and the wind speed. Finally, salt crystals are separated from other minerals by harvesting while washing with saturated brine to remove any contact impurities. Harvested salt is stacked under covers for months allowing natural leach-out of unwanted chemical impurities.

Sea Water / Lagoon Brine



Irrigation to Saltern



Crystallization



Evaporation in Condensers



Harvesting



Crystal Salt



The Process of Table Salt

Once the crystal salt is produced from the salterns, next step is to grade the crystal salt by looking at the physical & chemical parameters. Then, the process of powdering is made through hydro milling & transferred to elutriation system in order to remove soluble and insoluble impurities. Further refining of salt takes place and sent to the

centrifuge for reduction of moisture ensuring the product is fluidized at fluidized bed dryer as expected. This is the process of drying done to ensure that the product is dry with free flowing nature. To make the fortification, Iodine is added as per the prevailing regulations of the country. Finally, packing of salt is made based on the market requirement.

Iodizing



Centrifuging



Drying



Sieving



Crystal Salt



Pre-washing



Milling & Elutriation



Picking



Packing



Dispatching





THE PVD PROCESS

Being an island nation, Sri Lankans have fully utilized the resources of our seas to become self-sufficient in salt. However, the food industry still requires high grade (100% pure) salt which cannot be manufactured by the solar-salt process since it can never completely eradicate impurities regardless of the level of refining. In order to service the market for making pure salt, Raigam Wayamba Salterns PLC strategically invested in the machinery required for the process known as Pure Vacuum Dried (PVD) salt and thereby completely eliminate the importation of this product range.

The process is almost self-explanatory with brine containing 98% sodium chloride being treated for the extraction of crystalline salt through a vacuum technology. During the process, initial steps are taken to remove insoluble impurities thereby increasing the percentage of salt. The pure brine is then fed into a vacuum evaporation plant to further concentrate the brine. This is then crystallized through an enabling mechanism that allows the growth of sodium chloride

and finally, the crystal salt is centrifuged and tried to make 100% pure free flowing salt powder.

The final product is subsequently customized according to the demands and dictates of the various industries that require it including the food, pharmaceutical and chemical industries. In order to cater to many types of requirement, the company uses international experts to create a product range with diverse particle sizes. These are created by changing the physical parameters of the crystallization and upgraded crystallization unit.

While the PVD market for high-end customers has been growing steadily over the past five years and with it the import volumes. However, with the ban, the country faced a dearth of the product and Raigam Wayamba Salterns, as a socially responsible organization, created a strategic plan to increase the production capacities of its PVD operations and in the process, did much to save the nation in that respect.

THE CREATION OF VALUE



The creation of value in a rapidly evolving global socioeconomic paradigm

During the industrial age, value was almost exclusively tied into money and the growth thereof with the rest of the elements essentially playing a supportive role only. While we are now in a transitional stage from the age of industry into the age of sustainability, the old order and mainstream business logic, while still substantially in place, is being gradually either modified or replaced through greater and greater emphasis is now being given elemental forces such as human beings, ideas, creative energy, radial and spiral product and brand identity. In line with this thinking, your company is also increasingly aligning itself with new-age thinking in order to give itself the most stable platform to push into the sustainable era.

While in general, we do place significant emphasis on the base rationale that value is created by taking inputs from capitals and transforming them through business activities, interactions and relationships to produce outputs and outcomes that aim, over the short, medium and long term, to create qualitative and quantitative improvement, growth, stability, predictability, durability for the organization, its stakeholders, society and the environment and, most importantly, ensure the elusive trust and “thrill factors” that define iconic business organizations. However, the way in which we perceive these being achieved is now gradually changing, in a world that is becoming both environmentally aware, sustainably enabled and technologically smart.

With respect to these baselines, we understand that our raw material (the sea) is a universal common and that we will leave no stone unturned to ensure its quality, its ecology, its usability for both the people of our country and the company is never compromised. Towards this, we will do even more in the future to be known as a responsible, sustainable development focused company than we have already done through our environment management, safety and social programs.

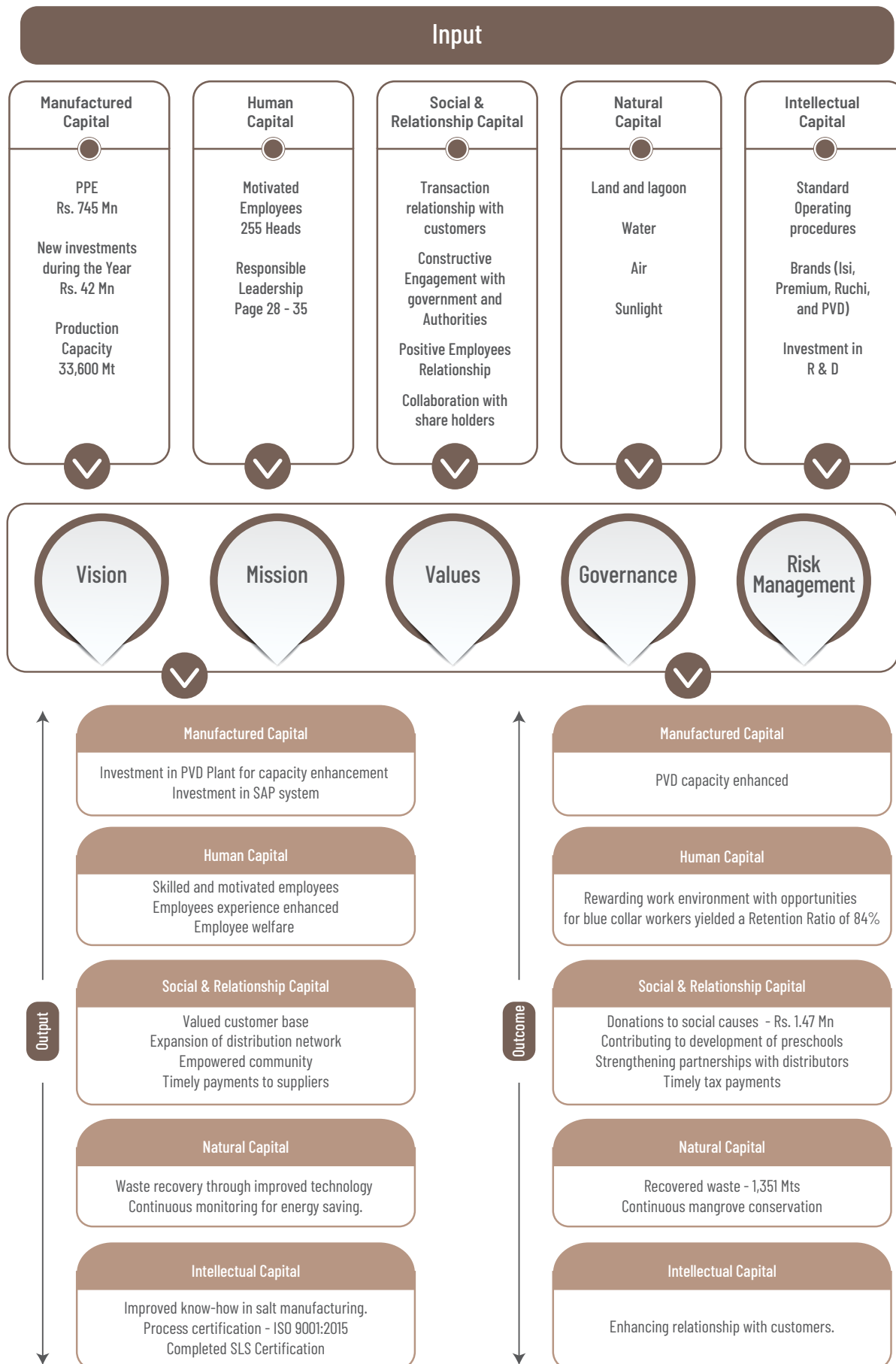
In these intrinsically interconnected efforts, we also understand that when we are networking with other businesses, partners, other suppliers, shareholders and customers, we are looking

at creating real value for them while they add value to us, increasing our mutual understanding, trust and synergies to “optimize the good” for society at large.

We also understand that our world, with heavy resource depletion is very quickly moving towards knowledge and innovation economies and in that respect, we are proud to state that your company has been in the forefront of innovation in verticals and are considered in that sense, the trend setters to the industry in Sri Lanka.

We also create value from our intangible assets, such as our brand reputation, our tacit knowledge, relationships, strategies and practices. Our actions are positioned in and around resources shared by other stakeholders such as land, lagoons, water sources and public areas and we recognize the need for transparency and accountability in our sharing of these common resources. Through our integrated reporting, we aim to share how we connect to and use these tangible and intangible assets to create and preserve the value that we create for Raigam Wayamba Salterns PLC and for others. An extent of the maturity of our integrated thinking as decision makers and employees is our ability to define both the positives and negatives of our selections.

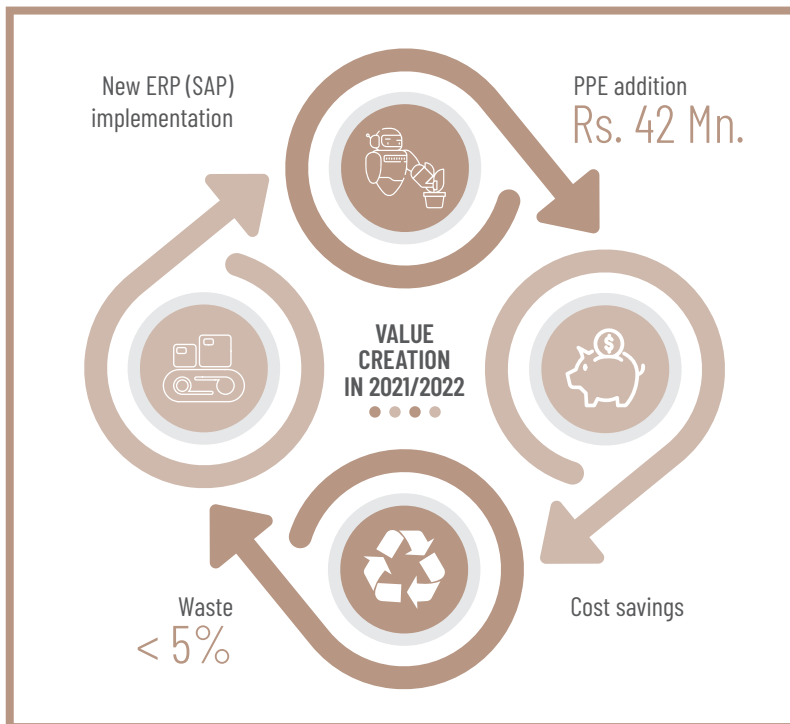
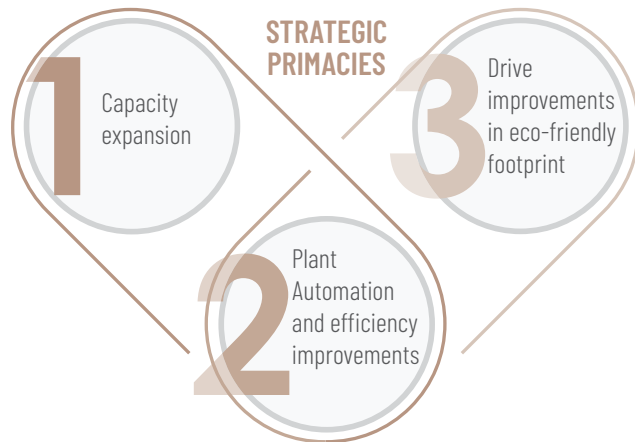
Value Creation Model



Value Creation Through Five Capitals

MANUFACTURED CAPITAL

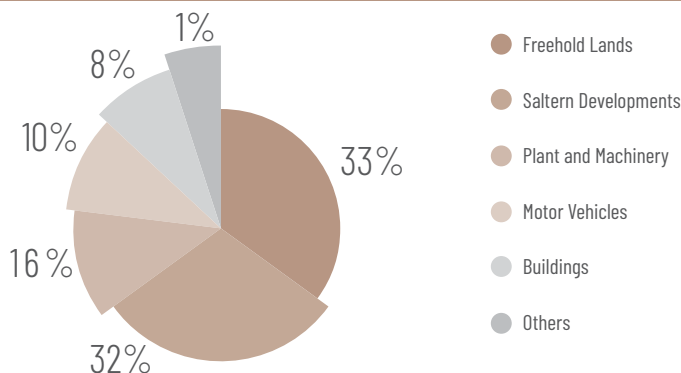
"Our Manufactured Capital comprises of lands developed as salterns and state-of-art salt refinery. A saltern is a vital component of our value creation process as it enables us to consistently meet the quality and efficiency standards required to operate in an increasingly competitive atmosphere. We continue to enhance our Manufactured Capital through ongoing investments aimed at achieving manufacturing and operational excellence."



HIGHLIGHTS OF 2021/2022

- Our manufacturing facilities include 335 acres developed as salterns and state-of-art salt refinery and automated packing facility. As at the end of March 2022, the group's property, plant and equipment amounted to Rs. 745 million contributing to 33% of total assets.
- Out of the total CAPEX during the year amounting to Rs. 42 million, Rs. 3.1 million (8%) was invested in the logistic sector while Rs. 39 million (92%) was invested in the manufacturing sector.
- We have initiated implementing SAP System for a smooth information for timely decision making.
- We continued to drive efforts towards reducing the environmental footprint of our operations.

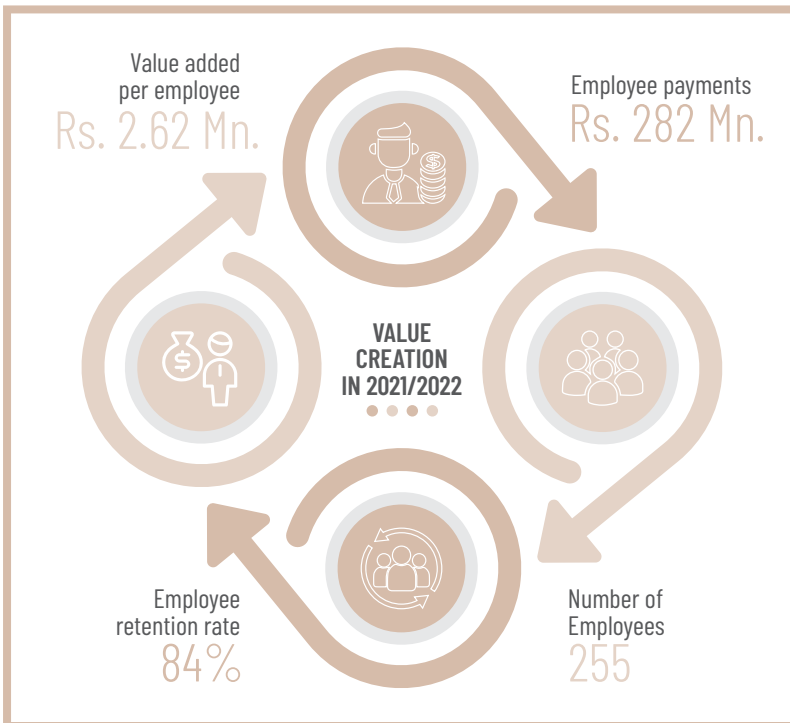
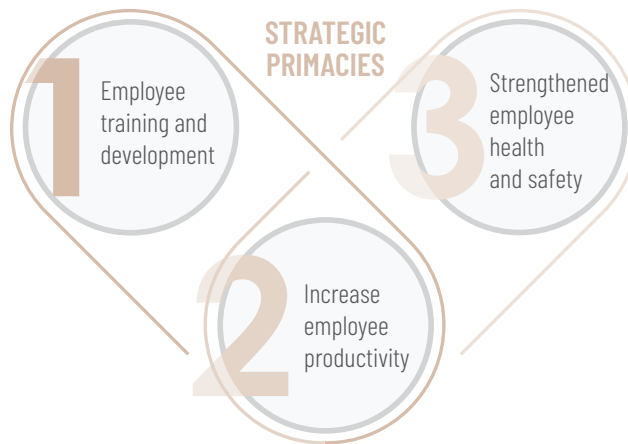
GROUP PPE STRUCTURE AS AT 31/03/2022



Future focus: Greater efficiency to generate cost savings will continue to be a focal point as we navigate a hard year. We will also drive further investments towards enhancing production capabilities and capacities, particularly in specialized categories of salt.

HUMAN CAPITAL

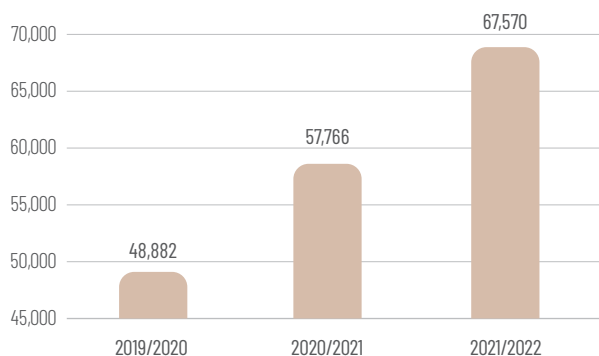
"Our crew of 255 employees are the driving strength behind the Group's success. With labor scarcities affecting both the Saltern sector and refinery sector, we are devoted to building up a productive, high-performing personnel which will push us towards our strategic ambitions."



HIGHLIGHTS OF 2021/2022

- The RWS HR policy framework and governance structures are generally aligned to that of our umbrella organization, the Raigam Group.
- Our team consists of 255 employees in the saltern sector and salt refinery sector. Saltern sector spread out across two locations in the island.
- We offer attractive benefits to employees in addition to their basic pay. As a result of that our employee retention ratio is 84%.
- The health and safety of our employees is paramount and we take every possible measure to ensure a safe environment at their workstations.

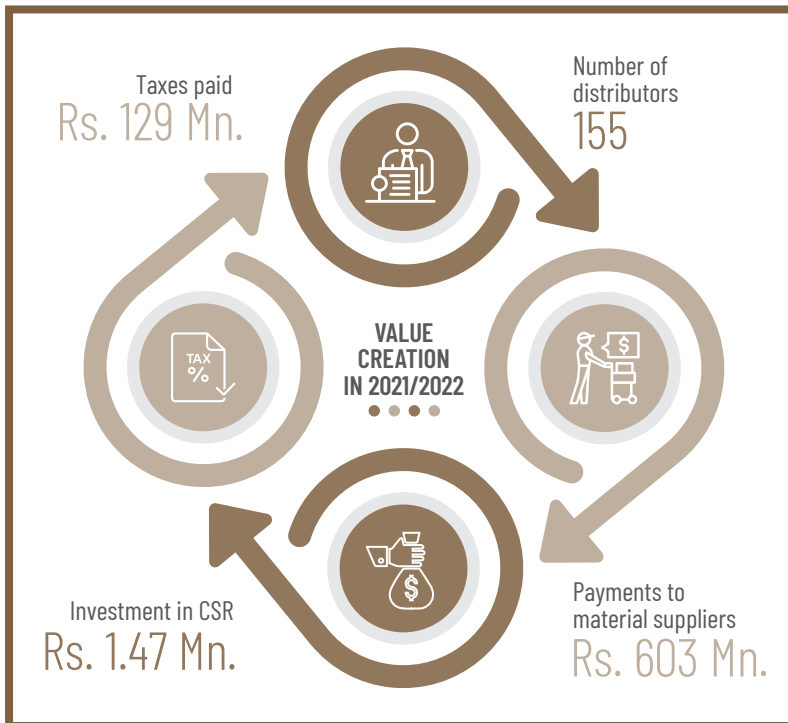
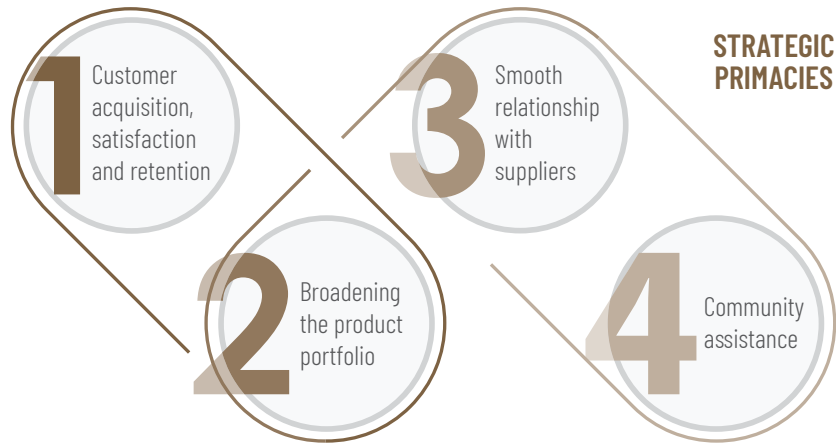
AVERAGE SALARY PER EMPLOYEE (GROUP)



Future focus: We desire to create more job opportunities in the medium term as we further expand our capacity. Our people centric agenda for next year will include training and development, employee engagement and succession planning.

SOCIAL & RELATIONSHIP CAPITAL

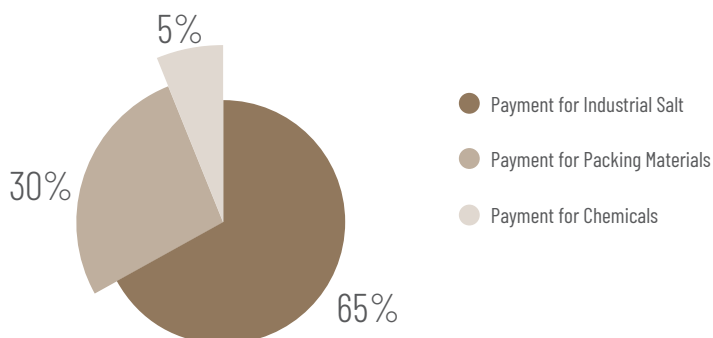
"We proceed to invest in deepening our relationships with customers, suppliers, and our communities to ensure mutual value creation through more acquisition, high satisfaction and continuous retention of customers, efficient supply chains with smooth relationships and empowered communities."



HIGHLIGHTS OF 2021/2022

- We have continued our extended support to the community by providing employment opportunities for people residing in Puttlam and Bata-atha.
- We continued to support and develop multi-ethnic, multi-religious communities operating 3 preschools for children of low income households.
- We have timely paid Rs. 603 Mn for material suppliers with zero default during 2021/2022.

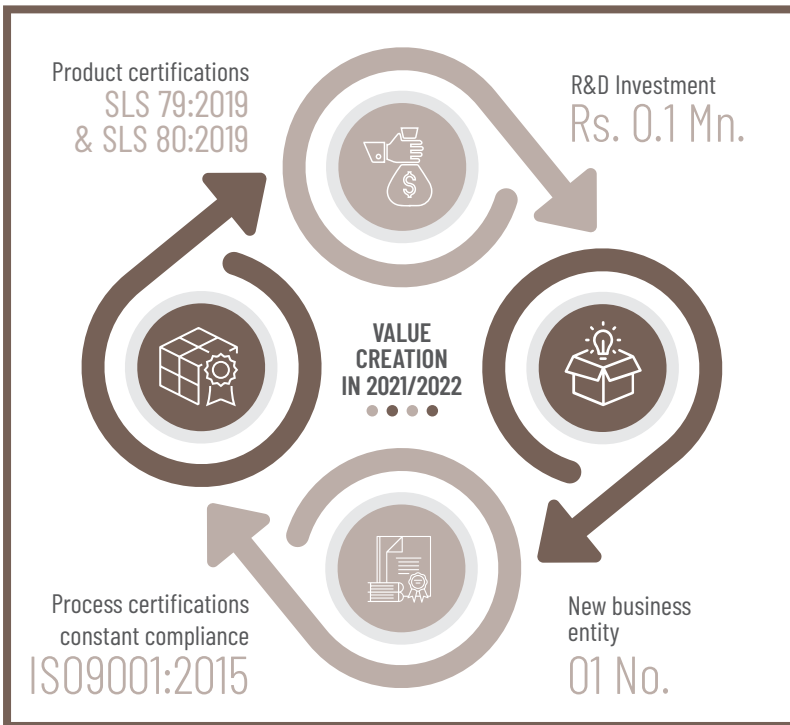
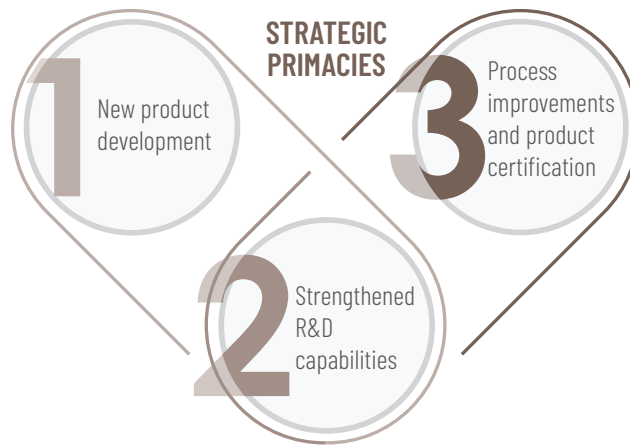
CLASSIFICATION OF PAYMENTS TO MATERIAL SUPPLIERS



Future focus: We will continue to strengthen relationships with employees, customers, supply chain, communities and government while securing brand and reputation that RWS has developed and enabling environment for business by obtaining and maintaining its social license to operate.

INTELLECTUAL CAPITAL

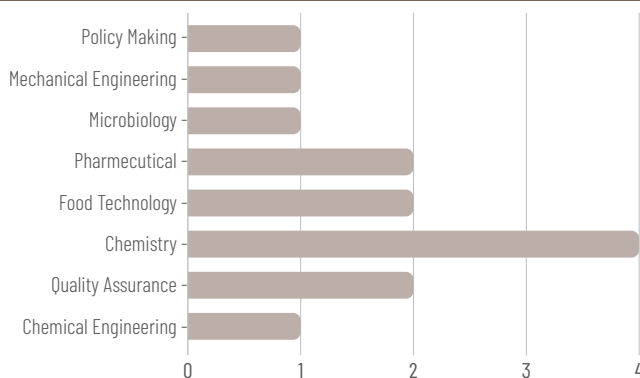
"Our intellectual capital consisting of our brands, tacit knowledge, systems, procedures and protocols continue to drive our brand value, enabling us to stand apart from our competition in terms of cost and quality."



HIGHLIGHTS OF 2021/2022

- Ongoing research and development enable us to drive continuous improvement in our processes and products.
- Our R&D team comprises of 14 highly skilled and trained professionals.
- We continue to comply with international quality certification of ISO 9001:2015, Quality management systems.
- We have completed the process of obtaining SLS 79:2019 for crystal salt and SLS 80:2019 for table salt and now our product quality is assured with SLS.

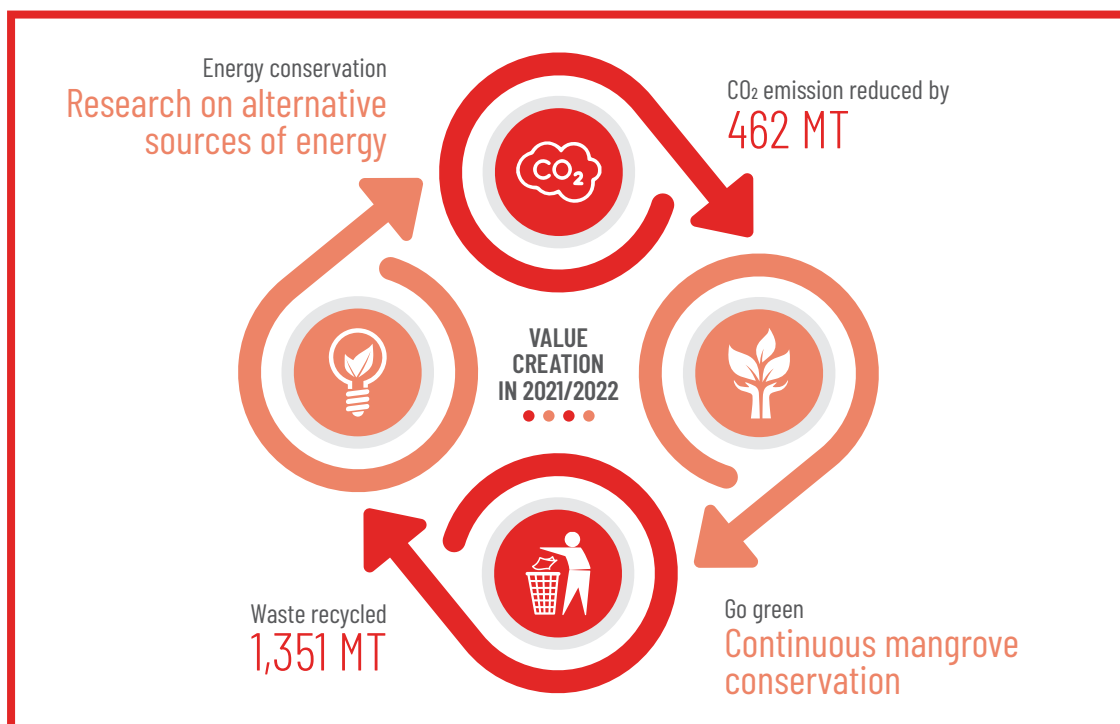
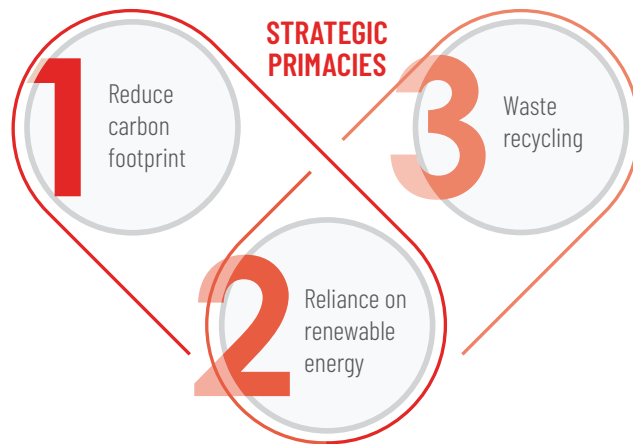
SKILL COMPOSITION OF R & D TEAM



Future focus: We will continue to strengthen our research and development capabilities through ongoing investments in developing skills and infrastructure while product development will continue to be the focus.

