UNBOUNDED HORIZONS

JAT HOLDINGS PLC
Annual Report 2023/24

JAT®
TRANSFORMING SPACES™

UNBOUNDED HORIZONS

At JAT, the pursuit of unbounded horizons is a guiding principle that drives every aspect of our business. With a relentless focus on innovation and progress, we constantly push the boundaries of what's possible, seeking out new opportunities, and charting a course for sustained growth. From expanding our product offerings to entering new markets, we are committed to exploring uncharted territory and unlocking the full potential of our Company.

By embracing change and new challenges head-on, we position ourselves as leaders in the industry and set the stage for continued success. With a clear vision for the future and a determination to reach new heights, we are ready to seize every opportunity and embark on a journey of growth and innovation.

As we look to the future, our focus remains firmly fixed on expanding our horizons and pursuing new opportunities for growth and advancement. With a team of dedicated professionals and a culture of innovation, we are poised to overcome obstacles and achieve our goals. Together, we will continue to push the boundaries of what's possible and build a brighter, more prosperous future for JAT and all who are part of our journey.

JAT®
TRANSFORMING SPACES™

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OVERVIEW

OUR APPROACH TO REPORTING

Welcome to the Seventh Integrated Annual Report of JAT Holdings PLC

This Report presents a balanced and comprehensive view of the progress made towards achieving our strategic priorities during the period from 01 April 2023 to 31 March 2024. The Report comprises a fair assessment of the operating landscape within which the Company operated, strong governance practices and continued stakeholder value creation. The Report covers the operations of JAT Holdings PLC and its 5 subsidiaries and 1 sub-subsidiary (collectively referred to as "the Group") and includes material information up to the date of Board approval on 28th May 2024. Except otherwise noted, the financial data contained in this Report is consolidated data. The scope of the non-financial reporting encompasses more extensive elements and connections that are inherent in the value the Group creates.

Integrated reporting boundary

Financial reporting boundary

JAT TRANSFORMING SPACES™

- Worldwide Resins & Chemicals (Private) Limited
- JAT Global Private Limited
- JAT Exports DMCC
- Brush Master (Private) Limited
- JAT Exports (Pvt) Ltd
- Asia Coatings (Pvt) Ltd

Shareholders | Employees | Customers | Business Partners | Government and regulatory bodies | Communities

Reporting frameworks

Our reporting process and disclosures were guided by a fusion of both mandatory and voluntary reporting frameworks, key ones being the requirements of the Sri Lanka Financial Reporting Standards (SLFRS), the International Integrated Reporting Framework and the Global Reporting Initiative's (GRI) Reporting Standards. Where possible we made disclosures in line with IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB) in June 2023, in our preparation towards the formal and full adoption of the two standards in the forthcoming years.

There were no significant alterations to the Group's organisational structure, size, or supply chain during the fiscal year 2023/24.

The reporting boundary remains unchanged compared to the previous year and there are no major restatements of information provided in previous reports.

The key frameworks and guidelines adopted in preparing this Report and the combined assurance model used to ensure the integrity of the information are as follows.

Financial Statements and Disclosures

Reporting Frameworks
• Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
• Sri Lanka Financial Reporting Standards
• Companies Act No. 7 of 2007 (as amended)
• Listing Rules of Colombo Stock Exchange
Internal Assurance
• Internal Audit function
• Robust internal controls mechanisms in place
• Oversight of the Board Audit Committee and the Board of Directors
External Assurance
• Independent Auditors' Report by Messrs. Ernst & Young – Chartered Accountants

Integrated Report

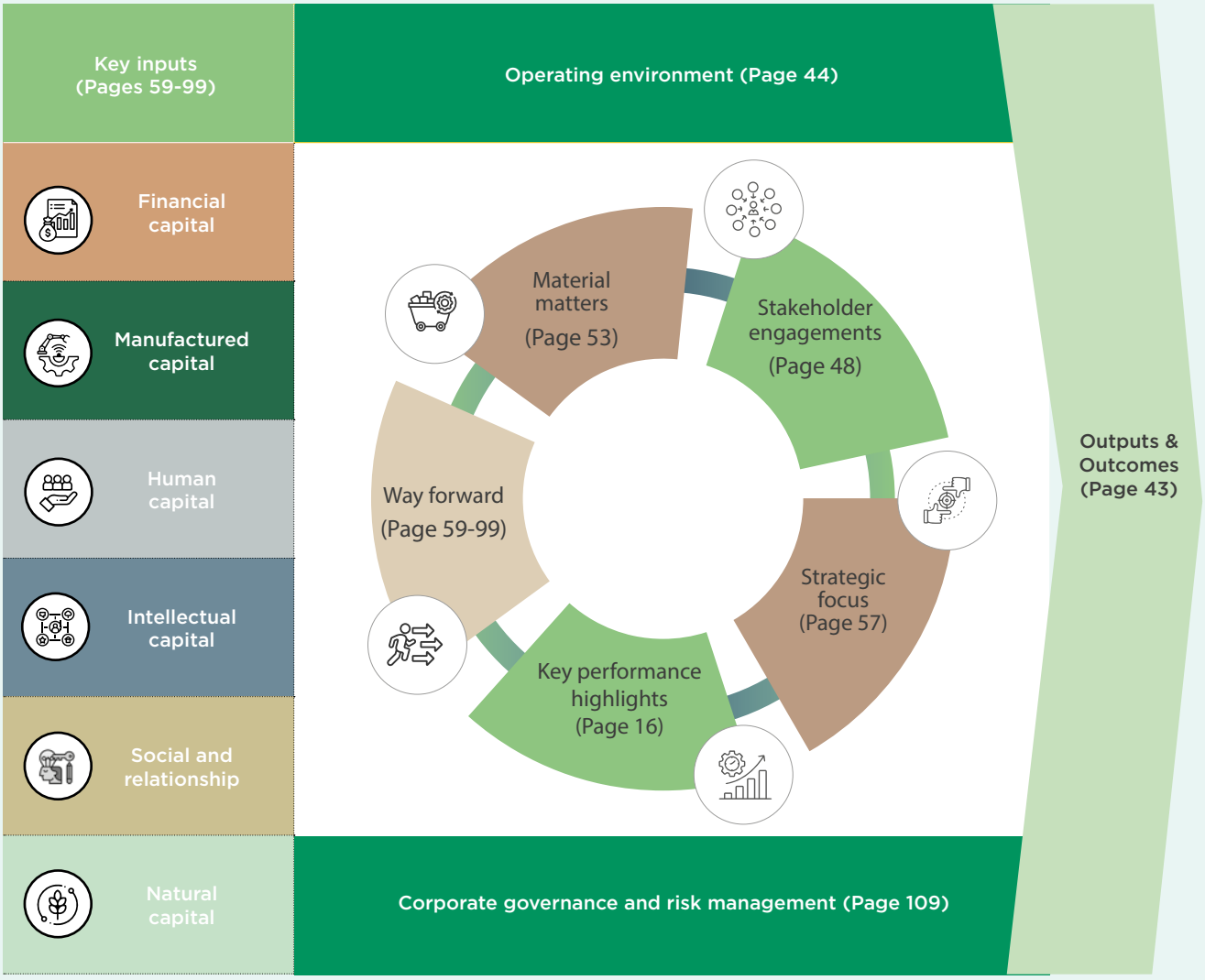
Reporting Frameworks
• Integrated Reporting Framework of the IFRS Foundation
• "Guidelines for Presentation of Annual Reports" issued by the Institute of Chartered Accountants of Sri Lanka
• Non-Financial Reporting Guideline issued by the Institute of Chartered Accountants of Sri Lanka
• GRI Standards – Core Option
• Gender Parity Reporting Framework of the Institute of Chartered Accountants of Sri Lanka
• Sustainable Development Goals (SDGs)
Internal Assurance
• Review of the Board of Directors
• Continuous compliance audits
External Assurance
• Independent Assurance on Integrated Reporting by Messrs. Ernst & Young – Chartered Accountants
• Independent Assurance on GRI Reporting by Messrs. Ernst and Young – Chartered Accountants

Corporate Governance

Reporting Frameworks
• Listing Requirements of the Colombo Stock Exchange, including the new Corporate Governance Rules issued in 2023
• Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2017 (Newest version issued in 2023 will be adopted from FY 2024/25 onwards)
Internal Assurance
• Strong governance framework aligned to applicable regulations
External Assurance
• Regulatory compliance
• Transparency and disclosures

OVERVIEW

OUR APPROACH TO REPORTING



Icons guide

In addition to the Capitals icons presented above, we have used the following icons throughout the Report to demonstrate the linkages across both our operations and reporting.

Stakeholders

- Shareholders
- Business partners
- Employees
- Government and regulatory bodies
- Customers
- Communities

Strategic priorities

- Profitable growth
- People and partnership
- Operational excellence
- Sustainability
- Innovation
- Digitalization

Forward looking statements

As a mean of enhancement to our reporting we have discussed the futuristic expectations pertaining to the Group's performance and these can be found under "Way Forward" in the following sections.

Reflections from the Chairman	Page 26
Managing Director's Review	Page 28
Chief Executive Officer's Review	Page 30
Management Discussion and Analysis	Pages 59-99

Such forward-looking statements contained in this Report can provide valuable insights into the Group's expectations and strategic plans. Same should be interpreted with caution, recognising the uncertainty inherent in predicting future outcomes, and the potential that actual results may differ from projections. These forward-looking statements have not been reviewed by the Group's auditors.

Board responsibility statement

The integrity of this Annual Report is ultimately up to the Board of Directors of JAT Holdings PLC. We now reaffirm that the Annual Report for the financial year ended 31 March 2024 covers all material issues and accurately portrays the Group's overall performance. We also reaffirm that the Report was created in accordance with the recommendations included in the International Integrated Reporting Council's Integrated Reporting Framework.

Dr. Sivakumar Selliah
Chairman
28th May 2024

Enhancements to our reporting

- Introduction of a "Way Forward" section under key discussions
- Taking preliminary steps towards the adoption of IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate Related Disclosures

Recognition

Our endeavours in presenting a clear, comprehensive and continually improving annual report are often recognized by external bodies. The Group's annual report for the financial year 2022/23 received the following accolades.

TAGS Awards 2023 conducted by ICASL

- Gold award winner – Emerging listed companies
- Silver award winner – Trading sector

Excellence in Integrated Reporting Awards 2023 by CMA Sri Lanka

- Next 10 Best Integrated Reports

Refer our report
In PDF form
Colombo Stock Exchange - https://www.cse.lk/ - CSE Stock Code – JAT.N0000

JAT Holdings PLC corporate website - https://jatholdings.com/investor-relations

Scan and read
In print - For all securities holders of JAT Holdings PLC via the submission of the Request Letter

Feedback

We welcome your feedback on further enhancing the readability and relevance of our Report. Please direct your feedback to

Rizna Dilshard – Finance Director

Email: rizna@jatholdings.com

OVERVIEW

ABOUT US

We are JAT Holdings PLC

JAT entered the finishing and furnishing sector in 1993, establishing itself as a prominent player in wood coatings, decorative paints, brushes, ergonomic office furniture and the luxury kitchen segments across Sri Lanka and South Asia. Through a focus on innovation, product quality, and customer satisfaction, JAT has earned a reputation as a trusted provider of wood coating solutions, decorative paints, brushes, and paint-related products and accessories. Key reasons for these successes are the commitment, drive and potential of its skilled workforce.

As an exclusive distributor of globally renowned brands like Sayerlack wood coatings, Harris Brushes and Rollers, Herman Miller office furniture, Knauf ceilings, SEAFORM kitchens and OPPEIN – the world's largest cabinetry manufacturer, alongside its own lineup of brands such as J Chem solvent-based paints, WHITE by JAT brilliant white emulsion paint, WALLZ emulsion paints, and Brush Master brushes, JAT has dominated the finishing and furnishing industry.

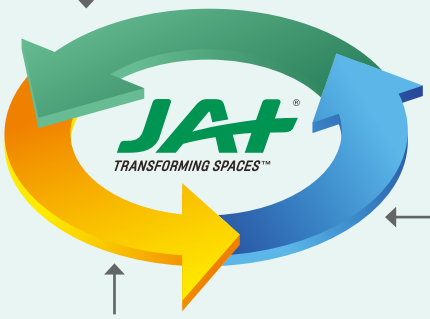
As a way of keeping its IPO promises, JAT inaugurated cutting-edge manufacturing facilities in Bangladesh, and a state-of-the-art Research and Development Centre in Sri Lanka. Moreover, going backwards in its value chain, JAT established an alkyd resin manufacturing plant in Bangladesh and a binder plant in Horana, which is due to start its operations from the beginning of the next financial year. The implementation of the alkyd resin plant in Bangladesh and binder plant in Horana improvise the Group's keen attention on backward vertical integration.

Recognized as a 'Great Place to Work,' JAT Holdings continuously supports its employees in achieving their professional and personal goals.

VISION

Where our long-term sights are set

Be the brand of choice to the finishing, living and furnishing industries in South Asia



VALUES

What unites and guides us

- In-depth knowledge of the entire business
- Leadership at all levels
- Complete customer satisfaction
- Continuous improvement and Innovation

MISSION

How we endeavour to deliver value

We are committed to building long-term relationships based on integrity, performance, value and exceeding customer satisfaction. We will continue to meet the changing needs of our clients with our highest quality and innovative solutions delivered by the most qualified people. We are more than a conglomerate. We are a dedicated team striving to bring growth to our community, helping to maintain existing businesses and assisting our clients in making their dreams become a reality.

Perfected prowess

Bringing the world's best to Sri Lanka

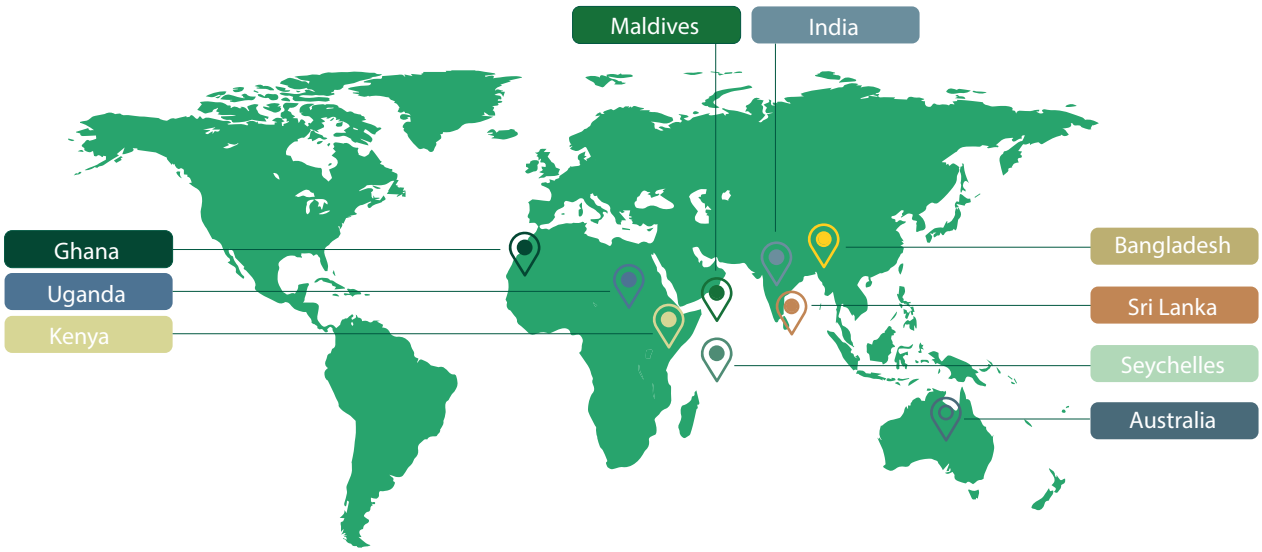
JAT is the exclusive distributor for world-renowned brands such as Sayerlack wood coatings, Harris Brushes, Herman Miller office furniture, Knauf ceilings, SEAFORM and OPPEIN kitchens, wardrobes and vanities. Our extensive global business partnerships ensure the world's best technology and products of superior quality are made accessible to Sri Lankans thereby transforming their spaces and elevating their lifestyles.

Propelling innovation and home-grown brands

JAT offers a comprehensive range of home-grown products for painting and decorating purposes, as a result of its innovation and research & development efforts. JAT's own ultramodern end-to-end manufacturing facility in Bangladesh as well as the state-of-the-art Research & Development Centre in Sri Lanka, inaugurated as a part of the Group's Initial Public Offering (IPO) objectives demonstrates JAT's dedication to growth, innovation, and operational excellence. It positions JAT for future success by enhancing its manufacturing capabilities, fostering innovation, and potentially expanding its product portfolio. Additionally, these investments have and will continue to contribute towards job creation, economic development, and industry advancement in both Sri Lanka and Bangladesh, furthering the social and economic impact of the Group.