NATURAL CAPITAL

"With increasing climate changes affecting supply chains and communities, we have a responsibility towards driving responsible consumption of natural resources and minimizing the carbon footprint of our operations."



HIGHLIGHTS OF 2021/2022

- Our environmental management framework is based on Raigam's Sustainable Business Framework.
- We expanded waste management, resulting in 1,351 MT being recovered during the year under review.
- With renewable energy generation, we have reduced emission CO₂ by 462 MT.
- Recyclable waste was removed with the assistance of approved third-party recyclers while ash from boiler is disposed in line with the regulations of the Central Environmental Authority.

Future focus: We will continue to focus on reducing our carbon footprint through efforts to reduce our dependency on non-renewable energy sources and by exploring process improvements aimed at reducing the carbon concentration.

MANAGEMENT REVIEW AND FINANCIAL ANALYSIS

“The performance of the agriculture, forestry and fishing sector was buoyed by the notable growth recorded in the subcategories of growing of cereals (except rice), oleaginous fruits, and tea, while the contraction in the growing of rice and other beverage crops weighed negatively on the sectoral performance.”



Sri Lankan Economic Outlook

Sri Lanka faces unsustainable debt and significant balance of payments challenges with the economic outlook highly uncertain due to the fiscal and external imbalances. Urgent policy measures are needed to address the high levels of debt and debt service, reduce the fiscal deficit, restore external stability, and mitigate the adverse impacts on the poor and vulnerable. However, with both the social and political landscape in roil, determining near-term outcomes is at present near impossible. Of most significant to the consumer/commuter is the rapidly diminishing purchasing power of the rupee and its impact on the purchasability. Fitch Ratings has downgraded the country across all of its indicators (country ceiling at -BB, IDR at CCC, STR at C and LTR at CC) giving the country's fiscal stability as well as its debt repayment ability a bleak outlook for the immediate future. While Sri Lanka was able to bounce back from the pandemic induced downturn of 2020 in the superseding year, both internal and external headwinds buffeted the economy in the first quarter of 2022. Price stability, which was the strongest pillar for macroeconomic stability over the last decade or so, was challenged since the second half of 2021

due to the combined impact of global and local supply driven causes as well as the build-up of excessive demand pressures on prices, primarily caused by the lagged impact of extraordinary monetary accommodation, including unprecedented monetary financing that became required due to the lack of fiscal space. Calamities in the power and energy sector, acute shortages of essentials and raw materials and the spillover effects of these on every nook and cranny of the economy and threaten to severely affect the country's socioeconomic stability.

The Sri Lankan economy recorded a growth of 3.7 per cent in 2021, in real terms, compared to the contraction of 3.6 per cent recorded in the preceding year. All sectors of the economy registered growth during the year with agriculture, forestry and fishing growing by 2%; industry by 5.3%; and services by 3.0%. The performance of the agriculture, forestry and fishing sector was buoyed by the notable growth recorded in the subcategories of growing of cereals (except rice), oleaginous fruits, and tea, while the contraction in the growing of rice and other beverage crops weighed negatively on the sectoral performance. The manufacturing sector showed a healthier growth of 7.2% compared to the previous year when it showed a growth of negative 3.9%.



In nominal terms, the Sri Lankan economy recorded a notable growth of 11.9 per cent in 2021, compared to the tepid expansion of 0.2 per cent observed in 2020. Accordingly, the overall size of the economy expanded to US dollars 84.5 billion in 2021 from US dollars 81.0 billion in the previous year. Per capita GDP grew to US dollars 3,815 in 2021 from US dollars 3,695 in 2020. On the expenditure front, final consumption expenditure recorded a significant growth of 9.9 per cent at current prices in 2021, compared to the relatively modest growth of 2.0 per cent seen in 2020. This growth was largely driven by household consumption expenditure which grew by 10.8 per cent during the year, compared to just 1.0 per cent growth during the previous year. However, government consumption expenditure at current prices grew at a relatively modest pace of 3.7 per cent in 2021, compared to the growth of 9.9 per cent that was observed in 2020. The share of consumption expenditure in GDP at current prices stood at 79.9 per cent in 2021. Meanwhile, gross domestic capital formation registered a growth of 23.2 per cent in 2021, compared to the contractions recorded in both 2020 and 2019. The share of gross capital formation in nominal GDP improved marginally to 27.7 per cent in 2021. Net external demand for goods and services deteriorated sharply, registering a decline of 31.6 per cent in 2021 with the growth in imports outweighing the growth in exports.

Headline inflation accelerated in 2021 driven mainly by global and domestic supply side disturbances, the surge in global commodity prices and upward revisions to administered prices, while core inflation also accelerated reflecting the lagged effect of significant monetary accommodation. As reflected by the year-on-year change in both the National Consumer Price Index (NCPI, 2013=100) and the Colombo Consumer Price Index (CCPI, 2013=100), the acceleration in headline inflation was attributed to the acceleration in both food and nonfood inflation, though food inflation accounted for a larger share. Several upward revisions made to energy prices and other administrative prices reflected the rise in prices in the international market as well as volatile food prices stemming from the pandemic related supply side disruptions and the loss of production of certain items, mostly contributed to such acceleration in inflation. Spillover of the aforementioned revisions alongside external shock absorption methods, such as the removal of maximum retail prices also partly contributed to the rise in inflation. Accordingly, year-on-year headline inflation, as measured by the CCPI, which was recorded at 4.2 per cent at end 2020, accelerated to 12.1 per cent by end 2021, breaching the target level of 4-6 per cent. The upward trend of headline inflation has continued during the first

quarter of 2022. Accordingly, year-on-year headline inflation based on the CCPI accelerated to 18.7 per cent in March 2022, while that of NCPI also accelerated to 21.5 per cent in March 2022.

Sri Lanka's external sector continues to face numerous challenges, including a sharp widening of the current account deficit, limited inflows to the financial account, depletion of gross official reserves (GOR) as a result of large debt servicing requirements and significant depreciation of the Sri Lanka rupee. Foreign investment in the form of FDI remained modest while foreign investment to the stock market and the government securities market recorded net outflows during the year. Amidst significant debt servicing obligations falling due during the year, the Government and the Central Bank received some inflows that enabled replenishment of the GOR to a certain extent. These included the Special Drawing Rights (SDR) allocation by the IMF, two foreign currency term financing facilities from the China Development Bank, and international currency swap agreements with the People's Bank of China (PBOC) and the Bangladesh Bank. However, there were substantial outflows from official reserves due to debt service payments as well as the supply of foreign exchange to the domestic foreign exchange market to facilitate the importation of essential goods. As a result, the GOR declined to US dollars 3.1 billion by end 2021, compared to US dollars 5.7 billion recorded as of end 2020. Accordingly, the overall balance of the BOP recorded a significant deficit of around US dollars 4.0 billion in 2021. Overall, Fiscal sector performance, which suffers from chronically high structural budget deficits caused by government expenditure overruns and government revenue slippages over the years, has deteriorated in 2021, further escalating the government debt stock. The fiscal strategy outlined in the Budget 2021 was aimed at ensuring macroeconomic stability while enhancing economic revival and poverty alleviation, although the envisaged fiscal outcomes were off the mark during 2021 as a result of overly optimistic fiscal targets, prominently in relation to government revenue, which was not adequately supported by felicitous fiscal policies.

Social and sustainability indicators

While the World Bank has already downgraded the country back to a Lower Middle Income Country (LMIC), it is important to recognize that as the situation stands, it is more realistic to state that it is a HIPC (Highly Indebted Poor Country) with bleak social and economic outlooks bolstering the argument for this

reclassification. Under the current circumstances, it is important to recognize that citizens, increasingly disenfranchised with government fiscal policy and governance strategies have been forced to recalibrate their lives and lifestyles and to resort to method and mechanisms that are less driven by market dynamics with trends that commenced during the pandemic such as bartering, sharing and giving, highly localized low-cost micro-markets and pico-vendor engagement becoming the norm especially in the essential foods sector. In the energy sector, citizens have rapidly switched from unaffordable and sparse fossil fuels to easily obtained biomass based energy sources for domestic purposes. These are trends that are more in line with circular economics than linear economics. While the trend is painful on the surface, Sri Lanka has a strong history of defaulting to citizen-to-citizen support that has kept most of the negatives of economic and social meltdown from spilling over into anarchy although such eventualities are certainly possible.

In terms of social indicators, Sri Lanka scores high in comparison with the world. A score of 0.78 ranks the country in the upper mid-range of the United Nations Human Development index (HDI) and is close to that of most developed countries. Regionally, it perennially scores high in enrollment rates and life expectancy while it scores low in teenage pregnancies and infant mortality. It has low poverty rates and very low extreme poverty rates while a low GINI coefficient indicates better wealth distribution than many developed countries. It has consistently ranked among the top ten in giving while in the top 5 for sustainability. Despite those positives it should be noted that it ranks in the higher-bottom of the Happiness Index (127nd rank in 2021) and is one of the least happy among Buddhist majority countries.

Despite mixed indicators ranging from extreme negatives to extreme positives indicating both ambiguity and complexity of the socioeconomic situation leading to overall unsustainability, turnaround of the situation is expected with significant changes to both the governance structure and the political climate with IFIs looking positively at enabling the country to bridge its deficits while restructuring its USD 55.8 billion debt giving a sense of hope as the nation looks to overcome past political and economic mistakes and move towards a sustainable era. The key takeaway from the country situation in Sri Lanka is that during socioeconomic turmoil, history has shown the world that opportunity abounds in innovative, refreshed, recalibrated thinking and reimagined action in the business world.

Salt Industry

Salt is a universal commodity; it plays an important role today in human survival and well-being. Medical science utilizes salt as the universal carrier for iodine in the eradication of preventable brain damage and iodine deficiency disorders. Salt is involved in regulating the water content (fluid balance) of the body. The manufacture of salt has been a naturalistic operation from the days of the ancient kings.

Similar to Agriculture Industry, performance of the Salt Industry is also subject to the behavior of weather conditions. As in paddy cultivation, harvesting of salt is also done in two seasons. The Maha season stretches from July to October and the Yala season from February to mid-April. The method of salt production has undergone changes over the years. Due to increased demand, the salt industry is now transforming from conventional methods to high-tech practices.

Sea and lagoon water is pumped through a number of reservoirs into specially prepared areas known as salt pans where it is kept until crystallization. The salt formed in the pans is then collected and transported to salt heaps. In order to make this common salt edible, it is washed, dried and sprayed with an iodine solution before packing. Table salt is prepared according to a special process.

Since Sri Lanka is surrounded by sea and it also has numerous other favorable conditions for the manufacture of Solar Salt in the coastal areas, it can be said that the Salt Industry has a more favorable position compared to other industries.

Salt is a biological necessity for human life and had been used by humans since pre-historical times. The fact that consumption of salt is necessary for the human life and the demand for Salt is increasing year to year with the development of industrial, food and beverage sectors. Due to the demographic changes, the type and choice of salt usage by the Sri Lankan consumers have been significantly converted from the traditional crystal Salt to value added Salt (Powdered Salt) in the recent past.

Strategy and performance

Riding on a number of external dependencies as well as strong internal controls, the company exceeded all expectations during one of the darkest periods in the history of Sri Lanka

by recording the highest net profit in the entire history of its operation.

While opportunities were few, the company was always ready to rapidly readjust itself to exploit them and ensure that its bottom lines remained strong regardless of a very bleak economic outlook for the country. Additionally, it clearly recognized the need to diversify its business operations and refocused some of its overall activities to move into other product options unrelated to salt such as breakfast cereals, rice, turmeric and coffee milling etc. allowing it to grow its horizontals and reduce any risks that can affect its performance if it concentrated solely on verticals. With possibilities for reduced stocks due to the Puttalam salterns and factory going under water in 2021, such moves are strategically aligned with reducing over dependence on its salt based product portfolio.

Marketing and brand positioning

During the year under review, some areas of marketing such as advertising were downgraded to reduce cost of sales. However, in terms of direct marketing through its distribution network and consumer touch point strategies, the company has maintained its presence as the top salt brand in the country.

Human Capital

The most valuable asset in every organization is Human Capital. Thus, Human Capital becomes one of the critical success factors of the Company. Losing skilled labor is an unbearable cost to

any Company. Therefore, we have implemented comprehensive and formalized policy frameworks covering all human resource aspects and clearly defined governance structures as Group's human resource strategy which is effectively implemented and that all employees are treated justly and equally. Majority of the employees are engaged in either field activities or production under extremely difficult conditions. Moreover, our HR policies also ensure that we do not engage child, forced or compulsory labor. Our HR policy encompasses compliance with all labor laws of the country and employee rights and is aimed at facilitating a merit based, non-discriminatory work environment. However, our manufacturing activities tend to be male dominated due to physical demand of the job/industry.

The Group has on board a competent team of professional and skilled employees who has driven the Group to new heights of excellence. A majority of our employee-base at all levels have an extensive knowledge and experience in salt industry. This has been a key factor in maintaining a competitive advantage in the market and in maintaining market leadership and product quality consistently. A range of benefits and incentives have been introduced to ensure their job satisfaction, personal and professional development as well as recognize their achievements. This, in turn, has benefited the Group in terms of enhanced employee productivity and their long-term commitment to the Group.

The number of employees increased to 255 from 250 YoY and can be seen in breakdown form in the following tables:

Employee Gender Distribution Company Wise

Category	Company			Group		
	Male	Female	Total	Male	Female	Total
Top Management	2	0	2	2	0	2
Managerial Level	12	0	12	13	0	13
Executives	25	3	28	26	3	29
Clerical and Supervisory	43	5	48	44	6	50
Workers/Skilled Workers	112	26	138	134	27	161
Total	194	34	228	219	36	255

Employee value and remuneration

We are a company that places high value on our employees and while complying with labor laws we exceed the compliance requirements especially for are large contingent of blue-collar workers by providing them with opportunities to advance themselves while giving back value to the company. The value per employee and the remuneration per employee are provided below.

Description	2021/2022 (Rs.)	2020/2021 (Rs.)
Average Remuneration per employee per month	67,570	57,766
Value per employee	2,624,468	2,330,217

Outsourced services

A number of outsourced employees are working in the manufacturing areas and salt harvesting areas as helpers in non-routine and non-value adding jobs. The Group has taken adequate steps to ensure the legitimate rights of such outsourced employees and monitors on a monthly basis the regulatory compliance with respect to payments by the service providers. Like other employees, they are also entitled for the Annual increment and staff welfare benefits in order to create non-discriminatory work environment. In addition, actions have been taken to ensure that the service provider provides those benefits as agreed. In every year, this assessment is being conducted in order to carefully evaluate whether they are registered with the Labor Department and they should, on a monthly basis, furnish documentary evidence for statutory compliance in terms of EPF and ETF payments.

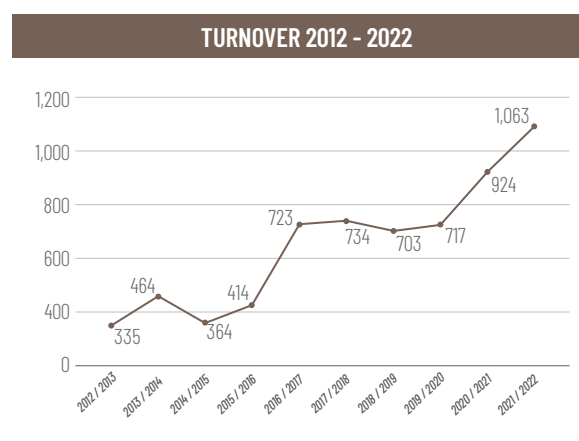
Turnover

Despite the economic meltdown of the country, the company posted one of its best financial years on record with a turnover of 1,063.4 million, up from LKR 924.1 million, an increase of 15% YoY. The company's bottom line too reflected this excellent performance with an increase of Rs. 63.3 million YoY.

The company was constantly aware of the tenuous nature of the business environment in Sri Lanka and diversified its operations into strategic food businesses to both increase its

footprint as well as hedge its primary salt based portfolio as a risk mitigation measure. Additionally, it improved its internal efficiencies and leveraged group synergies to reduce cost of sales while optimizing the group's mother brand image to further consolidate its market presence and market share.

These moves are made by the company to ensure an upward trend in turnover while being fully cognizant of the volatility and uncertainty of Sri Lanka's economic realities as well as the restriction and, in certain cases, extinction of business and entrepreneurial spaces.



Earnings Per Share (EPS)

The Company's Earnings per Share (EPS) stood at LKR 0.61 for the financial year under review, as against LKR 0.38 recorded last year and up by a substantial 60%, which reflects the fiscal gains made by the company during the reporting period. Strong management, process and fiscal controls will be utilized to ensure that the upward trend is maintained into the future.



Market Price and Dividend

Share price of the Company dropped to Rs. 4.60 from Rs. 5.20 YoY. The group dividend policy is formulated taking into consideration the group's overall performance and growth plans as well as economic and market dynamics. Despite a marginal drop in revenue YoY, the company was still able to recommend a dividend of Rs. 0.15 per share considering the Earnings Per Share which stood at Rs. 0.61.

Financial Position

The Company's financial position is healthy, reflecting consistent asset growth, a strong equity base and low gearing levels. Total

assets grew by 10.6% to Rs. 1.8 billion during the year, due to increased working capital requirements. During the year, the Company invested Rs. 31 Mn in capital assets for the prosperity of the company. Net asset value of the Company has grown by Rs. 147 Mn. The Company's liquidity position is strong, with cash and short-term deposits amounting to Rs. 514 million as at end-March 2022, in which Rs. 121 million was made during the year. The net current asset has grown up to Rs. 854 Mn, making current assets 3.7 times more than current liabilities. The debts to equity ratio stood at 25.7% and 26.6% for 2021/2022 and 2020/2021 respectively. This reflects the strength and the healthy financial structure of the entity.



STAKEHOLDER ENGAGEMENT



Preamble

Raigam Wayamba Salterns PLC is a triple bottom line company and as such, its committed to a 360-degree stakeholder engagement that is aimed at mutually rewarding experiences. For us, how we are positioned to be contributing agents to our people and our planet is as important as our desire to ensure optimal profits for our shareholders and our company. From our vision all the way down to the last of our employees, the least mangrove sapling, the tiniest fish in the seas we use as

our primary raw material, the most casual of customers, the smallest of our shareholders, the newest of our suppliers are all as important as the biggest among them.

Our vision is not for our boardroom but for every single one of our staff to commit to

We make sure the vision is communicated to all staff, along with the goals that will bring the organizations vision to life. It empowers our staff to be more effective, and therefore we never let it become a statement that sits on a memo



Transformation - conventional methods to high tech processes

in a desk drawer. We get all of our people onboard with our enthusiasm for this commitment, each doing their utmost to ensure its fruition. In our effort, we are proud to note that we all speak with one voice, one heart, one mission.

Furthermore, critically, our vision, mission and values are not carved in stone and left to become either stale or irrelevant over time. Instead, we constantly review these as a key component of adjusting to changing social, economic and environmental realities and constantly attempt to mirror these in our own approaches.

When we plan, we do it as a company, not as a board or an SMT

Yes, it is certainly a formal consideration of our collective futures but in order to answer the questions “What do we do?”, “For whom do we do it” and “How do we excel” we require the engagement of all of our staff at every level. This is the only way in which a strategy can become actionable; a plan taken from the board to the field. Therefore, in line with our vision we have created the enabling environment to obtain the ideas and opinions of our most valued asset, our staff who are encouraged to contribute in no small measure towards driving us to achieve our vision for the company and see how all of this can have a positive impact across our spiral of influence.

In these efforts, strategic challenges are identified based on a very sober gap analysis. In the year under review our priority was to sustain and increase our market share. Additionally, it as identified the mission critical fact that it requires highly competent people at all levels to consolidate position and expand operations. In this respect the company has 228 employees whose capacities and capabilities are continuously improved through rigorous development regimes revolving around both internal and external training with regular evaluation of improvement of competency through internationally accepted, triangulated performance evaluation systems.

Next, we understand that in a competitive business environment, either minimizing or completely eradicating waste (“zero waste culture”) will be the critical edge required for market dominance. This is why special attention is paid to this most crucial aspect of process optimization in our strategic planning.

Waste	Responsibility	Review
Packing material	Production executive	Daily
Machine break down	Maintenance Engineer	Daily
Energy	Cross Functional Team - Energy	Weekly review/ Daily inspection

Waste	Responsibility	Review
Packing material	Production executive	Daily
Machine break down	Maintenance Engineer	Daily
Solid Waste	Manager -Costing	Monthly
Wood	Production Supervisor	Daily
Fuel	Stores Manager	Daily
Rejection	Section Head	Daily

Lastly, know that in a world changing its way of doing business and committing itself to more sustainable paradigms of life, innovation and farsighted understanding of the needs of society in general and our various customer types is crucial to the long-term stability of the company and therefore, we are fully committed to our research and development. The importance of R&D is underscored by the fact that the company has an entire division dedicated to it and organized under a General Manager. This team continuously pays attention to product and process innovations. We are proud to note that as a result of R&D efforts we have launched many value-added products to the general trade and tailor-made products as industry inputs.

In our engagement with our customers, we are more interested in branding than in selling

In our approach to optimize equity for our customers and win their trust, we know the importance of servicing their needs with the best quality product we can manufacture and we firmly believe that going that extra mile to optimize the quality of our product is going to be worth it in the long run even though it may cost us more to produce it. Having done that, we can do what most in the salt industry cannot – stand behind our product portfolio.

All of our branding efforts are carefully planned and carried out throughout the year with focus on the umbrella brand “Raigam” and the salt product range under “Isy”. Since our customers are part of our “people” bottom line, we are not content to merely give them a package of salt. Instead, we regularly this function is organized under a Deputy General Manager and continuously pay attention to product and process innovations. As a result of R&D efforts we have launched many value-added products to the general trade and tailor-made products as industry inputs. In that respect, we understand that our promotions effort is not simply radial from supplier to consumer. Rather, we know that there needs to be a 360-degree awareness among all our stakeholders and therefore we use multiple channels to touch



Close to the nature - seasoning under cadjans

employees, shareholders, distributors, customers, suppliers, government and community. In order to ensure our efforts are communicated and reinforced consistently within them, our marketing campaigns utilize all the channels available from magazines, prospectus, website, induction and recruitment packs, press releases, social media and our office while we create increase of trust by wisely sharing our stories with targeted stakeholders.

All of these efforts on our part have allowed us to maintain our standards and make substantive headway in product awareness with high capacity to cope with turbulent market conditions due to the confidence generated in consumers on the quality of our products.

Our product comes from nature, our heart is therefore in the conservation and regeneration of our natural resources

Ensure the conservation of the environment and, ensuring its stability, its continuity and most importantly, its ability to replenish, rejuvenate and regenerate itself is a non-negotiable mandate that we a part of the company's DNA. In its business operations it therefore places the utmost care in the use of natural resources including intake of lagoon water, firewood,

waste management and soil conservation in salterns. From the environment perspective we are therefore not merely paying lip service to conservation understanding that there is more to environment resource management than pure conservation although we do that as well.

Therefore, as a responsible company, we took initiatives at the very inception to assess the environmental impact to the surrounding habitat by our operations through a comprehensive Environmental Impact Assessment (EIA) before launching our projects. Each project was justified in terms of national interest and highly focused on to the protecting environment and mitigating all environmental cost. We have a team in place to monitor environmental response mechanisms.

In the operational environment, we have taken all necessary steps and implemented every possible strategy and process to reduce the carbon footprint and to protect the environment. Some of these are as follows:

- Usage of modern technologies in the dryer to protect the heat and optimize the energy requirement.
- Salterns are fully developed on the ground without harming to the environment.
- Discharged salt water from the Crystal Salt operation is being fully used for the PVD plant as Input without sending back to the Salt beds.

- Re-cycle operation of packing material is made partnership with re-cycling process communities in order protect the environment.
- Firewood is one of main energy source and following strategies are used to minimize the environmental impact.
- Firewood are purchased only from license holders
- Mechanical controls are established to increase burners' efficiency (e.g.there is check list for regular maintenance activities such as regular tube surface cleaning, controlling cool air and hot air at burner to maximize heat, etc.)
- At the production process, usage of heat has optimized by continues production
- Tree replanting programs have been implemented by the company

Additionally, we have implemented recycle mechanism for packing materials damaged and used in production in order to ensure green productivity. Furthermore, the salt manufacturing process is clearly segregated at each step from starting raw materials to final finished goods. Through consecutive brainstorming processes, the total manufacturing process is materialized and the material balance is monthly reconciled to monitor and avoid possible wastages.



Human touch - random checking at final stage

Most say “Our employees are our most prized asset” – We? Prove it!

We know that knowledge is power and we want all of our employees to be so empowered. Therefore, knowledge transfer from senior workers to juniors is an on-the-job process to which the junior workers are continuously exposed. A new worker, once allocated to an operation, is given a basic training by the supervisor. However, he will gain in-depth knowledge of operation while working with the senior carder, who will continuously transfer knowledge to the new employees. This open communication and learning culture have made such action effective than in most of other companies. Departing seniors are taken to an exit interview where they freely transfer their knowledge for the benefit of the company.

As a learning organization, the Company has given priority in managing knowledge of the workforce. At recruitment, the applicant should satisfy pre-determined criteria respective to their competencies. A competency mapping is done by Assistant General Manager - Human Resource, to identify the competency gaps (if any) with the applicant. If selected, the employee shall undergo a probationary period in which he/she will be given a rigorous training in order to develop the required competency level. With strong HR capabilities within the company's Senior Management Team, our employees are given the best opportunity to further their careers through knowledge and skills enhancement.

However, knowledge alone does not create a happy employee and therefore, the company has also developed a production incentives scheme to reward those employees who exceed expectations regardless of their standing within the company. In these activities, the schemas developed by the company are both employee centric and result centric.

Additionally, we value the health of the workers and this is assessed periodically by a registered medical practitioner. This includes annual medical check-ups for direct food handling workers and inhouse medial camps for all workers. To maintain day-to-day hygiene, disinfectants, gloves, boots are provided, and their use is daily monitored by quality control division while a first-aid room equipped with essentials medial items is maintained by each factory.

Going beyond simple compensatory frameworks, a welfare society has been created to cater to the greater social needs of the workers. All of the workers are part of this society and through this membership they are eligible for loan schemes, supportive allowances for funerals, hospitalization allowance, retirement benefits, availability of company products at a lower



Salt for all!

rate, discounted rates for foods and tea.

In all organizations, employees do have issues from time to time. At our company, we have a very strong grievance handling process to respond to them. The process allows for most of them to be handled by the immediate supervisors with mediation by the Assistant General Manger - Human Resource. In most cases, workers can also directly access the Chairman to sort out matters. We are proud to note that workforce engagement activities have reduced the number and significance of grievance over the years. In that respect, senior leaders often meet with workers to review their grievances, complaints and welfare.

Going by our vision for an integrated and committed company, the key decisions related to policy, strategy or developments

are communicated to the workers in special meetings which are held as and when required. The feedback received from employees is given consideration by Senior Leaders, even for the policy level decisions.

Finally, employee satisfaction surveys are done annually to identify opportunities to provide employees with a better workplace. This survey takes in to consideration the behavioral, work related, administration related, compensation related, and personal grievance related parameters existing within the workforce. Subsequent to each survey, the Employee Satisfaction Index (ESI) is measured based on predetermined criteria.

The voice of our customers is not merely acknowledged but heard and responded to

Although on the surface, salt might seem like a commodity about which customers rarely complain, our company has gone that extra mile to ensure that the slightest dissatisfaction is seriously considered within a strong response system. Firstly, we secure the quality of our product by providing to the workforce

for making non-defective products. However, if customer complaints are received for the product, the management must provide a strong explanation to the senior leaders. Such is our commitment to excellence that even with an FMCG of this nature, traceability of product is maintained to the extent that the worker who has produced the defective goods can be tracked. If claims are found to be valid, then the relevant worker's compensations will be deducted and this has ensured a customer centric approach across the company from its leaders to its least worker.

Our engagement with regulators is not merely for compliance

As a public quoted company, the organization is fully cognizant of its responsibility to the SEC and the shareholders and valued their continued support and therefore gives highest priority to any and all needs of both. However, we wish to be known as a company that contributes to the larger issues of national policy and the salt industry. In that respect there are many touch points where our senior leaders have contributed to both as seen by the following table:



A simple beginning - yet a wealth of the nation

PARTICIPATION IN PROGRAMS OF NATIONAL IMPORTANCE



DR. RAVI LIYANAGE
Chairman

- Played a pioneering role to promote salt industry in Sri Lanka and made it self-sufficient by investing, making awareness, working with the authorities to impose protective fiscal barriers and product & market innovations to match the changing demand.
- Served as a member of the Faculty Board, Faculty of Management Studies and Commerce of the University of Sri Jayewardenepura and as a member of the Governing Council of the University of Colombo.
- Served as a member of the National Pay Commission and Education Reforms Commission.
- Serves as a member of the the Presidential Task Force for Economic Revival at Poverty Alleviation.
- Member of the Standing Committee on Accreditation and Quality Assurance (SCAQA) of the Ministry of Higher Education
- Member of the National Science and Technology Commission (NASTEC),
- Member of the Intellectual Property Advisory Commission (IPAC)
- Member of the Monetary Policy Consultative Committee of Central Bank of Sri Lanka
- Resource person for management programs of national universities and NSBM.





SNR.PROF. S.P.P. AMARATUNGE
Director

- Chairman, University Grants Commission
- Upgraded the Reserach Committee to a Research Council to accomodate 25 research centers for nationally and internationally relevant development projects.
- Founded the Invention Innovation and Venture creation Council at the University of Sri Jayewardenepura.
- Initiated the Innovate Sri Lanka Exhibition at the BMICH.
- Former Vice Chancellor of the University of Sri Jayewardenepura.
- Former Chairman of the Committee of Vice-Chancellors and Directors.
- Former member of the Association of Commonwealth Universities, United Kingdom.
- Active participation in academic development programmes of many government and private sector institutions.



MR. T. DHARMARAJAH
Director

- Served as a member of the Governing Councils of The Institute of Chartered Accountants of Sri Lanka and the Association of Accounting Technicians of Sri Lanka (AAT Sri Lanka).
- Past President of AAT Sri Lanka.
- Member of the Governing Council of the University of Sri Jayewardenepura.
- Authored several books in Accounting Standards for advanced level and professional level studies.
- Served as an advisor for government and private sector organizations in adoption of International Financial Reporting Standards (IFRS).
- Serve as an Independent Boards Member of several companies including banks.

Involving in Standard setting process for edible salt

Sri Lanka Standard Institution introduced standards for edible salt in Sri Lanka. In this standard setting process our company top management (CEO, DGM-R&D) contributed massively to develop standards throughout the standard developing process.

Participate in making regulations for edible salt

Food advisory committee of health ministry introduced new regulation (Gazette) for edible salt. When finalizing this gazette our company top management (CEO and DGM-R&D) taken leading roll representing the industry by providing necessary information, industry issues and customer aspirations.

Our Relationship with Stakeholders at a glance

Stakeholder	Interest area	Mode of engagement	Frequency
Employees	<ul style="list-style-type: none"> Company performance Job security Benefits program Compensation Education & training program 	<ul style="list-style-type: none"> Training sessions Face to face communication Telephonic conversations Annual events 	<ul style="list-style-type: none"> Annual employee evaluation Training programs when required Monthly operational review
Shareholders	<ul style="list-style-type: none"> Annual General Meeting Annual Report Dividend Share price Press conferences and releases 	<ul style="list-style-type: none"> Conducting AGM as per requirements Annual dividend recommendations by the Board to AGM Conducting press conferences to inform future steps 	<ul style="list-style-type: none"> Annual AGM Annual dividend Regular monitoring of share price Press conferences once required
Distributors	<ul style="list-style-type: none"> On time distribution Transport cost Free issue Distributor discounts Merchandising 	<ul style="list-style-type: none"> Field visits Telephonic inquiries Personal meetings Workshops 	<ul style="list-style-type: none"> Annual sales conference Ongoing road shows
Customers	<ul style="list-style-type: none"> Price Quality Health Regulatory compliance 	<ul style="list-style-type: none"> Regular advertisements Communication through brand managers Direct contacts Market surveys 	<ul style="list-style-type: none"> Ongoing
Suppliers	<ul style="list-style-type: none"> Cost and Quality Credit period Relationship 	<ul style="list-style-type: none"> One-to-one meetings Supplier Contracts 	<ul style="list-style-type: none"> Annual contract renewal Ongoing
Government and Regulatory Bodies	<ul style="list-style-type: none"> Compliances Jobs Minimum investment Eco friendliness 	<ul style="list-style-type: none"> Liaising Direct communication Compliance monitoring 	<ul style="list-style-type: none"> Ongoing
Community	<ul style="list-style-type: none"> Jobs Safety Environmental protection Donations 	<ul style="list-style-type: none"> Sponsorships Disaster management plan Public events CSR activities 	<ul style="list-style-type: none"> Ongoing

CORPORATE GOVERNANCE



Overview

Raigam Wayamba Salterns PLC has adopted and practiced highest standards of Corporate Governance requirements recommended by the Code of Best Practices on Corporate Governance, Listing Rules of the Colombo Stock Exchange, and Code of Best Practices on Related Party Transactions compiled by the Securities and Exchange Commission of Sri Lanka in collaboration with the Institute of Chartered Accountants of Sri Lanka.

The Board of Directors ensures and is responsible to its shareholders, regulatory and statutory bodies and all other stakeholders of the Company to ensure that the Company is growing sustainability while establishing a strong Corporate Governance framework in order to ensure investor protection, transparency and confidence.

The Company's Corporate Governance framework is structured clearly, specifying key elements of external and internal structures, while adopting the said Corporate Governance framework into the management systems to ensure investor protection and deliver the maximum productive outcome to the shareholders' value while ensuring the sustainable development of the Company and its stakeholders.

The Board

The Board usually meets once a month. Its principal focus is the overall strategic direction, development and control of the company. The Board as at the date of this statement consists of seven members of which four members are Non-Executive Directors and three are Executive Directors. All Non-Executive Directors are independent as defined under the Listing Rules of the Colombo Stock Exchange.

There is a Board balance and complies with the independent Directors criteria set out under Listing Rules of the Colombo Stock Exchange. Together, the Directors with their wide experience in both the public and private sectors and diverse

academic backgrounds provide a collective range of skills, expertise and experience which is vital for the successful direction of the Group. A brief profile of each Director is presented on pages 30 to 35.

Board Attendance

During the year ten Board Meetings have been held and the Directors' attendance is shown below.

NAME OF THE DIRECTOR	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT	ATTENDANCE
Dr. Ravi Liyanage	●			8
Mr. Kishan Rohana Theodore	●			9
Mr. G. V. P. Ganaka Amarasinghe	●			10
Snr. Prof. S. P. P. Amaratunge		●	●	8
Eng. W. A. Upali Gunawardena (Upto 9 th Jan 2022)		●	●	5
Mr. H.A.S. Samaraweera		●	●	9
Mr. W.M.S.V. Keerthirathne		●	●	9
Mr. T. Dharmarajah (Since 10 th Jan 2022)		●	●	1

Disclosure of Information and Compliance

Each Non-executive director annually submits a declaration of independence / non-independence. The board makes the determination annually as to the independence or non-independence of each non-executive directors based on the declaration and other information available to the board. The board states that following non-executive directors are determined to be independent.

Snr. Prof. S. P. P. Amaratunge
Mr. H.A.S. Samaraweera
Mr. W.M.S.V. Keerthirathne
Eng. W. A. U. Gunawardena (Upto 9th January 2022)
Mr. T. Dharmarajah (Since 10th January 2022)

A summary of interests of Independent Non-executive Directors are given below.

Name of the Director	Significant Shareholdings	Director or Employee of another entity or a Trustee	Material Business relationship	Close family member is a Director or CEO	Business Connection	Employment in the company	Continuously served for more than nine years
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Snr. Prof. S.P. P. Amaratunge	NO	NO	NO	NO	NO	NO	YES
Mr. H.A.S. Samaraweera	NO	NO	NO	NO	NO	NO	NO
Mr. W.M.S.V. Keerthirathne	NO	NO	NO	NO	NO	NO	NO
Mr. W. A. U. Gunawardena (Upto 9 th Jan 2022)	NO	NO	NO	NO	NO	NO	YES
Mr. T. Dharmarajah (Since 10 th Jan 2022)	NO	NO	NO	NO	NO	NO	NO

A director would not be an independent if he/she:

- A) Carrying not less than 10% of voting rights of a company.
- B) Self or close family member is a Director or employee of another company or a Trustee.
- C) Any relationship resulting in income / non cash benefits equivalent to 10% of the directors annual income.
- D) Close family member who is a Director or CEO.
- E) Relationship resulting in transaction value equivalent to 10% of the turnover of the company.
- F) Has been employed by the company during the period of two years immediately preceding appointment as a Director.
- G) Has served on the Board continuously for a period exceeding nine years.

Independence of Directors

In accordance with Rule 7.10.3 of Colombo Stock Exchange Rules on Corporate Governance, Mr. T. Dharmarajah, Senior Professor S. P. P. Amaratunge, Mr. H.A.S. Samaraweera and Mr. W.M.S.V. Keerthirathne who are Non-Executive Directors of the Company have submitted a signed and dated declaration to the Board of their Independence.

Whereas the Board of Directors of Raigam Wayamba Salterns PLC having declared that all Directors have made a formal

declaration of all their interests on an annual basis and having noted that Senior Professor S. P. P. Amaratunge has served on the Board of the company continuously for a period exceeding nine years from the date of the first appointment, resolved as in terms of Section 7.10.3. (a). of the Listing Rule of CSE, that based on the declarations made as noted above and notwithstanding that Senior Professor S. P. P. Amaratunge has completed more than nine consecutive years as Directors, (nevertheless) the Board considers them "Independent" given their impartial approach to the deliberations of the Board.

Statement of Compliance

As a responsible company, Raigam wayamba salterns PLC complies with Acts, Regulations, Codes and Best Practices announced by different governing bodies and authorities. Accordingly, the company makes all endeavors to comply with following guidelines.

- Companies Act No. 7 of 2007
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- LKAS and SLFRS
- Listing Rules of Colombo Stock Exchange
- Code of Best Practices on Corporate Governance jointly issued by The Institute chartered Accountants of Sri Lanka and Securities and Exchange Commission of Sri Lanka
- Inland Revenue Act No. 24 of 2017
- The Shop and Office Employees Act No. 15 of 1954
- Factories Ordinance No.45 of 1942
- Industrial Disputes Act No.43 of 1950
- Exchange Control Act No. 24 of 1953
- Customs Ordinance
- Quality Standards and Certifications
- Internal Polices and Codes

For easy reference of this Annual Report, our commitment to adopt Code of Best Practices on Corporate Governance and Listing Rules of Colombo Stock Exchange are sectioned into three units.

Section 01:

Extent of compliance to the requirements of the Code of Best Practices on Corporate Governance jointly issued by The Institute of Chartered Accountants of Sri Lanka and The Securities and Exchange Commission of Sri Lanka. It reflects governance in the following eight fundamental aspects.

- A) Directors
- B) Directors' Remuneration
- C) Relations with Shareholders
- D) Accountability and Audit
- E) Institutional Investors
- F) Other Investors
- G) Internet of Things and Cyber-security
- H) Environment, Society and Governance (ESG)

Section 02:

Extent of compliance to the requirements of The Continuing Listing Requirements Section 7.10 on Corporate Rules for Listed Companies issued by Colombo Stock Exchange. This reflects company's level of conformity to CSE's listing rules which comprise of following fundamental principles.

- Non Executive Directors
- Independent Directors
- Disclosures relative to Directors
- Remuneration Committee
- Audit Committee

Section 03:

Extent of compliance to the requirements of The Continuing Listing Requirements Section 9 on Related Party Transactions for Listed Companies issued by Colombo Stock Exchange. This covers all the following disclosure requirements.

- Non-recurrent Related Party Transactions
- Recurrent Related Party Transactions
- Related Party Transactions Review Committee
- Disclosures by the Board and the Committee

Section 01

Extent of compliance to the requirements of the Code of Best Practices on Corporate Governance jointly issued by The Institute of Chartered Accountants of Sri Lanka and The Securities and Exchange Commission of Sri Lanka.

Corporate Governance principles	Reference of code	Compliance	Extent of Compliance
A. Directors			
A.1 The Board			
<p>The company is headed by an effective Board of Directors with years of experience in both public and private sector. The Board of Directors of the Company consists of professionals in the fields of Accounting, Management, Economics, Engineering, Marketing and business leaders. All Directors possess the skills and experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment. Profiles of Directors are given on pages 30 to 35.</p>			
Board meetings	A.1.1	Complied	<p>The Board usually meets at monthly intervals, but also meets more frequently whenever required. The board met 10 times during the year under review. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non- attendance of Board meetings was generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on page 67</p>
Board responsibilities	A.1.2	Complied	<p>The Board is responsible to the shareholders for creating and delivering long-term sustainable shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy.</p> <p>The Board has put in place a corporate management team led by the Managing Director with the required skills, experience and knowledge necessary to implement the business strategy of the company.</p> <p>The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management.</p> <p>The Board ensures that the company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulation.</p>
Compliance with laws and access to independent professional advice	A.1.3	Complied	<p>The Board collectively, and Directors individually must act in accordance with the laws as applicable to the company. The company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the company's expense. This will be coordinated through the company or the Board secretary when requested.</p>
Company Secretary	A.1.4	Complied	<p>All Directors have access to the advice and services of the company secretary as required. The company secretary keeps the Board informed of new laws and revisions, and regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board.</p>
Independent judgment	A.1.5	Complied	<p>All Directors exercise independent judgment in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.</p>
Dedication of adequate time and effort by the Board and Board committees	A.1.6	Complied	<p>All Directors of the Company dedicate adequate time and effort to fulfill their duties as Directors of the company both before and after the Board meetings, in order to ensure that the duties and responsibilities owed to the company are satisfactorily discharged.</p>

Call for a resolution to be presented to the Board	A.1.7	Complied	One third of the Directors can call for a resolution to be presented to the Board where they feel it is in best interest of the company.
Training for new and existing Directors	A.1.8	Complied	Both new and existing Directors of the company are provided guidelines on general aspects of directorships and industry specific matters. In this regard, the Directors have recognized the need for continuous training, expansion of knowledge and to take part in such professional development as and when they consider it necessary and which would assist them to carry out their duties as Directors.

A.2 Chairman and Chief Executive Officer (CEO)

There should be a clear division of responsibilities between the Chairman and Chief Executive Officer in order to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decision making.

The roles of the Chairman and Chief Executive Officer function separately in the Company. The Chairman's main responsibility is to lead, direct and manage the work of the Board in order to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director, who performs the role of the Chief Executive Officer, is responsible for the day-to-day operations of the company.

Division of responsibilities of the Chairman and Managing Director (CEO)	A.2	Complied	<p>The positions and functions of the chairman and the managing Director have been separated; the role of the Managing Director is to manage the day-to-day running of the company.</p> <p>The Board has delegated this responsibility to the managing Director and he then leads the corporate management team in making and executing operational decisions. The managing Director is also responsible for recommending strategy to the Board.</p>
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A.3 Chairman's role

The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of the Board functions. The profile of the Chairman is given on page 30

Role of the Chairman	A.3.1	Complied	<p>The Chairman is as an outstanding business leader, provides leadership to the Board, controls and preserves order at Board meeting and provides the Board with strategic direction and guidance in managing the affairs of the company.</p> <p>The chairman is also responsible for;</p> <p>Ensuring the new Board members are given an appropriate induction, covering terms of appointment,</p> <p>The effective participation of both executive and non-executive Directors,</p> <p>All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company,</p> <p>A balance of power between executive and non-executive Directors is maintained,</p> <p>The views of Directors on issues under consideration are ascertained.</p>
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A.4 Financial Acumen

The Code requires that the Board comprises of members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as some of the Board members are qualified Accountants having professional qualifications and are equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.

Financial acumen and knowledge	A.4	Complied	The Board comprises two Chartered Accountants (CA Sri Lanka). One of them serves as chairman of the Audit Committee. These Directors add substantial value and independent judgment on the decision-making of the Board on matters concerning finance and investment.
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A.5 Board Balance

The Code requires that a balance is maintained between the executive and non-executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making.

The Board consists of three executive Directors and four non-executive Directors. Each of them brings to the Board, wide experience and the ability to exercise independence and judgment when taking informed decisions.

Presence of non- executive Directors	A.5.1	Complied	Four of the seven Directors are non-executive Directors, which is well above the minimum number prescribed by this code.
Criteria to evaluate independence of non-executive Directors	A.5.3	Complied	Please refer page 68.
Signed declaration of independence by the non-executive Directors	A.5.4	Complied	Every non-executive Director of the company has made a written submission as to their independence against the specified criteria set out by the company, which is in line with the requirements of schedule K of the code of best Practices on corporate governance.
Determination of independence of the Board	A.5.5	Complied	The Board has determined the independence of Directors based on the declarations submitted by the non-executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent non-executive Directors are: Snr. Prof. S. P. P. Amaratunge Mr. H.A.S. Samaraweera Mr. W.M.S.V. Keerthirathne Eng. W. A. Upali Gunawardena (Upto 9 th January 2022) Mr. T. Dharmarajah (Since 10 th January 2022)
Alternate Directors	A.5.6	N/A	No alternate Directors were appointed during the year.
Senior Independent Director	A.5.7	Complied	Mr. H.A.S. Samaraweera, who is an Independent Non-Executive Director, functioned as the Senior Independent Director. The senior independent Director has met with Non-Executive Directors twice and with the Executive Directors once during the year to discuss and communicate governance related matters.
Confidential Discussions with senior independent Director	A.5.8	Complied	A Senior Independent Director is available for confidential discussions with other Directors who may have concerns which pertain to significant issues that are detrimental to the company.
Chairman's meeting of non-executive Directors	A.5.9	Complied	The Chairman meets with the non-executive Directors without the presence of Executive Directors, whenever necessary.
Recording of concerns in Board minutes	A.5.10	Complied	Concerns raised by the Directors which cannot be unanimously resolved during the year, if any, are recorded in the Board minutes with adequate details.

A.6 Supply of information

Management should provide time-bound information in a format that is appropriate and enables the Board to discharge its duties. Financial and non-financial information is analyzed and presented to the Board to make informed and accurate decisions.

Obligation of the management to provide appropriate and timely information to the Board	A.6.1	Complied	The Board was provided with timely and appropriate information by the management by way of Board papers and proposals. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.
Adequate time for effective Board meetings	A.6.2	Complied	The minutes, agenda and papers required for board meeting are provided in advance to facilitate its effective conduct.

A.7 Appointments to the Board

The code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.

Nomination Committee	A.7.1	Complied	The Nomination Committee of the company consists of following members: Dr. Ravi Liyanage – Chairman Mr. G. V. P. G. Amarasinghe Mr. H.A.S. Samaraweera
Assessment of Board composition by the Nomination Committee	A.7.2	Complied	The Nomination Committee annually assesses Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The findings of such assessment are taken into account when new Board appointments are considered.
Disclosure of required details to shareholders on new appointments to the Board	A.7.3	Complied	When new Directors are appointed, a brief resume of each such Director, including the nature of his expertise, the names of companies in which the Director holds directorships, memberships in Board sub-committees etc., are reported to the Colombo Stock Exchange (CSE) in addition to disclosing this information in the Annual Report. Further, any changes in the details provided by the Directors are disseminated to the CSE without delay. During the year, no new director was appointed to the Board.

A.8 Re-election

The Code requires all Directors to submit themselves for re-election at regular intervals and at least once in every three years.

Appointment of non-executive Directors, Chief Executive and Directors	A.8.1	Complied	The provisions of the company's Articles require a Director appointed by the Board to hold office until the next Annual General Meeting and seek re-appointment by the shareholders at that meeting.
Election of Directors by shareholders	A.8.2	Complied	The names of the Directors submitted for election or re-election, if any is accompanied by a resume to enable shareholders to make an informed decision on their election at the Annual General Meeting.
Prior communication of resignation of a Director	A.8.3	Complied	In the event of a Director resigning prior to his appointed term, written communication should be provided to the Board of his reasons for resignation. No directors have resigned as such during the year.

A.9 Appraisal of Board Performance

The Board should periodically appraise its own performance against the present targets in order to ensure that the Board responsibilities are satisfactorily discharged.

Annual performance evaluation of the Board and its committees	A.9.1 & 9.2	Complied	The Chairman and remuneration committee evaluate the performance of the executive Directors periodically The Board undertakes an annual self-evaluation of its own performance and of its committees. The Board evaluated its performance and effectiveness in the current year.
Evaluation at re-election	A. 9.3	Complied	Board reviews the participation, contribution and engagement of each director at the re-election, if any.
Disclosure on performance evaluation criteria	A.9.4	Complied	Evaluation criteria with regard to Executive Directors are financial and non-financial targets set at the beginning of the year through the annual corporate plan. Criteria relating to evaluation of Board committees are the performance against their duties referred in respective committee reports. Refer page 89 to 93.

A.10 Disclosure of information in respect of Directors

The following details pertaining to each Director are disclosed as follows:

Details in respect of Directors	A.10.1	Complied	(a) Brief profile with expertise and experience – pages 30 to 35. (b) Directors' interest in transactions and shareholding – page 84. (c) Attendance to the Board meetings held during the year – page 67.
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A.11 Appraisal of Chief Executive Officer

The Board of Directors should annually assess the performance of the managing Director who performs the role of the Chief Executive Officer

Targets for Managing Director	A.11.1	Complied	Prior to the commencement of each financial year, the Board sets reasonable financial and non-financial targets which are in line with short, medium and long-term objectives of the company, achievement of which should be ensured by the Managing Director.
Evaluation of the performance of the Managing Director	A.11.2	Complied	The performance is evaluated by the Board at each Board meeting and the overall evaluation at the end of each fiscal year in order to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.

B. Directors' Remuneration

B.1 Remuneration procedure

This principle ensures that the company has a well-established, formal and transparent procedure in place for developing an effective remuneration policy for both executive and non-executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.

Establishment of a Remuneration Committee	B.1.1	Complied	The committee is required to decide on the remuneration of the executive Directors and sets guidelines for the remuneration of the management staff within the company. The Chairman and Managing Director are not members of this committee. Please refer page 91 for the Remuneration Committee report.
Composition of remuneration committee	B.1.2	Complied	The Remuneration Committee consists of three independent non-executive Directors and the chairman of this committee is appointed by the Board.
Chairman and the members of the Remuneration Committee	B.1.3	Complied	The remuneration committee consists of following independent non- executive Directors: Eng. W.A.U. Gunawardena - Chairman (Upto 9 th January 2022) Mr. T. Dharmarajah - Chairman (Since 10 th January 2022) Snr. Prof. S.P.P. Amaratunge Mr. W.M.S.V. Keerthirathne
Determination of remuneration of the non-executive Directors	B.1.4	Complied	The Board as a whole determines the remuneration of the non-executive Directors including the members of the Remuneration Committee which the Board believes is in line with current market conditions.
Consultation of the Chairman and access to professional advice	B.1.5	Complied	Each committee member has the authority to seek internal and external independent professional advice on remuneration of other executive Directors and also on matters falling within its purview at the company's expense. Views of the Chairman of each committee are obtained, in addition to the views of the Managing Director.

B.2 The Level and Make up of Remuneration

The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the company successfully. A proportion of executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.

Level and makeup of the remuneration packages of executive Directors.	B.2.1	Complied	The Board is mindful of the fact that the remuneration of executive Directors should reflect the market expectations and is sufficient enough to attract, retain and motivate the executive Directors of the required competence in order to run the company.
Executive Directors' remuneration	B.2.2	Complied	Executive Directors' remuneration has been designed to promote the long term success of the company.
Competitiveness of levels of remuneration	B.2.3	Complied	The remuneration committee ensures that the remuneration of executives of each level of management including executive Directors is competitive and in line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is competitive and in line with those of comparative companies.
Comparisons of remuneration with other companies in the group	B.2.4	Complied	The remuneration committee reviews data concerning executive pay among other companies in the group.
Designing the performance-based remuneration for executive Directors	B.2.5	Complied	Performance-based incentives have been determined by the remuneration committee to ensure that the total earnings of the executive Directors are aligned with the achievement of objectives and budgets of the company.
Executive share options	B.2.6	N/A	Presently the company does not have an executive share option schemes.
Designing the Performance related remuneration of executive Director	B.2.7	Complied	The remuneration committee follows the provisions set out in schedule E of the code as required.
Early termination of executive Directors	B.2.8 B.2.9	N/A	Termination of executive Directors is governed by their contracts of service. No termination of executive Directors was happened during the year.
Levels of remuneration of non-executive Directors	B.2.10	Complied	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices

B.3 Disclosure of Remuneration

The code requires the company to disclose in its Annual Report the details of the remuneration paid and the remuneration policy.

Disclosure of remuneration	B.3.1	Complied	Please refer page 147 for the total Directors' remuneration.
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C. Relations with Shareholders

C.1 Constructive use of the Annual General Meeting (AGM) and conduct of General Meetings

The Code requires the Board to use the AGM which is a major event in the company's calendar to communicate with shareholders and encourage their active participation. In this regard, all shareholders of the company receive the notice of meeting within the statutory due dates.

Adequate notice of the AGM to shareholders	C.1.1	Complied	A copy of the Annual Report including financial statements, notice of the meeting and the form of Proxy is sent to shareholders 15 working days prior to the date of the AGM, as required by the statute, in order to provide the opportunity to all the shareholders to attend the AGM.
Separate resolution for substantially separate issues and adoption of Annual report and Accounts	C.1.2	Complied	The Board remains mindful of being accountable to shareholders and the need for transparency at all levels, striving to maintain its value framework in all shareholder dealings and communications.

Use of proxy votes	C.1.3	Complied	The company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.
Availability of all Board subcommittee chairmen at the AGM	C.1.4	Complied	The chairman of the company ensures the chairmen of Audit and remuneration committees are available to answer questions at the AGM if so requested by the chairman.
Procedures of voting at General Meetings	C.1.5	Complied	A summary of the procedures governing voting at general meeting is circulated to shareholders with every notice of the General Meeting.

C.2 Communication with Shareholders

The code requires the Board to implement effective communication with shareholders.

Channel to reach all shareholders	C.2.1	Complied	<p>The main mode of communication between the company and the A shareholder is the Annual General Meeting. Shareholders are provided with the information prior to the AGM.</p> <p>Further, financial and other announcements are promptly submitted to CSE to publish in the CSE website.</p> <p>Comments and suggestions can be sent through lasantha@raigam.lk</p>
Policy methodology for communication with shareholders.	C.2.2	Complied	<p>An open door policy is in place, which enables shareholders to keep in constant touch, visit and obtain information from the company secretary.</p> <p>Contact details are published in all annual and quarterly financial reporting.</p>
Implementation of the policy and methodology for communication with shareholders.	C.2.3	Complied	Please refer C.2.4 and C.2.5 for the implementation of the policy and methodology.
Contact person for communication	C.2.4 & C.2.6	Complied	Details of contact persons are disclosed in the Annual Report. Page 5.
Process to make Directors aware of major issues and concerns of shareholders	C.2.5	Complied	<p>The company secretary maintains a record of all correspondence received.</p> <p>All major issues and concerns of the shareholders are referred to the Board of Directors with the views of the management.</p>
Response to the shareholders matters	C.2.7	Complied	The process for responding to shareholder matters have been formulated by the Board and disclosed. Such matters are responded at the shareholder meetings, publications at the CSE or communication by the company secretary to the shareholders.

C.3 Major Transactions

Directors should disclose to shareholders all proposed corporate transactions which if entered into, would materially alter/vary the company's Net Asset base or the consolidated group's Net Asset base.

Disclosure on proposed major Transaction	C.3.1	Complied	During the year there were no major transactions as defined by Section 185 of the companies Act no. 07 of 2007 which materially affect the net asset base of company or the group's consolidated net asset base.
Shareholders' approval by Special Resolution	C.3.2	Complied	During the year there were no transactions/events which require approval by way of a Special Resolution. Company complied with the disclosure requirements and approval by special resolution as required by the rules and regulations by SEC and CSE.

D. Accountability and Audit

D.1 Financial and Business Reporting

The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.

Board's responsibility for statutory and regulatory reporting that is true and fair, balanced and understandable	D.1.1 and D.1.2	Complied	The Board has recognized the responsibility to present regulatory and statutory reporting in a balanced and understandable manner. When preparing Quarterly and annual financial statements, the company complied with the requirements of the companies Act No. 07 of 2007 and prepared and presented them in accordance with Sri Lanka Accounting Standards and Sri Lanka Financial Reporting Standard. The company has complied with the reporting requirements prescribed by the CSE.
Declaration by Chief Executive Officer and Chief Financial Officer	D.1.3	Complied	The Board before approving the financial statements for the period has obtained from Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company and that the system of risk management and internal control was operating effectively.
Declaration by Board	D.1.4	Complied	Directors have made all necessary declarations. Refer the Directors' report in Annual report pages 83 to 86.
Statement of Boards and Auditor's responsibility and statement of internal control	D.1.5	Complied	This is given in the 'Annual report of the Board of Directors' on pages 83 to 86 and the 'Statement of Directors' Responsibility' on page 85 and pertains to required declarations.
Management Discussion and Analysis	D.1.6	Complied	See Management Discussion and Analyses pages 50 to 56.
Summon an EGM to notify serious loss of capital	D.1.7	Complied	No EGM was held during the year.
Disclosure of related party transactions	D.1.8	Complied	The Directors have instituted an effective and comprehensive system of internal control for identifying, recording and disclosing related party transactions. All related party transactions, as defined in Sri Lanka Accounting Standard - (LKAS 24) on Related Party Transactions are disclosed in Note 26 to financial statements.

D.2 Risk Management and Internal Control

The Board should have a sound system of internal controls to safeguard shareholders' investments and the company's assets.

Annual evaluation of the internal controls system	D.2.1	Complied	The Board is responsible for the company's internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time. The company's internal audit department plays a significant role in assessing the effectiveness and successful implementation of existing controls and strengthening these and establishing new controls where necessary. Internal Audit reports are made available to the chairman and managing Director and the chairman of the Audit committee. The Board has reviewed the effectiveness of the system of financial controls for the period up to the date of signing the accounts. There is a direct channel of communication between the head of internal audit department and the chairman of the Audit committee without the interference of any Directors or executives.
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Assessment of principle risks facing the company.	D.2.2	Complied	A strong assessment on risks involved in company has been carried out review the status on every meeting. Mitigating actions have been identified and continuously review the progress. Refer pages 94 to 97 for Risk Management.
Need for internal audit function	D.2.3	Complied	The company has its own internal audit department.
Review of the process and effectiveness of risk management and internal controls	D.2.4	Complied	The Audit committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.
Directors' responsibility of maintaining a sound internal control system	D.2.5	Complied	Please refer Statement of Directors' Responsibilities on page 87.

D.3 Audit committee

The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the company's external Auditor.

			Audit committee consists of three independent non-executive Directors.
Composition of The Audit Committee	D.3.1	Complied	Mr. H.A.S. Samaraweera - Chairman Snr. Prof. S. P. P. Amaratunge Mr. W. A. U. Gunawardena (Upto 9 th January 2022) Mr. T. Dharmarajah (Since 10 th January 2022) The Audit committee is required to help the company to achieve a balance between conformance and performance.
Duties of The Audit Committee	D.3.2	Complied	The Audit Committee keeps under review the scope and results of the audit and its effectiveness, and the independence and objectivity of the auditors. Review of nature and extent of non-audit services provided by the auditors to seek balance objectivity and independence. Refer Audit committee report on page 89 for the duties.
Terms of reference of The Audit Committee	D.3.3	Complied	Terms of Reference of the Audit Committee is clearly defined in the charter of the Audit committee approved by the Board of Directors. This clearly explains the purpose of the committee, its duties and responsibilities together with the scope and functions of the committee. The Committee is required mainly to deal with the matters pertaining to statutory and regulatory compliance in financial reporting, matters with regard to the external Auditors, Internal Audit and Risk Management procedures of the company. Please refer Audit Committee report on page 89.
Disclosures of the Audit Committee	D.3.4	Complied	The names of the members of the Audit Committee are given under section D.3.1 of this code. The committee ensures that the rotation of external Audit Engagement Partner once every five years is met. The External Auditor, has provided an Independence confirmation in compliance with the "Guidelines for Appointment of Auditors of Listed Companies" issued by SEC. In order to safeguard the objectivity and independence of the external Auditor, the Audit committee reviewed the nature and scope taking account of the regulations guidelines stated in section D.3.2.