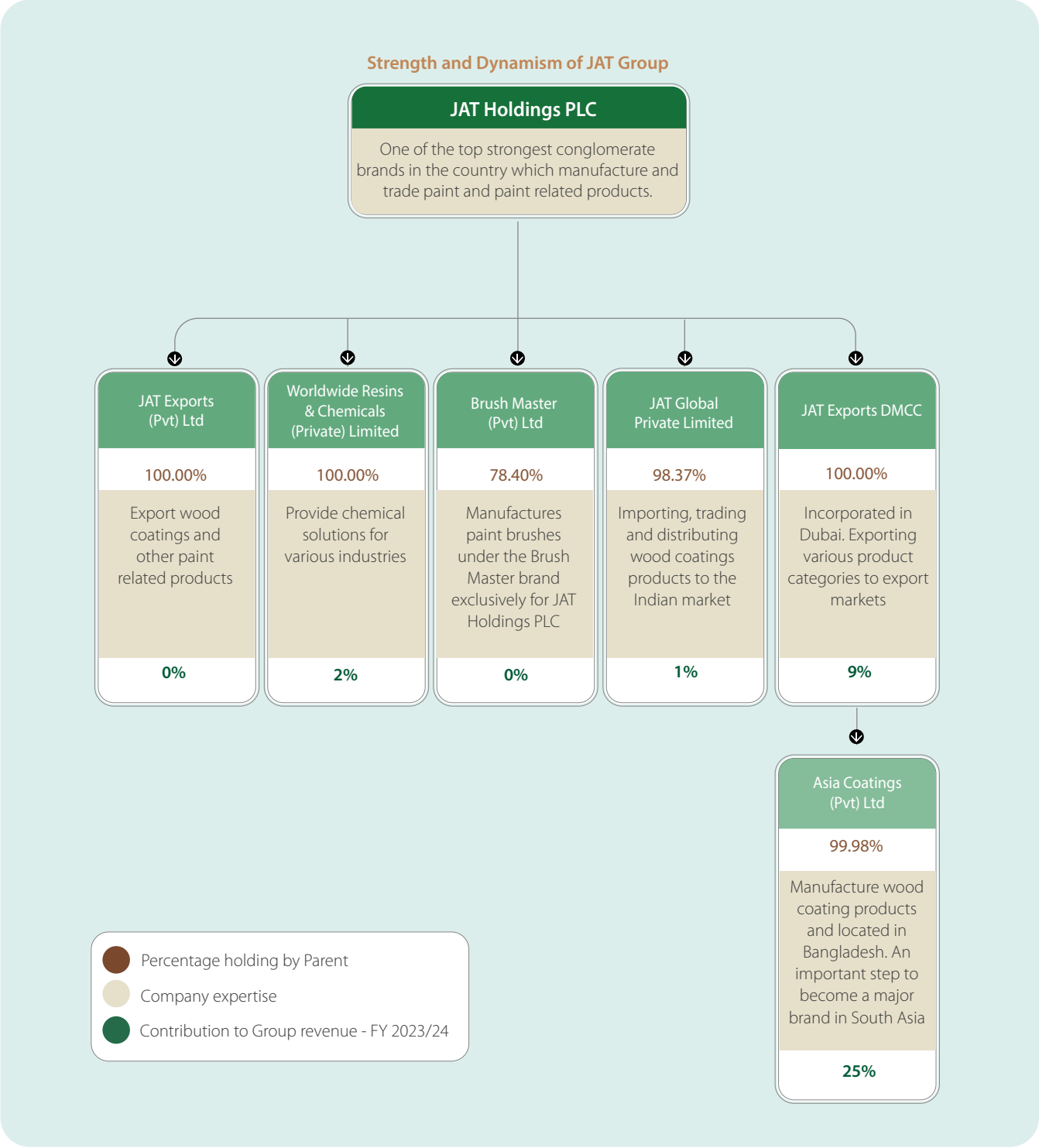
Our Presence

After establishing the island-wide presence, JAT ensured its geographical footprint in Bangladesh, India, Maldives and Seychelles regional markets. The Group has also embarked on its operations in the African region, with continuous growth in countries including Ghana, Kenya, and Uganda.



OVERVIEW

ABOUT US



Principal product segments

Wood coating solutions

A range of interior and exterior, water-based and solvent based wood coating products

57%
market share

81%
contribution to Group revenue

Decorative paint and other accessories

A wide range of high-quality interior and exterior emulsion paints, innovative decorating tools, paint brushes and rollers

31%
market share in brushes

10%
market share in brilliant white category

17%
contribution to Group revenue

Furnishing solutions and projects

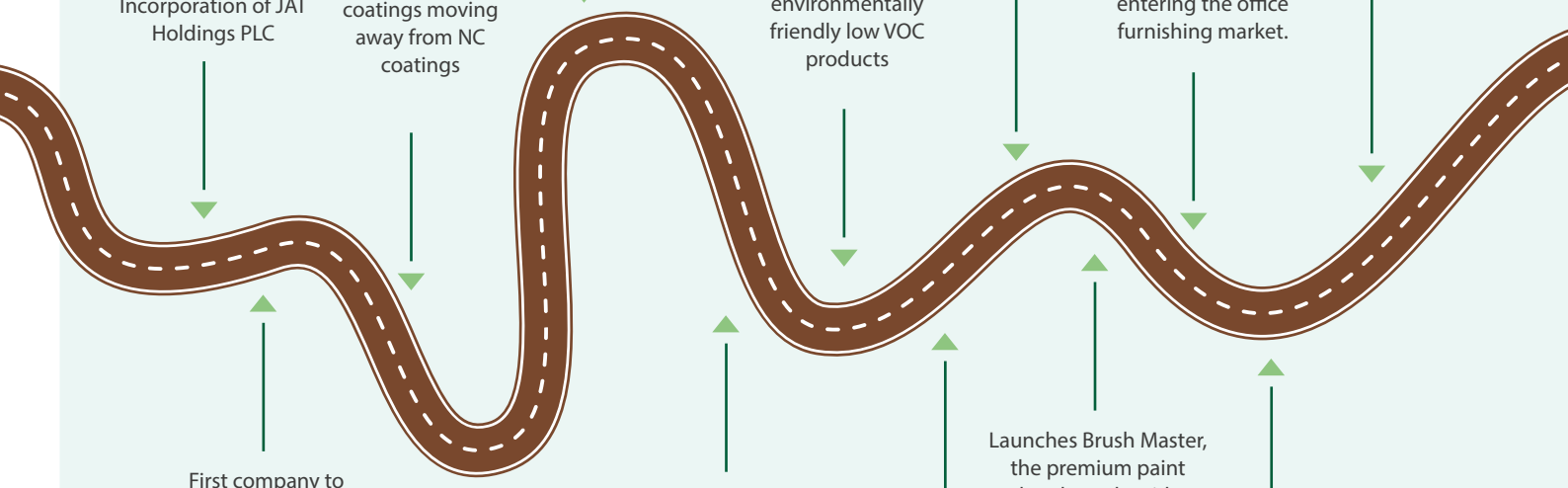
Modern furnishing solutions, including luxury kitchens, seating, desking and storage, doors and partitioning for residential and commercial projects

3%
contribution to Group revenue

OVERVIEW

OUR EVOLUTION

Since its humble beginnings in 1993, JAT has taken bold and progressive steps towards becoming Sri Lanka's leading provider of finishing and furnishing solutions, commanding dominant positions in its key business lines of wood coatings, brushes and luxury kitchens. The Group's agility in responding to evolving customer dynamics, proactiveness in embracing emerging industry trends and focus on innovation, research and development have enabled it to stay resilient and thrive amidst challenging environments.



1993
Incorporation of JAT Holdings PLC

1995
First company to introduce PU wood coatings which revolutionized the wood finishing market with innovating wood coatings moving away from NC coatings

1996
First company to introduce PU wood coatings which revolutionized the wood finishing market with innovating wood coatings moving away from NC coatings

1998
First company to introduce islandwide training on wood finishing for applicators, architects, institutes, wood working industries

1999
Partnered with Borma Wachs, Europe's largest wood cosmetics producers to become the first company to introduce Water Base Putty into the Sri Lankan market

2000
First company to introduce Water Base Coatings in Sri Lanka and region, thereby transforming South Asia's wood coating industry

2000
First company to actively promote environmentally friendly low VOC products

2001
Entered the Bangladesh market with Sayerlack, J Chem & Borma Wachs

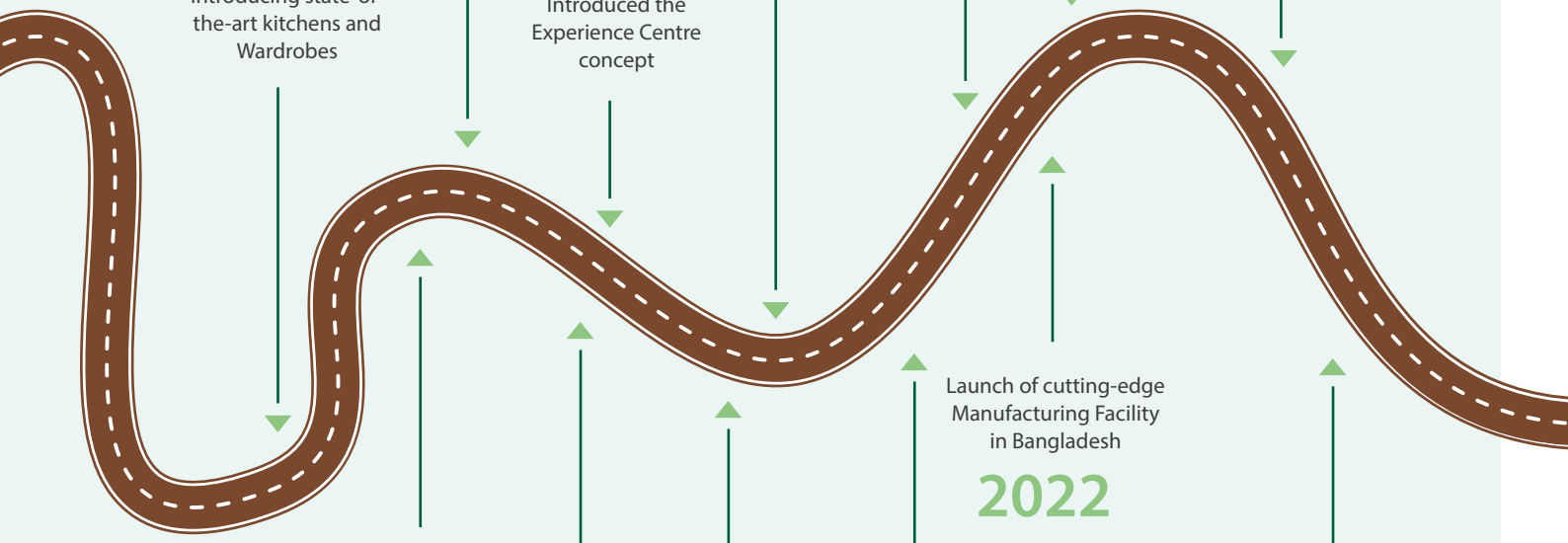
2005
Entered the Maldives market with Sayerlack & Borma Wachs

2010
Launches Brush Master, the premium paint brush made with Dupont filament

2011
Partners with Herman Miller, the global leader in ergonomic office furniture, thereby entering the office furnishing market.

2013
Entered the Indian market

2014
Private placement with 6% of total market value



2016
Incorporation of JAT Global (Pvt) Ltd in India

2017
Partners with SEA Group (Germany) introducing state-of-the-art kitchens and Wardrobes

2019
Acquisition of Harris exclusive agency

2019
Introduced Petal Paint to the market

2020
Entered the African Market

2020
Introduced the Experience Centre concept

2021
Launch of premium quality decorative paint, WHITE by JAT

2021
Through an IPO, JAT listed in the Colombo Stock Exchange, offering 16% to the public

2021
Initiating JAT Pintharoo Abhiman

2022
Opening of the state-of-the-art Research & Development centre at SLINTEC

2022
Launch of cutting-edge Manufacturing Facility in Bangladesh

2023
Introduced Harris Ultimate Premium Synthetic Paint Brushes, brilliant white paint WALLZ and JAT Wood Coatings brand to cater to the local and international markets and relaunched Masters Waterbase Coatings

2024
Incorporation of binder manufacturing plant in Sri Lanka

2024
Inauguration of Alkyd resin manufacturing plant in Bangladesh

UNBOUNDED EVOLUTION

Upward Mobility and Sustained Progress

THE YEAR IN REVIEW

THE YEAR IN REVIEW

PERFORMANCE HIGHLIGHTS

TOTAL ASSETS	TOTAL EQUITY	OPERATING PROFIT	MARKET CAPITALISATION
Rs. 14,449 Mn	Rs. 9,115 Mn	Rs. 1,355 Mn	Rs. 8.8 Bn
(+11%)	(+6%)	(-30%)	(+8%)

Year Ended 31 March			2023/24	2022/23	Y-O-Y change (%)
Financial Capital	**Profitable Growth**				
	Revenue	Rs. Mn	11,556	10,167	14%
	Gross Profits	Rs. Mn	3,389	3,424	-1%
	Operating Profit	Rs. Mn	1,355	1,931	-30%
	Profit Before Tax	Rs. Mn	1,211	1,486	-19%
	Profit After Tax	Rs. Mn	1,023	1,301	-21%
	GP margin	%	29.3%	33.7%	-4.4%
	GP Increase	Rs. Mn	(35)	820	-
	Return on Assets	%	7.1%	10.0%	-2.9%
	Return on Equity	%	11.2%	15.1%	-3.9%
	Financial Stability				
	Total Assets	Rs. Mn	14,449	13,009	11%
	Total Liabilities	Rs. Mn	5,334	4,381	22%
	Total Equity	Rs. Mn	9,115	8,628	6%
	Shareholders' Funds	Rs. Mn	9,128	8,642	6%
	Non-Controlling Interest	Rs. Mn	(13)	(14)	-9%
	Total Debt	Rs. Mn	2,789	1,615	73%
	Net Debt	Rs. Mn	1,513	453	237%
	Gearing Ratio	%	23.4%	15.7%	7.7%
	Net Debt (Cash)/Equity	Times	0.17	0.05	217%
	Debt/Total Assets	Times	0.19	0.12	55%
	Working Capital Management				
	Current Ratio	Times	1.89	2.37	-20%
	Liquidity Ratio	Times	1.25	1.54	-19%
	Inventory Days	Days	154	156	-1%
	Debtor Days	Days	116	152	-24%
	Creditor Days	Days	60	87	-30%
	Shareholder Information				
	Earnings per Share	Rs.	2.00	2.56	-22%
	Dividends per Share	Rs.	0.79	0.83	-5%
	Net Assets per Share	Rs.	17.86	16.93	5%
	No. of Shares in Issue	No.	510,407,773	510,407,773	0%
	Closing Price	Rs.	17.30	16.00	8%
	Market Capitalisation	Rs.	8,830,054,473	8,166,524,368	
	P/E Ratio	Times	8.6	6.3	38%
	Dividend Payout	%	39%	32%	7%
	Dividend Cover	Times	2.54	3.08	-18%
	Dividend Yield	%	4.6%	5.2%	-0.6%

	Year Ended 31 March		2023/24	2022/23	Y-O-Y change (%)
Manufactured Capital	**Manufacturing Facilities**	No.	3	2	50%
	Property, Plant, and Equipment	Rs.Mn	3,631	1,979	83%
	Capital Expenditure	Rs.Mn	2,143	447	379%
	Efficiency Ratio	%	75%	85%	-10%
Human Capital	**Total Employees**	No.	471	391	20%
	Payments to Employees	Rs.Mn	941	822	14%
	Remuneration per Employee	Rs.Mn	1.99	2.10	-5%
	Female Representation	%	21%	21%	0%
	Employee Retention Rate	%	89%	87%	2%
	Promotions	No.	54	34	59%
	Investment in Training	Rs.Mn	4.8	3.3	45%
	Total Training Hours	Hours	4,664	8,656	-46%
	Average Training Hours/Employee	Hours	10	22	-55%
	Workplace Injuries	No.	6	6	0%
Intellectual Capital	**Investment in R&D**	Rs. Mn	45	159	-71%
	New Products Launched	No.	3	3	0%
	Products in Pipeline	No.	4	9	-56%
	Strength of R&D Team	No.	15	15	0%
	Brand Awards	No.	12	7	71%
Social and Relationship Capital	**Payments to Suppliers**	Rs.Mn	8,257	7,433	11%
	Total Suppliers	No.	1,600	1,509	6%
	Investment in CSR	Rs.Mn	1.76	0.36	389%
Natural Capital	**Energy Consumption**	GJ	2,370	2,433	-3%
	Renewable Energy Generation	MWh	238	187	27%
	Water Consumption	m3	11,184	8,885	26%
	Solid Waste Generation Disposed	kg	3,976	23,040	-83%
	Carbon Footprint	tCO2e	1,866	1,807	3%

THE YEAR IN REVIEW

A WINNING PROPOSITION

JAT is a constant recipient of accolades for its outstanding performance across a wide range of performance aspects. Such independent external endorsements are a strong testimony of the excellence with which the Group functions and the significant impact it is creating across diverse socio-economic spheres.

Awards and Recognitions

Overall Excellence

- Silver winner in the Trading Sector at National Business excellence Awards 2023 organized by the National Chamber of Commerce of Sri Lanka
- Winner of the Other category at the Best Management Practices Company Awards 2024 organized by the Institute of Charted Professional Managers of Sri Lanka
- Top 10 companies at the Best Management Practices Company Awards 2024 organized by the Institute of Charted Professional Managers of Sri Lanka
- Merit award in the National Level – Extra Large Category – Manufacturing Sector at the CNCI Achiever Awards 2023 for Industrial excellence organized by the Ceylon National Chamber of Industries

Excellence in corporate reporting

- Gold winner in the emerging Listed Companies at TAGS Awards 2023 organized by the Institute of Chartered Accountants in Sri Lanka
- Silver winner in the Trading Sector at TAGS Awards 2023 organized by the Institute of Chartered Accountants of Sri Lanka
- Top 20 integrated reports of 2023 at the CMA Excellence in Integrated Reporting Awards 2023 organized by the Institute of Certified Management Accountants of Sri Lanka

Excellence in marketing and branding

- Merit award winner for WHITE by JAT in the Best New Entrant category at the SLIM brand Excellence 2023 organized by Sri Lanka Institute of Marketing
- Bronze winner for WHITE by JAT in the Best use of technology in Marketing at the SLIM Digis 2.3 organized by the Sri Lanka Institute of Marketing

Sustainability

- Platinum winner in the Product and System category at the CIOB Annual Green Awards organized by the CIOB – Ceylon Institute of Builders
- Best Project Sustainability award for JAT Pintharoo Abhiman in the Projects category at the Best Project Sustainability Award organized by the Ceylon Chamber of Commerce

HR Practices

- Runner-up in the Manufacturing/FMCG category at the Great HR quiz 2023 organized by the Charted Institute of Personal Management

Certifications and credit ratings

Ratings

- Received 'AA(lka)' rating with a stable outlook at National Long Term Ratings organized by the Fitch Ratings Lanka Limited
- Listed at No. 12 among the top 100 listed companies organized by Transparency International Sri Lanka
- Listed among top 100 listed companies by the LMD Ratings
- Listed among top 100 Most Awarded companies by the LMD Ratings
- Listed among top 100 Most Respected Companies by the LMD Ratings
- Listed among top 100 Most Loved Consumer brands (Sayerlack) by the LMD Ratings

Accreditations

Sri Lanka

JAT Holdings PLC

- Received Green Seal Certification for 'WHITE by JAT interior' by Green Seal
- Received Green Seal Certification for 'Master all in One Wood Coating' by Green Seal
- Received Green Seal Certification for 'WHITE by JAT exterior' by Green Seal
- Received ISO 9001:2015 Certification by United Registrar of Systems
- Received ISO 14001:2015 Certification by United Registrar of Systems
- Received ISO 45001:2018 Certification by United Registrar of Systems
- Received the Authorized Responsible Care Logo by Lanka Responsible Care Council
- Received the Certificate of ECO Label Sri Lanka by National Cleaner Production Centre
- Received Environmental Protection License by Central Environmental License

Brush Master (Pvt) Ltd

- Received ISO 9001:2015 QMS Certification by United Registrar of Systems
- Received ISO 14001:2015 EMS Certification by United Registrar of Systems
- Received ISO 45001:2018 OHSMS Certification by United Registrar of Systems

Bangladesh

Asia Coatings (Pvt) Ltd

- Received ISO 9001:2015 QMS Certification by United Certification (UNI-CERT)
- Received ISO 14001:2015 EMS Certification by United Certification (UNI-CERT)
- Received ISO 45001:2018 OHSMS Certification by United Certification (UNI-CERT)

THE YEAR IN REVIEW

MILESTONES AND KEY EVENTS

APRIL 2023

Iftar Program in Bangladesh

During Ramadan, Muslims fast from dawn until sunset, abstaining from food, drink, smoking, and other physical needs. JAT ACL team celebrated faith, teamwork, and success by gathering for a special Iftar Mehfil at the factory premises. The event fostered a spirit of unity, warmth, and shared blessings among colleagues. A heartfelt Doa Mehfil preceded the Iftar, seeking well-being for our employees and continued company growth.

8 Year Colour Guard Campaign for WHITE by JAT

WHITE by JAT launched a comprehensive 360-degree campaign across TV, radio, and digital platforms. The campaign focuses on educating potential customers about the brand's unique offering: an 8-year color protection for their walls. In a society where homeowners typically repaint their homes every 3 years, JAT has revolutionized this norm with its 8-year color guard campaign, highlighting the durability and long-lasting quality of WHITE by JAT products.

MAY 2023

Foundation Stone Laying Ceremony of Alkyd Plant

This achievement marks a positive moment for JAT, as its new Alkyd Resin Plant will help to boost the Group's margins as a result of improved backward vertical integration. The new plant is designed to manufacture primary raw materials for solvent-based polyurethane, nitrocellulose, and enamel wood coatings and paint.

JAT Wellbeing Week 2023

Valuing employee wellbeing as a cornerstone of our high-performance culture, JAT implemented a range of initiatives coinciding with International Wellbeing Week 2023. The initiative included a medical checkup for all employees including a dental facility.

JULY 2023

Launch of Harris Ultimate range

Introduction of the range of Harris Ultimate brushes and rollers. This range is best suited for walls and ceiling. The unique aspect of this brush is that the filament is grey and is made from premium synthetic material.

JAT Pintharu Abhiman Partnership with MBC Network

JAT partnered with MTV Channel Private Limited to take the JAT Pintharoo Abhiman program to new heights. This strategic collaboration, which is the first of its kind, will see JAT join forces with MTV Channel Private Limited as the media partner for the JAT Pintharoo Abhiman programme, further expanding its scale, scope and coverage. Thus, the partnership marks a significant milestone in the history of JAT Holdings and the entire woodcraft industry in Sri Lanka.

The collaboration will connect JAT Pintharoo Abhiman with the public in all three languages through various channels, including TV, radio and digital platforms.

The collaboration will have three phases: videos highlighting past graduates' success stories, painter training workshops in eight locations, and an exciting industry-first initiative. The goal is to transform the program into a national initiative to improve industry standards, create skilled painters, and boost industry perception.

JULY 2023

Introduction of Loyalty Point Scheme for the Master All in One

The JAT Loyalty program was extended to the Master All-in-One Ceiling Coat. Consumers will now receive 150 Loyalty points with every purchase of 4L Masters All in One Ceiling Coat.

AUGUST 2023

Launch of Female Painter Project

Recognizing the male-dominated nature of the carpentry and painting industry in Sri Lanka, JAT launched a pilot female painter program under its flagship JAT Pintharoo Abhiman painter training initiative. The 4 day training aimed to groom interested females pursuing or enhancing their skills in wood coating.

SPARK - "Streamlined Performance And Result Kickstart" Program for Factory Employees

Aligning to JAT Lean Green Belt Practitioner Program launched in the end of 2022/23, similar program was designed inhouse to take the lean concepts to the factory employees. This Program is designed to meet long term objectives of the factory with continuous improvement attempts while supporting the overall process excellence goals of the company.

SEPTEMBER 2023

JAT Excellencia

Under the theme "Celebrating Success and Powering Growth," JAT Excellencia 2023 recognized and celebrated the contributions of over 400 employees of the company, while also rewarding 36 selected employees from all levels of the company for their exemplary performance and for upholding the company values of JAT throughout the year.

OCTOBER 2023

E-waste Collection Day

An open e-waste collection day was organized for employees to bring the e-waste generated in their household. During the event, 135.7 kg of e-waste was collected and sent for recycling, eliminating possible contaminations to the environment.

LANKA WALLTILE partnership to increase product reach of WHITE By JAT

This partnership aims to increase the availability and accessibility of WHITE by JAT via 12 Lanka Tiles showrooms in Colombo, ensuring that customers across the Greater Colombo area can now enjoy the exceptional quality and aesthetics that WHITE by JAT offers.

OCTOBER 2023

Virtual Walk Program

A 21 day walking challenge was organised under JAT Fitfinity to instill a healthy lifestyle in employees. Partnering with Ayubo Life, JAT encouraged employees to complete 7000 steps a day for a period of 21 days. Teams were categorised by departments and the winning team received valuable prizes.

THE YEAR IN REVIEW

MILESTONES AND KEY EVENTS

NOVEMBER 2023

Wood Expo in Bangladesh

ACL participated in the Wood Expo, providing customers with an excellent opportunity to showcase our products and present samples of our finished goods. This event allowed us to demonstrate the quality and uniqueness of our offerings, enabling customers and furniture manufacturers to gain a clear understanding of our products. The Wood Expo is the ideal platform to highlight why ACL stands out among competitors and why we should be the preferred choice in the market.

Cricket Match in Bangladesh

During our cricket day, we mix all employees into diverse teams, encouraging them to set aside barriers and collaborate. This results in a day filled with enjoyment and team spirit. The event fosters camaraderie and strengthens relationships across different departments Participating in these activities helps to relieve stress and promotes a healthy work-life balance. Overall, our sports events contribute to a positive organizational culture and improved employee morale.

JAT Kids Fiesta

Fostering the potential of the future generation, JAT organized Kids Fest 2023 in collaboration with International Children's Day, themed 'Igniting Potential for a Better Tomorrow.' The event aimed to celebrate the children of our employees. The younger ones delighted in a variety of enjoyable activities, including magic shows, face painting, and bouncy castles hosted by renowned actor Priyantha Seneviratne. For the older kids aged 14 and above, there was a thought-provoking workshop conducted by Munshif Hussain, the Founder/CEO of Life Skills Training, centered around the theme 'Journey Beyond School.' This workshop served as an inspirational and enlightening career guidance program, providing valuable insights and advice for making informed post-school career choices.

DECEMBER 2023

JAT Industrial Partners Forum

The inaugural JAT Industrial Partners Forum brought together over 75 industry leaders, government officials, and regulatory bodies to foster dialogue and collaboration. Notable speakers shared their expertise, sparking insightful discussions on industry challenges and opportunities. The forum highlighted a unified commitment to excellence and set the stage for advancing the wood coating industry in Sri Lanka. Due to its success, the forum will now be held quarterly, aiming to enhance synergy, innovation, and industry progress through ongoing engagement.

Herman Miller Giveaway with YES FM

JAT partnered with YES FM for the annual seasonal Herman Miller Giveaway. Throughout the period of 20 days, 10 winners walked away with exclusive movie tickets, and one winner was creatively and convincingly able to demonstrate why they wanted to win the iconic Aeron giveaway. Throughout the month we drove awareness of the brand and competition on radio, cinema, press, and digital mediums.

DECEMBER 2023

Christmas Carols and Crib Competition

This time, JAT Christmas celebrations were held in a glamorous way, with the participation of each and every employee of JAT. This was a mesmerizing evening followed by a session of Christmas carols and a crib competition.

JANUARY 2024

JAT Industrial Partners Cricket League 2024

JAT hosted the inaugural JAT Industrial Partners Cricket League 2024 to strengthen partnerships. The League featured fourteen teams from top industrial partners, culminating in a competitive event where the Sri Lanka Air Force emerged as winners. This initiative showcased collaboration and unity in the industry, reflecting JAT's commitment to industry advancement. The event not only celebrated sporting success but also emphasized JAT's focus on networking and industry growth.

FEBRUARY 2024

Alkyd Plant Inauguration

Operations at the new Alkyd plant officially commenced amidst a special launch ceremony to mark the occasion. The commencement of operations at our new Alkyd Resin Plant in Bangladesh reflects our commitment to excellence across multiple spheres, including product quality, manufacturing efficiency, value delivery, and social and environmental responsibility.

WHITE by JAT – Expat Campaign (Mahagedrata Eliyak)

A targeted digital campaign was launched to promote the brand's e-commerce platform to Sri Lankans living abroad. An ad was crafted specifically for Sri Lankans in Australia, New Zealand, Canada, the UK, the UAE, the USA, and Italy, encouraging them to explore the platform and order paint for their homes in Sri Lanka, making it a thoughtful gift for their parents.

Valentines' Day (Painter Interviews)

Valentines' day was done in an unconventional method, where instead of only focusing on the significant other, we focused on spreading love in general. 5 painters were asked a series of questions, where they were asked to speak about the person they love the most. It ended by asking the painters to call that individual person live and express their love.

THE YEAR IN REVIEW

MILESTONES AND KEY EVENTS

MARCH 2024

JATPOT biggest consumer promotion to date targeting the painters and retailers in the coating industry

A consumer promotion targeting painters and retailers in the coating industry was held during the March/April Avrudu season. This promotion is the largest to date, with over 17 million cash prizes to be distributed among 2000+ winners.

JAT Dealers' Cricket Championship

The JAT Dealers' Cricket Championship was an eagerly anticipated 8 week long series filled with passion and skill that brings together our valued dealers from across the region. This championship not only showcases the cricketing talent within our dealer network but also strengthens the bonds between our dealers and the JAT family. Teams are formed by mixing participants from different areas, fostering camaraderie and collaboration. The event is a day of spirited competition, filled with excitement, teamwork, and sportsmanship.

Launch of Oppein Kitchens

Expanding its portfolio of world-class brands, JAT launched the globally renowned kitchen and home cabinetry brand, "OPPEIN", in Sri Lanka, as the exclusive franchise holder. This milestone builds on JAT's reputation for managing global brands in the finishing and furnishing industry, providing Sri Lankans access to OPPEIN's modern Italian design aesthetics and European quality standards, at an affordable price point.

Closure of JAT Lean Practioner – Green Belt Program

Successfully completed the JAT Lean Green Belt Practitioner Program, in collaboration with the Innovation Center for Enterprise Excellence Solutions (A partner institute of the Center for Lean Excellence, Singapore) (ICEES). This milestone reflects our commitment to long-term development, engaging 26 dedicated employees over a period of one year through training sessions, continuous project follow-ups, and progress evaluation meetings each month including online exams, and presentations. This initiative has not just brought financial benefits but has significantly contributed to enhancing our operational excellence and nurturing a culture of continuous learning and improvement.

Women's Day

A session with renowned dance movement psychotherapist, Rangi Fernando, titled "Women's Day Movement with Rangi." A program organized to encourage the female staff to engage in free movement through rhythm. The program also incorporated time for meditation, self-reflection, and mindfulness.

UNBOUNDED MASTERY

Directing Excellence and Promoting Proficiency

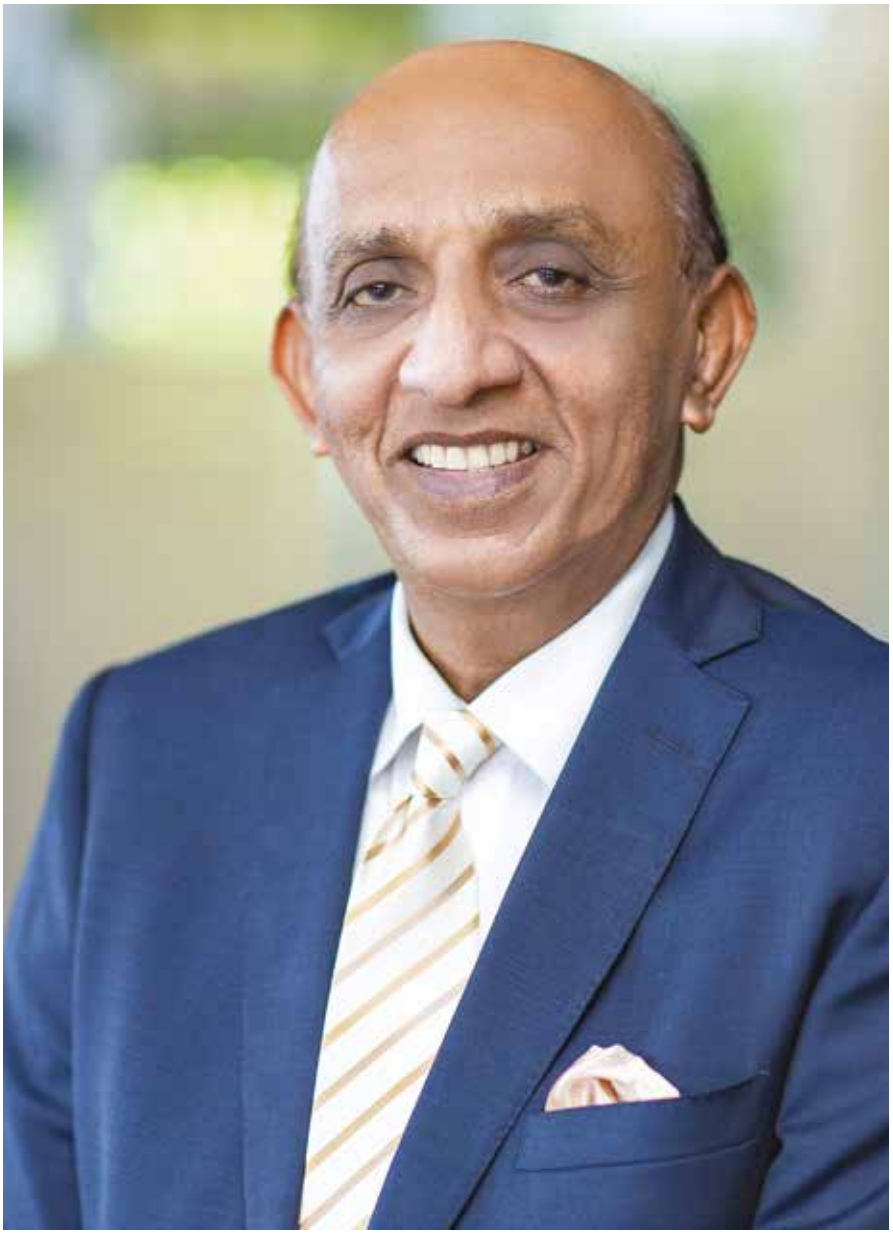
LEADERSHIP TEAM

OUR LEADERSHIP TEAM

CHAIRMAN'S REVIEW

Dear Shareholders,

It is my immense pleasure to present you the consolidated financial statements and integrated annual report for the financial year ended 31 March 2024. In reflection of the year gone by, it was one in which JAT reaffirmed its characteristic resilience in navigating challenges and furthered its innovative spirit whilst generating sustainable value to all its stakeholders.



Shifting landscapes

The Sri Lankan economy recorded gradual recovery during the financial year under review, having weathered unprecedented shocks over the past few years. Inflation continued to decline in the aftermath of having reached historic highs in September 2022, stabilising within the target mid-single digits levels. The Central Bank of Sri Lanka (CBSL) adopted a relaxing monetary policy by reducing the policy rates viz. Standing Lending Facility Rate and Standing Deposit Facility Rate by seven percentage points. Resultantly market interest rates also reduced considerably. External sector performance improved with key indicators moving in the positive direction. The trade deficit reduced to one of the lowest levels in the country's recent history, whilst the current account balance reached positive territories. Exchange rate stabilized in the range of Rs. 325/- by end 2023 further improving to the Rs. 305/- range by the end of March 2024, however considerably higher than pre-economic crisis levels. The national economy contracted only by 2.3% during the year 2023, a notable improvement over the contraction of 7.3% the prior year, yet far from its true potential.

At the sector level, the construction sector remained under stress as the same is highly vulnerable to economic downturns, mainly due to the holdback of construction projects. The sector performance declined by 20.8% in 2023 and compared with a similar decline of 20.9% in 2022, having a direct impact on the performance of JAT.

In step with a robust strategy

As the operating environment presented both challenges and opportunities alike, the Group remained well focused on its robust strategic blueprint, carefully devised in guiding JAT towards new tangents of growth. The dynamism of the strategy coupled with the agility of the JAT team enabled swift adaption in our course to best suit the evolving conditions thereby stay relevant, maneuver through challenges and capitalize on opportunities. As the year continued to pose the twin challenges of high cost of goods and reduced purchasing power of customers, we sought avenues to optimize the cost of our products, thereby make our products affordable to our customers. Having successfully completed the setting up of an Alkyd Resin manufacturing plant in Bangladesh during the financial year, the Group replicated its tested prowess in backward vertical integration in Sri Lanka as well, wherein ground work towards producing Acrylic Binders in Sri Lanka was carried out during the year as well. Commercial operations of this plant is set to commence during early 2024/25, guaranteeing the Group access to top-quality raw materials at affordable prices.

The Group's accountability towards shareholder funds was demonstrated in meeting the initial public offering (IPO) objectives well ahead of the committed deadline. The setting up of a state-of-the-art research and development centre as a part of IPO objectives proved exceedingly empowering in the setting up of the Acrylic Binders production plant, creating fruitful synergy among backward vertical and horizontal integration initiatives.

As the year was one notable for capital investments which has positioned the Group on a springboard for accelerated growth in the future, profitability moderated to Rs. 1,023 Mn above the budgets set for the year.

> As the operating environment presented both challenges and opportunities alike, the Group remained well focused on its robust strategic blueprint, carefully devised in guiding JAT towards new tangents of growth.

Built on unique strengths

JAT carries to its credit over 30 years of local market experience and over 20 years of Bangladesh market experience. Business acumen gathered by JAT over these years have proven exceptionally vital in its cross-border expansions. The dynamism of JAT's product range and affiliations with world's leading brands have positioned JAT in a highly advantageous footing in both Sri Lankan and overseas markets. The competent and qualified leadership team together with the committed JAT team also serve as a core strength of the Group which have enabled the delivery of solid results year on year.

Integrity placed at the core

JAT's robust governance frameworks have been crucial in navigating the complexities of the operating environment. The Board closely monitored emerging macro-economic, regulatory, political, and social developments to understand their impact on the Group's financial performance and develop appropriate responses to protect stakeholder interests. Key areas of focus included overseeing the Group's response to the lingering impacts of the financial crisis, implementation of the JAT strategy, reviewing progress on initiatives related to IPO objectives, guiding risk management and compliance efforts, and enhancing the employee value proposition amidst rising talent migration. The Board was ably supported by the five subcommittees in discharging of its responsibilities, by overlooking critical aspects of our operations. The Group consistently monitors its compliance with regulations focused on sustainability, environmental protection and ethical governance practices through various initiatives.