D.4 Related Party Transactions Review Committee

The company should establish a procedure that it is not engaged in "Related Party Transactions" which is more favorable treatment than with third parties in the normal course of business.

Adherence to LKAS 24	D.4.1	Complied	Related Party transactions are defined as in LKAS 24
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Related party Transactions Review Committee	D.4.2	Complied	Related Party Transactions Review Committee was established on January 1, 2016 as a requirement under Section 9 of the Colombo Stock Exchange Listing Rules, in order to monitor and regulate related party transactions in the best interest of shareholders.
Terms of references of RPTR Committee	D.4.3	Complied	Written terms of reference of the committee are available. Please refer Related Party Transactions Review Committee Report on page 92.

D.5 Code of Business Conducted and Ethics

The company should develop a code of business conduct and ethics for Directors and members of the senior management team and must promptly disclose any waivers of the code for Directors or others.

Code of business conduct and ethics	D.5.1	Complied	The company has developed a code of conduct for its employees. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behavior, etc.
Material and price sensitive information	D.5.2	Complied	Material and price sensitive information, if any is promptly identified and reported to the shareholders via CSE notices.
Policy and disclosures on share purchases by Directors	D.5.3	Complied	Company has a policy and process for monitoring and disclosure of shares purchased by any Director, key management personnel or any other employee involved in financial reporting. All disclosures are duly made in the CSE.
Affirmative statement by the chairman	D.5.4	Complied	See the "The Chairman's Message" on page 22 for required details.

D.6 Corporate Governance Disclosure

Directors of the company disclose annually the company's adherence to the code of best Practice on corporate governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and The Securities and Exchange Commission of Sri Lanka.

Disclosure of Corporate Governance	D.6.1	Complied	This requirement is met with the presentation of this report.
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E. Institutional Investors

E.1 Shareholders' Voting

Institutional shareholders are required to make considered use of their votes and are encouraged to ensure their voting intentions are translated into practice.

Communication with shareholders	E.1.1	Complied	In order to avoid conflicts of interest by nurturing mutual understanding, the Board carries out dialogue with its shareholders at general meetings in this regard, the AGM of the company plays a critical role. Voting by the shareholders is crucial in carrying a resolution at the AGM. The chairman, who plays the role of the agent, communicates the views and queries of the shareholders to the Board and the senior management, in order to ensure that the views are properly communicated to the company.
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E.2 Evaluation of Governance Disclosures

The code requires the company to encourage institutional investors to give due weight to all relevant factors drawn to their attention.

Due weight by institutional investors	E.2.1	Complied	The institutional investors are encouraged to give due weight to all relevant matters relating to the Board structure and composition.
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F. Other Investors

F.1 Investing/ Divesting Decisions

Seek independent advice	F.1	Complied	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions. The company's website serves to provide a wide range of information on the company.
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F.2 Shareholder Voting

Encourage Voting by individual investors	F.2	Complied	Individual shareholders are encouraged to participate in General Meetings of the company and exercise their voting rights.
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G. Internet of Things and Cyber-security

Internal and external IT devices connected to the business model.	G.1	Complied	Connection of internal and external IT devices to the organization network has been allowed with necessary access controls and firewalls to safeguard the integrity of information.
Cyber information Security officer and cyber security risk management policy	G.2	Complied	Group's Senior Manager - MIS monitors and reviews the security requirements of the company's information system and has introduced and implemented a cyber-security risk management policy.
Discussions on cyber risk management	G.3	Complied	This is a regular agenda item of the risk management discussion of the Board and have given due attention.
Independent periodic reviews and assurance	G.4	Complied	Periodic reviews are carried out by the external auditors and consultants and observations are submitted to the Board for review and actions.
Disclosure on cyber security risk management	G.5	Not Complied	A detailed disclosure has not been made on the cyber security process in this Annual Report.

H. Environment, Society and Governance (ESG)

H.1 ESG reporting

The code requires the company to include the ESG factors in building its business model, strategy, governance and risk management framework. Company ESG activities are not governed by specific ESG Committee appointed, rather the ESG activities are overlooked by the executive Directors and ensure that effective environmental, social and governance, best practices are implemented properly.

Provision of information on ESG	H.1.1	Complied	Company has included the environmental, social and governance factors in its business models and provided sufficient information on all aspects in the Annual Report.
The environment	H.1.2	Complied	The company adopts an integrated approach which mitigates the environmental threats and improves best practices in company's engagements to fulfill the obligation towards the environment. Such best practices are pollution prevention, sustainable resource use, and protection of environment and restoration of natural resources.
Social factors	H.1.3	Complied	The company adopts an integrated approach to building relationship with the community in order to build a strong relationship and strives towards sustainable development.
Governance	H.1.4	Complied	The company establishes a governance structure to support its ability to create value and manage risks on all pertinent aspects of ESG.
Board's role on ESG factors	H.1.5	Complied	The Board takes necessary measures to add value by providing a credible account of the company's economic, social and environmental impacts.

Section 02

Extent of compliance to the requirements of The Continuing Listing Requirements Section 7.10 on Corporate Rules for Listed Companies issues by Colombo Stock Exchange.

Section 7.10 on Corporate Governance for Continuing Listing Requirements issued by Colombo Stock Exchange requires the Company to be complied with criteria set.

Following table discloses the extent of adherence, whether complied or not and reference to the annual report pertaining to each sub rule.

Listing Rule No.	Subject Area	Extent of Compliance	Compliance	Reference in this Report
7.10.1(a) & (b)	Non-Executive Directors	Four (4) of the seven (7) Directors were Non-Executive Directors as at 31 March 2022.	Complied	Corporate Governance
7.10.2(a)	Independent Directors	All four (4) Non-Executive Directors were independent as at 31 March, 2022.	Complied	Corporate Governance
7.10.2(b)	Independent Directors	All Non-Executive Directors have submitted signed and dated annual declaration of his independence/non-independence against the specified criteria.	Complied	Corporate Governance
7.10.3(a)	Disclosure relating to Directors	The Board has determined the independence/non-independence of each Non-Executive Director based on annual declaration and other information available and has disclosed the names of Directors determined to be independent.	Complied	Corporate Governance
7.10.3(c)	Disclosure relating to Directors	A brief resume of each Director has been included in the Annual Report including the Director's areas of expertise.	Complied	Board of Directors' (profile) section in the Annual Report Page 30 to 35
7.10.5(a)	Composition of Remuneration Committee	The Remuneration Committee comprised of Three (3) Independent Non-Executive Directors as at 31 March 2022. Mr. W. A. Upali Gunawardana headed the Committee until 9 th January 2022 and Mr. T. Dharmarajah was appointed to head the Committee with effect from 10 th January 2022.	Complied	Remuneration Committee Report Page 91
7.10.5(b)	Functions of Remuneration Committee	The Remuneration Committee recommended the remuneration of the Managing Director and the Executive Directors to the Board.	Complied	Remuneration Committee Report Page 91
7.10.5(c)	Disclosure in the Annual Report relating to Remuneration Committee	Names of Remuneration Committee members are given in the Remuneration Committee Report and it contains the statement of remuneration policy. Aggregate remunerations paid to Executive and Non-Executive Directors are set out in this report	Complied	Remuneration Committee Report Page 91 Annual Report of Board of Directors Page 83
7.10.6(a)	Composition of Audit Committee	The Audit Committee comprised of Three (3) Independent Non-Executive Directors as at 31 March 2022 and Mr. H.A.S. Samaraweera headed the Committee.	Complied	Audit Committee Report Page 89
7.10.6(b)	Functions of the Audit Committee	Audit Committee functions are stated in the Audit Committee Report	Complied	Audit Committee Report Pages 89
7.10.6(c)	Disclosure in the Annual Report relating to Audit Committee	The names of the Audit Committee members given in this Report. The basis of determination of the independence of the Auditor is also given.	Complied	Audit Committee Report Pages 89

Section 03

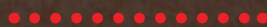
Extent of compliance to the requirements of The Continuing Listing Requirements Section 9 on Related Party Transactions for Listed Companies issues by Colombo Stock Exchange.

Section 9 of the Listing Rules – Related Party Transactions requires the company to put in place the necessary processes to identify, review, disclose and monitor Related Party Transactions.

Following table portrays the extent of compliance by Raigam Wayamba Salterns PLC with Section 9 on Related Party Transactions for Listed Companies issues by Colombo Stock Exchange.

Listing Rule No.	Subject Area	Extent of Compliance	Compliance	Reference in this Report
9.2.1	Review of Related Party Transactions	Except for transactions set out in Rule 9.5, all other Related Party Transactions were reviewed by the Related Party Transactions Review Committee.	Complied	Related Party Transactions Review Committee Report Page 93
9.2.2	Composition of the Related Party Transactions Review Committee	The RPTRC consists of following directors: Mr. W.M.S.V. Keerthirathne - Independent Non-Executive Director - Chairman Mr. H.A.S. Samaraweera - Independent Non-Executive Director - Member Mr. G. V. P. G. Amarasinghe - Executive Director - Member	Complied	Related Party Transactions Review Committee Report Page 93
9.2.3	Related Party Transactions Review Committee	The committee for Raigam Wayamba Salterns PLC was formed on 1 January 2016. The functions of the committee are stated in Related Party Transactions re-view Committee report.	Complied	Related Party Transactions Review Committee Report Page 93
9.2.4	Committee Meetings	The committee gathered 04 times during the financial year of 2021/2022	Complied	Related Party Transactions Review Committee Report Page 93
9.3.1	Immediate disclosures	Raigam Wayamba Salterns PLC has not involved in any non-recurrent related party transactions which requires immediate disclosure to the Colombo Stock Exchange.	Complied	Disclosure of Related Party Transactions Page 92
9.3.2 (a)	Disclosures in the Annual Report - Non-recurrent Related Party Transaction	Company has not involved with an Non recurrent related party transactions with aggregate value exceeds 10% of the equity or 5% Total assets whichever is lower.	Complied	Disclosure of Related Party Transactions Page 92
9.3.2 (b)	Disclosures in the Annual Report - Recurrent Related Party Transaction	Company has involved in purchase/provision of goods/services and settlement for such purchase/provision which are carried out on a continuing basis in ordinary course of business of the company. Accordingly, those transactions of which aggregate value exceeds 10% of Gross Revenue of latest audited accounts have been duly disclosed.	Complied	Disclosure of Related Party Transactions Page 92
9.3.2 (c)	Report by the Related Party Transactions review Committee	Refer page 91 for the Related Party Transactions review Committee report	Complied	Related Party Transactions Review Committee Report Page 91
9.3.2 (d)	An affirmative statement of compliance by Board of Directors	The Annual Report of Board of Directors contains an affirmative statement of compliance.	Complied	Annual report of Board of Directors Pages 83 to 86.

ANNUAL REPORT OF BOARD OF DIRECTORS



The Directors of Raigam Wayamba Salterns PLC present their report together with the Audited Financial Statements of the Company and of the Group for the year ended 31 March 2022. The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, and Securities and Exchange Commission of Sri Lanka and are guided by recommended best Accounting Practices.

Principal Activities

The principal activity of the Company is manufacturing and distribution of edible and industrial salt. There were no significant changes in the activities of the Company in the year under review. A review of Company performance during the year with brief comments on the financial results and prospects are contained in the CEO's Review and the Management Review of this Annual Report. These reports together with the Financial Statements reflect the state of affairs of the Company.

The Directors, to the best of their knowledge and belief, confirm that the Company has not engaged in any activities that contravene laws and regulations.

Financial Statements

The Financial Statements of the Company and Group are given on pages 104 to 108.

Independent Auditor's Report

Independent Auditors' Report on the Financial Statements is given on pages 100 to 103.

Accounting Policies

The accounting policies adopted by the Company and its subsidiary in the preparation of the Financial Statements are given on pages 109 to 150.

Operational Review

Turnover

The turnover of the Group was Rs. 1,147,188,556 (2021 – Rs. 959,680,652) and a composition of revenue is given in Note 03 to the Financial Statements.

Financial Performance and Position - Group

For the year ended 31 March,	2022 Rs.	2021 Rs.
Turnover	1,147,188,556	959,680,652
Gross Profit	423,768,394	355,120,712
Profit Before Tax	277,405,638	187,548,514
Profit After Tax	215,590,446	149,759,238
Total Assets	1,957,491,031	1,719,062,274
Net Assets	1,619,315,483	1,428,717,369

Property, Plant and Equipment

The total capital expenditure incurred on the acquisition of property, plant and equipment during the financial year amounted to Rs. 42,278,519 (2021 – Rs. 49,396,070). Further information relating to the movement of property, plant and equipment is given in Note 04 to the financial statements. Capital expenditure has been financed by short term borrowings and or internally generated funds.

Stated Capital

The stated capital of the company as at 31 March 2022 was Rs. 604,414,640. Details of the Stated Capital are given in Note 11 to the Financial Statements.

Donations

The donations made during the year by the Group amounted to Rs. 1,473,811 (2021- Rs. 805,000).

Taxation

Pursuant to agreement dated 20 March 2006 entered into with Board of Investment of Sri Lanka under Section 17 of the Board of Investment Law, the Company was exempt from the business of manufacturing for a period of 8 years from year 2007. This exemption was expired on the 31 of March 2014 and for the immediately succeeding two years the Company was liable to pay income tax at the rate of 10% and from 2016/2017 onwards the Company is liable to pay at the rate of 20%. As per Inland Revenue Amendment Act no. 10 of 2021, gains and profits from manufacturing is taxable at 18%.

Major Shareholders

The details of 20 major shareholders of the Company as at 31 March 2022 have been set out under "Investor Information" in pages 151 to 153.

Directors

The names of the Directors who held office during the year are given below. Their brief profile has been set out under the content of "Board of Directors." in pages 28 to 35.

Names of Directors

Dr. Ravi Liyanage - Executive Director
Mr. Kishan Rohana Theodore - Executive Director
Mr. G.V.P. Ganaka Amarasinghe - Executive Director
Snr. Prof. S.P.P. Amaratunge - Non Executive, Independent
Mr. W.M.S.V. Keerthirathne - Non Executive, Independent
Mr. H.A.S. Samaraweera - Non Executive, Independent
Mr. W. A. Upali Gunawardena - Non Executive, Independent (Upto 9th January 2022)
Mr. T. Dharmarajah - Non Executive, Independent (Since 10th January 2022)

The balance of the composition of the Board between executive and non-executive is well structured by having four numbers of non-executive independent directors and three numbers of executive directors.

Further, following resolutions will be tabled at the forthcoming Annual General Meeting to re-elect Mr. W.M.S.V. Keerthirathne in accordance with Section 211 of the Companies Act No 7 of 2007;

Mr. W. M. S. V. Keerthirathne who has reached to 71 years of age and for this purpose to pass the following resolution as an ordinary resolution, if thought fit.

IT IS HEREBY RESOLVED:

"To re-appoint Mr. W. M. S. V. Keerthirathne, who has reached 71 years of age as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specially 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. W. M. S. V. Keerthirathne.

Change of Directors

Resignation

Mr. W.A. Upali Gunawardena resigned from the post of directorship on 9th January 2022.

Appointment

Mr. T. Dharmarajah was appointed to the Board on 10th January 2022 subsequent to the last Annual General Meeting.

Directors' Interests in Contracts with the Company

Directors' interests in contracts are disclosed in the Related Party Transactions under Note 26 to the Financial Statements.

Directors' Interests in Shares

Directors' shareholding of the Company as at 31 March 2022 is as follows.

Name of the Director	Number	%
Dr. Ravi Liyanage	505,516	0.18%

Directors' Remuneration and Other Benefits

Executive Directors' remuneration is established within an approved framework by the Board's Remuneration Committee, to whom this task has been entrusted. The total remuneration of Executive Directors for the year ended 31 March 2022 was Rs. 4,650,000 (2021 - Rs. 3,630,000), which includes the value of perquisites granted to them as part of their terms of service. The total remuneration of non-executive Directors for the year ended 31 March 2022 was Rs. 1,400,000 (2021 - Rs. 1,280,000) determined according to scales of payment decided upon by the Board. The Board is satisfied that the payment of this remuneration is fair to the Company.

Environmental Protection

The Company activities may have indirect effect on the environment. It is the policy of the Company to minimize any adverse effects as much as possible and creating awareness among staff on current global environment threats.

Employment Policy

The Company's recruitment and employment policy is non-discriminatory. Employees' appraisals are carried out by the respective Departmental Heads annually in order to evaluate their performances and realize their potential to benefit the Company and employees.

Issues Pertaining to Employees and Industrial Relationship

The Board of Raigam Wayamba Salterns PLC assesses all the issues with regard to employees and industrial relation which influence the performance of the Group. The Group take considerable amount of steps to ensure employees are satisfied at all the levels and their issues are addressed in order to retain talented employees. A well-structured grievance handling system is in place to manage the grievance of employees at all levels. We make sure to maintain pertinent industrial relationship with all the governmental agencies. There are no issues which affect the Company's performance to be disclosed.

Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made up to date.

Events after the Reporting Period

Further to the Note 29, Events after the reporting period, no circumstances have arisen since the date of Statement of Financial Position, which would require adjustment or disclosure in the Financial Statements.

Corporate Governance / Internal Controls

Adoption of good governance practices has become and essential requirement in today's corporate culture. The Company has complied with the Corporate Governance rules laid down by the Colombo Stock Exchange. The practices carried out by the Company are explained in the Corporate Governance statement on pages 67 - 82.

The Directors acknowledge their responsibility for the Group's system of internal control. The system is designed to give assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated. However, any system can only ensure reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period. The Board, having reviewed the system of internal controls, is satisfied with its effectiveness for the period up to the date of signing the Financial Statements.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company to present a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No 7 of 2007, Sri Lanka Accounting and the Listing Rules of the Colombo Stock Exchange.

The Statement of Directors' Responsibility for Financial Reporting is given on page 87 which forms an integral part of the Annual Report of the Board of Directors.

Auditors

The Financial Statements for the year ended 31 March 2022 have been audited by Messrs. Ernst & Young, Chartered Accountants. In accordance with the Companies Act No. 7 of 2007, a resolution proposing re-appointment of Messrs. Ernst & Young as Auditors to the Company and authorizing the Directors of the Company to fix their remuneration will be forwarded at the Annual General Meeting.

The audit fees of Messrs. Ernst & Young for the current year Rs. 440,000 (2021 - Rs. 430,800) is paid by the Company. As far as the Directors were aware the Auditors do not have any relationship other than that of an Auditor with the Company.

Dividend

The Board of Directors has recommended to pay a first and final dividend of Rs. 0.15 per share payable on 19 October 2022 to the shareholders of the issued ordinary shares of the Company as at close of business on 30 September 2022.

The Directors have confirmed that the company satisfied the solvency test requirement under Section 56 of the Companies Act No. 7 of 2007 for the said first & final dividend proposed. A solvency certificate by the auditors has been received in respect of the first & final dividend proposed.

Going Concern

The Directors' after making necessary inquiries and reviews including review of the Group's budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

Related Party Transactions

Further to the request under Section 9.3.2 (d) of the Colombo Stock Exchange Listing Rules, the Board of Directors would like to hereby declare and confirm that there had been related party transactions during the financial year 2021/2022, and all such transactions were proceeded as per provisions stipulated under Section 9 of the Colombo Stock Exchange Listing Rules with respect to Related Party Transactions.

The Related Party Transactions Review Committee met four (04) times during the financial year 2021/2022. Meetings were held on 2 June 2021, 30 September 2021, 6 December 2021 and 22 February 2022.

The Directors have disclosed the transactions that could be classified as related party transactions in terms of Sri Lanka Accounting Standard 24, Related Party Disclosures, in the Financial Statements, and accordingly given in Note 26 on page 145 of this Annual Report.

The Directors confirm that the transactions carried out with the related parties during the year ended 31 March 2022 are in line with the provision contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and such transactions have been reviewed by the Related Party Transactions Review Committee of the Company and observations of the Committee have been communicated to the Board on a regular basis.

Independence of Directors

In accordance with Rule 7.10.3 of Colombo Stock Exchange Rules on Corporate Governance ('CSECG Rules'), Senior Professor

S.P.P. Amaratunge who is Non-Executive Director of the Company has submitted a signed and dated declaration to the Board of their Independence.

Whereas the Board of Directors of Raigam Wayamba Saltern PLC having noted that Senior Professor S.P.P. Amaratunge has served on the Board of the Company continuously for a period exceeding nine years from the date of the first appointment, and having declared that all Directors have made a formal declaration of all his interests on an annual basis resolves as follows, in terms of Rule no.7.10.3 (a) of the listing rules of CSE.

IT IS HEREBY RESOLVED that, based on the declaration made as noted above and notwithstanding that Senior Professor S. P. P. Amaratunge has completed more than 9 consecutive years as a Director, nevertheless the Board considers them "Independent" given their expertise in salt industry, finance and governance, treasury management and compliance, and business management respectively and such directors continue to contribute effectively to the running of the company without being subjected to undue influence and have demonstrated commitment to the role

Annual General Meeting

The Annual General Meeting will be held at 10.00 a.m. on 29 September 2022 via audio/ video (Virtual AGM) from Operational Head Office at No. 277, Koswatta, Kiriwattuduwa, Homagama. The Notice of Annual General Meeting is attached hereto the report.

By Order of the Board



Dr. Ravi Liyanage

Chairman

31 August 2022



Kishan Rohana Theadore

Director / CEO

31 August 2022

STATEMENT OF DIRECTORS' RESPONSIBILITY



The responsibility of the Directors, in relation to the Financial Statements of Raigam Wayamba Salterns PLC (RWS PLC) and the Consolidated Financial Statements of the RWS PLC and its Subsidiary (Group), is set out in this Statement.

In terms of Sections 150 (1), 151, 152 and 153 (1) & (2) of the Companies Act No. 07 of 2007, the Directors of the RWS PLC are responsible for ensuring that the Group and the RWS PLC keep proper books of accounts of all transactions and prepare Financial Statements that give a true and fair view of the financial position of the RWS PLC and the Group as at end of each financial year and place them before the General Meeting. The Financial Statements comprise of the Statement of Financial Position as at March 31, 2022, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

Accordingly, the Directors confirm that the Financial Statements of the RWS PLC and the Group give a true and fair view of:

- (a) the financial position of the RWS PLC and the Group as at Reporting date;
- and
- (b) the financial performance of the RWS PLC and the Group for the financial year ended on the Reporting date.

In terms of Section 150(1)(b) and Section 152(1)(b) of the Companies Act, these Financial Statements of the RWS PLC and the Group have been certified by the RWS PLC's Group Director Finance, the Officer responsible for the preparation. In addition, the Financial Statements of the RWS PLC and the Group have been signed by two Directors of the RWS PLC on August 30, 2022 as required by Sections 150 (1) (c) and 152 (1) (c) of the Companies Act and other regulatory requirements. In terms of Section 148 (1) of the Companies Act, the Directors are also responsible for ensuring that proper accounting records which correctly record and explain the RWS PLC's transactions are maintained to facilitate proper audit of the Financial Statements. Accordingly, the Directors have taken reasonable steps to ensure that the RWS PLC and the Group maintain proper books of account and review the financial reporting system through the Board Audit Committee. The Board of Directors also approves the Interim Financial Statements prior to their release to the Colombo Stock Exchange, upon a review and recommendation by the Board Audit Committee.

The Directors confirm that these Financial Statements for the year 2021/2022, prepared and presented in this Annual Report are in agreement with

- a) appropriate accounting policies selected and applied in a consistent manner and material departures if any have been disclosed and explained.
- b) all applicable accounting standards that are relevant, have been followed.
- c) judgments and estimates made which are reasonable and prudent.

The Directors also confirm that the underlying books of accounts are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka (ICASL) and the Securities and Exchange Commission of Sri Lanka (SEC).

The Directors also have taken reasonable measures to safeguard the assets of the RWS PLC and the Group and to prevent and detect frauds and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal controls comprising of internal audit function directly reporting to the Board.

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

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

By Order of the Board of Directors of Raigam Wayamba Salterns PLC,

Mrs. C Saigado
Business Intelligence (Private) Limited,
Secretaries to the Company,
31 August 2022

RESPONSIBILITY STATEMENT OF CHAIRMAN, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Financial Statements of Raigam Wayamba Salterns PLC and the Consolidated Financial Statements of the Group, as at 31 March 2022, are prepared and presented in conformity with the requirements of the following:

1. Sri Lanka Accounting Standards, issued by the Institute of Chartered Accountants of Sri Lanka.
2. The Companies Act No. 07 of 2007.
3. The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.
4. Listing Rules of the Colombo Stock Exchange.
5. The Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accounts of Sri Lanka.

We confirm that the significant accounting policies used in the preparation of the Financial Statements are appropriate, and are consistently applied, unless otherwise stated in the Notes to the Financial Statements. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and our External Auditors.

We have also taken proper and sufficient care in installing systems of internal control and accounting records to safeguard assets and to prevent and detect fraud as well as other irregularities. These have been reviewed, evaluated and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by the Group's internal auditors. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Company meets periodically with the internal auditors and the independent auditors to review

the effectiveness of audits, and to discuss auditing, internal control and financial reporting issues. The independent auditors and the internal auditors have full and free access to the Audit Committee to discuss any matter of substance.

The Financial Statements were audited by the independent external auditors, Messrs Ernst & Young, Chartered Accountants. The Audit Committee approves the audit and non-audit services provided by the External Auditor, in order to ensure that the provision of such services do not impair their independence.

We confirm that

- The Company and its subsidiary have complied with all applicable laws, regulations and prudential requirements;
- There are no material noncompliance; and
- There are no material litigations that are pending against the Group



Dr. Ravi Liyanage

Chairman

31 August 2022



Kishan Rohana Theodore

Chief Executive Officer

31 August 2022



Nevinda Jayasooriya

Director Finance

31 August 2022

REPORT OF THE AUDIT COMMITTEE

In keeping with the Code of Best Practice on Corporate Governance and the requirements of the Securities and Exchange Commission for Public Limited Companies, Raigam Wayamba Salterns 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 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 interests 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.

Formation and Composition of the Committee

The Audit Committee was established by the Board with a formal and transparent arrangement and the Committee comprises of three Independent Non-Executive Directors.

Mr. H.A.S. Samaraweera (Chairman)

Snr. Prof. S. P. P. Amaratunge

Mr. W. A. Upali Gunawardena (Upto 9th January 2022)

Mr. T. Dharmarajah (Since 10th January 2022)

The Chairman of the Audit Committee is Mr. H.A.S. Samaraweera, who is an Independent Non-Executive Director, a fellow member of The Institute of Chartered Accountants of Sri Lanka with expert knowledge in Accounting and Finance.

Duties and Responsibilities

In brief, the duties and responsibilities performed by the Audit Committee are as follows

- Recommending the appointment of external auditors of Raigam Wayamba Salterns PLC for each financial year.
- Examine any non-audit work performed by the Auditors and the fees thereon to ensure that their objectivity and independence is not impaired.
- Reviewing the scope and result of the audit and its effectiveness.
- Discussing with the External Auditors before commencement of the audit and at the conclusion of the audit, in relation to audit plan, key audit issues and their resolution, management responses and recommending to the Board and the remuneration of the auditors.
- Reviewing the extent of compliance with the laws of the country, Governmental regulations, listing rules and established policies of the Company.
- Ensuring that the company's internal controls and risk management practices are adequate to meet the requirements of the Sri Lanka Auditing Standard, and are being duly performed.

- Reviewing and discussing the business risk management processes and procedures adopted by the Group to manage and mitigate the effects of such risks and measures taken to minimize the impact of such risks.
- Monitoring the policies and practices related to risk management.
- Ensuring proper standardized updated systems for financial reporting.
- Holding of meetings with the Head of Finance to ensure proper controls and segregation of duties to minimize risks.
- Reviewing Company's quarterly unaudited and annual Audited Financial Statements and making recommendations to the Board for their approval and release.

Meetings

The Audit Committee held four meetings during the year under review. The attendance of the committee members at these meetings were as follows.

Name of the Director	No of Meetings
Mr. H.A.S. Samaraweera	4/4
Snr. Prof. S.P.P. Amaratunge	4/4
Mr. W.A. Upali Gunawardena (Upto 9th January 2022)	3/4
Mr. T. Dharmarajah (Since 10th January 2022)	1/4

The proceedings of the Audit Committee are regularly reported to the Board of Directors. The Chairman of the Audit Committee has been empowered to convene regular meetings with the Director Finance, sectional heads and Company's external auditors, separately and periodically as deemed necessary. The Board reviews and updates the Committee Charter annually according to the changes in business operations of the organization. The minutes of the meetings and reports from the Audit Committee are submitted to the Board of Directors.

Appointment of External Auditors

The Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young continues as Auditors for the financial year ending 31 March 2023.

Conclusion

The Audit Committee is satisfied that the control environment adopted in the organization provides reasonable, but not absolute assurance that the financial position of the company is satisfactory and that systems are in place to minimize the impact of identifiable risks and that the Listing Rules of the Colombo Stock Exchange have been met.



H.A.S. Samaraweera

Chairman - Audit Committee

31 August 2022

REPORT OF THE REMUNERATION COMMITTEE



Composition of the Remuneration Committee

In accordance with the Corporate Governance Guidelines, the Board has appointed the Remuneration Committee which consists of three Independent Non-executive Directors. The members are:

Mr. W. A. Upali Gunawardena - Chairman (Upto 9th January 2022)

Mr. T. Dharmarajah - Chairman (Since 10th January 2022)

Snr. Prof. S.P.P. Amaratunge

Mr. W.M.S.V. Keerthirathne

A brief profile of the members are given in pages 30 to 35.

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

The Managing Director of the Company, who is responsible for the overall management of the Company, provides information to the Committee in all deliberations except in relation to those matters where the outcome has an impact on him.

Scope of Duties

Headed by the objective of attracting and retaining high caliber individuals in a competitive environment, in line with business performance and stakeholder expectations, the Remuneration Committee shall be responsible for the following:

- Setting the overall group remuneration policies after taking into consideration the current industrial norms; setting up guidelines and parameters for the compensation structure of the Managing Director, Executive Directors and other key managerial staff. To set goals and targets for the Managing Director, Executive Directors and key management personnel.

- To monitor and review the performance of the Managing Director, Executive Directors and other key management personnel.
- To periodically evaluate the performance of the Managing Director, Executive Directors and other key management personnel against the set targets and goals, and determine the basis for revising remuneration, benefits and other payments of performance-based incentives.

Remuneration Policy

The remuneration policy is to attract and retain a highly qualified and experienced workforce, and reward performance accordingly against the backdrop of industry norms. These compensation packages provide compensation appropriate for the Group and are commensurate with each employee's level of expertise and contribution, bearing in mind business performance and shareholder returns.

Disclosure

The whole committee comprises of Independent non-executive Directors and Independent Directors receive a fee for attending Board meetings and serving on sub committees. Details of Directors' emoluments are disclosed on page 84.

T. Dharmarajah

Chairman - Remuneration Committee
31 August 2022

REPORT OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

The Related Party Transaction Review Committee (RPTRC) was constituted by the board of directors on 01st January 2016 further to the provisions contained in Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE).

Composition of the Committee

The Committee comprised of the following members & they met 04 times during the year under review,

Mr. W.M.S.V. Keerthirathne (Chairman)

Independent Non-Executive Director

Mr. H.A.S. Samaraweera

Independent Non-Executive Director

Mr. G. V. P. G. Amarasinghe

Executive Director

Purpose of the Committee

The purpose of the Committee is to assist the Board in meeting its oversight responsibilities to ensure that the interest of shareholders as a whole, are taken into account when entering into related party transactions.

The RPTRC reviews all the Related Party Transactions of the Group and where the Committee decides that the approval of the Board of Directors of the respective companies is necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.

When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether recurrent or non-recurrent in nature.

Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.

In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

The self-declarations from the Directors and Key Management Personnel are obtained for the purpose of identifying parties related to them. Further, the guidelines which senior management must follow in routing Related Party Transactions to the relevant forum, including transaction threshold values and pricing where applicable, have been documented even in

the case of once approved recurrent transactions which are of operational nature, which as per the RPT code need not be repeatedly approved if within the broad thresholds.

The RPTRC in discharging its function has introduced processes and periodic reporting by the relevant entities with a view to ensuring that:

- There is compliance with the Code;
- Shareholder interests are protected; and
- Fairness and transparency are maintained.

The Committee has criteria for designating Group Key Management Personnel (KMP). Further, processes have been introduced to obtain annual disclosures from all KMPs so designated.

The Related Party Transactions of the Company for the period 1 April 2021 to 31 March 2022 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

Meetings

The committee meetings were held four times during the year under review on 2 June 2021, 30 September 2021, 6 December 2021 and 22 February 2022. The attendance of the committee members at these meetings were as follows.

Name of the Director	No of Meetings
Mr. W.M.S.V. Keerthirathne	4/4
Mr. H.A.S. Samaraweera	4/4
Mr. G.V.P.G. Amarasinghe	4/4

Disclosures

A detailed disclosure of all the related party transactions including Recurrent and Non Recurrent related party transactions which are required to be disclosed under section 9.3.2 of the listing rules of the Colombo Stock Exchange has been made in Page 93.


W.M.S.V. Keerthirathne
Chairman
Related Party Transactions Review Committee
31 August 2022

DISCLOSURE OF RELATED PARTY TRANSACTIONS

Non-recurrent related party transactions and Recurrent related party transactions which meet the threshold criteria set out in Sections of 9.3.2 (a) and 9.3.2 (b) of Listing Rules pertaining to Related Party Transactions issued by Colombo Stock Exchange are required to be disclosed in the Annual Report.

01. Non-recurrent Related Party Transactions (Section 9.3.2 (a))

Raigam Wayamba Salterns PLC has not involved in any non-recurrent related party transactions which aggregate value exceeds 10% of Equity or 5% of total Assets whichever is

lower, as per audited financial statements for 2021/2022.

02. Recurrent Related Party Transactions (Section 9.3.2 (b))

During the year under review, the Company has involved in Recurrent Related Party Transactions which are carried out on a continuing basis in ordinary course of business. Such Recurrent Related Party Transactions of which the aggregate value exceeds 10% of the gross revenue/ income are shown in the stipulated format below.

Name of the Related Party	Relationship	Nature of the Transaction	Year	Aggregate value of Related Party Transactions entered into during the financial year (Rs.)	Aggregate value of Related Party Transactions as a % of Net Revenue/ Income	Terms and Conditions of the Related Party Transactions
Southern Salt Company (Pvt) Ltd	Subsidiary	Purchase of Goods/Services	2021/2022	175,693,024.65	15%	Arm's length Transaction on normal commercial terms.
			2020/2021	139,292,336.00	15%	
		Settlements for purchase of Goods/Services	2021/2022	181,837,369.33	16%	
			2020/2021	76,962,323.00	8%	
Raigam Eastern Salt Company (Pvt) Ltd	Subsidiary of the ultimate parent company	Purchase of Goods/Services	2021/2022	209,015,733.50	18%	Arm's length Transaction on normal commercial terms.
			2020/2021	168,447,253.00	18%	
		Settlements for purchase of Goods/Services	2021/2022	114,235,000.00	10%	
			2020/2021	121,865,329.00	13%	

RISK MANAGEMENT

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

We reviewed and refined our investment processes balancing rigor and consistency with responsiveness and flexibility. The aim was to lay a sound foundation to integrate our risk management activities as part and partial of our operations. The board of directors places special consideration on mitigating of those risks to possible extent.

01

Objective Setting

Company sets its financial and operational objectives on a yearly basis. This process includes reviewing and setting long-term (five-year) objectives and annual objectives with related KPIs for monitoring purposes. The Corporate Management team takes the initiative in proposing objectives and they are reviewed and approved by the Board.

02

Risk Identification

Risks associated with objectives are identified and documented in parallel to setting of objectives. Further, the applicability of risk areas identified previously during management discussions in internal audit reports and management letters of external auditors are reviewed to prepare a comprehensive list of risks of the Group.

03

Risk Assessment

The measure of risk is based on likelihood and impact assessment performed as explained below. Any significant risks exceeding risk tolerance limits will require management responses.

04

Risk Response

Depending on the significance of the risk, decisions are taken to appropriately manage the risk by accepting, reducing, sharing or avoiding it. Risk responses identified in relation to set objectives are also documented and reviewed.

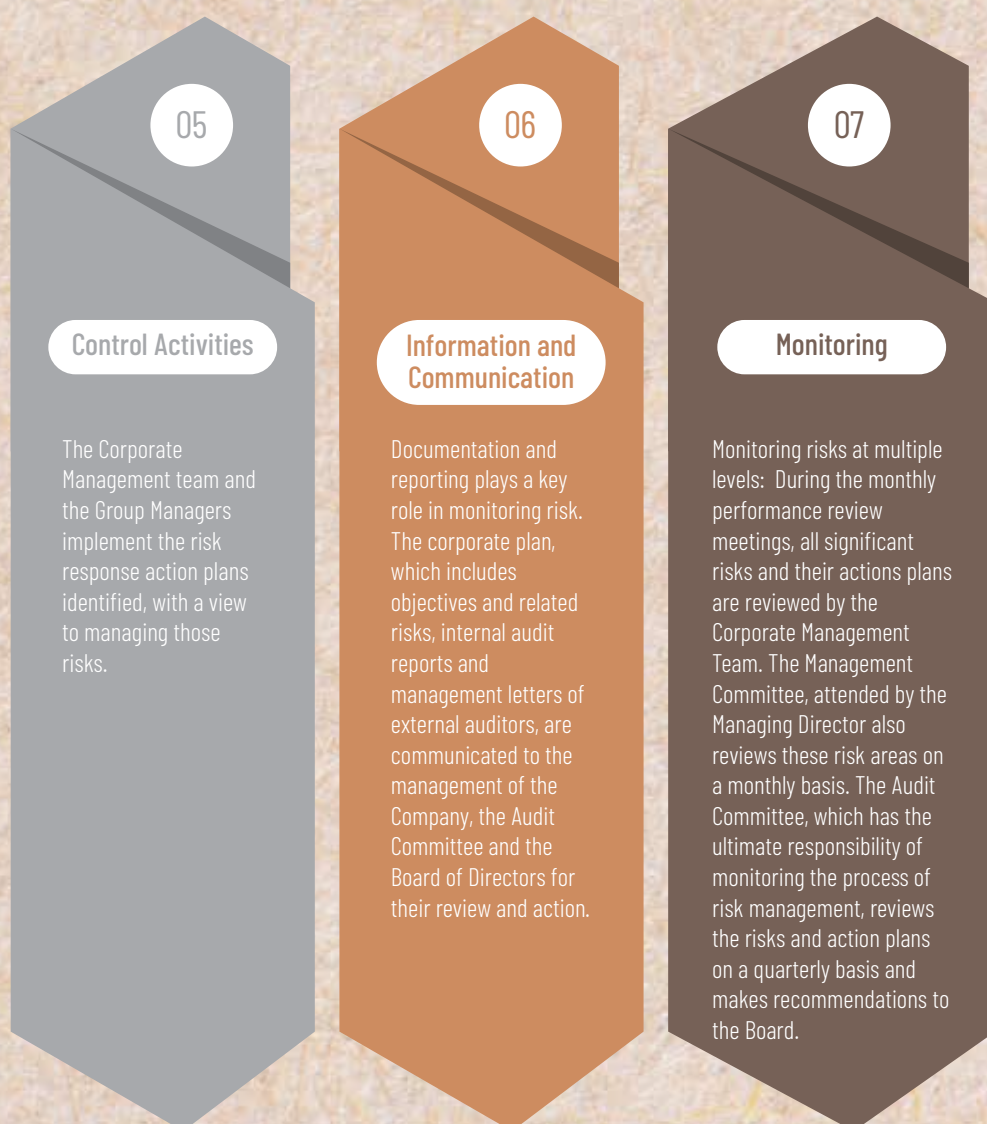
The strategies the Group adopts to manage risk depend on the type of risk and the severity of the risk, which are outlined as follows,

- Accepting the consequences of the risk and budgeting for it.
- Avoiding the possibility of the risk occurring.
- Transferring the risk to another party.
- Identifying and profiling significant risks,
- Determining Group risk appetites,
- Accepting / transferring / eliminating and sharing risks,
- Measuring performance including the benefits of risk diversification and
- Monitoring execution of the process.

Risk Management Framework

- Raigam follows COSO and Risk Management Industry approaches as the conceptual framework of its Enterprise Risk Management. The Framework consists of

The outcome of this process will help to direct scarce resources towards business opportunities that generate maximum returns, with minimum risk. Further, this method allows assessment of risk observations to priorities risk management. below chart shows Raigam's risk management framework.



Risk Management Structure

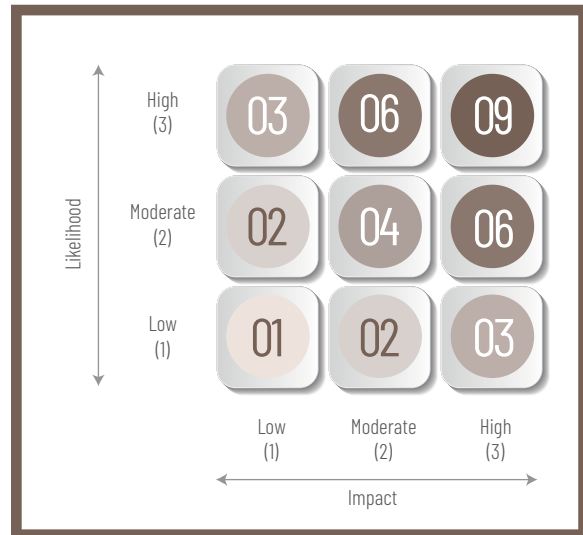
The Board has the preliminary responsibility for ensuring whether the risks are identified and appropriately managed via the Group. The Audit Committee has been delegated to review the effectiveness of the risk management process, including the systems set for identifying, assessing, managing and monitoring risks by, the Board of Directors. The internal audit department of the company also plays a major role in risk identification. The corporate management team plays the prime role in the total risk management process of identification of risks and eventually the enactment of mitigating plans and monitoring of identified risks.

The corporate management team also evaluates possible alternatives available to mitigate identified risks. Functional managers deliver valuable information and responses to the corporate management team for risk management with the aid of the employees.



Risk Assessment

COSO Framework requires any risk to be assessed based on the likelihood and the impact. COSO risk assessment framework can be presented in following matrix. According to the matrix, top right corner risks are assessed as highest risks and such risks require prompt attention.



Risk Categorization

Business & Operations	Finance	Environment	Reputation
Business Risk	Foreign Exchange Risk	Regularity and Complains Risk	Quality
Project Development Risk	Interest Rate Risk	Legal Risk	Customer Service
Technological Risk	Credit Risk	-	-
Human Risk	-	-	-
Commodity Price Risk	-	-	-
Cost Overrun Risk	-	-	-
Operational Risk	-	-	-

Risk Mitigation Actions

The table below sets out the broader categories of risks, their effects, assessment of their likelihood of occurrence and impact and mitigating actions for such identified risks.

Risk Category	Effect	Likelihood	Impact	Mitigating Actions
Commodity Price Risk	Impact to profitability due to fluctuation of raw material sourcing prices from time to time, especially raw crystal salt purchasing prices depending on harvest quantities and qualities from harvesting season to season.	High	High	Entering into purchasing agreement with suppliers, deploying special purchasing plans on right time by purchasing division and passing the cost increases to customers.
Business Risk	Obsolescent of existing technology due to innovation in the industry.	High	High	Backward integration, obtaining expert knowledge on forecasting and assumptions.
Technological Risk	Introduction of new regulations affecting the business adversely.	High	High	Foreign consultancy, training.
Regulatory And Compliance Risk	Introduction of new regulations affecting the business adversely.	Moderate	Moderate	Monitoring of compliance with regulatory requirements. Participate in lobbying efforts against regulations that could have a negative impact on business / industry.
Human Risk	Adverse impact on business competitiveness due to the inability to recruit / retain required talented staff.	Low	High	Build strong employer brand.
Project Development Risk	Delays in project development due to deadlocks leading to loss of revenue E.g. Delay in granting approval by related authorities for project related matters.	Low	High	Building and maintaining a good rapport with the stakeholders to minimize project development delays.
Credit Risk	Liquidity position being negatively affected due to delays / non-payments from debtors.	Low	High	Protection through legally enforceable agreements.
Legal Risk	Non adherence to the rules and regulations set out in numerous government Acts.	Low	High	Awareness of those regulations and policy level arrangement to address those risks.
Quality Risk	Potential adverse impact on company's image due to low quality.	Low	High	Conducting internal and external audits. Holding the prestigious ISO 9001 and assessing quality management system frequently.
Customer Service Risk	Risk arising from poor customer service pose a major threat to the reputation.	Low	High	Having customer inquiry system with a sound technical support system.
Cost Overrun Risk	Returns from new projects being lower due to actual project cost overruns.	Low	Low	Making accurate project cost estimates using expert knowledge and adopting budgetary controls on development cost.
Operational Risk	Losses due to fraud, human errors, inefficient processes, natural perils and loss of sensitive information.	Low	Low	Conduct periodic internal audit reviews which report to the Audit Committee of the company. Working out a business continuity plan to ensure disaster preparedness. Appropriate insurance covers.
Interest Rate Risk	Adverse impact on profitability due to interest rate fluctuations.	Low	Low	Use of flexible financial sources and arrangements.
Foreign Exchange Rate Risk	Adverse impact on profitability due to exchange rate fluctuations.	Low	Low	Managing foreign exchange rate exposures by applying financial risk management techniques



Financial Calendar 2021/2022

01 st Quarter Report	16 August 2021
02 nd Quarter Report	12 November 2021
03 rd Quarter Report	14 February 2022
04 th Quarter Report	31 May 2022
17 th Annual General Meeting	29 September 2022



FINANCIAL STATEMENTS





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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RAIGAM WAYAMBA SALTERNS PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Raigam Wayamba Salterns 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 31 March 2022, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2022, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Existence and Valuation of Inventories	
<p>As at 31 March 2022, the net carrying value of Inventory amounted to Rs. 241.8 Mn as disclosed in Notes 2.9.8 and 9 to the financial statements.</p> <p>Existence and Valuation of inventories was a key audit matter due to:</p> <ul style="list-style-type: none"> ➤ Materiality of the reported amount, which represents 12% of the Group's total assets coupled with the Significant increase (112%) reported by the Group. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Performed procedures to understand the design of key controls related to existence valuation of inventories. • Observed physical inventory counts and reconciled the count results to the inventory records. We evaluated the causes for any differences and course of action taken by the management to remediate such differences. • Checked the costs considered in the valuation of inventory and the appropriateness of allocation of direct labour, direct material and production overheads. • Tested unit costs of inventory items to subsequent sales invoices to assess whether the inventory is held at the lower of cost and net realizable value. <p>We also assessed the adequacy of disclosures made in relation to the valuation of inventories in Note 2.9.8 to the financial statements</p>

Other information included in the Company's 2021/22 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1864.

Ernst & Young
31 August 2022
Colombo

Raigam Wayamba Salterns PLC and Its Subsidiaries

STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

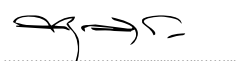
	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4	637,841,227	647,682,447	529,487,582	543,340,764
Intangible Assets	5	5,059,215	1,846,790	3,212,425	-
Right-Of-Use Assets	6	17,293,300	12,238,014	5,875,795	-
Investments in Subsidiaries	7	-	-	85,140,226	75,140,226
		<u>660,193,742</u>	<u>661,767,251</u>	<u>623,716,028</u>	<u>618,480,990</u>
Current Assets					
Inventories	9	241,849,349	113,813,531	135,308,434	86,701,905
Trade and other Receivables	10	432,434,686	290,726,829	471,906,231	276,535,259
Other Current Financial Assets	8	514,634,975	393,545,850	514,634,975	393,545,850
Cash and Cash Equivalents	23	108,378,280	259,208,816	52,065,016	249,585,798
		<u>1,297,297,290</u>	<u>1,057,295,026</u>	<u>1,173,914,656</u>	<u>1,006,368,812</u>
Total Assets		<u>1,957,491,032</u>	<u>1,719,062,277</u>	<u>1,797,630,684</u>	<u>1,624,849,802</u>
EQUITY AND LIABILITIES					
Stated Capital	11	604,414,640	604,414,640	604,414,640	604,414,640
Revaluation Reserve	12	124,319,086	124,319,086	98,607,740	98,607,740
Retained Earnings		890,581,758	699,983,644	727,295,097	580,402,051
Total Equity		<u>1,619,315,484</u>	<u>1,428,717,370</u>	<u>1,430,317,477</u>	<u>1,283,424,431</u>
Non-Current Liabilities					
Defined Benefit Obligation	14	23,848,374	23,815,547	20,835,336	21,806,179
Deferred Tax Liability	15	32,080,418	32,491,857	24,823,403	24,805,889
Interest Bearing Loans and Borrowings	13	13,616,827	11,885,805	2,127,516	-
		<u>69,545,619</u>	<u>68,193,209</u>	<u>47,786,255</u>	<u>46,612,068</u>
Current Liabilities					
Trade and Other Payables	16	230,317,547	160,440,488	288,340,621	238,625,640
Income Tax Payable		26,758,820	7,114,730	22,788,853	1,965,833
Interest Bearing Loans and Borrowings	13	11,553,562	54,596,480	8,397,478	54,221,830
		<u>268,629,929</u>	<u>222,151,698</u>	<u>319,526,952</u>	<u>294,813,303</u>
Total Equity and Liabilities		<u>1,957,491,032</u>	<u>1,719,062,277</u>	<u>1,797,630,684</u>	<u>1,624,849,802</u>

These financial statements are in compliance with the requirements of the Companies Act No.07 of 2007.




Nevinda Jayasuriya
Director Finance

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by:



Ganaka Amarasinghe
Executive Director



Ravi Liyanage
Chairman

The accounting policies and notes on pages 109 through 150 form an integral part of the financial statements.

31 August 2022
Colombo

Raigam Wayambam Saltans PLC and It's Subsidiaries

STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2022

	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Revenue from Contracts with Customers	3	1,147,188,556	959,680,652	1,063,409,359	924,086,572
Cost of Sales		(723,420,162)	(604,559,940)	(732,715,262)	(651,224,339)
Gross Profit		423,768,394	355,120,712	330,694,097	272,862,233
Other Income	17	5,335,495	194,199	11,548,520	127,777
Administration Expenses		(99,692,622)	(87,910,653)	(76,866,511)	(65,973,163)
Selling & Distribution Expenses		(78,911,235)	(109,791,311)	(68,954,980)	(101,364,800)
Profit from Operating Activities		250,500,032	157,612,947	196,421,125	105,652,048
Finance Income	18	27,900,368	31,344,857	25,451,096	31,344,857
Finance Cost	19	(994,761)	(1,409,291)	(277,315)	(47,759)
Net Finance Income		26,905,607	29,935,566	25,173,781	31,297,098
Profit Before Tax		277,405,639	187,548,513	221,594,906	136,949,146
Income Tax Expense	15	(61,815,192)	(37,789,276)	(50,037,494)	(28,611,718)
Profit for the year		215,590,447	149,759,237	171,557,412	108,337,427
Earning Per Share					
- Basic (Rs.)	20	0.76	0.53	0.61	0.38
- Diluted (Rs.)	20	0.76	0.53	0.61	0.38
Dividend Per Share	21	0.10	0.10	0.10	0.10

The accounting policies and notes on pages 109 through 150 form an integral part of the financial statements.

Raigam Wayamba Salterns PLC & its Subsidiary
STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2022

	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Profit for the Year		215,590,447	149,759,237	171,557,412	108,337,427
Other Comprehensive Income					
<i>Other comprehensive income not to be reclassified to Statement of Profit or Loss in subsequent periods:</i>					
Actuarial Gain /(Loss) on Defined Benefit Obligation	14	3,937,072	299,451	4,337,032	(193,810)
Gain on Revaluation of Property, Plant and Equipment	4.5	-	-	-	-
Deferred Tax on Actuarial (Gain)/Loss	15.2	(708,673)	(53,901)	(780,666)	34,886
Deferred Tax on Gain on Revaluation of Property, Plant and Equipment	15.2	-	-	-	-
Net other comprehensive income/(Loss) not to be reclassified to profit or loss in subsequent periods		<u>3,228,399</u>	<u>245,550</u>	<u>3,556,366</u>	<u>(158,924)</u>
Other Comprehensive Income/(Loss) for the Year, Net of Tax		<u>3,228,399</u>	<u>245,550</u>	<u>3,556,366</u>	<u>(158,924)</u>
Total Comprehensive Income for the Year, Net of Tax		<u><u>218,818,846</u></u>	<u><u>150,004,787</u></u>	<u><u>175,113,778</u></u>	<u><u>108,178,503</u></u>

The accounting policies and notes on pages 109 through 150 form an integral part of the financial statements.

Raigam Wayamba Salterns PLC and Its Subsidiaries

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

Group	Stated Capital Rs. Note 11	Revaluation Reserve Rs. Note 12	Retained Earnings Rs.	Total Rs.
Balance as at 31st March 2020	604,414,640	124,319,086	578,199,588	1,306,933,314
Profit for the year	-	-	149,759,238	149,759,238
Other Comprehensive Income	-	-	245,550	245,550
Total Comprehensive Income	-	-	150,004,788	150,004,788
Dividend paid (Rs. 0.10 per share)	-	-	(28,220,732)	(28,220,732)
Balance as at 31st March 2021	604,414,640	124,319,086	699,983,644	1,428,717,370
Profit for the year	-	-	215,590,447	215,590,447
Other Comprehensive Income	-	-	3,228,399	3,228,399
Total Comprehensive Income	-	-	218,818,846	218,818,846
Dividend paid (Rs. 0.10 per share)	-	-	(28,220,732)	(28,220,732)
Balance as at 31st March 2022	604,414,640	124,319,086	890,581,758	1,619,315,484
Company	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st April 2020	604,414,640	98,607,740	500,444,281	1,203,466,661
Profit for the Period	-	-	108,337,426	108,337,426
Other Comprehensive Income	-	-	(158,924)	(158,924)
Total Comprehensive Income	-	-	108,178,502	108,178,502
Dividend paid (Rs. 0.10 per share)	-	-	(28,220,732)	(28,220,732)
Balance as at 01st April 2021	604,414,640	98,607,740	580,402,051	1,283,424,431
Profit for the Period	-	-	171,557,412	171,557,412
Other Comprehensive Income	-	-	3,556,366	3,556,366
Total Comprehensive Income	-	-	175,113,778	175,113,778
Dividend paid (Rs. 0.10 per share)	-	-	(28,220,732)	(28,220,732)
Balance as at 31st March 2022	604,414,640	98,607,740	727,295,097	1,430,317,477

The accounting policies and notes on pages 109 through 150 form an integral part of the financial statements.

Raigam Wayamba Salterns PLC and Its Subsidiaries

STATEMENT OF CASH FLOWS

Year ended 31 March 2022

	Note	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cash Flows from Operating Activities					
Net Profit before Income Tax Expense		277,405,639	187,548,513	221,594,906	136,949,146
Adjustments for					
Depreciation		41,162,382	35,601,142	33,207,857	27,201,669
Amortisation Intangible Assets		820,509	-	-	-
Interest income		(30,664,002)	-	(34,427,756)	(31,344,857)
Finance Costs		993,561	1,409,291	276,115	47,759
Loss/(Gain) on Disposal of Property, Plant & Equipments		(2,520,873)	(31,344,857)	(2,493,438)	-
Provision for Retirement Benefit Liability		4,736,579	4,719,983	4,132,869	4,293,362
Provision for doubtful Debtors		-	(468,861)	-	(468,861)
Operating Profit before Working Capital Changes		291,933,795	197,465,211	222,290,553	136,678,218
(Increase)/Decrease in Inventories		(128,035,819)	11,891,047	(48,606,529)	14,482,454
(Increase)/Decrease in Trade and Other Receivables		(141,707,857)	5,780,177	(195,370,971)	(10,685,450)
Increase/ (Decrease) in Trade and Other Payables		69,881,986	68,000,241	49,714,981	127,338,881
Cash Generated from Operations		92,072,105	283,136,676	28,028,035	267,814,103
Income Tax Paid		(43,291,210)	(31,628,232)	(29,977,625)	(27,106,634)
Gratuity Paid		(766,680)	(295,582)	(766,680)	(295,582)
Finance Expenses Paid		(729,542)	(1,409,291)	(34,606)	(47,759)
Net Cash from Operating Activities		47,284,673	249,803,571	(2,750,876)	240,364,128
Cash Flows from Investing Activities					
Acquisition of Property, Plant and Equipment		(42,953,519)	(49,396,070)	(30,987,032)	(48,013,885)
Acquisition of Intangible Assets		(3,212,425)	-	(3,212,425)	-
Investments in fixed deposits		(121,089,126)	(30,082,401)	(121,089,126)	(30,082,401)
Finance Income Received		30,664,002	31,344,857	34,427,756	31,344,857
Investments in Subsidiaries		-	-	(10,000,000)	-
Disposal Proceeds from Property, Plant and Equipment		14,000,000	-	14,000,000	-
Net Cash from / (used in) Investing Activities		(122,591,068)	(48,133,614)	(116,860,827)	(46,751,429)
Cash Flows from Financing Activities					
Payment of Dividends		(28,220,732)	(28,220,732)	(28,220,732)	(28,220,732)
Lease Installments Paid		(2,385,670)	(335,793)	(1,975,748)	-
Net Cash from/(used in) Financing Activities		(30,606,402)	(28,556,525)	(30,196,480)	(28,220,732)
Net Increase/(Decrease) in Cash and Cash Equivalents		(105,912,797)	173,113,432	(149,808,183)	165,391,968
Cash and Cash Equivalents at the Beginning of the Period		204,986,986	31,873,555	195,363,968	29,972,000
Cash and Cash Equivalents at the End of the Period		99,074,189	204,986,987	45,555,786	195,363,968

The accounting policies and notes on pages 109 through 150 form an integral part of the financial statements.

1. CORPORATE INFORMATION

1.1 Reporting Entity

Raigam Wayamba Salterns PLC is a Public Limited Liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company is located at No. 23, Walukarama Road, Colombo 03 and the principal place of business are located at No.277, Koswatte, Kiriwattuduwa; Kalpitiya Road, Palavi, Puttalam and Bata-atha Industrial Zone, Kahandamodara, Gurupokuna, Tangalle.

1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2022, comprise “the Company” referring to Raigam Wayamba Salterns PLC as the Holding Company and “the Group” referring to the companies whose accounts have been consolidated therein.

1.3 Parent Entity and Ultimate Parent Entity

The Company’s parent and ultimate parent entity is Raigam Marketing Services (Private) Limited which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The consolidated financial statements of Raigam Wayamba Salterns PLC and its Subsidiaries (Collectively, the Group) for the year ended 31 March 2022 were authorized for issue in accordance with a resolution by the board of directors on 31 August 2022.

1.5 Principal Activities and Nature of Operations

During the year, the principal activities of the Company and Subsidiaries were manufacturing and distribution of Salt and other goods Island wide and development of salterns.

Subsidiaries are the enterprises controlled by the parent. Control exists when the parent has the power, directly or indirectly to govern the financial and operating policies of an enterprise. Subsidiaries are controlled from the date the parent obtains control until the date that control ceases. The following companies have been consolidated.

Raigam Wayamba Saltern PLC	-	Parent
Southern Salt Company (Private) Limited	-	Subsidiary
Raigam Wayamba Cereals (Private) Limited	-	Subsidiary

2. BASIS OF PREPARATION

2.1 Basis of Measurement

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for Property, Plant and Equipment that have been measured at fair value and the liability for Defined Benefit Obligations are actuarially valued and recognized at the present value.

2.2 Statement of Compliance

The Financial Statements which comprise the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows together with the Accounting Policies and Notes (the “Financial Statements”) have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 7 of 2007.