Looking ahead

With our ever-expanding footprint across the globe, and considerable investments made in major expansion initiatives over the past two years, we are now well poised to reap benefits of such investments. Our plans include optimum operations of our recently established Alkyd Resin plant in Bangladesh, newly established Acrylic Binders manufacturing plant in Sri Lanka and efficient deployment of our R&D Centre towards driving costs of our products down and product innovation, thereby placing us a step ahead of competition. Our foray into Australia and Africa will also undergo gradual expansion in consideration of risks involved and commensurate returns attached. We will continue to enhance the dollarized component of our total revenue, which by the end of the financial year under review improved to 35%.

As Sri Lanka is set to go through two key elections, we eagerly anticipate continued political stability and further recovery of the economy, and most significantly policy clarity and consistency. JAT remains deeply committed to enhancing shareholder wealth, increasing value generated to other stakeholders and contributing towards Sri Lanka's fast mending economy.

Appreciation

In conclusion, I would like to express my deep appreciation to my colleagues on the Board for their continued support and counsel during these challenging times. On behalf of the Board, I congratulate the Group's Managing Director, Chief Executive Officer, heads of all business verticals, senior leadership team and all of the JAT team, based out of Sri Lanka and other locations on exceptional performance year on year. I acknowledge their untiring efforts which have enabled delivery of results amidst numerous challenges. I also wish to thank our customers and business partners for their continued patronage and trust in JAT, and our valued shareholders for believing in JAT's potential and partnering us in our mutual growth journey.

Dr. Sivakumar Selliah
Chairman

28th May 2024

OUR LEADERSHIP TEAM

MANAGING DIRECTOR'S REVIEW

Dear Stakeholders,

I draw immense inspiration from the dedication, loyalty and perseverance demonstrated by the various stakeholders that partnered us in our success during the year. Your support has motivated us to push the bar in achieving greater heights and in generating deeper and more sustainable value in the long run.

A year of resilient performance

In the face of challenges posed by the devaluation of the Sri Lankan Rupee and the unprecedented declaration of bankruptcy by the country, our business demonstrated commendable performance across all key verticals within the Construction Industry. Despite these hurdles, each vertical exhibited resilience and adaptability, showcasing our unwavering commitment to excellence and customer satisfaction. The Construction sector battled against a number of challenges such as high cost of imported input material due to currency fluctuation, import restrictions on construction material, taxes, namely VAT and SSCL in excess of 20% being imposed on housing (condominiums and standalone housing) for the first time ever in Sri Lanka's history and reduced purchasing power of individuals which had a direct impact on our key business verticals of paint, paint brushes and kitchens and wardrobes from our furnishing department. Despite the increase in input material including the increase of VAT from 15% to 18% and the introduction of 2.5% of SSCL, we did not resort to passing on this burden to our customers. Instead, we sought ways to streamline our processes and achieve cost rationalizations thereby maintain prices within reasonable levels. Our own Alkyd Resin plant already functional in Bangladesh providing the key raw material for solvent based paints manufactured in that market and the newly established Binder Resin plant in Sri Lanka ready to commence operations providing input into water based paints produced in Sri Lanka are game changers in this regard.

Naturally the challenges at home propelled us to explore more stable markets overseas, with a bid to diversify our income sources and eliminate the risk of over-concentration. Accordingly, we expanded our furnishing operations into Perth, Australia in the luxury bespoke kitchen segment. Such strategic initiatives not only reinforce our commitment to innovation but also position us for sustained success in the future, especially in bolstering foreign income.

The Group reported a pre-tax profit of Rs. 1,211 Mn, and a gross profit margin of 29.3%. Post tax profitability was Rs.1,023 Mn, leading to a return on equity of 11.2%. The performance was well in line with the budget set for the year, which was consciously lower than that of the prior year owing to the current financial year being one of investment.

Commitment to innovation

Since its inception, JAT has revolutionized the solutions offered in wood coating, which is its premier product on offer. Harnessing strength from the strong ties JAT maintains with the world's best wood coating brand Sayerlack from Sherwin Williams, JAT has pioneered never before seen solutions in the Sri Lankan market, thereby not simply offering what the customer wants but offering an innovative value-rich product which elevates customer lifestyles and opens us new dimensions of quality living. During the year, product innovation continued ably supported by our research and development centre, complete with latest technology, state of the art equipment and qualified chemical engineers formulating precise solutions to match distinct climate conditions, prolong durability and ensure maximum efficacy of our products. What is noteworthy is that the research and development centre established here in Sri Lanka supports innovation and engineering of products for our overseas markets as well, thereby enabling us to offer in each market, high quality science based and laboratory tested products relevant to respective climate conditions.

The people factor

Affording rewarding career opportunities and building a motivated, creative, and productive team by fostering a culture of innovation is a key long-term objective as we move into customer-centric and innovative growth. Increased levels of skilled migration from the country continued

to impact our business to a certain extent. During the time cost escalations were a pressing issue, affecting profit margins, curtailment of employee benefits was never an option at JAT. Empathic to the continued financial pressures faced by our employees, we offered the highest ever salary increment to our staff members during the financial year 2023/24. We also paid performance bonuses to eligible staff as we strongly believe in rewarding our greatest asset, for the remarkable contribution they make in the JAT growth journey. We also continued to invest in their development with Rs. 4.8 Mn spent across a total of 4,664hrs training hours for the year. We remain steadfast in our commitment to promoting gender equality and diversity, ensuring equal opportunities for advancement and development within JAT. The gender-balanced composition of our Board of Directors and the comprehensive employee facilities are tangible manifestations of our commitment to fostering an inclusive work environment.

An awards studded performance

Excellence of our performance across multiple aspects was externally endorsed by some prestigious awards during the year. The Group received 12 awards across overall excellence, excellence in corporate reporting, marketing and branding, sustainability and HR practices affirming the strong equilibrium we maintain in our performance. Highlights included emerging as one of the top 10 companies at the Best Management Practices Company Awards 2024 organized by the Institute of Chartered Professional Managers of Sri Lanka, Gold winner in the Emerging Listed Companies at TAGS Awards 2023 organized by the Institute of Chartered Accountants in Sri Lanka, Platinum winner in the Product and System category at the CIOB Annual Green Awards organized by the CIOB – Ceylon Institute of Builders and Best Project Sustainability award in the Projects category at the Best Project Sustainability Award organized by the Ceylon Chamber of Commerce. These accolades are a testament to the relentless efforts of our passionate team members, who share a common commitment to delivering quality, innovation, and utmost customer satisfaction. We draw deep motivation from such awards in continually enhancing what we offer our customers and how we conduct ourselves as a respected corporate citizen in the country.

Propelling economic growth

Sri Lanka has now reached a pivotal moment in its economic recovery. The country, its people and businesses have demonstrated remarkable resilience over the past couple of years proving to the world, the country's agility in recovering from the deepest setbacks and forging ahead. There is greater economic stability anticipated with the finalization of the international debt restructuring of the country due during the current year and the remaining funding of the Extended Fund Facility (EFF) of the International Monetary Fund to be disbursed. In such a scenario JAT remains well positioned to support the national economy, generate employment and contribute to foreign exchange inflows, via its well diversified business ventures across multiple countries.

Sustainability agenda

JAT has well embraced the challenges posed by climate change, one of the triple planetary crisis of the current century, and functions with a solid commitment to minimizing its environmental footprint. Our efforts to identify, manage, and track progress in environmental sustainability are guided by the JAT ESG Sustainability Framework under which we pursue the achievement of key goals including reducing our carbon footprint and preserving ecosystems. The Sustainability and Process Excellence Department spearheads these initiatives, ensuring they are integrated across all company operations and we made considerable progress during the year in this regard. Some highlight initiatives rolled out during the year were obtaining the Green Seal Certification of USA for responsible manufacturing, acceleration of JAT Chemical Conscious Journey and enhanced waste management processes including e-waste and comprehensive audits on resource consumption across all operations.

Succession planning

With efficient operationalization of our growth agenda and ambitious plans laid out into the future, the Group has also invested considerable thought and effort in succession planning. As a listed corporate with accountability towards shareholders, we are cognizant of the benefits sound succession planning will yield to the business such as ensuring business continuity, development of a strong talent pipeline, alignment to strategic goals, promotion of organizational agility and fostering stronger governance and compliance. As such I am pleased to note that we have identified two to three top talents per business vertical including the CEO, and that they are being groomed and moulded alongside the JAT values to take up the leadership roles in the future and guide the Group in its growth journey.

Brighter times ahead

As the year under review was one of capital investments, projected profitability for the years was moderated. Notwithstanding the challenges in the external environment the Group went on to achieve such set budget targets. The ensuing year is set on a target to enhance profitability by a considerable growth percentage, leveraging the investments made over the last two years. Looking ahead, our aspirations remain ambitious yet attainable, owing to the exceptional talent and dedication of our team. We harborur unwavering confidence in our team's capacity to confront future challenges and effectively leverage our resources to realize our organizational goals. Our ongoing emphasis on training and talent acquisition underscores our commitment to building a workforce capable of navigating future uncertainties and expanding our presence in foreign markets.

> Research and development centre established here in Sri Lanka supports innovation and engineering of products for our overseas markets as well, thereby enabling us to offer in each market, high quality science based and laboratory tested products relevant to respective climate conditions.

Appreciation

I extend my sincere gratitude to the Chairman and the fellow Board of Directors for their individual and collective guidance in taking JAT to greater heights. The Chief Executive Officer together with the executive management team is also commended for their unwavering support in our journey ahead. My heartfelt thanks go to all our employees for their passion and perseverance without which JAT would not have achieved its many milestones. I also wish to express my appreciation to our business partners and customers for their unwavering support through both good times and bad and the confidence they have placed in us. Our shareholders for believing in our potential and trusting us with their investments and all other stakeholders who contribute to the success of JAT in numerous ways are remembered with much gratitude.

Wishing you well and looking forward to many years of continued partnership.

Aelian Gunawardene
Managing Director

28th May 2024

OUR LEADERSHIP TEAM

CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Stakeholders,

I am pleased to share with you that your company, JAT Holdings PLC (the Group), recorded another year of excellent performance, enabled by the tenacity of the team and the prudence of its strategy. Notwithstanding the many challenges that shaped our operating landscape, our two key segments of wood coating and brushes went on to progressively increase their market share to 57% and 31% respectively, affirming the undisputed and indomitable market share enjoyed by JAT.

Commendable financial performance

Sri Lanka

Defying the macro-economic hardships such as a negative GDP growth and considerable contraction in the construction sector, the Group posted a revenue growth of 11% YoY. Given the relative stability of prices, revenue growth mainly stemmed from volume growth, which is a commendable achievement. Our gross profit margin for the year was 29%. Post tax profitability of Rs. 1,023 Mn posted a YOY decline of 20%, primarily due to increased spending on advertising and promotions in order to increase and sustain market share and due to investments made in expanding our foreign markets. Profitability however was well within the budgeted levels as for the year under review, budgets reflected conscious reductions in results to be achieved over the prior year.

Amidst organization-wide cost disciplines, we still recorded escalation in certain cost categories. We doubled our marketing and advertising expenditure in maintaining our brand visibility among the target groups. At the core of the JAT brand lies an unyielding dedication to quality, reliability, and customer-centricity. Our brand distinguishes itself by consistently delivering innovative products and services that surpass customer expectations, fostering enduring relationships built on trust and integrity.

Fuel and energy costs also increased drastically owing to price increases. As was elaborated in the Managing Director's Review in page 28 we continued to reward our employees, which led to an increase in the personnel expenses category by 10%.

Overseas markets

Our overseas operations performed exceptionally well, making a considerable contribution to overall profitability. Turnover from Bangladeshi operations increased by an impressive 60%, which if adjusted for exchange rate appreciation would have been a 100% increase. The in-house manufacturing of Alkyd Resin, the core input material in Bangladeshi operation's key output product drove profitability of the product. Maldives operations also recorded a healthy turnover growth of 20%. Our establishment in Africa also recorded a Rs. 50 Mn revenue, which is set to grow exponentially. The ultimate foreign revenue composition of the Group was 35%, with the medium-term plan of increasing same to 50%.

The strength of research and development

As was elaborated in the Managing Director's Review our research and development capabilities were a game changer.

Enabling products which cater to evolving customer needs

With the heavily reduced spending capacities of customers, there was growing demand for economy range paint. JAT was able to cater to this need in the shortest turnaround time, given the R&D capabilities it had attained. This strength translated in to direct economic benefits where we grew the sales volume of the economy range emulsion paint by 3.5%, contributing to the top line.

Enabling products of superior quality

JAT became the first Sri Lankan paint manufacturer in the country to obtain the Green Seal certification from USA, affirming that the product contains Low-Volatile Organic Compounds (VOC) content, safer formulas, and uncompromising performance. Three of our top products, viz., WHITE by JAT interior, WHITE by JAT exterior and Master's all in one wood coating were accredited with Green Seal.

> Our overseas operations performed exceptionally well, making a considerable contribution to overall profitability. Turnover from Bangladeshi operations increased by an impressive 60%, which if adjusted for exchange rate appreciation would have been a 100% increase.

Cost optimization and operational excellence

During the year, we deployed Artificial Intelligence and other technology tools in a number of our processes, thereby reducing manual intervention, turnaround time and resource dependency. This was as a part of the overall digital transformation of our operations, which will continue with added vigour through the ensuing financial year. Migrating to a paperless office also continued through the year with the twin objectives of cost saving and aligning to the digital transformation goals.

Another major initiative that was rolled out during the year which directly benefited cost optimization and operation excellence was the training of 26 of our employees for Green Belt – Lean Practitioner Certificate Course, which is aimed at developing capacity around waste minimization and capacity enhancement. Such trained employees drive operational excellence via two dimensions viz., cost saving project implementation and sharing knowledge and enlightening the JAT team on operational excellence.

What is noteworthy of operational excellence and cost saving is that same are not concepts restricted to one division or responsibility assigned to one team, but the way of life and culture at JAT.

Creating value to our stakeholders

As a fully-home grown Sri Lanka corporate we are committed to make a lasting impact on the various stakeholders that connect with us. JAT Pintharoo Abhiman is our flagship initiative which is now running for the 3rd consecutive year. The project is driven on the predominant purpose of creating social acceptance and increasing dignity of painters of our country. The project takes a three-pronged approach in tackling the chronic societal anomalies that de-value the painters. One being offering the painters a nationally recognized, professional qualification in collaboration with the National Apprentice and Industrial Training Authority (NAITA), two being the establishment of painters as a fixed income earning category with their source of income verified via our Loyalty platform. This is important for the fact that the absence of a fixed income source would exclude painters from access to financing from the formal banking stream. We tied up with two leading banks in Sri Lanka where we have established a mechanism under which the qualified painters' income is verified via purchases done through us as recorded in the JAT Loyalty points platform, thereby making them eligible for formal bank loans. The third component of this program is enhancing social acceptance and dignity of the painters through a structured promotional campaign rolled out in collaboration with the one of Sri Lanka's leading electronic media partners, News First MTV. The impact created by this initiative is immense and to date 400+ painters have benefited from it.

We also extended curated support to our customers, as previously explained in swiftly launching economy paint range, value for money paint products, which enabled them to maintain the quality of life and elevate their living spaces amidst constrained spending capacities.

We also ensured the well-being of our dealers, distributors and suppliers – critical stakeholders in our value creation process. Flexible payment terms, loyalty points and increased volume-based incentives were some value additions extended to them during the year.

Aligning our best practices to emerging reporting trends

As was elaborated under the Managing Director's Review, our commitment to all-encompassing sustainability is unwavering. We also appreciate the importance of meaningful, transparent and comparable corporate reporting, which allows our primary stakeholders to make informed decisions about us. In such a scenario, we welcome the move by the Institute of Chartered Accountants of Sri Lanka in localizing the two global standards launched for sustainability reporting under SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures.

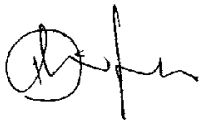
We have taken preliminary steps in this Annual Report, towards the full adoption of the two standards in our reporting by the stipulated deadline. In preparation to this, we have also realigned our organizational structure, wherein the Group's Sustainability and Process Excellence Department is partly placed under the purview of the Finance Director. This is a move which will promote setting metrics and targets and collecting data required to meet the information specifications of the two standards.

Readiness to face challenges

While we acknowledge the presence of challenges and opportunities in the near and medium term, we remain confident in our ability to navigate them effectively. Through robust strategic planning and agile operational capabilities, we are well-positioned to capitalize on emerging opportunities and mitigate potential risks. Our strategic initiatives, including product portfolio diversification, brand building efforts, and expansion of export channels, underscore our proactive approach to addressing these challenges.

Appreciation

I consider it a privilege to be a part of the JAT team, and thank the Board of Directors and the Managing Director for their wisdom and empathy towards the employees and other stakeholders. Their support and empowerment have enabled me to deliver on my mandate together with the wonderful JAT team, to whom I remain deeply grateful. The strong alignment between the Board, Management and the Team has enabled the exceptional results JAT is delivering. I also wish to thank our dealers, distributors and customers for believing in the JAT brand and for partnering us in mutual growth. Our diverse range of shareholders who are a key strength of our growth journey is also extended my deep appreciation.



Nishal Ferdinando
Director/Chief Executive Officer

28th May 2024

OUR LEADERSHIP TEAM

BOARD OF DIRECTORS

Seated from left to right

Nishal Ferdinando
Chief Executive Officer – Executive Director

Aelian Gunawardene
Founder and Managing Director – Executive Director

Dr. S. Selliah - Chairman
Non-Executive Director - Independent

Standing from left to right

Joycelyn Gunawardene
Non-Executive Director – Non-Independent

Hussain Akbarally
Non-Executive Director – Independent

Anika Williamson
Non-Executive Director – Non-Independent

Richard Gunawardene
Non-Executive Director – Non-Independent

Devaka Cooray
Non-Executive Director – Independent

Priyanthi Pieris
Non-Executive Director – Independent

OUR LEADERSHIP TEAM

BOARD OF DIRECTORS

Dr. S. Selliah

Chairman – Non-Executive/Independent

Dr. Selliah serves as the Chairman of the Board of Directors of JAT Holdings PLC. He holds an MBBS degree and a Master's Degree (M.Phil) and has over two decades of diverse and extensive experience in serving on the Boards related to varied fields including Manufacturing, Healthcare, Insurance, Logistics, Packaging, Renewable Power, Plantation, Retail etc. He currently serves on the Boards of many Public listed and Private companies. Has extensive experience on serving on Board sub committees as Chairman or Member which include, Human Resource and Remuneration committee, Investment committee, Strategic Planning committee, Related Party Transaction committee, Nomination and Governance committee, Audit committee, Risk Management committee etc.