2.3 Comparative Information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous year. Previous year’s figures and phrases have been rearranged whenever necessary to conform to the current presentation.

2.4 Going Concern

The Directors have made an assessment of the Group’s ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

The Group has assured the availability of financial resources to continue its operations whenever necessary. Therefore, the management is in the opinion that the cash flows are sufficient to meet current liabilities for the foreseeable future.

2.5 Presentation and Functional Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees, the Group’s functional and presentation currency, which is the primary economic environment in which the Holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

2.6 Basis of Consolidation

The Consolidated Financial Statements of Raigam Wayamba Salterns PLC and its Subsidiaries (referred to as the ‘Group’) comprise the Financial Statements of the Group as at 31 March 2022.

Subsidiaries are disclosed in Note 7 to the Financial Statements.

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 subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Assets, liabilities, income and expenses of subsidiaries 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 subsidiaries.

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.

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 subsidiaries, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over subsidiaries, 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 Statement of Profit or Loss. 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 Statement of Profit or Loss and Consolidated Statement of other 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 Statement of Profit or Loss and Statement of other 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.

2.7 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted by the Group are consistent with those of the previous financial year except for the following;

2.7.1 Summary of new accounting policies resulting from amended standards and interpretations

The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in the year ended 31 March 2022, but do not have an impact on the Financial Statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to SLFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

In 4 December 2020, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued Covid-19-Related Rent Concessions - amendment to SLFRS 16 Leases. The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under SLFRS 16, if the change were not a lease modification..

2.8 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

Judgments

The preparation of the financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

Taxes

The Group is subject to income tax and other taxes including VAT. Significant judgment was required to determine the total provision for current, deferred and other taxes.

Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters are different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

Impairment of Trade Debtors

The Group reviews its individually significant Receivables at each reporting date to assess whether an impairment loss should be recorded in the Statement of Profit or Loss. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

Critical Accounting Estimates and Assumptions

The financial statements are sensitive to assumptions and estimates made in measuring certain carrying amounts represented in the statement of financial position and amounts charged to the profit or loss. These could result in a significant risk of causing material adjustments to the carrying amounts of assets and liabilities which are disclosed in the relevant notes to the financial statements.

Fair Value of Property, Plant and Equipment

The Property, Plant and Equipment of the Group are reflected at fair value when current market prices of similar assets are available; such evidences are considered in estimating fair values of these assets. In the absence of such information the Group determines within a reasonable fair value estimates, amounts that can be attributed as fair values, with the assistance of an independent valuer.

The significant unobservable inputs to valuation are provided in Note 4.

Defined Benefit Obligation

The employee benefit liability of the Group determines using actuarial valuation carried out by an independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are contained in Note 14.

Goodwill Impairment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the assets. The value in use calculation is based on a discounted cash flow model.

The cash flows are derived from the forecast for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Impairment of Non Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs and its value in use.

The fair value less cost of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Incremental Borrowing rate

The Group recognised its lease liabilities in relation to leases and liabilities that were measured at the present value of the future lease payments, after discounting based on the lessee's incremental borrowing rate as of commencement date of the lease. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31/03/2019 was 11%.

2.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.9.1 Foreign currencies

Foreign currency transactions and balances

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 the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss arises from this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective 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.

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 other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.9.2 Business Combination and Goodwill

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

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 classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized 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 recognized 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 transferred; the gain is recognised in profit or loss.

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.

2.9.3 Revenue and Other Income Recognition

a) Revenue from Contracts with Customers

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

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

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

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

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

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

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

b) Finance income

Finance income comprises interest income on funds invested, gains on the remeasurement to fair value of any pre-existing interest in an acquiree that are recognised in Statement of Profit or Loss.

Interest income or expense is recorded as it accrues 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, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Profit or Loss.

c) Dividends

Dividend income is recognised when the Group's right to receive the payment is established.

d) Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other noncurrent assets, including investments, are accounted for in the Statement of Profit or Loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

e) Others

Other income is recognized on an accrual basis.

2.9.4 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

2.9.4.1 Financial Assets

Initial Recognition and Subsequent Measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

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

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

Financial Assets at Amortised Cost (Debt Instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- And
- The contractual terms of the Financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial Assets Designated at Fair Value Through OCI (Equity Instruments)

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial Assets at Fair Value through Profit or Loss

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes short term investments which the Group had not irrevocably elected to classify at fair value through OCI. Income from these investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

The Group's financial assets at amortised cost includes trade and other receivables and fixed deposits.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's Consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- 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 has transferred substantially all the risks and rewards of the asset, or (b) the Group 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, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

Trade receivables

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment of Non Financial Assets

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value maybe impaired:

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

2.9.4.2 Financial Liabilities

Initial Recognition and Measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

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

Financial Liabilities at Amortised Cost

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

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

The Group's financial liabilities include trade and other payables and interest-bearing loans and borrowings including bank overdrafts.

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

2.9.4.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a current enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.9.4.4 Fair Value Measurement

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 the principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.9.5 Taxation

a) Current income tax

Pursuant to agreement dated 20th March 2006 entered into with Board of Investment under Section 17 of the Board of Investment Law, the Raigam Wayamba Salterns PLC is exempt from the business of manufacturing for a period of 8 years from the year of assessment year 2006/07. This exemption expires on the 2nd March 2014 and for the immediately succeeding two years the Company is liable to pay income tax at the rate of 10% and thereafter at the rate of 20%. As per Inland Revenue Amendment act No.10 of 2021, gains and profits from manufacturing is taxable at 18%.

b) Deferred Taxation

Deferred income 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 income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets 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 assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted as at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in Statement of Changes in Equity and not in the Statement of profit or loss.

2.9.6 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 which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a Qualifying asset is recognized in the Statement of profit or loss.

2.9.7 Cash and Cash Equivalents

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

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities (i.e. three months or less from the date of acquisition) are also treated as cash equivalents.

2.9.8 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae: -

Raw Material	- At purchase cost on first-in first-out basis
Finished Goods & Work-In-Progress	- At the cost of direct materials, direct labor at FIFO basis and an appropriate proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.
Engineering Stock, Firewood, Packing Material, Fuel Stocks and Other Chemicals Stock	- At purchase cost on first in first out basis

2.9.9 Property, Plant and Equipment

Basis of recognition

Property, plant and equipment are 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

Property, Plant and Equipment are initially measured at cost. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred. Subsequent to initial recognition, the property, plant and equipment are stated at fair value less accumulated depreciation and any accumulated impairment loss, which reflect market conditions at the reporting date.

When items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the Statement of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

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

De-recognition

An item of property, plant and equipment are derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss in the year the asset is derecognised.

Depreciation

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

Capital Work in Progress

Capital expenses incurred during the year which are not completed as at the date of the Statement of Financial Position are shown as Capital Work-in-Progress, Capital work in progress is stated at cost less accumulated impairment.

2.9.10 Leases

Group as a lessee

As per SLFRS 16, when the Group has determined that a contract contains a lease component and one or more additional lease components or non-lease components, the consideration in the contract is allocated to each lease component on the basis of relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. At the commencement date, the Group recognises right-of-use of an asset and a lease liability which is measured at the present value of the lease payments that are payable on that date. Lease payments are discounted using the IBR. After initial recognition, the Group applies cost model for the right-of-use of an asset and depreciate the asset from commencement date to the end of the useful life of the underlying asset. Where the right does not transfer the ownership of the asset, the Group depreciates it from commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. In addition, interest expense on the lease liability is recognised in the profit or loss.

2.9.11 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit or Loss when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.9.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

2.9.13 Defined Benefit Obligation

a) Defined Benefit Plan – Gratuity

Gratuity is a defined benefit plan. The Group is liable to pay gratuity in terms of the relevant statute.

The Group measures the present value of the promised retirement benefit for gratuity, which is a defined benefit plan with the advice of an independent professional actuary using the projected unit credit method (PUC) as required by LKAS No. 19, Employee Benefits.

The item is stated under Defined Benefit Obligation in the Statement of Financial Position.

Recognition of Actuarial Gains and Losses

Any actuarial gains and losses arising are recognized immediately in Other Comprehensive Income. This was previously recognized in Statement of Profit or Loss. Interest expense and current service cost are recognized in the statement of profit or loss.

b) Defined Contribution Plans – Employees’ Provident Fund & Employees’ Trust Fund

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

2.9.14 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 estimates the asset’s recoverable amount. An asset’s recoverable amount is higher of asset’s or cash generating unit’s (CGU) fair value less costs to sell and its value in use. It 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 or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, 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 estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor 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 Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.9.15 Expenditure recognition

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Profit or Loss.

For the purpose of presentation of the Statement of Profit or Loss, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Group and Group’s performance

2.9.16 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets (other than trade receivables) that are recognised in the Statement of Profit or Loss.

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 capitalized 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 the Group incurs in connection with the borrowing of funds.

2.10 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 Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

In 8 January 2020, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued SLFRS 17 Insurance Contracts (SLFRS 17). SLFRS 17 was amended by Amendments to SLFRS 17 - Insurance Contracts, in 28 June 2021. SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

Amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets : Onerous Contracts – Costs of Fulfilling a Contract

In 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets (LKAS 37) to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

Amendments to LKAS 16 Property, Plant & Equipment : Proceeds before Intended Use

In 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued LKAS 16 Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Amendments to SLFRS 3 Business Combinations : Updating a reference to conceptual framework

In 23 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 3 Business Combinations - Updating a Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

An exception was also added to the recognition principle of SLFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of LKAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, it was decided to clarify existing guidance in SLFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

SLFRS 1 First-time Adoption of Sri Lanka Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to SLFRS 1 First-time Adoption of International Financial Reporting Standards (SLFRS 1). The amendment permits subsidiary that elect to apply paragraph D16(a) of SLFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to SLFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of SLFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group do not have subsidiaries which are adopting IFRSs for the first time and hence, this amendment is not applicable to the Group.

SLFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to SLFRS 9 Financial Instruments (SLFRS 9). The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

LKAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to LKAS 41 Agriculture (LKAS 41). The amendment removes the requirement in paragraph 22 of LKAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of LKAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting

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Year ended 31 March 2022

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Revenue from Sale of Goods	1,147,188,556	959,680,652	1,063,409,359	924,086,572
	<u>1,147,188,556</u>	<u>959,680,652</u>	<u>1,063,409,359</u>	<u>924,086,572</u>

The business activities of the Company are only organised as a single reportable segment, where the management of the company monitors the Revenue from whole selling as a key performance indicator.

4. PROPERTY, PLANT & EQUIPMENT

Group

4.1	Gross Carrying Amounts	Balance as at 01.04.2021	Additions during the year	Disposals	Transfer In / (Out)	Revaluation Gain/(Loss)	Balance as at 31.03.2022
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At Valuation							
	Freehold Lands	250,677,623	-	(11,506,563)	-	-	239,171,060
	Buildings on freehold land	35,572,500	-	-	-	-	35,572,500
	Buildings on leasehold land	19,950,000	-	-	-	-	19,950,000
	PVD Plant	20,064,102	-	-	23,412,643	-	43,476,745
	Plant and Machinery	63,291,644	9,475,701	-	778,538	-	73,545,883
	Motor Vehicles	68,939,438	3,127,942	-	-	-	72,067,380
	Furniture and Fittings	797,905	22,388	-	-	-	820,293
	Factory Equipment	1,443,300	1,528,173	-	-	-	2,971,473
	Office Equipment	1,083,153	513,600	-	-	-	1,596,753
	Computers & Accessories	1,536,166	339,681	-	-	-	1,875,847
	Deep Well	650,000	-	-	-	-	650,000
	Salterns Development	213,401,913	-	-	-	-	213,401,913
	Total Value of Depreciable Assets	<u>677,407,744</u>	<u>15,007,485</u>	<u>(11,506,563)</u>	<u>24,191,181</u>	<u>-</u>	<u>705,099,847</u>
4.2 In the Course of Construction							
	Capital Work in Progress	37,425,815	27,271,034	-	(24,191,181)	-	40,505,668
		<u>37,425,815</u>	<u>27,271,034</u>	<u>-</u>	<u>(24,191,181)</u>	<u>-</u>	<u>40,505,668</u>
	Total Gross Carrying Amount	<u>714,833,558</u>	<u>42,278,519</u>	<u>(11,506,563)</u>	<u>-</u>	<u>-</u>	<u>745,605,515</u>

Group

4.3	Depreciation	Balance as at 01.04.2021	Charge for the year	Disposals	Transfers In/(Out)	Balance as at 01.04.2022
		Rs.	Rs.	Rs.	Rs.	Rs.
At Valuation						
	Buildings on freehold land	8,744,934	4,373,664	-	-	13,118,598
	Buildings on leasehold land	3,990,000	1,995,000	-	-	5,985,000
	PVD Plant	3,988,203	4,347,825	-	-	8,336,028
	Plant and Machinery	16,523,507	10,807,548	-	-	27,331,055
	Motor Vehicles	11,416,224	7,471,354	-	-	18,887,578
	Furniture and Fittings	191,518	108,510	-	-	300,028
	Factory Equipment	250,159	291,416	-	-	541,575
	Office Equipment	199,786	114,581	-	-	314,367
	Computers & Accessories	446,218	400,700	-	-	846,918
	Deep Well	65,000	32,498	-	-	97,498
	Salterns Development	21,335,562	10,670,080	-	-	32,005,643
	Total Depreciation	<u>67,151,111</u>	<u>40,613,176</u>	<u>-</u>	<u>-</u>	<u>107,764,288</u>

Raigam Wayamba Salterns PLC and Its
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. PROPERTY, PLANT & EQUIPMENT (Contd...)

COMPANY

4.6 Net Book Values	2022 Rs	2021 Rs.
At Valuation		
Freehold Lands	239,171,060	250,677,623
Buildings on freehold land	22,453,902	26,827,566
Buildings on leasehold land	13,965,000	15,960,000
PVD Plant	35,140,717	16,075,899
Plant and Machinery	46,214,828	46,768,137
Motor Vehicles	53,179,802	57,523,214
Furniture and Fittings	520,264	606,387
Factory Equipment	2,429,898	1,193,141
Office Equipment	1,282,386	883,367
Computers & Accessories	1,028,929	1,089,948
Deep Well	552,502	585,000
Salterns Development	181,396,270	192,066,351
	<u>597,335,559</u>	<u>610,256,633</u>
In the Course of Construction		
Capital Work in Progress	40,505,668	37,425,815
	<u>40,505,668</u>	<u>37,425,815</u>
Total carrying amounts of Property, Plant and Equipment	<u>637,841,227</u>	<u>647,682,447</u>

4.5 Gross Carrying Amounts	Balance as at 01.04.2021 Rs.	Additions during the year Rs.	Disposals Rs.	Transfers In/(Out) Rs.	Revaluation Gain/(Loss) Rs.	Balance as at 31.03.2022 Rs.
At Valuation						
Freehold Lands	250,677,623	-	(11,506,563)	-	-	239,171,060
Buildings on Freehold Land	35,572,500	-	-	-	-	35,572,500
PVD Plant	20,064,102	-	-	23,412,643	-	43,478,145
Plant and Machinery	48,448,457	9,336,951	-	778,538	-	58,562,546
Motor Vehicles	67,839,438	377,942	-	-	-	68,217,380
Furniture and Fittings	297,905	22,388	-	-	-	320,293
Factory Equipment	1,443,300	127,330	-	-	-	1,570,630
Office Equipment	399,153	1,600	-	-	-	400,753
Computers & Accessories	1,270,666	339,681	-	-	-	1,610,347
Deep Well	650,000	-	-	-	-	650,000
Salterns Development	135,232,913	-	-	-	-	135,232,913
Total Value of Depreciable Assets	<u>561,896,057</u>	<u>10,205,892</u>	<u>(11,506,563)</u>	<u>24,191,181</u>	<u>-</u>	<u>584,786,567</u>
Capital Work in Progress	33,544,543	20,106,140	-	(24,191,181)	-	29,459,502
	<u>33,544,543</u>	<u>20,106,140</u>	<u>-</u>	<u>(24,191,181)</u>	<u>-</u>	<u>29,459,502</u>
Total Gross Carrying Amount	<u>595,440,600</u>	<u>30,312,032</u>	<u>(11,506,563)</u>	<u>-</u>	<u>-</u>	<u>614,246,069</u>

Raigam Wayamba Salterns PLC and Its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. PROPERTY, PLANT & EQUIPMENT (Contd..)

COMPANY

4.6 Depreciation	Balance as at 01.04.2021	Charge for the year	Disposals	Transfers In/(Out)	Balance as at 01.04.2022
	Rs.	Rs.	Rs.	Rs.	Rs.
At Valuation					
Buildings on Freehold Land	8,744,934	4,373,664	-	-	13,118,598
PVD Plant	3,988,203	4,347,825	-	-	8,336,028
Plant and Machinery	13,750,877	9,317,631	-	-	23,068,508
Motor Vehicles	11,196,224	7,199,683	-	-	18,395,907
Furniture and Fittings	91,518	62,677	-	-	154,195
Factory Equipment	250,159	146,664	-	-	396,822
Office Equipment	75,211	40,019	-	-	115,230
Computers & Accessories	417,638	376,362	-	-	794,000
Deep Well	65,000	32,498	-	-	97,498
Salterns Development	13,520,071	6,761,630	-	-	20,281,701
Total Depreciation	52,099,836	32,658,652	-	-	84,758,487

4.7 Net Book Values

	2022 Rs	2021 Rs.
At Valuation		
Freehold Land	239,171,060	250,677,623
Buildings on Freehold Land	22,453,902	26,827,566
PVD Plant	35,142,117	16,075,899
Plant and Machinery	35,494,038	34,697,580
Motor Vehicles	49,821,473	56,643,214
Furniture and Fittings	166,098	206,387
Factory Equipment	1,173,808	1,193,141
Office Equipment	285,523	323,942
Computers & Accessories	816,347	853,028
Deep Well	552,502	585,000
Salterns Development	114,951,212	121,712,842
	500,028,079	509,796,221
In the Course of Construction		
Capital Work in Progress	29,459,502	33,544,543
	29,459,502	33,544,543
Total carrying amounts of Property, Plant and Equipment	529,487,582	543,340,764

Raigam Wayamba Salterns PLC and Its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. PROPERTY, PLANT & EQUIPMENT (Contd...)

4.8 During the financial year, the Group and Company acquired Property, Plant and Equipment to the aggregate value of Rs. 42,278,518/- and Rs. 30,312,031/- respectively (2021 - Group and Company Rs.49,396,070/- and Rs. 48,013,885/- - respectively). Cash payments amounting to Rs 42,278,518/- and Rs 30,312,031/- (2021 - Group and Company Rs. 42,278,518/- and Rs .30,312,031/-respectively), were made during the year for purchase of Property, Plant and Equipment.

4.9 Revaluation of Property Plant and Equipment.

Fair value of the property was determined using the Cost Method and the Market Comparable Method. The valuation have been performed by a valuer and are based on proprietary database of prices of transactions for properties of similar nature, location and condition. As at the dates of revaluation on 31st March 2019, the properties fair values are based on valuations performed by Mr. D.Jayawardana, an accredited independent valuer who has valuation experience for similar properties in Sri Lanka. A gain from the revaluation of property plant and equipment in Raigam Wayamba Saltern PLC of 21,756,303/- in 2019 was recognised on Other Comprehensive Income. (Company - Rs 13,895,243/-)

4.10 If the Properties, Plant and Equipment were measured using the cost model, the carrying amounts would be, as follows:

	Cost		Group		Net carrying amount		Company		Net carrying amount	
	2022		2022		2022		2022		2021	
	Rs.		Rs.		Rs.		Rs.		Rs.	
Freehold Lands	191,741,750	-	191,741,750	203,248,313	191,741,750	-	191,741,750	-	203,248,313	-
Buildings on Freehold Land	75,406,267	75,406,267	75,406,267	-	75,406,267	75,406,267	-	-	-	-
Buildings on Leasehold Land	10,841,297	8,444,419	2,396,878	3,481,008	-	-	-	-	-	-
PVD Plant	53,281,720	22,444,023	30,837,697	10,873,654	53,250,570	20,588,131	32,662,439	32,662,439	10,873,654	10,873,654
Plant and Machinery	170,628,794	158,767,814	11,860,980	4,434,616	156,417,922	149,752,856	6,665,066	6,665,066	7,194	7,194
Motor Vehicles	73,367,668	33,383,622	39,984,046	41,476,416	69,250,668	31,667,577	37,583,091	37,583,091	41,413,761	41,413,761
Furniture and Fittings	1,404,227	1,352,927	51,300	75,112	1,341,817	1,322,017	19,800	19,800	75,112	75,112
Factory Equipment	5,443,957	2,869,667	2,574,290	1,590,513	3,379,063	2,052,599	1,326,464	1,326,464	1,537,040	1,537,040
Office Equipment	1,458,011	599,401	858,610	490,811	757,374	451,332	306,042	306,042	380,179	380,179
Computers & Accessories	4,078,807	3,466,475	612,332	608,651	3,802,467	3,383,331	419,136	419,136	459,702	459,702
Deep Well	914,217	527,925	386,292	477,714	914,217	527,925	386,292	386,292	477,714	477,714
Salterns Development	157,085,541	76,403,213	80,682,328	96,390,882	71,323,555	42,830,903	28,492,652	28,492,652	35,625,008	35,625,008

Raigam Wayamba Salterns PLC and Its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. PROPERTY, PLANT & EQUIPMENT (Contd...)

4.11 *Revaluation of Property, Plant and Equipment*

The Group uses the revaluation model of measurement for Property, Plant and Equipment. The Group engaged independent expert valuer to determine the fair value of its Property, Plant and Equipment.

Details of Group's Property, Plant and Equipment stated at valuation are indicated below;

Company	Property, Plant and Equipment	Method of Valuation	Value Rs.	Valuer Details	Effective Date of Valuation
Raigam Wayamba Salterns PLC	Land and development at Kalpitiya Road, Palavi, Puttalam	Open Market Value Method	157,800,000	Mr. D. Jayawardana	31st March 2019
	Land and Development at Periyatheevu Munaikany Puladivayal, Palavi	Open Market Value Method	30,000,000	Independent Incorporated Valuer Mr. D. Jayawardana	31st March 2019
	Land and Development at Periyatheevu Vayalkany Puladivayal, Palavi Puttalam	Open Market Value Method	144,200,000	Independent Incorporated Valuer Mr. D. Jayawardana	31st March 2019
	Land and Development at Periyatheevu Kany Puladivayal, Palavi Puttalam	Open Market Value Method	42,160,000	Independent Incorporated Valuer Mr. D. Jayawardana	31st March 2019
	Building at Kalpitiya Road, Palavi Puttalam	Open Market Value Method	34,167,000	Independent Incorporated Valuer Mr. D. Jayawardana	31st March 2019
	Building at Periyatheevu Munaikany Puladivayal, Palavi Puttalam	Open Market Value Method	480,000	Independent Incorporated Valuer Mr. D. Jayawardana	31st March 2019
	Building at Periyatheevu Vayalkany Puladivayal, Palavi Puttalam	Open Market Value Method	900,000	Independent Incorporated Valuer Mr. D. Jayawardana	31st March 2019
	Plant Machineries and Equipment	Open Market Value Method	51,950,000	Independent Incorporated Valuer Mr. D. Jayawardana	31st March 2019

Raigam Wayamba Salterns PLC and Its Subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

4. PROPERTY, PLANT & EQUIPMENT (Contd...)

4.11 *Revaluation of Property, Plant and Equipment (Contd...)*

Company	Property, Plant and Equipment	Method of Valuation	Value Rs.	Valuer Details	Effective Date of Valuation
	Furniture & Fittings	Open Market Value Method	220,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
	Office Equipment	Open Market Value Method	175,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
	Factory Equipment	Open Market Value Method	1,200,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
	Computer & Accessories	Open Market Value Method	270,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
	Motor Vehicle	Open Market Value Method	50,000,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
Southern Salt Company Pvt Ltd	Salterns Developments	Open market value method	78,000,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
	Building	Open market value method	19,950,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
	Plant and Machinery	Open market value method	13,200,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
	Furniture and Fittings	Open market value method	500,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
	Office Equipment and Accessories	Open market value method	650,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019
	Motor Vehicles	Open market value method	1,100,000	Mr. D. Jayawardana Independent Incorporated Valuer	31st March 2019

The surplus arising from the revaluation was transferred to a revaluation reserve.

4. PROPERTY, PLANT & EQUIPMENT (Contd...)

4.12 Description of Significant Unobservable Inputs to Valuation

The significant assumptions used by the valuer for valuations are as follows;

Company/Property	Method of Valuation and Effective date	Inputs used for measurement	Area	Range/ Value Rs.	Sensitivity of Fair Value to unobservable input
Raigam Wayamba Salterns PLC					
Land at Kalpitiya Road, Palavi Puttalam	Open Market Value Method 31st March 2019	Per perch rate	Front Zone - 300 Perches	160,000	Positively correlated
		Per perch rate	Balance - 600 Perches	100,000	Positively correlated
		Per perch rate	Salterns - 2,570 Perches	19,375	Positively correlated
Land at Periyatheevu Munaikany Puladivayal, Palavi Puttalam	Open Market Value Method 31st March 2019	Per perch rate	Salterns Developed - 1,920 Perches	11,563	Positively correlated
		Per perch rate	Salterns being Developed - 829 Perches	9,375	Positively correlated
Land at Periyatheevu Vayalkany Puladivayal, Palavi Puttalam	Open Market Value Method 31st March 2019	Per perch rate	Salterns Developed - 11,200 Perches	11,563	Positively correlated
		Per perch rate	Salterns being Developed - 1,309 Perches	11,250	Positively correlated
Land at Periyatheevu Kany Puladivayal, Palavi Puttalam	Open Market Value Method 31st March 2019	Per perch rate	Salterns Developed - 2,080 Perches	12,500	Positively correlated
		Per perch rate	Salterns being Developed -1,668 Perches	9,688	Positively correlated
Building at Kalpitiya Road, Palavi Puttalam	Open Market Value Method 31st March 2019	Per sqft. rate	Main Factory Building - 18,300 sq feet	1,400	Positively correlated
		Per sqft. rate	Upstairs Section - 1,200 sq feet	1,400	Positively correlated
		Per sqft. rate	Guard Room - 250 sq feet	1,400	Positively correlated
		Per sqft. rate	Generator Room - 200 sq feet	1,000	Positively correlated
		Per sqft. rate	Staff Quarter - 1620 sq feet	1,800	Positively correlated
		Per sqft. rate	Garage & Workshop - 2,940 sq feet	400	Positively correlated
Building at Periyatheevu Munaikany Puladivayal, Palavi Puttalam	Open Market Value Method 31st March 2019	Per sqft. rate	Store House - 1,200 sq feet	400	Positively correlated
Building at Periyatheevu Vayalkany Puladivayal, Palavi Puttalam	Open Market Value Method 31st March 2019	Per sqft. rate	Store House - 900 sq feet	1,000	Positively correlated
Plant Machineries and Equipment.	Open Market Value Method 31st March 2019	Relative Rates	Salt refinery plant	31,000,000	Positively correlated
			Salt crystal plant	19,000,000	Positively correlated
			Generator	500,000	Positively correlated
			Weigh Bridge	150,000	Positively correlated
			Lath Machine	400,000	Positively correlated
			Submersible Pump	650,000	Positively correlated
			Ancillary Construction	2,000,000	Positively correlated

4. PROPERTY, PLANT & EQUIPMENT (Contd...)

4.12 Description of Significant Unobservable Inputs to Valuation (Contd...)

The significant assumptions used by the valuer for valuations are as follows;

Company/Property	Method of Valuation and Effective date	Inputs used for measurement	Area	Range/ Value Rs.	Sensitivity of Fair Value to unobservable input
Raigam Wayamba Salterns PLC					
Furniture & Fittings.	Open Market 31st March 2019	Relative Rates	Furniture	220,000	Positively correlated
Factory Equipment.	Open Market 31st March 2019		Factory Equipment.	1,200,000	Positively correlated
Office Equipment.	Open Market 31st March 2019		Office Equipment	175,000	Positively correlated
Computer & Accessories.	Open Market 31st March 2019		Computer Accessories	270,000	Positively correlated
Motor Vehicle.	Open Market 31st March 2019		Motor Vehicle	50,000,000	Positively correlated
Southern Saltern Company Pvt Ltd					
Building at Gurupokunudeniya Road, Tangalle, Hambanthota	Open Market Value Method 31st March 2019	Per sqft. rate	Main Factory Building - 9320 sq	1,700	Positively correlated
		Per sqft. rate	Upstairs section -1240 sq.ft	1,700	Positively correlated
		Per sqft. rate	Generator Room - 200 sq feet	1,500	Positively correlated
		Per sqft. rate	Site Store and Labourer Room - 700 sq feet	1,000	Positively correlated
Plant and Machineries	Open Market Value Method 31st March 2019	Relative Rates	Salt plant and installation market value	12,500,000	Positively correlated
			Generator.	300,000	Positively correlated
			Submersible pum,watre pump and deep well	400,000	Positively correlated
Furniture and Fittings	Open Market 31st March 2019	Relative Rates	Furniture and Fittings	500,000	Positively correlated
Office Equipment.	Open Market 31st March 2019		Office Equipment	650,000	Positively correlated
Motor vehicles.	Open Market 31st March 2019		Motor Vehicles	1,100,000	Positively correlated

4.13 Valuation Process of the Group

On a once in two year basis, the Company usually engages an external independent and qualified valuer to determine the fair value of Property, Plant and Equipment. When significant changes in fair values are expected between two valuations that necessitates a more regular basis of valuation adopted, the Board based on its' judgment as appropriately advised by the valuer, obtains a further valuation to ensure that the carrying amount does not differ materially with the fair value at the end of the reporting period. The last revaluation was carried out with an effective date of 31 March 2020

The following table analyses the non financial inputs used to carried at fair value by valuation method. The different levels have been defined in note.