Dr. Selliah is currently serving as a Director on the following companies: Commercial Bank of Ceylon PLC, Lanka Tiles PLC, Lanka Walltiles PLC, ACL Cables PLC, Swisstek (Ceylon) PLC. He is the Deputy Chairman of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Central Hospitals Private Ltd. He is also the Chairman of Cleanco Lanka Private Ltd and Vydexa Lanka Power Corporation Pvt Ltd. He also is a director of other private companies. He has also served on many other Listed company Boards in the past.

Dr.Selliah has served as a Senior Lecturer in the Faculty of Medicine, University of Kelaniya for many years in the past and served on several committees. He has also been Head of the Department of Physiology for many years during this period at the Faculty. He has also served as a Member of the University Council at the University of Colombo in the past.

Aelian Gunawardene

Founder and Managing Director/Executive Director

With a distinguished career spanning over three decades, Aelian stands as a formidable figure in the corporate landscape of Sri Lanka. As the founder and Managing Director of JAT Holdings since its inception in 1993, he has been instrumental in driving the company's growth and solidifying its position as a market leader, both domestically and internationally.

A seasoned marketing professional, Aelian has spearheaded numerous innovations that have not only enhanced JAT's brand presence but have also established unparalleled brand equity within the industry. Under his astute leadership, JAT Holdings achieved the remarkable feat of being the only private company in Sri Lanka to receive a prestigious Moody's ICRA rating of "A+ Stable" for four consecutive years. Furthermore, the company's recent listing on the Colombo Stock Exchange has garnered it a National Long-Term Fitch Rating of "AA (lka) Stable", further attesting to its financial strength and stability.

Beyond his achievements in the corporate realm, Aelian is widely regarded as one of Sri Lanka's most respected corporate leaders. His visionary leadership and strategic acumen have earned him numerous accolades, including the prestigious title of Sri Lanka's Entrepreneur of the Year in 2017. Additionally, he has been consistently recognized among the top business personalities in Sri Lanka, featuring prominently in LMD's "Top 23 Businesspeople of the Year" and maintaining a coveted position on the LMD A-List since 2018 – a testament to his enduring impact and influence in the business community.

Nishal Ferdinando

Chief Executive Officer/Executive Director

Nishal was appointed to the Board of Directors at JAT Holdings PLC during the year 2021 and has served as the CEO of the Group since 2017, under whose leadership the Company witnessed sustainable growth amidst many external adversities. He has over 14 years of experience in functioning as an Executive Director and over 19 years of experience in the construction, manufacturing, and trading industries. He currently serves as a Director of Volt Industrial Company K.S.A, Cyrus EV Chargers (Pvt) Ltd, Seaform Perth PTY Ltd, JAT Paints Africa Limited, and Flexospan Steel Buildings (Pvt) Ltd.

Under his leadership, JAT has experienced a remarkable period of growth and expansion amidst many external shocks, with the Company's listing on the Colombo Stock Exchange. During his tenure, the Company has won many accolades and was listed among the fifty most awarded companies and was the most awarded in the diversified sector. He was instrumental in setting up a state-of-the-art Research and Development Facility in Sri Lanka and a manufacturing plant in Bangladesh.

His academic background extends to Finance, Project Management and Business Administration. He is an Alumni at the Harvard Business School. He further holds an MBA from the University of Wales, an Advanced Diploma in Management Accounting from CIMA (UK) and a Post Graduate Certificate in Project Management from University of Southern Queensland.

He was an Executive Director serving on the Board of a leading construction company in Sri Lanka at the age of 27 until he joined JAT.

Hussain Akbarally

Non-Executive Director/Independent

Hussain holds a degree in Science from the University of Melbourne, and an MBA from Harvard Business School. Hussain currently serves as an Executive Director of Akbar Brothers (Pvt) Ltd and its subsidiaries. Akbar Brothers is Sri Lanka's largest exporter of Ceylon Tea to the international market and has diversified interests in the areas of pharmaceuticals, import trading, renewable energy, property management, manufacturing, hospitality, agriculture and environmental control. Hussain has spearheaded the Group's ventures into the avenues of solar power, hospitality and agriculture amongst others.

He was honoured as one of the New Energy Leaders by the Asian Development Bank in 2018 for his work in the renewable energy sphere. He is the outgoing Chapter Chair for YPO Colombo and serves as the treasurer of the Ceylon Motor Sports Club.

Devaka Cooray

Non-Executive Director/Independent

Devaka is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants of the United Kingdom.

He is the Chairman of United Motors PLC and its subsidiaries. He is also the Managing Director of Management Systems (Pvt) Ltd and its subsidiaries. He serves as Director of Hatton National Bank PLC, HVA Foods PLC, and George Stewart & Company Limited.

He has worked with Ernst & Young for over 40 years of which 30 years was as a Senior Assurance and Talent Partner. He functioned as the Deputy Managing Partner from 2016 to 2019 and served as a member of Ernst & Young's Management Committee from the time the Management Committee was

established in 1998 until his retirement in 2019. He was instrumental in establishing the Ernst & Young Practice in the Republic of Maldives in 1995 and functioned as the Partner responsible for the overall management of the Maldivian Practice from its inception. He represented Sri Lanka and Maldives for a number of years in the EY ASEAN Regional Partner Forum. He was seconded to EY USA for a year, where practical experience was gained by being part of assurance teams that performed audit engagements on several large enterprises.

Devaka also spearheaded the Ernst and Young Sri Lanka/ Maldives Family Business Centre for Excellence which was instrumental in sending several eminent second generation family members to business schools worldwide. He has also served as a member of the Council of the Chartered Institute of Management Accountants UK.

Priyanthi Pieris

Non-Executive Director/Independent

Priyanthi is an Attorney-at-Law of the Supreme Court of Sri Lanka, a Solicitor of England and Wales. With over 43 years of experience in the field of Corporate/Securities Law, Priyanthi's expertise spans across handling corporate restructuring, privatizations, capital market transactions, take-overs, mergers, and amalgamations. She also serves on the Boards of Central Depository Systems (Pvt) Ltd; a fully owned subsidiary of the Colombo Stock Exchange, Kapruka Holdings PLC, (as an Independent Director) Associated Electrical Corporation Ltd, MTN Corporate Consultants (Pvt) Ltd and is the current Chairperson / Consultant of P W Corporate Secretarial (Pvt) Ltd. This firm provides capital market-related services to listed companies. Priyanthi has also served as the Legal Adviser to the Ministry of Finance from 2002 to 2004. She was a legal consultant for the Colombo Stock Exchange (2004-2011). She also served as a Member of the Committee of the Securities and Exchange Commission of Sri Lanka on Takeovers and Mergers Code and as a Member of the Corporate Governance Committee of the Institute of Chartered Accountants; she is a Member of the Law Commission. She has served on the Boards of Asia Asset Finance PLC (2012-2021), Abans Electricals PLC (2012-2021), and LOLC Finance PLC (2012-2021).

Joycelyn Gunawardene

Non-Executive Director/Non-Independent

Joycelyn brings a wealth of experience and expertise to the boardroom as a Non-Executive Director of JAT Holdings. With a distinguished career spanning over 16 years in the dynamic realm of Advertising and Promotion, she offers invaluable insights into strategic marketing and brand management.

Currently serving as an Executive Director at Brush Master (Private) Limited, Joycelyn's multifaceted background underscores her ability to navigate complex business environments and drive growth. Her appointment to the Board of Directors of JAT Holdings in 2015 further solidifies her commitment to contributing to the company's strategic direction and corporate governance.

Joycelyn holds a Bachelor of Science degree in Psychology from the University of New South Wales, Australia, providing her with a unique perspective on consumer behavior and market dynamics. Her blend of academic rigor and practical industry experience makes her a valuable asset to the board, bringing a fresh perspective to strategic decision-making and enhancing shareholder value.

Anika Williamson

Non-Executive Director/Non-Independent

Anika was appointed to the JAT Holdings Board in 2020. She currently serves as an Executive Director of JAT Global (Private) Limited, Director/Company Secretary of JAT Exports DMCC and Managing Director of Asia Coatings (Pvt) Ltd and was appointed as the Finance Director of JAT Property Group (Private) Limited in 2020. She has over 11 years of experience working in finance, import and export and banking industries and holds a Double Degree in Accounting and Entrepreneurship from Curtin University, Australia and was a member of the prestigious Pro Vice Chancellor's Chapter.

Richard Gunawardene

Non-Executive Director/Non-Independent

Richard, a marketing professional with multifaceted experience within and outside the JAT Group, was appointed to the Board of JAT in 2020. He currently serves as an Executive Director to Worldwide Resins & Chemicals (Private) Limited in 2017, Richard co-founded JAT Property Group (Private) Limited. He is also the Co-Founder of APEX Asia Investment (Pvt) Ltd, and Design Attik (Pvt) Ltd. Richard is one of the founding members of EO Sri Lanka (Entrepreneurs Organization). He holds a Bachelors' Degree in Entrepreneurship and Marketing from Curtin University, Western Australia. He was listed in the LMD A-list of Millennial Torchbearers in 2020.

OUR LEADERSHIP TEAM

CORPORATE MANAGEMENT COMMITTEE & SENIOR MANAGEMENT

Seated from left to right:

Gavin vanDort – Senior General Manager - Projects & Retail Furnishing
Dilshan Rodrigo – Senior General Manager - Marketing
Sudath Silva – General Manager - Human Resources
Wasantha Gunaratne – Director Sales & Technical
Rizna Dilshard – Director - Finance
Aelian Gunawardene – Managing Director
Nishal Ferdinando – Director/Chief Executive Officer
Nirosha Thawalampitiya – General Manager - Commercial
Somasundaram SivaSubramaniam – Senior General Manager - Treasury
Ajith Bandara – Director - Research & Development
Shamara Wanniarachchi – Country Head/Director Operations - Bangladesh

Standing from left to right:
Dinusha Subasinghe – Senior Manager - R & D
Nuwan Pinto – Senior Manager - Warehouse
Eranda Dandeniya – Senior Manager - Technical
D. D. Rubasinghe – Head of Recovery and Investigations
Kasun Atapattu – Senior Cost Accountant
Lasantha Ranawaka – Senior Manager - Research and Development
Shane Dirckze – Administration cum Factory Maintenance Specialist
Janaka Hathurusinghe – Assistant General Manager - Production
Thushara Yasarathna – Head of Administration & Facility Management
Nuwan Gunasekara – National Sales Manager
Shalinda Rajapaksha – Head of IT & ERP
Santha Geethadewa – Senior Manager - Credit Control
Chaminda Gulawita – General Manager - Industrial Sales
R. P. W. Kumara – Assistant General Manager - Warehouse
Maithri Vithanage – General Manager - Franchise Outlets
Nadeesha Fernando – Interior Architect - Head of Project design and Retail Operations

Absent:
Rajesh Ariyaratne – Assistant General Manager - Technical
Gayan Chathuranga – Finance Manager

OUR LEADERSHIP TEAM

CORPORATE MANAGEMENT COMMITTEE

Aelian Gunawardene
Founder & Managing Director

Please see under profiles of Board of Directors on page 34.

Nishal Ferdinando
Director / Chief Executive Officer

Please see under profiles of Board of Directors on page 34.

Wasantha Gunarathne
Director – Sales & Technical

Wasantha holds over three decades of experience in Sales, Marketing and Technical training at JAT Holdings. He has pioneered the introduction of water-based wood coatings to Sri Lanka. He brings in wide international exposure including specialised training and exposure working with business principals in Italy, UK and USA. He holds an MBA from Anglia Ruskin University, UK. Wasantha is a member of the panel of judges of the National Sales Awards Conducted by Sri Lanka Institute of Marketing (SLIM – NSA)

Rizna Dilshard
Director – Finance

Rizna joined JAT in 2015 and is a senior finance professional posing over 25 years' experience. She is a Fellow member (FCMA) of the Chartered Institute of Management Accountants (CIMA) with a wealth of experience in the field of Finance and Management, Manufacturing, Retail operations, Import/ Export trade and Corporate Governance. She is a prize winner of the CIMA Institute of Sri Lanka. Her well-founded finance and management knowledge coupled with her expertise and experience, provides effective direction to the company's financial strategy formulation that drives growth and profitability while promoting sustainable and socially responsible practices. She serves as the Finance Director of JAT from 2016.

Ajith Bandara
Director – Research and Development

Ajith was appointed as a General Manager at JAT Holdings in October 2019 with 18 years of experience in the industry. He has completed his bachelor's degree in the field of Chemistry at the University of Kelaniya and MBA at University of Colombo.

He has worked at leading multinational paint and coating companies for over 20 years. He also has garnered international exposure through attending training programs, workshops and conferences conducted by globally recognized institutions such as universities, Coating Associations etc.

Somasundaram Sivasubramaniam
Senior General Manager – Treasury

Siva joined JAT Holdings in 1999. He has obtained an Associate Membership (ACA) from the Institute of Chartered Accountants, Sri Lanka and holds an MBA in Finance from Cardiff Metropolitan University UK. Moreover, he has completed the Professional Diploma in Treasury Management and Financial Markets awarded by the Corporate Campus. He possesses industry experience of over 30 years and provides sound treasury management services.

Gavin VanDort
Senior General Manager – Projects and Retail Furnishing

Gavin commenced work at JAT in February 2007 and has over 17 years of industry experience related to sales, marketing, implementation, and operations in the specialized commercial interior contracts sector. He has been instrumental in acquiring international franchises, in interior related brands to the JAT furnishing portfolio. Furthermore, he has led from the front in acquiring prestigious projects for the Company while actively contributing to JAT Holdings' top and bottom line.

Shamara Wanniarachchi
Country Head – Bangladesh

Shamara joined JAT Holdings in March 2019 with 13 years of experience. Prior to joining JAT, he has worked as the Senior Production and Quality Assurance Manager at a leading manufacturing and trading company and holds over 13 years of experience. He holds an MBA from the University of Colombo and a Bachelor's Degree in BSc. (Hons) from University of Moratuwa specialising in Mechanical Engineering. He is an Associate Member of the Institute of Engineers, Sri Lanka and at the Japan Sri Lanka Technical and Cultural Association (JASTECA).

Dilshan Rodrigo
Senior General Manager – Marketing

Dilshan was appointed as a General Manager at JAT Holdings in November 2019 and has over 20 years of industry experience. He holds a Degree in Computer Science and a Postgraduate Diploma in IT from the University of Brunel. He possesses an MBA from the Post Graduate Institute of Management (PIM, affiliated to the University of Sri Jayewardenepura) and is also an Associate Member of the Chartered Institute of Marketing, UK.

Nirosha Thawalampitiya
General Manager – Commercial

Nirosha joined JAT Holdings in 2007 and is currently the General Manager in Commercial. She is a highly focused, profit-oriented, and enthusiastic team player with over 20 years of experience in Supply Chain Management and foreign exposure in various fields and industries. She also develops procurement strategies to ensure the goods and services are obtained efficiently and cost-effectively to meet the organization's needs.

Sudath Silva
General Manager – Human Resources

Sudath joined JAT Holdings PLC in April 2023 as the General Manager Human Resources. He has worked as the Head of Human Resources in many leading conglomerates in Sri Lanka and carries 20 plus years of experience in the field of Human Resources Management, Administration and Quality & Compliance.

He holds an MBA from the Post Graduate Institute of Management which is affiliated to the University of Sri Jayawardhanapura and a Bachelor's Degree in Philosophy (B.Ph) from the Pontifical Urban University in Rome. He also has a Post Graduate Diploma in Labor Studies from the University of Colombo and a National Diploma in Human Resource Management from the Institute of Personal Management Sri Lanka. He is also an Associate Member of the Institute of Personal Management, Sri Lanka. He has completed his ACC (Associate Certified Coach) from the International Coaching Federation and a Certified Instructor on Japanese Management Training Program offered from The Overseas Human Resources & Industry Development Association in HIDA Japan.

UNBOUNDED PROPOSITION

Dissecting Procedure and Inducing Transformation

STRATEGIC POSITIONING

STRATEGIC POSITIONING

VALUE CREATION MODEL

CAPITAL INPUTS

Financial capital

Capital fund base, comprising both equity and debt.

Total shareholder equity
- Rs. 9,115 Mn

Total long-term debt
- Rs. 114 Mn

Total short term debt
- Rs. 2,674 Mn

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Manufactured capital

Manufacturing plants, machinery, equipment and other physical properties

Property, Plant, and Equipment
- Rs. 3,631 Mn

Capital Expenditure
- Rs. 2,143 Mn

Efficiency Ratio - 75%

R&D strength - 15

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Human capital

Employee base and their collective knowledge

Total employee base - 471

Female representation - 21%

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Intellectual capital

JAT brand, related brands, organizational tacit knowledge, etc.

Total number of ISO certifications
- 3

Page 79 for more information

Social and relationship capital

Relationships we have forged with our customers, suppliers, business partners and the community at large

Principals - 15+

Distributors - 29

Dealers - 6,500+

Page 87 for more information

Natural capital

The natural resources that goes in to our processes

Total building area occupied
- 167,596.48 Sqft

Water usage
- 11,184m3

Energy consumption - 2,219 GJ

Page 93 for more information

VALUE CREATION PROCESS

VISION

Be the brand of choice to the finishing, living and furnishing industries in South Asia

KEY ACTIVITIES THAT TRANSFORM INPUT IN TO VALUES

01 Procurement of raw materials and selected finished goods

02 Manufacturing operations

03 Marketing and promotions

04 Sales and distribution

05 Maintaining customer relationships

06 Research and development

STRATEGIC BLUEPRINT GUIDING VALUE TRANSFORMATION

- Profitable growth
- People and partnership
- Operational excellence
- Sustainability
- Innovation
- Digitalization

KEY OUTPUTS

PRODUCT LINE

Wood coating solution

Decorative paints and other accessories

Furnishing solutions and projects accessories

TOTAL GHG EMISSIONS

1,866 TCO2E

TOTAL WASTE GENERATED

137,073 kg

CAPITAL OUTCOMES

Financial capital
Profit after tax - **Rs. 1,023 Mn**
ROE - **11%**
Total shareholder returns - **13%**

Human capital
Payments to employees - **Rs. 941 Mn**
Attrition - **11%**
Training investment - **3.3%**

Manufactured capital
Capital expenditure - **Rs. 2.1 Bn**
Depreciation and amortization - **Rs. 148.2 Mn**

Intellectual capital
Investments in R&D - **Rs. 6.2 Mn**
Marketing expenses - **Rs. 1.3 Bn**

Social and Relationship capital
Payments to suppliers - **Rs. 8.36 Bn**
Investments in CSR initiatives - **45 Mn**
Taxes paid to the Government of Sri Lanka - **Rs. 774 Mn**

Natural capital
Increase in GHG emissions - **3%**

IMPACT ON STAKEHOLDERS

Shareholders	Contribution to SDGs
Shareholder wealth preservation and maximization Sound returns earned commensurate to the risk assumed	8 Decent Work and Economic Growth
Customers and Business partners	
Offering our customers best solutions in wood coating, decorative paints, etc., from home-grown solutions at competitive pricing Brining the best of the world in interior decoration and other products thereby elevating living standards and conditions of our customers Enhanced business opportunities for our business partners	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 17 Partnerships for the Goals
Employees	
Career progression opportunities with sound work life balance, and priority on all-round well being of physical, mental and financial	2 Zero Hunger; 3 Good Health and Well-being; 4 Quality Education; 13 Climate Action; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Employees and Customers	
Deep, organization-specific knowledge and technical expertise R&D capabilities allowing superior quality products, enhancement in value chain leading to cost efficiencies and competitive pricing	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 17 Partnerships for the Goals
Customers, Business partners, Government and Communities	
Responsible and safe products offered to our customers in elevating their living spaces	3 Good Health and Well-being; 4 Quality Education; 8 Decent Work and Economic Growth; 17 Partnerships for the Goals
Communities	
Preserving the nature through responsible use of resources and commitment to manage emissions, effluent and waste	7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action; 14 Life Below Water; 15 Life on Land

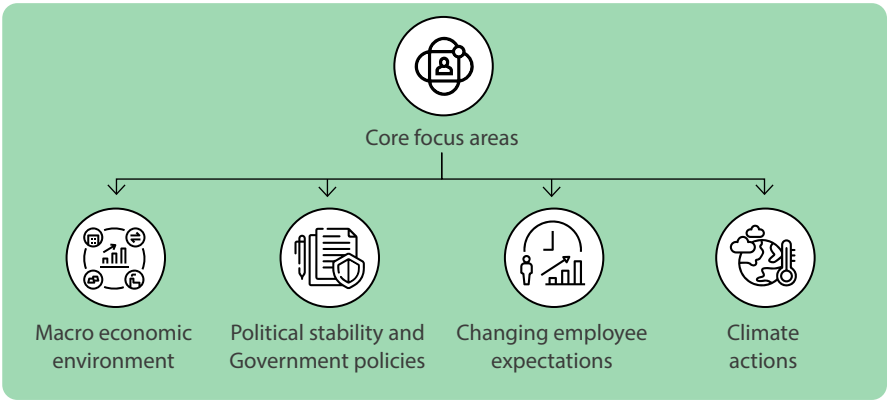
STRATEGIC POSITIONING

OUR OPERATING ENVIRONMENT

JAT closely observes changes in the macroeconomic, social, political, and natural environments, recognizing their varying impacts on the Company's performance. Our agility in evaluating these developments allowed us to understand how they could influence the value creation process and affect our stakeholders during the financial year under review.

By staying attuned to shifts in these areas, we were able to effectively gauge their potential effects on our business operations and financial performance. We proactively assessed how these changes could disrupt or enhance our ability to generate value, and how they might influence the expectations and interests of our stakeholders.

In response to these insights, we recalibrated our strategies and approaches to protect stakeholder interests and support the Company's long-term sustainability. This involved making informed adjustments to our operational and financial plans, as well as refining our engagement strategies with stakeholders. By swiftly adapting our approach, we aimed to uphold trust and confidence while ensuring the Company's resilience and ability to navigate uncertainty.



Macro-economic environment

Global economy

Given the Company's presence in overseas markets, we closely monitor the performance of the global economy as well.

The global economy affirmed its resilience through 2023 with steady growth reported, as inflation returned to target levels. Supply-chain disruptions in the aftermath of the pandemic, Russian-initiated war on Ukraine leading to a global energy and food crisis and inflation, followed by contractionary monetary policy measures across many economies in the world were some highlights. Notwithstanding the challenges, the global economy avoided a recession and performed considerably well.

Real and projected economic growth

	Reported	Projections	
Percentage change	2023	2024	2025
World Output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
United States	2.5	2.7	1.9
Germany	–0.3	0.2	1.3
United Kingdom	0.1	0.5	1.5
France	0.9	0.7	1.4
Canada	0.9	1.8	2.3
Other countries with JAT presence/links	4.3	4.2	4.2
Emerging and Developing Asia*	4.0	5.4	5.7
Australia	2.1	1.5	2.0
Sub-Saharan Africa	3.4	3.8	4.0
China	5.2	4.6	4.1
Vietnam	5.0	5.8	6.5
Middle East and Central Asia	2.0	2.8	4.2

*Includes Bangladesh and Maldives
Source: International Monetary Fund, World Economic Outlook, 2024 April

All key macro-economic indicators demonstrated remarkable improvement over the year due to decisive policy intervention from the Government of Sri Lanka and the Central Bank of Sri Lanka.

GDP growth	National economy contracted by 2.3% during the year 2023 a notable improvement over the prior year (contraction of 7.3%), yet far from its true potential. At the sector level, construction sector remained under stress as the same is highly vulnerable to economic downturns, mainly due to the holdback of construction projects. The sector performance declined by 20.8% in 2023 and compared with a similar decline of 20.9% in 2022.
Inflation	Inflation continued to ease out through the year in the aftermath of having reached historic highs in latter part of 2022. Inflation also ranged within the target mid-single digits level bringing in greater confidence on broader price levels within the economy.
Interest rates	The Central Bank of Sri Lanka (CBSL) relaxed its monetary policy commencing June 2023 and during the financial year ended 31 March 2024, the CBSL reduced the two main policy rates of Standing Deposit Facility Rate and Standing Lending Facility Rate by seven percentage points closing in at 8.50% and 9.50% respectively. Government security rates and commercial bank lending and deposit rates followed the macro rate directions and saw considerable reductions by the end of the financial year.
External sector stability	Exchange rate: The Sri Lanka rupee continued on its appreciating trend with a 7.6% appreciation against the US dollar during the year up to 28 March 2024. The Sri Lanka rupee also appreciated against other major currencies, such as the euro, the pound sterling, the Japanese yen, the Indian rupee, and the Australian dollar during the same period. Monthly average exchange rate for March 2024 was Rs. 305.66 for USD, the second lowest since the economic crisis in March 2022. The relative stabilization of the exchange rate allowed greater confidence in planning for businesses. Gross official reserves – Gross official reserves continued to improve throughout the year. The merchandise trade deficit contracted during 2023 reaching one of the lowest levels in the past 15 years, resulting from lower expenditure on merchandise imports. Worker remittances which reached USD 6.0 Bn and earnings from tourism which reached USD 2.1 Bn bolstered gross official reserves, and the trend is expected to continue.

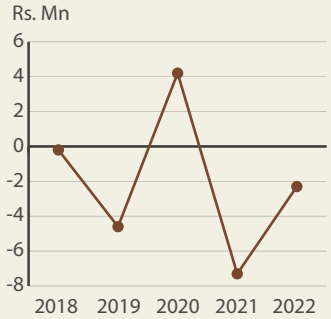
Impact on JAT operations

- Dis-inflationary movement easing pressure on cost of raw material and other inputs
- Exchange rate stability allowing greater confidence in costing in imported raw material and pricing of products
- Lowering interest rates lifting pressure on cost of borrowed funds and benefiting overall cost of capital
- Gradual uptick in the economy stimulating more demand from customers

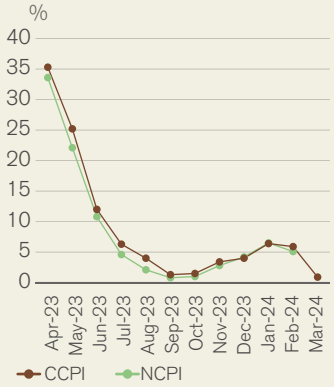
Response of JAT

- Balance sheet funding management to optimize cost of funding to manage finance cost
- Passing on the benefit of favourable exchange rate movement to customers through pricing
- Making sure that the customers also get benefitted from the cost reductions experienced through Research and Development operations
- As purchasing power of consumers continue to be stressed – Launch of economy range paint products thereby making high quality yet affordable paint available for customers

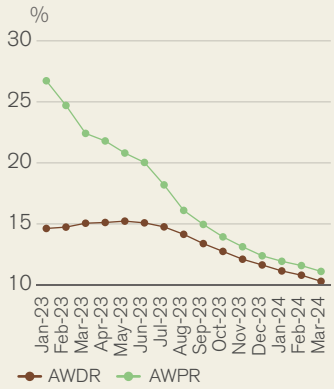
Annual GDP Growth



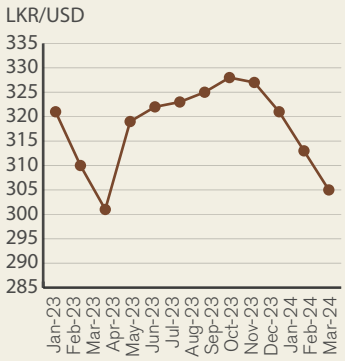
Headline inflation



Commercial bank lending and deposit rates



Monthly average exchange rate



STRATEGIC POSITIONING

OUR OPERATING ENVIRONMENT

Bangladesh economy

GDP growth	Bangladesh's GDP growth has been steady for most of the last decades. In 2022, the GDP growth rate was 7.1%, and in 2021, it was 6.94%. This consistent economic growth indicates a robust and expanding economy, which is beneficial for us. A growing economy means increased construction and development activities, leading to higher demand for paint and related products.
Inflation	Inflation in Bangladesh was 9.74% in April 2024, which is a slight decrease from 9.81% in the previous month5. High inflation can increase the cost of raw materials for paint manufacturing, which could squeeze profit margins if the company cannot pass these costs onto consumers. However, if the company can adjust its prices to account for inflation, it may not negatively impact the business
Interest rates	The benchmark interest rate in Bangladesh was last recorded at 8.50%. High-interest rates can increase the cost of borrowing for businesses, making expansions or large investments more expensive. For a paint manufacturing and trading company, this could mean higher costs for expanding production facilities or investing in new technologies. However, if the company is financially stable and doesn't rely heavily on borrowed funds, the impact of interest rates may be minimal.
External sector stability	Bangladesh's external sector has been a key pillar of the country's impressive development narrative. The country has a robust export performance and increasing remittance flows, comfortable balance of payment position, high foreign exchange reserves, exchange rate stability, and import capacity that serviced both consumer demands and development needs. For a paint manufacturing and trading company, a stable external sector can facilitate the import of raw materials and the export of finished products, contributing to the company's growth and profitability. However, the company must also be mindful of potential challenges such as changes in global trade policies and currency exchange rates.

Impact on JAT operations

The demand for paints and coatings has been rising due to increased usage in sectors such as construction, automotive, transportation, and woodwork.

- Recently updated Income Tax Act (2023) in Bangladesh provides an opportunity to increase income tax collection by expanding the base through improved compliance and tax services.

Response of JAT

- Focusing more on innovation, eco-friendly products
- Efficient resource utilization to stay competitive
- Complying with tax regulations and capitalizing on growth opportunities

Political stability and Government policies

The year under was notable for political stability compared to the prior year. The monetary policy was effectively deployed in controlling key economic indicators, with the contractionary policy approach adopted ending in June 2023, given positive movement and stabilisation of inflation. The fiscal policy focused on enhancing fiscal revenue with upward revisions introduced to taxes applicable since the previous fiscal years. The Government of Sri Lanka secured major foreign inflows during the year, including the second tranche of the Extended Fund Facility of the International Monetary Fund amounting to USD 337 Mn and other credit lines from the World Bank and the Asian Development Bank. Funds thus received have been channeled towards reviving various sectors of the economy.

Impact on JAT operations

- Higher taxes having an impact on profitability
- Political stability and revival of economic activity increasing business confidence
- Enhanced profile of the country across the globe, benefiting our overseas expansions

Response of JAT

- Focus on avenues for profitability enhancement such as cost rationalization
- Offering trainings to end consumers to promote awareness on JAT products

  Ex: JAT Pintharoo Abhiman Programme
- Strategizing towards more business volumes amidst recovering economic conditions

Changing employee expectations

During the economic crisis, employee concerns were primarily centered on job security and the assurance of steady pay and benefits. The mental well-being of employees emerged as a significant concern, as they faced various challenges due to the rising cost of living. Additionally, the country continued to witness a trend of labor migration to foreign countries as workers sought more lucrative job opportunities and improved living conditions. This outflow of skilled labor posed further challenges for businesses, exacerbating concerns about workforce stability and retention.

Impact on JAT operations

- Relatively high attrition
- Impact on organizational tacit knowledge embedded in employee know-how
- Additional financial resources to be deployed in enhanced benefits to employees

Response of JAT

- Highest ever salary increase given to employees during the financial year under review
- Strong succession planning at all business vertical with a on average three key talent identified and groomed for future leadership roles
- Continued employee engagement initiatives to promote togetherness and comradery
- Various initiatives rolled out targeting employee health and well-being

Climate action

Businesses worldwide are facing the varying impacts of climate change, ranging from direct consequences such as physical damage and business interruptions caused by extreme and erratic weather events like floods, droughts, and wildfires. These disruptions can lead to costly closures, property damage, and loss of inventory, which can hinder a company's productivity and financial health. Indirect effects include supply chain disruptions stemming from weather-related challenges, such as transportation delays, reduced availability of raw materials, and unpredictable production schedules. These obstacles can jeopardize business continuity and cause downstream effects on revenue and customer satisfaction.

In addition, businesses are under growing pressure from regulators, investors, and consumers to reduce their carbon footprint and waste, and to align their operations with environmentally friendly practices. This shift towards sustainable business models requires companies to innovate and invest in cleaner technologies, renewable energy sources, and more efficient use of resources. By addressing these direct and indirect impacts of climate change, businesses can minimize risks and capitalize on opportunities for growth and differentiation through sustainable initiatives. This proactive approach can enhance brand reputation, attract environmentally conscious customers, and potentially yield long-term financial benefits

Impact on JAT operations

- Growing customer demand for eco-friendly products
- Opportunities to transition to clean energy
- Opportunities to transition to clean input material
- Potential to install more resource-efficient machinery

Response of JAT

- Numerous initiatives in greening the JAT production process and making the product more environmentally friendly – examples include obtaining of Green Seal certification, accelerating the JAT Chemical Conscious Journey, obtaining Eco-Label certification
- Responsible use of natural resources, including rain water harvesting
- Responsible waste, emissions and effluents management

STRATEGIC POSITIONING

STAKEHOLDER ENGAGEMENT

At JAT Holdings PLC, understanding and addressing the diverse needs of our stakeholders is crucial for delivering value and ensuring the Group's long-term sustainability. Our approach to stakeholder engagement is continuous and multifaceted, encompassing various methods of interaction to foster strong relationships and gain valuable insights.

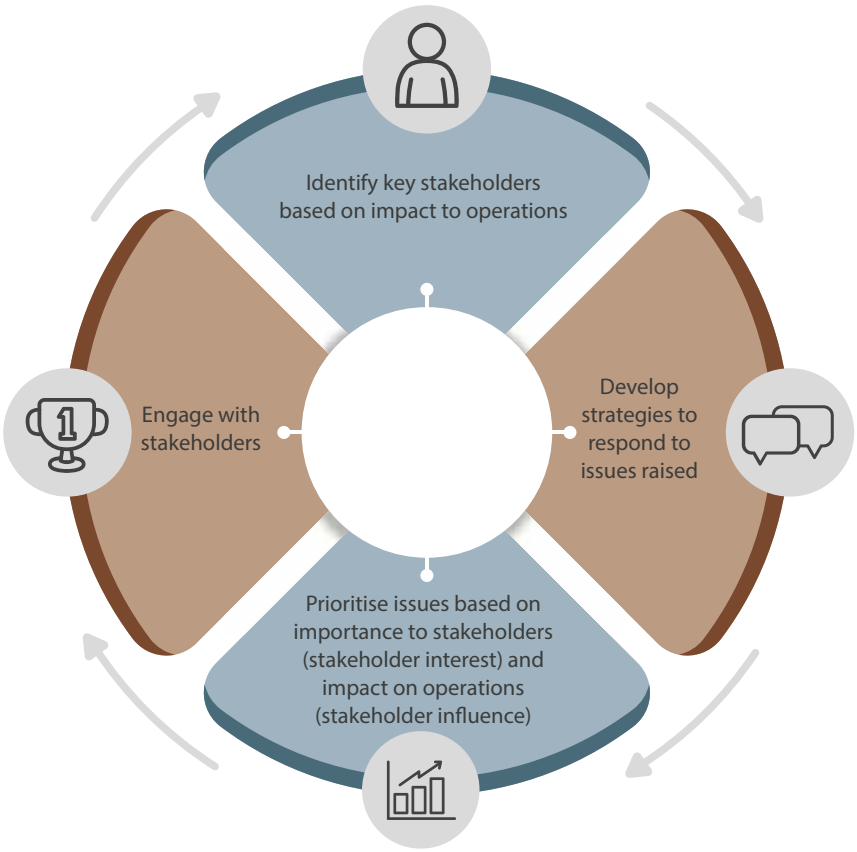
Stakeholder engagement plays a pivotal role in our value-creation process, enabling us to proactively account for the requirements and preferences of different parties. This process begins with identifying key stakeholders such as customers, employees, suppliers, investors, community members, and regulatory bodies. By recognizing their significance to our operations, we can better tailor our strategies to meet their expectations and concerns.

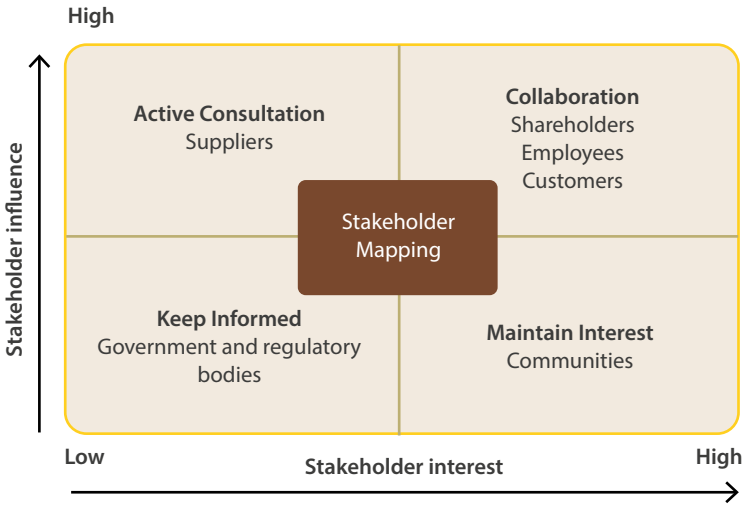
We engage with stakeholders through formal channels such as surveys, meetings, and structured feedback mechanisms, as well as informal interactions, including casual conversations and digital communication. This comprehensive approach allows us to gather a broad spectrum of opinions and perspectives, providing a more holistic understanding of stakeholder needs.

Prioritizing concerns based on their impact on our operations enables us to focus our efforts on the most significant issues. By addressing these concerns strategically, we can implement targeted solutions that enhance stakeholder satisfaction and loyalty.