Group	Notes	Level 1		Level 2		Level 3	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Assets Measured at Fair Value							
Revalued Property, Plant and Equipment	4	-	-	-	-	637,841,227	647,682,447
Company							
Assets Measured at Fair Value							
Revalued Property, Plant and Equipment	4	-	-	-	-	529,487,582	543,340,764

4. PROPERTY, PLANT & EQUIPMENT (Contd...)

4.14 Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

4.15 As at 01 April 2020, Motor Vehicle worth of Rs. 6,479,000/- (Net book value) was transferred to Right of use Assets. At the end of lease period, It was transferred to the Motor Vehicles at valuation at a Net Book Value of Rs. 6,101,058/=) during the year.

4.16 Property, Plant and Equipment recognized above does not include fully depreciated assets at at 31 March 2020 and 31 March 2019.

4.17 Impairment of Property, Plant and Equipment.

The Board of Directors has assessed the potential impairment loss of property, plant and equipment as at 31 March 2020. Based on the assessment, no impairment provision is required to be made in the financial statements as at the reporting date in respect of property, plant and equipment.

The Company and the Group does not foresee any indications of Impairment as at the reporting date due to the COVID-19 pandemic.

5. INTANGIBLE ASSETS

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Goodwill (Note 5.1)	1,846,790	1,846,790	-	-
Computer Software (Note 5.2)	3,212,425	-	3,212,425	-
	<u>5,059,215</u>	<u>1,846,790</u>	<u>3,212,425</u>	<u>-</u>

5.1 Goodwill

Balance at the beginning of the year	<u>1,846,790</u>	<u>1,846,790</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>1,846,790</u>	<u>1,846,790</u>	<u>-</u>	<u>-</u>

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Year ended 31 March 2022

5. INTANGIBLE ASSETS (Contd...)

- 5.1.1 Goodwill represents the excess of an acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition, and is carried at cost less accumulated impairment losses.

Goodwill is not amortized, but is reviewed for impairment annually and whether there is an indication that goodwill may be impaired. For the purpose of testing goodwill for impairment, goodwill is allocated to the operating entity level, which is the lowest level at which the goodwill is monitored for internal management purpose.

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cost				
As at beginning of the year	342,000	342,000	342,000	342,000
Additions during the year	3,212,425	-	3,212,425	-
Disposals during the year	-	-	-	-
As at end of the year	<u>3,554,425</u>	<u>342,000</u>	<u>3,554,425</u>	<u>342,000</u>
Amortization				
As at beginning of the year	342,000	342,000	342,000	342,000
Amortization charged during the year	-	-	-	-
As at end of the year	<u>342,000</u>	<u>342,000</u>	<u>342,000</u>	<u>342,000</u>
Net Book Value				
As at beginning of the year	-	-	-	-
As at end of the year	3,212,425	-	3,212,425	-

Computer Software of the group represents the locally developed payroll software of Raigam Wayamba Salterns PLC. The group has determined the useful life of above software as five (05) Years and amortization has been made on a straight line basis in the Statement of Profit or Loss.

6. RIGHT OF USE ASSETS

- 6.1 Set out below, are the carrying amounts of the right of use assets and the movements for the period ended 31 March 2022.

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
As at 1st April	12,238,014	13,058,523	-	-
Recognition of Right of use Assets as per SLFRS 16	6,425,000	-	6,425,000	-
Additions during the year-Non Cash	-	-	-	-
Additions during the year-Cash	-	-	-	-
Depreciation charge for the year	(1,369,714)	(820,509)	(549,205)	-
Disposals during the year	-	-	-	-
As at 31 March	<u>17,293,300</u>	<u>12,238,014</u>	<u>5,875,795</u>	<u>-</u>

The Group does not foresee any indications of impairment of Right of Use Asset as at the reporting date.

- 6.2 Amounts recognised in the statement of financial position and Statement of profit or loss set out below, are the carrying amounts of the Group's right of use assets and the movements for the year ended 31 March 2022.

	Land		Motor Vehicles		Total		
	2022 Rs.	2021 Rs.	2022 Rs.	2022 Rs.	2021 Rs.	2021 Rs.	
As at 1st April	12,238,014	13,058,523	12,238,014	-	-	12,238,014	13,058,523
Recognition of Right of use Asset as per SLFRS 16	-	-	-	6,425,000	-	6,425,000	-
Additions during the year	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-
Depreciation charge for the year	(820,509)	(820,509)	(820,509)	(549,205)	-	(1,369,714)	(820,509)
As at 31st March	<u>11,417,505</u>	<u>12,238,014</u>	<u>11,417,505</u>	<u>5,875,795</u>	<u>-</u>	<u>17,293,300</u>	<u>12,238,014</u>

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Year ended 31 March 2022

7. INVESTMENTS IN SUBSIDIARIES	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Non-Current				
Investment in Subsidiary (Note 7.1)	-	-	85,140,226	75,140,226
	<u>-</u>	<u>-</u>	<u>85,140,226</u>	<u>75,140,226</u>
7.1 Investment in Subsidiaries		Holding %		Company
	2022	2021	2022	2021
Southern Salt Company (Pvt) Ltd	100%	100%	75,140,226	75,140,226
Raigam Wayamba Cereals (Pvt) Ltd	100%	100%	10,000,000	-
Total Gross Carrying Value of Investments in Equity Securities			<u>85,140,226</u>	<u>75,140,226</u>
Total Net Carrying Value of Non-Quoted Investments in Equity Securities			<u>85,140,226</u>	<u>75,140,226</u>
7.2 The subsidiaries are a companies incorporated in Sri Lanka.				
8. OTHER CURRENT FINANCIAL ASSETS				
		Group		Company
	2022	2021	2022	2021
	Rs.	Rs.	Rs.	Rs.
Investment in Fixed Deposits				
At Amortized cost				
Balance as at 01 April	393,545,850	363,463,448	393,545,850	363,463,448
Investment made during the year	121,089,125	30,082,402	121,089,125	30,082,402
Balance as at 31 March	<u>514,634,975</u>	<u>393,545,850</u>	<u>514,634,975</u>	<u>393,545,850</u>
9. INVENTORIES				
		Group		Company
	2022	2021	2022	2021
	Rs.	Rs.	Rs.	Rs.
Raw Materials	84,107,036	24,705,283	1,649,903	14,833,677
Finished Goods	50,624,746	51,167,996	47,026,949	44,073,156
Packing Materials	84,220,435	17,881,146	74,233,989	14,809,879
Other Chemical Stocks	9,500,042	4,700,844	5,267,406	3,661,267
Engineering Stocks	10,595,768	12,199,421	5,074,421	6,678,073
Fire Wood	1,072,583	2,126,340	915,083	2,018,340
Fuel Stock	1,728,739	1,032,501	1,140,683	627,513
Total Inventories at lower of cost and net realizable value	<u>241,849,349</u>	<u>113,813,531</u>	<u>135,308,434</u>	<u>86,701,905</u>
10. TRADE AND OTHER RECEIVABLES				
		Group		Company
	2022	2021	2022	2021
	Rs.	Rs.	Rs.	Rs.
Trade Receivables - Related parties (Note 10.1)	47,307,444	17,166,993	21,144,721	16,751,123
Trade Receivables - Other	298,365,835	231,493,414	244,400,162	219,692,512
Less : Provision for Doubtful Debts	<u>(3,250,985)</u>	<u>(3,250,984)</u>	<u>(3,250,985)</u>	<u>(3,250,984)</u>
	342,422,294	245,409,423	262,293,898	233,192,651
Other Receivables - Related Parties (Note 10.2)	-	-	126,665,834	1,487,052
Advances, Prepayments and Deposits	90,012,392	45,317,406	82,946,499	41,855,556
	<u>432,434,686</u>	<u>290,726,829</u>	<u>471,906,231</u>	<u>276,535,259</u>

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10. TRADE AND OTHER RECEIVABLES (Contd...)

10.1 Trade Receivables From Related Parties

Relationship	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Raigam Marketing Services (Pvt) Ltd	40,930,674	11,887,282	7,700,594	11,258,139
Dream Life Science (Pvt) Ltd	1,980,903	297,809	1,980,903	297,809
Southern Salt Company (Pvt) Ltd	-	-	7,067,357	213,273
Raigam Eastern Salt Company (Pvt) Ltd	4,395,867	4,981,902	4,395,867	4,981,902
	<u>47,307,444</u>	<u>17,166,993</u>	<u>21,144,721</u>	<u>16,751,123</u>

10.2 Other Receivables From Related Parties

Relationship	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Southern Salt Company (Pvt) Ltd	-	-	1,665,834	1,487,052
Raigam Wayamba Cereals (Pvt) Ltd	-	-	125,000,000	-
	<u>-</u>	<u>-</u>	<u>126,665,834</u>	<u>1,487,052</u>

11. STATED CAPITAL

Group and Company Fully paid Ordinary shares	2022		2021	
	Number	Rs.	Number	Rs.
As at 1st April	282,207,320	604,414,640	282,207,320	604,414,640
As at 31st March	<u>282,207,320</u>	<u>604,414,640</u>	<u>282,207,320</u>	<u>604,414,640</u>

12. REVALUATION RESERVE

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
As at 1st April	124,319,086	124,319,086	98,607,740	98,607,740
Gain on Revaluation of Property, Plant and Equipment	-	-	-	-
Deferred Tax on Gain on Revaluation of Property, Plant and Equipment	-	-	-	-
Revaluation Surplus Realised During the year	-	-	-	-
As at 31st March	<u>124,319,086</u>	<u>124,319,086</u>	<u>98,607,740</u>	<u>98,607,740</u>

13. INTEREST BEARING LOANS AND BORROWINGS GROUP

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2022 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2021 Total Rs.
	Lease Liability (Note 13.1)	2,249,470	13,616,827	15,866,297	374,650	11,885,805
Bank Overdraft (Note 23.2)	9,304,092	-	9,304,092	54,221,830	-	54,221,830
	<u>11,553,562</u>	<u>13,616,827</u>	<u>25,170,389</u>	<u>54,596,480</u>	<u>11,885,805</u>	<u>66,482,285</u>

COMPANY

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2022 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2021 Total Rs.
	Lease Liability (Note 13.1)	1,888,248	2,127,516	4,015,764	-	-
Bank Overdraft (Note 23.2)	6,509,230	-	6,509,230	54,221,830	-	54,221,830
	<u>8,397,478</u>	<u>2,127,516</u>	<u>10,524,994</u>	<u>54,221,830</u>	<u>-</u>	<u>54,221,830</u>

13.1 Lease Liability

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
As at 1st April	12,260,455	12,596,248	-	-
Additions during the year	5,750,000	-	5,750,000	-
Interest cost for the year	670,078	1,349,607	241,509	-
Repayment of principal portion of lease liability	(2,144,158)	(335,793)	(1,734,236)	-
Repayment of interest portion of lease liability	(670,078)	(1,349,607)	(241,509)	-
As at 31st March	<u>15,866,297</u>	<u>12,260,455</u>	<u>4,015,764</u>	<u>-</u>

Raigam Wayamba Salterns PLC and
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14. DEFINED BENEFIT OBLIGATION

14.1 Defined Benefit Liability

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance as at 01 April	23,815,547	19,690,596	21,806,179	17,614,588
Charge for the year (Note 14.2)	799,507	4,420,533	(204,163)	4,487,173
Payments made during the year	(766,680)	(295,582)	(766,680)	(295,582)
Balance as at 31 March	23,848,374	23,815,547	20,835,336	21,806,179

14.2 Expense on Defined Benefit Plans

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Current Service Expense	2,104,612	2,847,024	2,497,406	2,619,977
Interest Expense on Retirement Benefit Liability	2,631,967	1,872,960	1,635,463	1,673,386
Cost recognized in Statement of Profit or Loss	4,736,579	4,719,984	4,132,869	4,293,363
Net Actuarial (Gain)/Loss for the year recognized in Other Comprehensive Income	(3,937,072)	(299,451)	(4,337,032)	193,810
Charge for the year	799,507	4,420,533	(204,163)	4,487,173

14.3 As at 31 March 2022 the gratuity liability was actuarially valued by Messers. Smiles Global (Private) Ltd.

14.4 Principal assumptions used in determining the retirement benefit liability for the Group and company are shown below.

	Group		Company	
	2022	2021	2022	2021
Staff Turnover Ratio	11.00% - 13.2%	12.00% - 12.9%	11.00%	12.00%
Salary Increase Rate	9.13% - 10.08%	7.00% - 6.97%	9.13%	7.00%
Discount Rate	9.5% - 9.89%	7.5% - 9.89%	9.50%	7.50%
Retirement Age	55 Years	55 Years	55 Years	55 Years

The principal demographic assumption underlying the valuation of the retirement age of 55 years applied constantly for both years.

14.5 The following table demonstrates the sensitivity to a reasonable possible change in the most significant key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2021/2022. The sensitivity of the Statement of Profit or Loss and Statement of Financial Position are the effect of the assumed changes in discount rate and salary increase rate on the profit or loss and post employment benefit liability for the year.

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Projected Benefit Liability on Current Assumptions	20,835,335	23,815,547	20,835,335	21,806,179
Value of +1% Change in Rate of Discounting Rate	20,225,020	22,788,094	20,225,020	20,895,567
Value of -1% Change in Rate of Discounting Rate	21,495,086	24,952,480	21,495,086	22,817,755
Value of +1% Change in Rate of Salary Increase Rate	21,623,729	25,006,786	21,623,729	22,870,296
Value of -1% Change in Rate of Salary Increase Rate	20,095,697	22,718,461	20,095,697	20,830,583

14.6 Distribution of Defined Benefit Obligation over future life time

The following table demonstrates the distribution of future working lifetime of Defined Benefit Obligation (undiscounted) as at reporting date

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Less than or equal 1 year	5,310,377	6,275,353	5,310,377	6,275,353
Over 1 year and less than or equal 2 years	213,282	36,149	213,282	36,149
Over 2 years and less than or equal 5 years	1,791,209	3,492,640	1,791,209	3,492,640
Over 5 years and less than or equal 10 years	13,520,467	14,011,405	13,520,467	14,011,405
Over 10 years	-	-	-	-
Total	20,835,335	23,815,547	20,835,335	23,815,547

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15. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 March are as follows :

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Current Income Tax				
Current Income Tax Charge (Note 15.1)	51,430,958	36,769,577	41,048,205	27,361,384
Under provision of tax in respect of previous year	-	-	-	-
ESC Written Off during the year	11,504,347	-	9,752,441	-
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (Note 15.2)	(1,120,112)	1,019,699	(763,151)	1,250,334
Income Tax Expense Reported in the Statement of Profit or Loss	61,815,192	37,789,276	50,037,494	28,611,718

15.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows:

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Accounting Profit Before Tax	276,854,797	187,548,514	221,684,737	136,949,144
Aggregate Allowed Items	(47,292,882)	(38,673,490)	(39,120,737)	(31,461,664)
Aggregate Disallowed Items	47,696,050	40,711,369	38,257,718	31,831,171
Interest Income	(27,445,441)	(31,344,857)	(24,996,169)	(31,344,857)
Accounting Disposal Profit	(2,493,438)	-	(2,493,438)	-
Taxable Profit from Trade Income	247,319,089	158,241,536	193,332,113	105,973,795
Section 32 deduction - Tax Losses	-	-	-	-
Assessable Income	247,319,089	158,241,536	193,332,113	105,973,795
Other Income	29,938,878	34,525,421	27,489,607	34,525,421
Taxable Profit	277,257,967	192,766,957	220,821,720	140,499,216
Current Income Tax Expense				
@ 20%	249,344	-	249,344	-
@ 28%	-	-	-	-
@ 18%	44,594,708	28,483,476	34,799,780	19,075,283
@ 24%	6,586,906	8,286,101	5,999,081	8,286,101
Previous Year Under Provision	51,430,958	36,769,577	41,048,205	27,361,384
Deferred Taxation Reversal (Note 15.2)	(1,120,112)	1,019,698	(763,151)	1,250,335
Total Income Tax Expense	50,310,843	37,789,275	40,285,051	28,611,719

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15. INCOME TAX EXPENSE (Contd...)

15.2 Deferred Tax Asset / (Liability)

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance as at 01 April	(32,491,857)	(31,418,258)	(24,805,888)	(23,590,438)
Deferred Tax reversal recognized in Statement of Profit or Loss (Note 15.3)	1,120,112	(1,019,698)	763,151	(1,250,335)
Deferred Tax expense recognized in Other Comprehensive Income (Note 15.3)	(708,673)	(53,901)	(780,666)	34,886
Balance as at 31 March	<u>(32,080,418)</u>	<u>(32,491,857)</u>	<u>(24,823,404)</u>	<u>(24,805,887)</u>

15.3 Deferred Tax Assets, Liabilities and Income Tax relates to the followings:

GROUP	Statement of Financial Position		Statement of Profit or Loss		Other Comprehensive Income	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Deferred Tax Liabilities						
Accumulated depreciation and revaluation for tax purposes	26,905,573	27,081,986	176,414	1,818,943	-	-
Revaluation of Property, Plant and Equipment other than Freehold Land	1,748,608	1,748,608	-	-	-	-
Tax Effect on Revaluation Surplus of Land	8,537,276	8,537,276	-	-	-	-
Right of Use Assets	312,407	-	(312,407)	(83,209)	-	-
	<u>37,503,865</u>	<u>37,367,870</u>	<u>(135,993)</u>	<u>1,735,734</u>	<u>-</u>	<u>-</u>
Deferred Tax Assets						
Defined Benefit Plans	4,291,821	4,286,797	713,696	(796,391)	(708,673)	53,901
Bad Debt Provision	1,047,332	585,177	462,155	84,395	-	-
Right of Use Assets and Lease Liabilities	84,294	4,039	80,255	(4,039)	-	-
	<u>5,423,447</u>	<u>4,876,013</u>	<u>1,256,105</u>	<u>(716,035)</u>	<u>(708,673)</u>	<u>53,901</u>
Deferred Income Tax (Reversal)/Expense			1,120,112	1,019,699	(708,673)	53,901
Net Deferred Tax Liability	<u>32,080,418</u>	<u>32,491,857</u>				

COMPANY	Statement of Financial Position		Statement of Profit or Loss		Other Comprehensive Income	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Deferred Tax Liabilities						
Accumulated depreciation and revaluation for tax purposes	20,436,633	20,444,123	(7,490)	1,885,542	-	-
Revaluation of Property, Plant and Equipment other than Freehold Land	334,778	334,778	-	-	-	-
Tax Effect on surplus on land revaluation	8,537,276	8,537,276	-	-	-	-
Right of Use Assets	312,407	-	312,407	-	-	-
	<u>29,621,094</u>	<u>29,316,177</u>	<u>304,917</u>	<u>1,885,542</u>	<u>-</u>	<u>-</u>
Deferred Tax Assets						
Defined Benefit Plans	3,750,360	3,925,112	605,914	(719,601)	(780,666)	-
Bad Debt Provision	1,047,332	585,177	462,155	84,395	-	(34,886)
	<u>4,797,692</u>	<u>4,510,289</u>	<u>1,068,069</u>	<u>(635,206)</u>	<u>(780,666)</u>	<u>-</u>
Deferred Income Tax (Reversal)/Expense			1,060,578	1,250,334	(780,666)	-
Net Deferred Tax (Asset)/Liability	<u>24,823,403</u>	<u>24,805,888</u>				

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Trade Payables - Related Parties (Note 16.1)	163,616,853	67,323,373	239,507,618	150,755,543
- Others	25,262,382	47,244,789	18,004,402	45,878,275
Sundry Creditors Including Accrued Expenses	41,120,313	45,554,326	30,510,601	41,673,822
Excess Fund Refundable against IPO Proceeds	318,000	318,000	318,000	318,000
	<u>230,317,548</u>	<u>160,440,488</u>	<u>288,340,621</u>	<u>238,625,640</u>

16.1 Trade Payables to Related Parties

	Relationship	Group		Company	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Dream Life Science (Pvt) Ltd	Other related party	-	132,549	61,300	132,549
Raigam Marketing Services (Pvt) Ltd	Parent Company	199,500	33,449	199,500	33,449
Southern Salt Company (Pvt) Ltd	Subsidiary Company	-	-	83,982,205	90,126,549
Raigam Eastern Salt Company (Pvt) Ltd	Other related party	163,396,469	67,157,375	155,243,729	60,462,995
Venus Consolidated (Pvt) Ltd	Other related Party	20,885	-	20,885	-
		<u>163,616,853</u>	<u>67,323,373</u>	<u>239,507,618</u>	<u>150,755,543</u>

17. OTHER INCOME

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Profit on Disposal of Property Plant & Equipment	2,493,438	-	2,493,438	-
Sundry Income	2,842,057	194,199	9,055,082	127,777
	<u>5,335,495</u>	<u>194,199</u>	<u>11,548,520</u>	<u>127,777</u>

18. FINANCE INCOME

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Interest Income - Fixed & Saving Deposits	27,900,368	31,344,857	25,451,096	31,344,857
	<u>27,900,368</u>	<u>31,344,857</u>	<u>25,451,096</u>	<u>31,344,857</u>

19. FINANCE COST

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Interest charges on Bank Overdraft	60,665	19,952	35,806	8,027
Lease Interest Expenses	934,096	1,349,607	241,509	-
Interest Charges on Cash Guarantees	-	39,732	-	39,732
	<u>994,761</u>	<u>1,409,291</u>	<u>277,315</u>	<u>47,759</u>

20. EARNINGS PER SHARE

20.1 Basic Earnings Per Share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events, if any, that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

20.2 The following reflects the income and share data used in the Basic Earnings Per Share computation.

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Amount used as the Numerator:				
Net profit from operations attributable to equity holders for basic earnings per share	215,590,447	149,759,237	171,557,412	108,337,427
Number of Ordinary Shares used as Denominator:				
Number of ordinary shares for basic earnings per share	282,207,320	282,207,320	282,207,320	282,207,320
Effect of dilution:				
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>282,207,320</u>	<u>282,207,320</u>	<u>282,207,320</u>	<u>282,207,320</u>
Earning Per Share				
- Basic (Rs.)	0.76	0.53	0.61	0.38
- Diluted (Rs.)	0.76	0.53	0.61	0.38

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21. DIVIDEND PER SHARE	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Dividend Paid	28,220,732	28,220,732	28,220,732	28,220,732
Dividend Per Share	0.10	0.10	0.10	0.10

22. PROFIT FROM CONTINUING OPERATIONS	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
<i>Included in Cost of Sales</i>				
Depreciation	24,541,530	27,068,243	16,948,864	19,681,660
Staff Costs	149,973,953	181,237,415	111,949,144	145,892,591
- Defined Benefit Plan Expenses -Gratuity	2,314,407	1,857,453	2,314,407	1,857,453
- Defined Contribution Plan Expenses - EPF & ETF	5,361,331	6,125,249	4,388,041	5,175,017
<i>Included in Administrative Expenses</i>				
Depreciation	10,140,118	8,532,899	9,119,422	7,520,009
Amortisation	765,964	-	-	-
Research & Development Expenditure Written Off	50,153	187,128	44,663	187,128
Staff Costs	55,134,448	56,235,065	38,099,600	39,901,812
- Defined Benefit Plan Expenses -Gratuity	2,662,048	2,312,337	1,322,518	1,885,715
- Defined Contribution Plan Expenses - EPF & ETF	4,814,614	4,577,730	3,395,380	3,192,194
Director Fees	2,450,000	1,960,000	1,750,000	1,400,000
Audit Fee & Expenses	610,000	506,086	440,000	382,157
<i>Included in Selling and Distribution Costs</i>				
Staff Costs	20,755,849	17,681,906	17,186,117	14,632,562
- Defined Benefit Plan Expenses -Gratuity	495,944	550,194	495,944	550,194
- Defined Contribution Plan Expenses - EPF & ETF	2,328,086	2,035,840	1,862,469	1,638,100
Advertising and Promotional Expenses	16,706,922	49,724,120	16,683,922	49,724,120

23. CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS

Components of Cash and Cash Equivalents	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
23.1 Favourable Cash & Cash Equivalent Balances				
Cash & Bank Balances	108,378,280	259,208,816	52,065,016	249,585,798
	108,378,280	259,208,816	52,065,016	249,585,798
23.2 Unfavorable Cash & Cash Equivalent Balances				
Bank Overdrafts (Note 13.2)	9,304,092	54,221,830	6,509,230	54,221,830
Total Cash and Cash Equivalents for the Purpose of Statement of Cash Flows	99,074,188	204,986,986	45,555,786	195,363,968

24. COMMITMENTS AND CONTINGENCIES

24.1 Capital Expenditure Commitments

There are no significant capital expenditure commitments as at reporting date other than following.

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Expected Capital Expenditure during the next financial year	30,000,000	25,000,000	30,000,000	20,000,000
	30,000,000	25,000,000	30,000,000	20,000,000

24.2 Contingent Liabilities

The Group does not have significant contingencies as at the reporting date.

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25. ASSETS PLEDGED - GROUP AND COMPANY

Group/Company

The following assets have been pledged as security for liabilities.

Nature of the Assets Pledged	Facility Obtained	Carrying Value of the		
		Assets Pledged 2022	Assets Pledged 2021	Included Under
Land at Palavi	Overdraft Facility	239.2 Mn	239.2 Mn	Property, Plant and Equipment
Fixed Deposits	Overdraft Facility	95.2 Mn	95.2 Mn	Other Current Financial Assets

26. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

26.1 Transactions with Related Entities

26.1.1 Transactions with Parent	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Nature of transaction				
Balance as at 1 April	11,853,833	17,196,358	11,224,690	16,605,477
Payments made on behalf of the parent	28,637,548	-	-	-
Payments Settlements	-	(10,000,000)	-	(10,000,000)
Settlements for purchase goods and services	-	140,942	-	140,942
Purchase of goods and services	(166,051)	(174,391)	(166,051)	(174,391)
Sale of Goods and Services	33,556,794	1,566,103	3,641,690	1,566,103
Receipts for sale of Goods/Services	(27,314,917)	(3,222,651)	(1,567,345)	(3,222,651)
Other Receipt on behalf of the company	-	-	-	-
Receivable on cash receipt for sales	62,352,507	77,656,935	62,352,507	75,905,302
Payable on cash receipt for sales	-	(9,520,833)	-	(9,520,833)
Settlements for Receivable/Payable on cash receipts	(68,188,541)	(61,788,630)	(67,984,398)	(60,075,259)
Balance as at 31 March	40,731,174	11,853,833	7,501,094	11,224,690

26.2 Transactions with subsidiaries	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance as at 1 April	-	-	(88,426,224)	(23,366,290)
Current Account Balance Settlements	-	-	-	-
Purchase of Goods/Services	-	-	(175,693,025)	(139,292,337)
Settlements for purchase of Goods/Services	-	-	181,837,369	76,962,325
Sales of goods and services	-	-	6,655,791	750,598
Receipts for Sale of goods and services	-	-	-	(537,325)
Supply of HR services	-	-	377,072	17,191,954
Recoveries for supplied services	-	-	-	(19,571,472)
Receivable on cash receipt for sales	-	-	-	1,250
Payables on cash receipts for sales	-	-	-	(3,915,833)
Settlements for Receivable/Payable on cash receipts	-	-	-	3,350,908
Balance as at 31 March	-	-	49,750,984	(88,426,222)

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26. RELATED PARTY DISCLOSURES (Contd...)

26.3 Transactions with Other related parties	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance as at 1 April	(62,010,213)	(16,954,201)	(55,315,833)	(16,381,768)
Funds Transferred	-	-	-	-
Funds Received	-	-	-	-
Purchase of Goods/Services	(205,807,073)	(204,801,585)	(205,807,073)	(182,235,615)
Settlements for purchase of Goods/Services	114,306,249	154,132,103	114,306,249	138,260,513
Receivable on cash receipt for sales	6,116,108	1,195,789	6,116,108	1,195,789
Payables on cash receipts for sales	(4,727,656)	(5,327,781)	(4,788,956)	(5,327,781)
Settlements for Receivable/Payable on cash receipts	(4,667,020)	5,680,519	(3,208,660)	5,832,669
Supply of HR services	-	-	-	-
Sale of Goods and Services	335,056	3,861,768	335,056	3,861,768
Receipts for sale of Goods/Services	(586,035)	(1,054,647)	(586,035)	(1,054,647)
Receipts from Solar income	-	(3,403,762)	-	(3,048,500)
Settlement of Solar income	-	4,661,586	-	3,581,741
Balance as at 31 March	(157,040,584)	(62,010,212)	(148,949,144)	(55,315,832)

The above transactions are included in current liabilities as Amounts due to related parties and in current assets as Amounts due from related parties.

The above other related companies include following companies.

- Raigam Creations (Pvt) Ltd
- Raigam Herbal Remedies (Pvt) Ltd
- Raigam Eastern Salt Company (Pvt) Ltd
- Puttalam Salt Ltd
- Dream Life Science (Pvt) Ltd
- Raigam Distributors (Pvt) Ltd
- Raigam Solar (Pvt) Ltd

Other related parties are companies in the same Group under the common control of Raigam Marketing Services (Pvt) Ltd.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that are applicable to the External Customers. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Group/Company has not recorded any impairment of receivables relating to amounts owed by related parties (2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

26. RELATED PARTY DISCLOSURES (Contd...)**26.4 Transactions with Key Management Personnel**

The Key Management Personnel of the company are the members of its Board of Directors.

Key Management Personnel Compensation	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Short - Term Employee Benefits	6,050,000	5,760,000	5,350,000	4,920,000
Post Employment Benefits	270,000	270,000	270,000	270,000
	<u>6,320,000</u>	<u>6,030,000</u>	<u>5,620,000</u>	<u>5,190,000</u>

26.5 Other than the above short term benefits there have been no transactions with entities that are controlled or significantly influenced by key management personnel or their close members of family.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**27.1 Financial Risk Management**

Risk is inherent in Group's business activities, but is managed through a process of ongoing identification, measurement, and monitoring, subject to risk limits and other controls. The Board of Directors places special consideration on the management of such risks. The Company is mainly exposed to;

- Commodity Price Risk
- Liquidity Risk
- Equity Price Risk
- Credit Risk

Commodity Price Risk

The entity is affected by the availability and price of certain commodities, specially raw crystal salt. Depending on the raw salt harvesting quantities and qualities the prices are decided. This risk is mitigated through passing on cost increases to the customer through the regular price adjustments and planning purchasing on right period by procurement division.

Liquidity risk

Liquidity risk arises from the financial liabilities of the entity and entity's subsequent ability to meet their obligation to repay their financial liabilities as and when they fall due.