Incorporating stakeholder feedback into our decision-making processes leads to more informed and effective strategies that drive long-term success. Through ongoing dialogue and collaboration, we strive to maintain transparent, mutually beneficial relationships with all stakeholders, reinforcing our commitment to sustainable business practices and shared value creation.

Stakeholder Engagement Process





Stakeholder engagement initiatives during the financial year

Shareholders	
Profile	4,000+ shareholders
Strength of relationship	Strong
Engagement approach	Collaboration
Method of engagement/frequency	• Board representation of major shareholders – on an ongoing basis • Annual General Meeting and publication of Annual Report – annually • Interim financial statements – quarterly • Announcements made to the Colombo Stock Exchange – on an ongoing basis • Corporate website – on an ongoing basis • Press releases – on an ongoing basis • One-to-one engagement – as and when required
Key concerns raised during the year	• Financial performance and value generated amidst ongoing macro-economic challenges • Strength of corporate governance and risk management • Quality, competence and propriety of the Board of Directors and the top management • Efficient capital allocation • Fulfillment of the Initial Public Offering objectives
How we responded	• Open and transparent communication • Strong strategic alignment in achieving sound results • Proactive risk management initiatives • Robust corporate governance framework

Employees	
Profile	450+ employees
Strength of relationship	Strong
Engagement approach	Collaboration
Method of engagement/frequency	• Performance appraisals – annually • Year-round activity calendar – on an ongoing basis • Awards programmes – annually • Digital engagement such as JAT Connect – on an ongoing basis • Counselling and wellness sessions – on an ongoing basis • Open door policy – on an ongoing basis • Training Programmes – on an ongoing basis
Key concerns raised during the year	• All round well-being comprising mental, physical and financial well-being • Health and safety • Inclusive and equitable work environment • Opportunities for career growth and skill development • Attractive remuneration and incentive programmes • Work-life balance
How we responded	• Various initiatives conducted to ensure employee well-being • Strengthened safety at work place • Training and development opportunities

STRATEGIC POSITIONING

STAKEHOLDER ENGAGEMENT

Customers	
Profile	6700+ customers
Strength of relationship	Strong
Engagement approach	Collaboration
Method of Engagement/ frequency	• Advertising via print, electronic and social media – on an ongoing basis • Customer loyalty programme – on an ongoing basis • After sales services – on an ongoing basis • Audits and site visits – on an ongoing basis • Sales team engagement – on an ongoing basis • Third-party satisfaction surveys and industry studies – on an ongoing basis
Key concerns raised during the year	• High-quality products • Production continuity and product accessibility • Growing concerns about affordability due to product price escalations • Customer service • Consumer promotions • Satisfactory credit terms • Ethical business conduct • After-sales service
How we responded	• Innovative and modified products to meet evolving customer needs • Consideration of customers' concerns about affordability in determining prices • Greater deployment of e-commerce platforms and digital engagement • Continued availability of products by leveraging partnerships across supply and distribution channels • Enhancing customer service through ongoing employee training

Business partners	
Profile	Broad network of local and international suppliers and other business partners
Strength of relationship	Strong
Engagement approach	Consultation
Method of engagement/frequency	• Dialogue through formal meetings, telephone and electronic communication – on an ongoing basis • Supplier visits and audits – as and when needed • Consultations and workshops – on an ongoing basis
Key concerns raised during the year	• Safeguarding the reputation of the brand • Sustainable product demand • Timely and equitable payments • Ethical procurement practices • Opportunities for mutual growth
How we responded	• Proactive forecasting and planning to enhance demand visibility Effective communication on new developments in Sri Lanka • Enhanced engagement with international suppliers in obtaining favourable credit and repayment terms given the conditions that prevailed during the year • Sought to strengthen and expand our local procurement, particularly in packaging materials, given import restrictions and challenges in opening letters of credit

Government and regulatory bodies	
Profile	The Government of Sri Lanka, related regulatory bodies such as the CSE, Central Environment Authority, Inland Revenue Department, etc.
Strength of relationship	Good
Engagement approach	Keep informed
Method of engagement/frequency	• Regulatory reporting – as per set deadlines • Directives and circulars issued by the authorities – on an ongoing basis • Industry associations and forums – on an ongoing basis • One-to-one engagement – as and when required • Press releases – on an ongoing basis
Key concerns raised during the year	• Adherence to applicable rules and regulations • Timely and in full payment of taxes • Export revenue generation • Job creation and economic value creation
How we responded	• Communicating our concerns on the current circumstances through associations and forums • Emphasising the critical need of fostering a favourable climate for business operations • Being a responsible corporate citizen

Communities	
Profile	The communities within which we operate
Strength of relationship	Good
Engagement approach	Maintain interest
Method of engagement/frequency	• CSR projects – all year round • Public events – on an ongoing basis • Corporate Website – on an ongoing basis • Social media interactions and press releases – on an ongoing basis
Key concerns raised during the year	• Meaningful socio-economic change • Knowledge sharing • Empowering future generations • Environmental protection • Conservation of cultural heritages
How we responded	• Creation of direct and indirect job opportunities • All year-round well-structured CSR initiatives • Granting of sponsorships • Donations • Workshops and training programmes aimed at career development

STRATEGIC POSITIONING

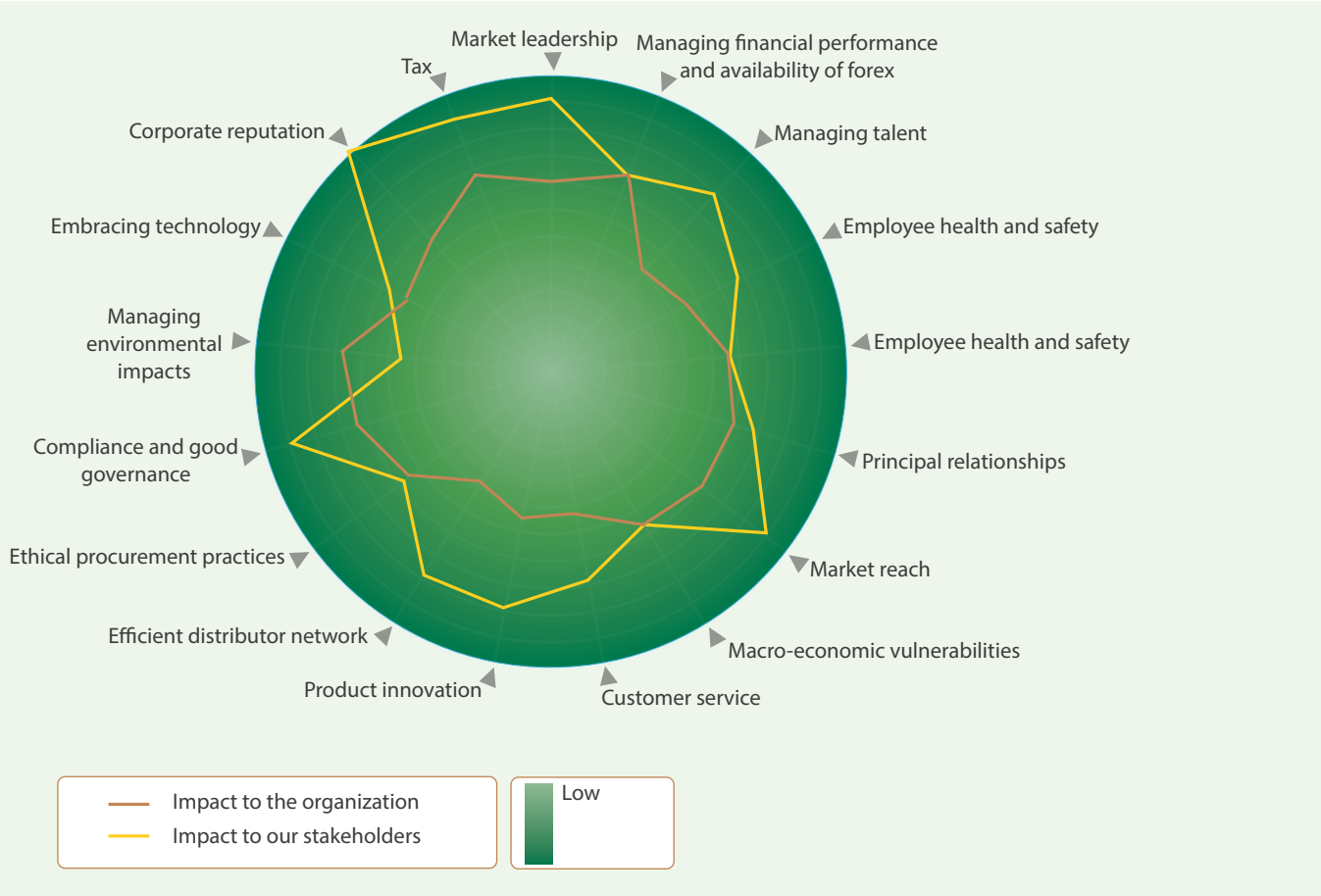
STAKEHOLDER ENGAGEMENT

	KPIs	Contribution towards driving our strategy
Shareholders	ROE 11% Total shareholder returns 9% Dividend per share Rs. 0.79	Profitable growth
Employees	Retention ration 89% Average training hours per person 10 Total payments to employees Rs. 940.9 Mn	People and partnerships
Customers	Loyalty programme customer base 158,326 On time payments honoured 100%	Innovation
Business partners	Dealers and distributors strength 6500+ Payments to suppliers Rs. 8,257 Mn	Innovation Digitalization
Government and regulatory bodies	Taxes paid Rs. 910 Mn Adherence to set rules and regulations	Profitable growth Sustainability
Communities	Investment in community empowerment initiatives Rs. 1.76 Mn Employee volunteerism hours in community projects 115	Sustainability

MATERIAL MATTERS

Our material matters encompass the Company's most significant impacts on the economy, environment, and people, including human rights concerns. To identify these key issues, we use an integrated approach that combines stakeholder feedback with internal insights to gain a comprehensive understanding of our most impactful areas. We engage with a variety of stakeholders, including customers, employees, suppliers, investors, community members, and regulators, to gather their perspectives and identify their priorities and concerns. By incorporating these diverse viewpoints, we can ensure our focus aligns with broader expectations and societal needs.

Simultaneously, we analyze internal data and insights from various departments to pinpoint areas where our operations have the greatest impact. This includes evaluating economic performance, environmental footprint, and social initiatives to understand our role in the larger context. The material issues identified through this process guide our strategic focus and inform our decision-making throughout the year. They form the foundation for setting targets and goals that align with our long-term vision and values. Furthermore, these topics drive our internal and external reporting, ensuring transparency and accountability in our operations.



STRATEGIC POSITIONING

MATERIAL MATTERS

	Material Aspect	Justification for materiality	Prioritization of material topics		Change in materiality compared to last year	Corresponding GRI/SASB Topic	Link to strategic priority	Page reference for further information
			Impact to the organization	Impact to our stakeholders				
1	Market leadership	To gain a competitive edge, attract customers, and drive industry trends, leading to increased market share and profitability	High	High	-	GRI 206: Anti-competitive behaviour GRI 417: Marketing and labelling		
2	Managing financial performance	To remain financially stable, maximize profits, and make informed investment decisions, enhancing overall business performance and sustainability	High	High	↑	GRI 201: Economic performance		
3	Managing talent	To ensure we have skilled and motivated employees, leading to increased productivity, innovation, and overall organizational success	High	Medium	↑	GRI 205: Anti-corruption GRI 401: Employment GRI 402: Labour management relations GRI 404: Training and education GRI 405: Diversity and equal opportunity GRI 407: Freedom of association and collective bargaining GRI 408: Child labour GRI 409: Forced or compulsory labour GRI 410: Security practices		
4	Employee health and safety	To create a conducive work environment, reduce absenteeism and accidents, and enhance employee morale and productivity	High	Medium	-	GRI 403: Occupational health and safety RT-CH-320a.1 RT-CH-320a.2		
5	Principal relationships	To build strong relationships to foster trust, collaboration, and long-term business growth	High	High	-	GRI 203: Indirect economic impacts GRI 413: Local communities GRI 415: Public policy RT-CH-210a.1		
6	Product responsibility	To build customer trust, strengthen brand reputation, and reduce legal and reputational risks	High	High	-	GRI 416: Customer health and safety GRI 417: Marketing and labelling RT-CH-410b.2		
7	Market reach	To access new customers, increase sales, and capitalize on growth opportunities, driving revenue and market share	High	High	↑			
8	Macro-economic vulnerabilities	To anticipate and mitigate risks, adapt to changing market conditions, and maintain stability in volatile economic environments	High	High	-			
9	Customer service	To increase customer satisfaction, loyalty, and positive word-of-mouth, fostering customer retention and repeat business	High	Medium	-	GRI 418: Customer privacy		

	Material Aspect	Justification for materiality	Prioritization of material topics		Change in materiality compared to last year	Corresponding GRI/SASB Topic	Link to strategic priority	Page reference for further information
			Impact to the organization	Impact to our stakeholders				
10	Product innovation	To stay ahead of market trends and meet evolving customer needs	High	Medium	↑			
11	Efficient distributor network	To optimize product distribution, expand market reach, and ensure timely delivery, enhancing customer satisfaction and revenue generation	High	Medium	-			
12	Ethical procurement practices	To ensure responsible sourcing, supplier diversity, and fair trade, contributing to corporate social responsibility and brand reputation	High	High	-	GRI 204: Procurement practices GRI 308: Supplier environmental assessment GRI 414: Supplier social assessment		
13	Compliance and good governance	To build trust with stakeholders, mitigate legal risks, and enhance business credibility	High	High	-	GRI 406: Non-discrimination GRI 413: Local communities GRI 415: Public policy		
14	Managing environmental impacts	To increase corporate social responsibility, attract eco-conscious customers, and mitigate regulatory and reputational risks	Medium	High	-	GRI 302: Energy GRI 303: Water and effluents GRI 305: Emissions GRI 306: Waste RT-CH-110a.1 RT-CH-110a.2 RT-CH-120a.1 |RT-CH-130a.1 RT-CH-140a.1 RT-CH-140a.2 RT-CH-150a.1 RT-CH-530a.1		
15	Embracing technology	To embrace the evolving advantages in the market and thereby strengthening the expansion process & capacity building	High	Medium	-			
16	Corporate reputation	To incorporate trust and credibility among the stakeholders of the company, which leads to better collaboration, support and partnerships and thereby benefits the company's overall performance	High	High	-			
17	Tax	To determine the affordability of the products to the customer	High	High	-	GRI 207: Tax		

STRATEGIC POSITIONING

MATERIAL MATTERS

Arriving at out material matters – the Three-Step Process

Step 1

Identification of material topics

Based on dual aspects of

1. Assessment of emerging trends in the operating landscape across PESTEL factors
2. Connectivity with our stakeholder groups via various modes

Step 2

Assessment of material topics for potential impact

Based on dual aspects of

1. Financial impacts to the Company
2. Economic, social, and environmental impacts to our stakeholders

Step 3

Prioritization of material topics

Prioritization of material topics

1. Impact to the organization
2. Impact to our stakeholders

Changes in Materiality

New topics added	Increase in materiality
Embracing technology	Increase in importance
Corporate reputation	Managing financial performance
Tax	Managing talent
	Market reach
	Product innovation

STRATEGIC POSITIONING

STRATEGY & RESOURCE ALLOCATION

JAT remained guided by its strategy, which was thoughtfully crafted with a deep understanding of its operating environment which was subject to intense volatility during the past few years. The strategy adapted as needed to respond effectively to emerging risks and opportunities both locally and internationally. This dynamic approach allowed the Company to stay agile and resilient in the face of market fluctuations and industry shifts.

By continuously assessing and responding to the changing landscape, JAT was able to proactively identify and mitigate potential risks while capitalizing on new opportunities. This strategic flexibility was crucial in navigating challenges and maintaining a competitive edge.

To provide sustainable value to stakeholders throughout the year, JAT prioritized key factors across its most critical areas. These factors included delivering high-quality products and services that meet and exceed customer expectations, optimizing operational efficiency to drive cost savings, and investing in innovation to stay ahead of market trends.

Additionally, the Group focused on fostering strong relationships with stakeholders, including customers, employees, suppliers, and community partners. By maintaining open lines of communication and understanding their needs, JAT was able to align its efforts with stakeholder interests and expectations.

Furthermore, JAT's commitment to corporate responsibility and sustainable practices was integral to its strategic approach. By promoting environmental stewardship and ethical business conduct, the company strengthened its reputation and built trust with stakeholders

JAT's six priority points strategic blueprint

Profitable growth

- Revenue growth - 14%
- Increase in loyalty customers by - 10%
- Strengthened market share
  Wood coating 57%
  Brushes 31%,
  Paints 7%

Progress made
Consistent market share growth in wood coating, brushes and emulsion product range
Related strategic diversification into project based ventures
Expansion of the JAT global footprint with the establishment of operations in Australia and Africa
Initiatives implemented to further broaden the JAT product range, including colour emulsion paints

Operational excellence

- Profit per employee – Rs. 2.2 Mn
- Cost to income ratio – 88%

Progress made
26 of our employees trained for Green Belt – Lean Practitioner Certificate Course
Deployment of digitalization and technology in number of production processes and support functions
Further streamlined effective working capital management and stock-keeping

People and partnerships

- Employee retention ratio – 89%
- JAT Loyalty Customer Base – 48,118,530
- Beneficiaries of NVQ Level 3 Wood Craftsman (Wood Finisher) Certification – 419

People and partnerships
Employees
Continued financial relief to ensure financial security of employees
Strengthening of succession planning and talent pipeline
Healthy employment engagement through various team building and recreational activities
Business partners
Empathetic relationships with our business partners enabling mutual growth and sustained value creation
Continued loyalty programme for customers
Community
Number of community empowerment initiatives conducted

Innovation

- New products developed - 3
- Products in the pipeline - 4

Progress made
Incorporation of binder manufacturing plant
Commencement of manufacturing alkyd resins in Bangladesh
Continued product innovation and product feature enhancements under Polymer Processing Division, Water-borne and Solvent-borne Wood Coating Division, Decorative Coating Division and Reverse Engineering Division

Digitalization

- Total automated workflows – 5
- Dashboards driving informed decision making – 6

Progress made
On-going digital and IT enabled automations leading to cost and process efficiencies and better informed decision making
Total business information dashboards increased to 10+
Continued automation of manual processes and workflows through the ERP system
Investment in IOT to review and manage energy consumption

Sustainability

- Increase in carbon footprint – 3%
- Increase in water consumption – 26%

Progress made
Successfully certified under Green Seal Certification of USA affirming environmental responsibility of our products
Robust resource consumption audit conducted with findings used in greater resource efficiency
Strengthened waste management initiatives including e-waste collection campaign rolled out during the year

UNBOUNDED INNOVATION

Informed Investment and Perceptive Production

CAPITAL REPORTS

CAPITAL REPORTS

FINANCIAL CAPITAL

Prudent financial management has been a key focus in our robust growth journey. Same has enabled us to nourish other capitals, fund our strategic growth initiatives and equitably reward our shareholders and lenders.