Liquidity risk management involves maintaining available funding and ensuring the entity has access to an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Group aims to maintain flexibility within the funding structure through the use of bank overdrafts and short term loans.

The Group also regularly performs a comprehensive analysis of all cash inflows and outflows that relate to financial assets and liabilities.

a. Below table illustrates the maturity periods of liabilities in due.

Group	Within 1 month	1 - 3 Months	3 - 12 Months	1 - 5 years	More than 5 years	Total Repayable
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Lease Liability (Note 13)	-	-	2,249,470	4,342,533	9,274,295	15,866,297
Bank Overdraft (Note 13)	9,304,092	-	-	-	-	9,304,092
Trade & Other Payables (Note 16)	230,322,474	-	-	-	-	230,322,474
Total 2022	<u>239,626,566</u>	<u>-</u>	<u>2,249,470</u>	<u>4,342,533</u>	<u>9,274,295</u>	<u>255,492,863</u>
Total 2021	<u>214,662,318</u>	<u>-</u>	<u>374,650</u>	<u>1,985,282</u>	<u>9,900,523</u>	<u>226,922,773</u>

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

Company	Within 1 month	1 - 3 Months	3 - 12 Months	1 - 5 years	More than 5 years	Total Repayable
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Lease Liability (Note 13)	-	-	1,888,248	2,127,516	-	4,015,764
Bank Overdraft (Note 13)	6,509,230	-	-	-	-	6,509,230
Trade & Other Payables (Note 16)	288,340,621	-	-	-	-	288,340,621
Total 2022	294,849,851	-	1,888,248	2,127,516	-	298,865,615
Total 2021	139,295,101	685,383	685,752	-	-	140,666,236

b. Trade and Other Payables have credit period less than 3 months.

c. Undrawn borrowing facilities

The Group has undrawn borrowing facilities amounting to 347.6 Mn as at 31 March 2022.

Equity Price Risk

The key objective of entity when managing capital is to safeguard its ability to continue as a going concern and maintain optimal returns to shareholders and benefits for other stakeholders. In addition to this with regard to investment in shares the board reviews and approves all equity investment decisions.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables). The company minimizes credit risk towards its customers by having high level scrutiny before converting a cash customer to a credit customer. Also the company adheres to the policy of obtaining bank guarantees from distributors and adequate cash deposits from dealers. The maximum exposure will be equal to the carrying amount of these instruments

a. The maximum exposure to credit risk at the reporting date as follows:

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Trade Receivables (Note 10)	345,673,278	248,660,407	265,544,883	236,443,635
Other Receivables	-	-	126,665,834	1,487,052

b. Deposits with institutions and their credit rating details are as follows:

The Group held current financial assets other than cash in a financial and related institution.

Group	Instrument	Credit Rating For 2022	Investment For 2022	Credit Rating For 2021	Investment For 2021
Sampath Bank	Fixed Deposits	AA-	514,634,975	AA-	393,545,850

c. The aging of trade receivables, at the end of the reporting period was as follows:

Group	2022			2021		
	Gross Carrying Amount	Impairment Allowance	Net Carrying Amount	Gross Carrying Amount	Impairment Allowance	Net Carrying Amount
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Neither Past Due, Nor Impaired	159,457,741	-	159,457,741	147,921,230	-	147,921,230
Past Due but Nor Impaired	-	-	-	-	-	-
Past due 31-180	108,591,470	-	108,591,470	23,233,939	-	23,233,939
Past due 181-365	47,647,693	-	47,647,693	9,136,202	-	9,136,202
Past Due More Than 365 days	29,976,375	(3,250,984)	26,725,391	27,077,716	(3,250,984)	23,826,732
	345,673,279	(3,250,984)	342,422,295	207,369,087	(3,250,984)	204,118,103

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

Company

	Gross Carrying Amount	2022 Impairment Allowance	Net Carrying Amount	Gross Carrying Amount	2021 Impairment Allowance	Net Carrying Amount
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Neither Past Due, Nor Impaired	142,491,889	-	142,491,889	141,377,891	-	141,377,891
Past Due but Nor Impaired	-	-	-	-	-	-
Past due 31-180	78,455,242	-	78,455,242	20,644,130	-	20,644,130
Past due 181-365	22,267,080	-	22,267,080	6,502,802	-	6,502,802
Past Due More Than 365 days	22,330,672	(3,250,984)	19,079,688	27,043,363	(3,250,984)	23,792,379
	<u>265,544,883</u>	<u>(3,250,984)</u>	<u>262,293,899</u>	<u>195,568,186</u>	<u>(3,250,984)</u>	<u>192,317,202</u>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Balance as at 01 April	3,250,985	3,719,846	3,250,985	3,719,846
Recognized during the year	-	-	-	-
Recovered during the year	-	(468,861)	-	(468,861)
Write off during the year	-	-	-	-
Balance as at 31 March	<u>3,250,985</u>	<u>3,250,985</u>	<u>3,250,985</u>	<u>3,250,985</u>

- d. Cash at bank of the group comprises balances in banks amounting to Rs. 99,626,181 (2021 - Rs 256,993,816) with banks which have a fitch rating higher or equal to AA - (lka)

27.2 Capital Management

The Board of Directors reviews the capital structure of the company on regular basis. The intention of Board of Directors is to maintain an optimum capital structure while minimizing cost of financing and safeguarding key stakeholders' interest. Capital consists of share capital, reserves, and retained earnings of the Group.

The gearing ratio at the reporting date was as follows:

	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Lease Liability (Note 13)	15,866,297	12,260,455	4,015,764	-
Bank Overdrafts (Note 13)	9,304,092	54,596,480	6,509,230	54,221,830
Total Debt	<u>25,170,389</u>	<u>66,856,935</u>	<u>10,524,994</u>	<u>54,221,830</u>
Equity	1,619,315,484	1,428,717,369	1,430,317,477	1,283,424,430
Equity and Debt	<u>1,644,485,873</u>	<u>1,495,574,304</u>	<u>1,440,842,471</u>	<u>1,337,646,259</u>
Gearing Ratio	<u>1.5%</u>	<u>4.5%</u>	<u>0.7%</u>	<u>4.1%</u>

28. FAIR VALUE MEASUREMENT

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- A Fair value of the cash at bank and in hand, trade & other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments

Set out below is a comparison of the carrying amounts and fair values of the Company's financial instruments by classes, that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

28. FAIR VALUE MEASUREMENT (Contd...)

Group	Carrying Amount		Fair Value		
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	
Financial Assets					
Trade and Other Receivables (Note 10)	A	432,434,686	290,726,829	432,434,686	290,726,828
Cash at Bank and in Hand (Note 23)	A	108,378,280	259,208,816	108,378,280	259,208,816
Total		<u>540,812,966</u>	<u>549,935,645</u>	<u>540,812,966</u>	<u>549,935,644</u>
Financial Liabilities					
Trade and Other Payables (Note 16)	A	230,317,547	160,440,488	230,317,547	160,440,488
Total		<u>230,317,547</u>	<u>160,440,488</u>	<u>230,317,547</u>	<u>160,440,488</u>
Company					
		Carrying Amount		Fair Value	
		2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Financial Assets					
Trade and Other Receivables (Note 10)	A	471,906,231	276,535,260	471,906,231	276,535,260
Cash at Bank and in Hand (Note 23)	A	52,065,016	249,585,798	52,065,016	249,585,798
Total		<u>523,971,247</u>	<u>526,121,058</u>	<u>523,971,247</u>	<u>526,121,058</u>
Financial Liabilities					
Trade and Other Payables (Note 16)	A	288,340,621	238,625,640	288,340,621	238,625,640
Total		<u>288,340,621</u>	<u>238,625,640</u>	<u>288,340,621</u>	<u>238,625,640</u>

29. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements other than the following :

Dividend

On 25 August 2022, the Board proposed a first and final dividend of Rs. 0.15 per share for the year ended 31st March 2022, subject to obtaining the shareholders' approval at the Annual General Meeting.

Investor Information

Composition of Shareholders

The details of shareholders as at 31 March 2022 are as follows;

	31.3.2022		31.3.2021	
	No of Shares	%	No of Shares	%
Major Shareholding				
Raigam Marketing Services (Pvt) Ltd	101,103,660	35.83%	101,103,660	35.83%
Raigam Distributors (Pvt) Ltd	101,103,660	35.83%	101,103,660	35.83%
Directors' Shareholding				
Ravi Liyanage	505,516	0.18%	505,516	0.18%
Public Shareholding				
3,897 Number of shareholders	79,494,484	28.17%	79,494,484	28.17%
Float Adjusted Market Capitalization	365,674,626		413,371,317	

Stated Capital

Stated Capital as at 31 March 2022 is represented by shares in issue as given below;

	31.3.2022	31.3.2021
Ordinary Shares (Nos.)	282,207,320	282,207,320

Market Value per Share

	31.3.2022	31.3.2021
Highest (Rs.)	9.70	11.30
Lowest (Rs.)	4.50	1.50
As at the year end	4.60	5.20

Trading Activities

	31.3.2022	31.3.2021
No of Transactions/ No of times	26,485	21,828
No of shares traded Nos.	127,598,272	128,292,178
Value of shares traded Rs.	984,385,882	829,914,233

Investor Ratios

	31.3.2022	31.3.2021
Earnings per Share Rs.	0.61	0.38
Dividend per Share Rs.	0.10	0.10
Dividend pay out %	16.45	26.05
Price Earning No. of time	7.57	13.55
Earnings Yield %	13.22	7.38
Net Assets per Share Rs.	5.07	4.55
Debt Equity Ratio %	25.70	26.60
Interest Cover No. of times	800.07	2,868.49

Twenty Largest Shareholders

	Name of Shareholders	As at 31 March 2022		As at 31 March 2021	
		No. of Shares	%	No. of Shares	%
1	Raigam Marketing Services (Pvt) Ltd	101,103,660	35.83%	101,103,660	35.83%
2	Raigam Distributors (Pvt) Ltd	101,103,660	35.83%	101,103,660	35.83%
3	Employees Provident Fund	38,056,654	13.49	38,056,654	13.49%
4	Tranz Dominion, L. L. C.	3,530,191	1.25	3,530,191	1.25%
5	People'S Leasing & Finance PLC/ Mr.S. Gobinath	2,175,000	0.77	-	-
6	Seylan Bank PLC/ Jayantha Dewage	1,477,100	0.52	1,477,100	0.52%
7	Mr. Chandana Shantha Kumara Wendaruwa	1,000,000	0.35	1,484,612	0.53%
8	Mr. Brian Lester Sebastian Peiris	1,000,000	0.35	1,000,000	0.35%
9	Mr. Ravindra Raj Weerawardena	730,000	0.26	730,000	0.26%
10	Merchant Bank Of Sri Lanka & Finance PLC/ P.P.H. Matarage	682,795	0.24	-	-
11	Mr. Mohammed Rikaz Mohammed Rawzdeen	680,000	0.24	421,400	0.15%
12	Merchant Bank Of Sri Lanka & Finance PLC/ H.M.C.B. Mawilmada	656,874	0.23	-	-
13	Mr. Ravindra Earl Rambukwella	552,300	0.20	552,300	0.20%
14	Mr. Hiran Arjuna Surendra Madanayake	520,000	0.18	520,000	0.18%
15	Dr. Ravi Liyanage	505,516	0.18	505,516	0.18%
16	Sampath Bank PLC/ Mr. H.K.R. Sanjeewa	493,100	0.17	-	-
17	Mr. Suresh Hashantha Gregory Perera	477,679	0.17	477,679	0.17%
18	Merchant Bank Of Sri Lanka & Finance PLC/ K.L.K.M. Indika	475,000	0.17	-	-
19	Merchant Bank Of Sri Lanka & Finance PLC/ G.C.U. Kumara	423,050	0.15	-	-
20	Mr. Mahara Hettiarachchige Manjula Punnaji Hettiarachchi	404,799	0.14	450,000	0.16%
21	Dr. Samarakoon Mudiyansele Thiwanaka Bandara Samarakoon	-	-	1,377,492	0.49%
22	Access Engineering PLC	-	-	558,289	0.20%
23	Mr. Hitihamy Mudiyansele Champaka Bandara Mavilmada	-	-	506,617	0.18%
24	Mr. Herath Mudiyansele Prabath Shameera Herath	-	-	500,001	0.18%
25	Mr. Abey Siri Hemapala Munasinghe	-	-	463,045	0.16%
26	Mr. Bodiya Baduge Viranjan Perera	-	-	409,000	0.14%
	Sub Total	256,047,378	91%	255,227,216	90%
	Balance held by 3,880 shareholders (2021 - 3,889)	26,159,942	9%	26,980,104	10%
	Total No of Shares	282,207,320	100%	282,207,320	100%

Distribution of Shareholding

	As at 31 March 2022			As at 31 March 2021		
	No. of Share holders	%	No. of Share	No. of Share holders	%	No. of Share
Less than or equal to 1000	1,953	0.24%	687,727	1,917	0.25%	710,123
1,001 - 10,000	1,529	2.33%	6,564,343	1,551	2.39%	6,751,367
10,001 - 100,000	352	3.73%	10,522,084	381	4.08%	11,525,995
100,001 - 1,000,000	60	6.02%	16,986,901	53	5.35%	15,086,466
Over 1,000,001	6	87.68%	247,446,264	7	87.93%	248,133,369
Grand Total	3,900	100%	282,207,320	3,909	100%	282,207,320

Resident and Non-Resident

Resident	3,881	98.31%	277,442,044	3,887	98.20%	277,114,631
Non-Resident	19	1.69%	4,765,276	22	1.80%	5,092,689
Total Shareholding	3,900	100%	282,207,320	3,909	100%	282,207,320

Individuals and Institutions

Individuals	3,793	9.77%	27,580,843	3,824	11.71%	33,039,044
Institutions	107	90.23%	254,626,477	85	88.29%	249,168,276
Total Shareholding	3,900	100%	282,207,320	3,909	100.00%	282,207,320

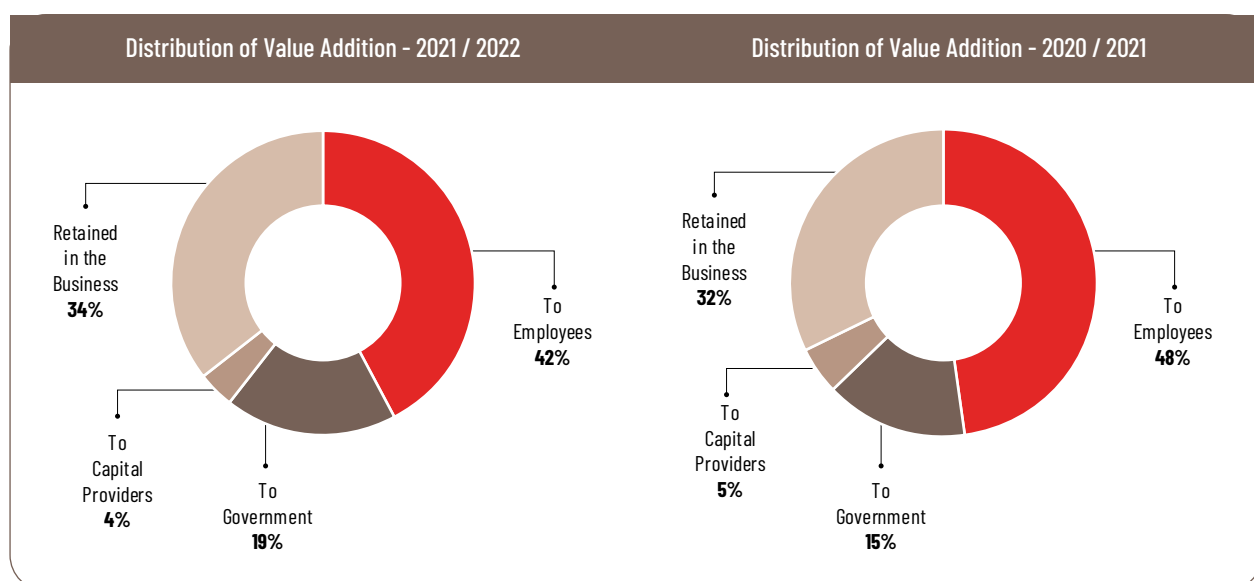
Public Shareholdings

	As at 31 March 2022			As at 31 March 2021		
	Requirement by CSE	Company Information	Compliance with CSE Rule 7.13.1 (b)	Requirement by CSE	Company Information	Compliance with CSE Rule 7.13.1 (b)
Option	2	2	Yes	2	2	Yes
Float adjusted market capitalisation (Rs)	Less than Rs. 1,000,000,000	Rs. 365,674,626	Yes	Less than Rs. 1,000,000,000	Rs. 413,371,317	Yes
The percentage of shares held by the public	10%	28.17%	Yes	10%	28.17%	Yes
Number of shareholders representing public holding	200	3,897	Yes	200	3,906	Yes

VALUE ADDED STATEMENT - GROUP

Year ended 31 March 2022

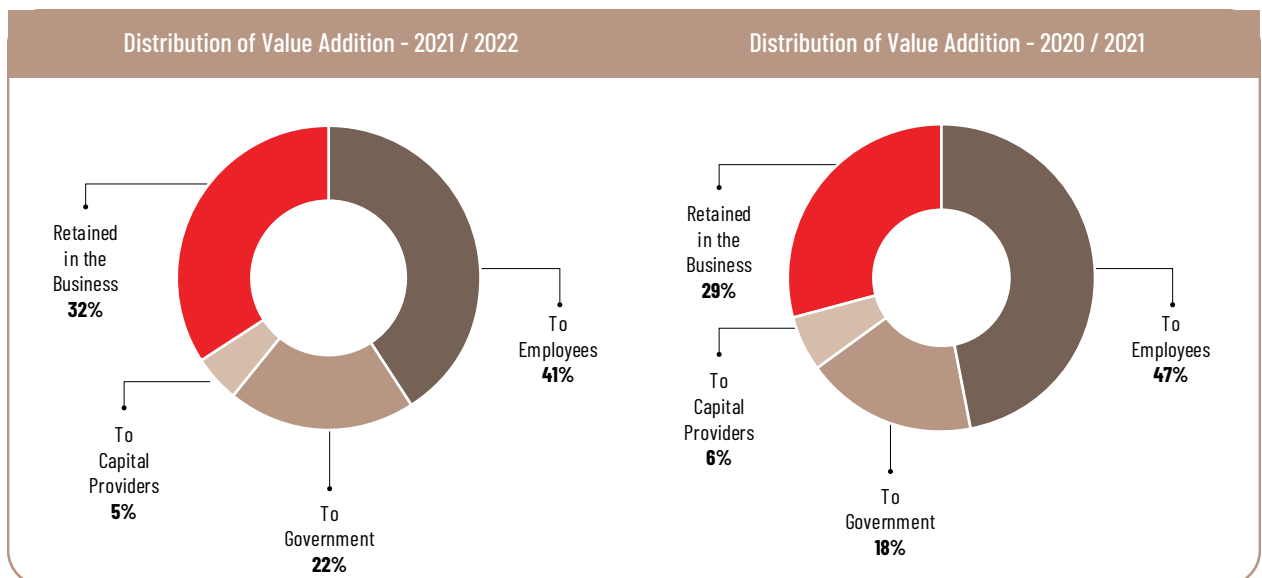
Value Addition	2021/2022		2020/2021	
	%	Rs.	%	Rs.
Gross Turnover		1,238,963,640		1,034,116,611
Cost of Materials & Services purchases		(602,901,773)		(481,692,198)
Other Income		33,177,440		30,129,765
Total Value Addition		669,239,307		582,554,178
Distribution of Value Addition				
To Employees (as Remuneration)	42%	282,490,168	48%	278,063,257
To Government	19%	129,275,841	15%	89,500,517
To Providers of Capital	4%	29,490,407	5%	29,630,023
Retained in the Business	34%	227,982,890	32%	185,360,380
- Depreciation		40,613,176		35,601,142
- Profit Retained		187,369,714		149,759,238
	100%	669,239,307	100%	582,554,178
Value Added per Employee		2,624,468		2,330,217
Value Added as a % of Turnover		54%		56%



VALUE ADDED STATEMENT - COMPANY

Year ended 31 March 2022

Value Addition	2021/2022		2019/2021	
	%	Rs.	%	Rs.
Gross Turnover		1,148,482,108		998,522,530
Cost of Materials & Services purchases		(639,787,305)		(561,276,962)
Other Income		36,941,194		31,424,875
Total Value Addition		545,635,997		468,670,443
Distribution of Value Addition				
To Employees (as Remuneration)	41%	223,256,324	47%	219,893,162
To Government	22%	117,887,485	18%	84,969,694
To Providers of Capital	5%	28,496,847	6%	28,268,491
Retained in the Business	32%	175,995,340	29%	135,539,096
- Depreciation		32,658,652		27,201,669
- Profit Retained		143,336,688		108,337,427
	100%	545,635,997	100%	468,670,443
Value Added per Employee		2,393,140		2,101,661
Value Added as a % of Turnover		48%		47%



GROUP TEN YEAR SUMMARY

Year ended 31 March 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating Results										
Turnover	Rs. 1,147,189	959,681	756,991	744,243	791,506	778,704	435,166	380,532	464,076	335,298
Gross Profit	Rs. 423,788	355,121	277,782	271,865	292,793	272,713	147,270	129,287	162,522	118,846
Earning BI&T	Rs. 278,400	188,958	145,318	143,828	187,576	170,581	59,895	48,399	64,023	54,907
PBT	Rs. 277,406	187,549	142,552	141,720	185,005	170,026	58,050	44,067	48,776	45,953
PAT	Rs. 215,590	149,759	114,611	103,865	148,163	108,660	45,804	42,387	45,550	36,916
Retained Earnings	Rs. 890,582	699,984	578,200	473,911	396,465	290,323	210,309	162,739	148,144	114,531
Financial Position										
Stated Capital	Rs. 604,415	604,415	604,415	604,415	604,415	604,415	604,415	604,415	604,415	604,415
Reserves	Rs. 1,014,901	824,303	702,519	598,688	504,455	406,702	286,109	238,538	225,088	190,331
Total Equity	Rs. 1,619,316	1,428,717	1,306,933	1,203,103	1,108,870	1,011,117	890,524	842,953	829,502	794,746
Total Debts	Rs. 338,175	290,345	158,119	193,249	150,607	130,755	62,398	79,801	124,237	113,618
Total Capital Employed	Rs. 1,957,491	1,719,062	1,465,052	1,396,352	1,259,477	1,141,872	952,922	922,754	953,739	908,364
Assets Employed										
PPE - Leasehold	Rs. 17,293	12,238	13,059	6,479	6,231	6,952	-	-	-	9,329
PPE - Freehold	Rs. 637,841	647,682	633,067	624,151	613,288	628,058	615,659	638,366	617,073	593,653
Other Non Current Assets	Rs. 5,059	1,847	1,847	2,897	3,020	3,143	17,586	35,404	45,439	86,500
Total Current Assets	Rs. 1,297,297	1,057,295	817,080	762,826	643,163	503,719	319,677	248,984	291,227	218,881
Key Financial Indicators										
Equity Assets Ratio	No of Times	0.83	0.83	0.86	0.88	0.89	0.93	0.92	0.87	0.87
Current Ratio	No of Times	4.80	4.76	8.62	5.56	5.78	5.79	3.40	2.42	1.98
Gearing Ratio	%	21%	20%	12%	16%	12.9%	6.5%	8.7%	15.0%	14.0%
Turnover to capital employed	No of Times	0.59	0.56	0.52	0.53	0.68	0.46	0.41	0.49	0.37
EPS	Rs.	0.76	0.53	0.41	0.37	0.39	0.16	0.15	0.16	0.13
Dividend per share	Rs.	0.10	0.10	0.05	0.10	0.10	-	0.10	-	-
Market Price	Rs.	4.60	5.2	1.80	1.90	2.40	2.00	2.70	2.20	2.20
Price Earning	No of Times	6.02	9.80	4.43	5.16	4.57	12.32	17.66	13.75	16.92
Earning Yield	%	16.61	10.21	22.56	19.37	21.88	8.12	5.66	7.27	5.91

GROUP REAL ESTATE PORTFOLIO

Year ended 31 March 2022

Owning Company	Location	Land				Building		
		Freehold Land	Leasehold Land	Extent Acers	Value Rs.	No. of Building	Extent Sq.feet	Net Book Value Rs.
Raigam Wayamba Salterns PLC	Kalpitiya Road, Palavi Puttalam	√	-	22	157,800,000	7	27,620	29,993,863
	Lot A Periyatheevu Munaikany Puladivayal Palavi Puttalam	√	-	17	30,000,000	1	1,840	420,000
	Lot B Periyatheevu Vayalkany Puladivayal Palavi Puttalam	√	-	78	144,200,000	1	-	787,500
	Lot C Periyatheevu Kany Puladivayal Palavi Puttalam	√	-	23	42,160,000	-	-	-
					374,160,000			31,201,363
Southern Salt Company (Pvt) Ltd	Kunukalliya Lewaya Kahandamodara Gurupokuna Tangalle	-	√	204	78,000,000	3	360	630,000
	Bata-atha Industrial Park Bata-atha Hungama	-	√	8	44,500,000	2	8532	17,325,000
					122,500,000			17,955,000

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of Raigam Wayamba Salterns PLC will be held at the Operations Head Office, No. 277, Koswatta Road, Kiriwattuduwa, Homagama on September 29, 2022 at 10.00 a.m. via Audio/Video (Virtual AGM) for the following purposes.

Agenda

1. To receive and consider the Report of the Directors and Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2022, with the Auditors' Report thereon.
2. To approve a first and final dividend of Rs. 0.15 per share to the shareholders of the Company as recommended by the Board of Directors.
3. To re-appoint Mr. W. M. S. V. Keerthirathne, who has reached 71 years of age as a Director in terms of Section 211 of the Companies Act No. 07 of 2007. Accordingly, the following resolution to be passed as an ordinary resolution for this purpose, if thought fit.

IT IS HEREBY RESOLVED to re-appoint Mr. W. M. S. V. Keerthirathne, 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 referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. W. M. S. V. Keerthirathne.

4. To appoint Mr. T. Dharmarajah as a Director who was appointed to the Board subsequent to the last Annual General Meeting.
5. To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors for the ensuing year and to authorize the Directors to determine their remuneration.
6. To authorize the Directors to determine donations for the financial year 2022/2023 and up to the date of the next Annual General Meeting.
7. Any other business of which due notice has been given.

By order of the Board of Directors of
Raigam Wayamba Salterns PLC



Mrs. C. Salgado
Business Intelligence (Private) Limited
Company Secretaries
Colombo, this August 31, 2022

Note:

1. A member entitled to attend and vote at the above meeting is required to complete and submit a pre-registration form in order to ensure participation at the AGM of the Company. Only the members of Raigam Wayamba Salterns PLC (RWS PLC) are entitled to take part at the Annual General Meeting.
2. A Pre-registration form is enclosed for this purpose to be completed by RWS PLC Shareholders only.
3. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his / her behalf. A proxy need not be a member of the Company.
4. A form of proxy is enclosed for this purpose.
5. The instruments for registration and appointing a proxy must be completed and deposited at the Company Secretaries, Business Intelligence (Pvt) Ltd, No. 08, Tickell Road, Colombo 08, or e-mailed to "rwsagm2022@raigam.lk" not less than twenty four hours prior to the time appointed for holding the meeting.

Form of Proxy

RAIGAM WAYAMBA SALTURNS PLC
(Company Registration No PV10922PB/PQ)

Folio Number*

I/We*, the undersigned
(NIC No.) of
..... being a shareholder / shareholders of Raigam Wayamba Saltorns PLC hereby appoint

- Full name of proxy -
 - NIC of Proxy -
 - Address of Proxy -
 - Contact Numbers - Land, Mobile
- Email address

failing him

- Dr. Ravi Liyanage or failing him*
- Mr. Kishan Rohana Theodore or failing him*
- Mr. G. V. P. Ganaka Amarasinghe or failing him*
- Snr. Prof. S. P. P. Amaratunge or failing him*
- Mr. T. Dharmarajah or failing him*
- Mr. W. M. S. V. Keerthirathne or failing him*
- Mr. H. A. S. Samaraweera

as my/our* Proxy to represent me/us* and vote as indicated hereunder for me/us* and on my/our* behalf at the Annual General Meeting of the Company to be held on September 29, 2022 at 10.00 a. m. via Audio/Video (Virtual AGM) at the Operations Head Office, No. 277, Koswatta Road, Kiriwattuduwa, Homagama and at any adjournment thereof and at every poll, which may be taken in consequence thereof.

Please mark your preference with "X".

	For	Against
1. To receive and consider the Report of the Directors and Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2022, with the Auditors' Report thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve a first and final dividend of Rs. 0.15 per share to the shareholders of the Company as recommended by the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint Mr. W. M. S. V. Keerthirathne who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To appoint of Mr. T. Dharmarajah as a Director who was appointed to the Board subsequent to the last Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against
5. To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors for the ensuing year and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
6. To authorize the Directors to determine donations for the financial year 2022/2023 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Twenty-Two.

.....
Signature of Shareholder

INSTRUCTIONS AS TO COMPLETION

1. In order to appoint a proxy, this form shall in the case of an individual be signed by the shareholder or by his/her Attorney and in the case of a company/corporation, the form of proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
2. The full name, NIC No. and address of the Proxy holder and of the Shareholder appointing the Proxy holder should be entered legibly in the form of proxy.
3. The duly completed form of proxy must be deposited at the Company Secretaries , Business Intelligence (Pvt) Ltd, No. 08, Tickell Road, Colombo 08 , or e-mailed to "rwsagm2022@raigam.lk" not later than 24 hours prior to the time appointed for holding of the meeting.
4. In the case of a proxy signed by an Attorney, the relevant Power-of-Attorney or a certified copy thereof should also accompany the completed form of proxy and must be deposited at the Company Secretaries, Business Intelligence (Pvt) Ltd, No. 08, Tickell Road, Colombo 08 or e-mailed to "rwsagm2022@raigam.lk".



Raigam Wayamba Salterns PLC.

📍 No. 23, Walukarama Road, Colombo 03.

🌐 www.wayambasalterns.lk