Financial capital – Fact Sheet

Financial capital

- Our robust financial capital repository, comprising both equity and debt capital, ensures we have sufficient resources to support our expansion plans and manage day-to-day operations effectively. This financial strength enhances our ability to increase revenue and profitability.

Key capital inputs

- Equity capital – Rs. 9.1 Bn
- Debt capital – Rs. 2.8 Bn

Value delivered

- PBT – Rs. 1.2 Bn
- ROE – 11%
- Net assets value per share – Rs. 18
- Earnings per share – Rs. 2

Connectivity to other capitals

Manufactured capital

+ Capital investments and recurring expenditure on maintaining our production plants, show rooms and office premises

Human capital

+ Payments to employees
+ Continued investment in training and development of employees

Intellectual capital

+ Operational and process excellence contributing towards enhancing profitability through cost controls
+ Investments in research and development leading to product innovations

Social and relationship capital

+ Support extended to needy segments of the society

Natural capital

- Increased production volumes leading to greater resources consumption and emissions, effluent and waste
+ Investments made on environment preservation initiatives

Contribution to SDGs

1 NO POVERTY

Link to our strategy

Profitable growth

CAPITAL REPORTS

FINANCIAL CAPITAL

The following discussion and analysis should be read in concurrence with the Audited Consolidated Financial Statements of the Group for the year ended 31st March 2024. The term "Group" pertains to JAT Holdings PLC and its 5 subsidiaries and 1 sub-subsidiary, while the term "Company" specifically refers to JAT Holdings PLC.

BASIS OF PREPARATION AND COMPARATIVE FIGURES

The Financial Statements have been prepared in adherence to Sri Lankan Accounting Standards, namely,

- SLFRSs and LKASs, which are governed by The Institute of Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (LKAS and SLFRS)
- Companies Act No. 07 of 2007
- Continuing listing requirements of the Colombo Stock Exchange
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission Sri Lanka
- Acts, Circulars, Gazettes issued by the Taxation Authorities for Corporates
- Exchange Control Act No. 22 of 2017
- Foreign Countries – Regulations of the subsidiaries as per the domiciled countries regulations

PREAMBLE

Amidst unexpected challenges that prevailed in the macro environment such as exchange rate fluctuations which effected export revenue recognition values and specially foreign collaborations, JAT Group exhibited remarkable fortitude in recording a revenue of Rs. 11.5 Bn over the year under review, a continuous increase from financial years ended 31 March 2023 and 2022.

Despite the economic downturn, JAT Group continued to demonstrate growth in both domestic and international markets specially in Bangladesh in terms of revenue. It displayed remarkable resilience in consistently achieving revenue growth in the face of financial crises that have affected Sri Lanka and South Asia where JAT is mostly present.

Setting up venturers as a foundation for Margin Improvements

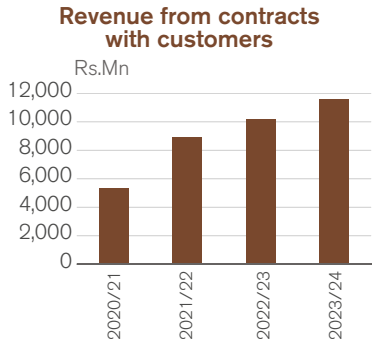
The Group further strengthened its footprint into the export market during the Financial Year 2023/24, by establishing a alkyd resin manufacturing plant in Bangladesh which is a backward vertical integration which will result in margin improvements at the Bangladesh subsidiary, as is elaborated elsewhere in this Report.

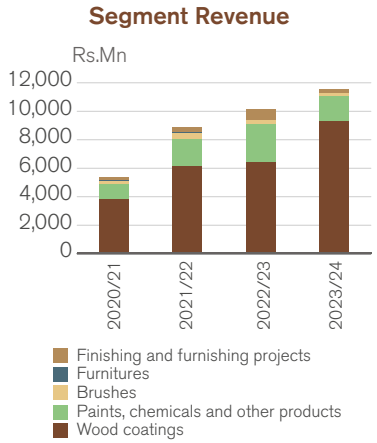
The holding company, JAT Holdings PLC, also invested in a backward vertical integration by setting up a binder manufacturing plant in Sri Lanka during this year which would improve margins at the Sri Lankan operation.

REVENUE, COSTS AND PROFITABILITY

	2024	2023	YoY change
Revenue from contracts with customers	11,556	10,167	14%
Cost of sales	(8,167)	(6,743)	21%
Gross profit	3,389	3,424	-1%
Other income	546	126	333%
Selling and distribution expenses	(1,296)	(857)	51%
Administrative expenses	(1,283)	(761)	69%
Results from operating activities	1,356	1,932	-30%
Finance cost	(251)	(574)	-54%
Finance income	106	128	-9%
Profit before tax	1,210	1,486	-19%
Income tax expense	(187)	(185)	1%
Profit for the year	1,023	1,301	-21%

The consolidated revenue at Group increased by 14% to Rs. 11.5 Bn during the year, while at the Company level, revenue increased by 2% to Rs. 7.3 Bn. (The company sustained revenue in a competitive market). Growth was supported by strong performance by penetration in the export markets, which aided in diversifying the Group's earnings profile. The local retail market continued to be the leading contributor to the Group's revenue with a share of 65%, followed by the export market which accounted for 35% of the total revenue generated during the year. The Company placed strategic focus on the emerging export revenue during the year, pursuing aggressive penetration in the Bangladesh market and driving customer acquisition in economies in other Asian regions. Exports amounted to 35% of Group revenue compared to 25% in the previous year.





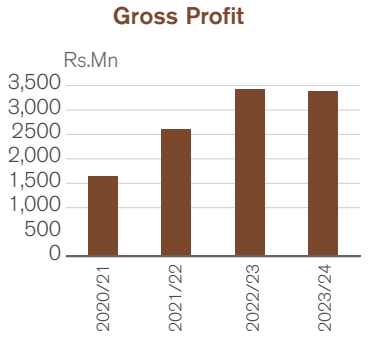
GROSS PROFIT

The domestic sector experienced a dip in Gross Profit (GP) margins by 5%, due to high competition.

The consolidated GP margins were reduced by a lesser gradient due to margin improvement efficiencies commenced from 22/23 onwards.

Significant contributions to Group's Gross Profit were made from the export market due to the establishment of the manufacturing plant in Bangladesh, which allowed the Group to enhance its margins for overseas operations, and margin improvements done

on the developments brought in by the Research and Development center. The above two strategic moves have played a crucial role in driving the Group's overall Gross Profit.



COST OF SALES AND OPERATING EXPENSES

Cost of Sales

The Group's cost of sales increased to Rs. 8.2 Bn in the financial year 2023/24 against the prior year of Rs. 6.7 Bn, mirroring the revenue increase during the year including the sacrificing of 7% margins from the local market and 4% from Bangladesh operation.

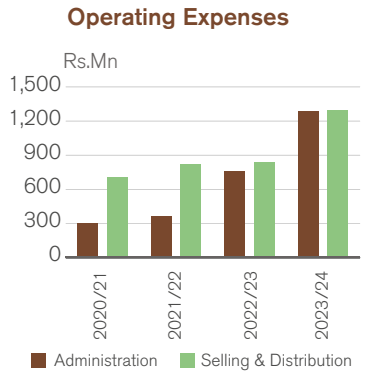
Administration Overhead

Amidst the challenging economic circumstances, the Group prioritized the well-being of its staff by providing welfare assistance while offering attractive increments during the year.

The Company also, going by the Prudence concept, made provisions during the year for any unforeseeable losses.

Selling & Distribution Overhead

The Group's expenditure on sales and distribution, specifically on advertising and promotions, and commissions, amounted to Rs. 537 Mn, representing 5% of the total revenue.



DEPRECIATION AND AMORTIZATION

With a depreciation and amortization expense of Rs. 148 Mn for the year under review, compared to Rs. 128 Mn of the previous year, the increase is attributed to new investments made in our R&D Center and foreign plant invested through the subsidiary Asia Coatings (Pvt) Ltd in Bangladesh. These investments have resulted in an additional depreciation expense of Rs. 8.8 Mn.

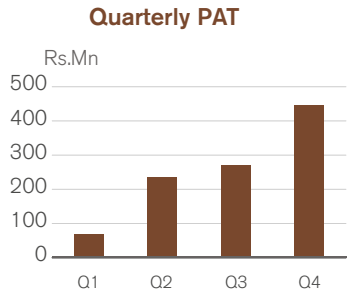
GROUP WISE QUARTERLY PERFORMANCE

Despite the challenging and unprecedented circumstances brought about by the country's economic vulnerabilities, the Group's performance was commendable.

The Company achieved the quarterly profits budgeted every quarter during the year.

Group PAT amounted to Rs. 70.2 Mn, Rs. 235.8 Mn., Rs. 269.7 Mn and Rs. 447.4 Mn of each quarter of the financial year respectively.

The Company assessed the potential impact of emerging macro-economic developments on performance and stability, and adopted precautionary measures to ensure continuity of operations, including increasing the inventory levels to ensure continuity of supply to the market to ensure that the quarterly trends practiced over the years were maintained.



NET FINANCE COST

The Group finance cost showed a reduction compared to the previous year. Two key movements impacting finance costs were as follows;

- The average borrowing rate was less in 2023/24 compared to 2022/23
- Borrowing level increased from Rs. 0.5 Bn net debt to Rs. 1.2 Bn

The Groups interest cost in the current year included those stemming from recent major investments made in fixed assets such as the binder manufacturing plant and alkyd resin manufacturing plant. Finance income included earnings received from investments in short-term financial assets. Meanwhile, the Group incurred an exchange loss of Rs. 72 Mn on the dollar denominated trade assets following the sharp appreciation of the Sri Lankan Rupee.

OTHER INCOME

The Group's Other Income reached a total of Rs. 546 Mn, marking a notable increase from the previous year's Rs. 126 Mn, a percentage growth of 334%. This revenue was derived from various sources including the Supplier discount on payables for material purchases, fluctuation of financial assets' fair value, the reassessment of biological assets, and profits obtained from the sale of Property, Plant and Equipment.

INCOME TAX EXPENSE

The Group incurred tax expenses amounting to Rs. 192 Mn for the year.

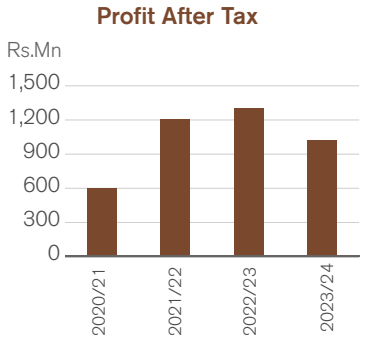
PROFIT FOR THE PERIOD

The Group demonstrated a consistent upward trend in profits over the last few years.

However, in 2023/24 we experienced a slight decline due to steady foundations being laid for future growth,

- Investment in advertising to sustain grow market share locally and overseas
- Investment made to other south Asian markets
- Margin improvement investments Binder and the Alkyd

These investments are set to yield added revenue and profitability in the coming yeas.



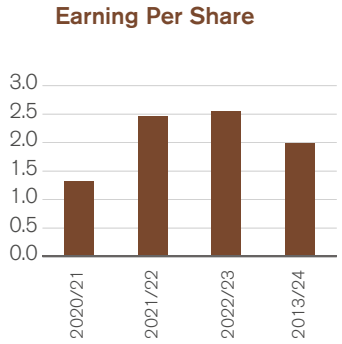
Over the years, the Group has experienced a gradual increase in profitability, showcasing its consistent growth.

CAPITAL REPORTS

FINANCIAL CAPITAL

EARNINGS PER SHARE

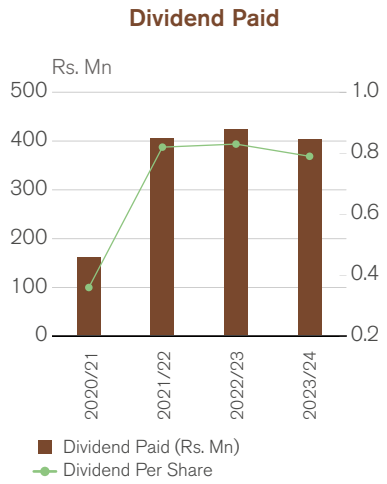
The Group's Earnings Per Share (EPS) for the financial year ended 31st March 2024 displayed a decrease and was Rs. 2.00 in contrast to the prior year's earnings per share of Rs. 2.56, due to the reasons mentioned above.



DIVIDEND

During the financial year ended on 31st March 2024, JAT Group distributed an interim dividend to shareholders, valued at Rs. 0.30 per share, totaling an impressive Rs. 153 million and in respect to the final dividend Rs. 0.49 per share amounting to Rs. 250 Mn being the final dividend for the financial year 2022/23.

In spite of the current state of the country, JAT Group has sustained a steadfast approach towards dividend distribution with a consistent dividend policy, of always striving on declaring a % between 35%-40%.

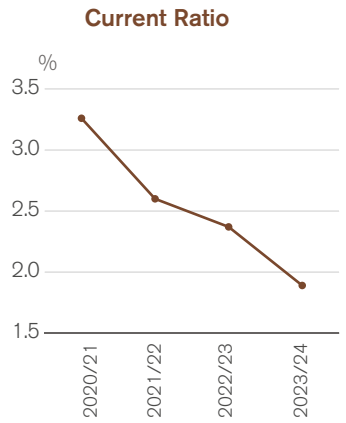


SOLVENCY

Section 56 of the Companies Act No. 07 of 2007 mandates the conduction of a solvency test before any dividend payments are made. To ensure compliance, the Board of Directors sought a Certificate of Solvency from Auditors, prior to the distribution of both final and interim dividends.

FINANCIAL POSITION

	Group		
As at 31 March	2024	2023	YoY change
Assets	14,465	13,009	11%
Non-current assets	4,879	3,056	60%
Property, plant and equipment	3,631	1,979	83%
Other Investment	1,248	1,077	16%
Current assets	9,586	9,953	-4%
Inventories	2,885	3,512	-18%
Trade and other receivables	4,318	3,670	18%
Advances and prepayments	997	1,591	-37%
Short term financial assets	1,053	887	19%
Other	334	293	14%



The Group's total assets grew by an impressive 11% to Rs. 14.4 Bn as of 31st March 2024, with Rs. 2.1 Bn in fixed assets that have a net book value of Rs. 3.6 Mn. The growth in the asset base was due to the new project investments. These assets primarily include land, buildings, and plant and equipment. The Groups total asset has also seen an 66% in current assets, reflecting wise investments in working capital and short-term financial assets.

The majority of the assets are current assets, making up 66% of the total, while non-current assets account for the remaining 44%. The Group's current ratio is 1.89, which is strong.

BALANCE SHEET FUNDING

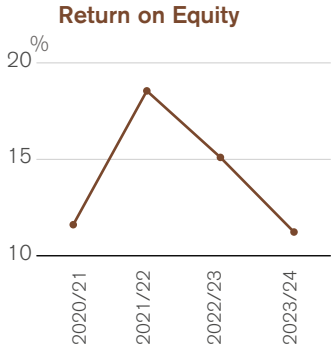
EQUITY

	Group		
As at 31 March - in Rs. Mn	2024	2023	YoY change
Total equity	9,132	8,628	6%
Equity attributable to equity holders of the parent	9,144	8,642	6%
Stated capital	2,395	2,395	0%
Retained earnings	6,757	6,139	10%
Foreign currency translation reserve	(8)	108	-107%
Non-controlling interest	(13)	(14)	-9%

The Group continued to be well capitalized with 79% of the funding coming from equity capital.

RETURN ON EQUITY

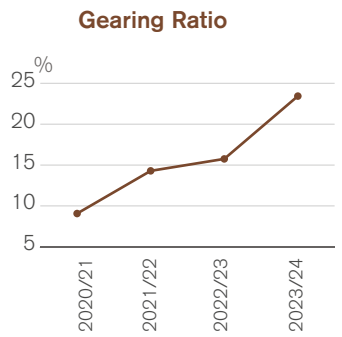
JAT Group's Return on Equity for the year under review was 11%, a decrease from the previous year's reported figure of 15%.



LIABILITIES

	Group		
As at 31 March - in Rs. Mn	2024	2023	YoY change
Total liabilities	**5,333**	**4,381**	**22%**
Non-current liabilities	**263**	**190**	**38%**
Interest bearing loans and borrowings	114	57	99%
Other	149	133	12%
Current liabilities	**5,070**	**4,191**	**21%**
Trade and other payables	2,272	2,516	-10%
Interest bearing loans and borrowings	2,673	1,558	72%
Income tax payable	125	117	7%

The Group's liabilities largely composed of current liabilities, accounting for 95% share of the total during the year. The Group's gearing ratio remained relatively low at 23% compared to 16% last year.



Moreover, the Company currently maintains a debt level of Rs. 2.7 Bn, resulting in a gearing ratio of 23%. This financial position is indicative of the Company's sound and strategic management, lending further credence to its potential for long-term success.

LEVERAGE AND CAPITAL STRUCTURE

As of 31st March 2024, the Group's total asset base was valued at a remarkable sum of Rs. 14.4 Bn. The sources of funding for these assets are detailed below. The reserves comprised from equity and reserves, there are no revaluations within this figure.

CASH FLOW

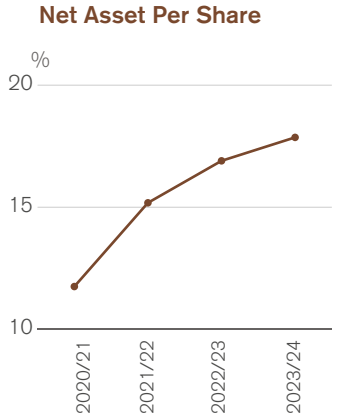
A net operating cash outflow amounted to Rs. 204 Mn compared to Rs. 274 Mn the previous year mainly due to increased investment in working capital. The company also paid out a dividend of Rs. 403 Mn for the year under review. Furthermore, the Group made a decision to invest Rs.2.1 Bn in capital expansions and cash payment on acquisition amounting to Rs. 834 Mn.

STATEMENT OF CHANGES IN EQUITY

As of 31st March 2024, the Group's overall equity reached an impressive Rs. 9.1 Bn, a significant increase from the previous year's Rs. 8.6 Bn after considering a healthy dividend payout of 403Mn.

SHAREHOLDER VALUE CREATION

Notwithstanding the challenging conditions, the Group continued to deliver sound results to its shareholders. Return on equity for the year was 11.2%, whislt earnings per share was Rs. 2.00. Net asset value per share was Rs. 17.86, with the closing share price for the year being Rs. 17.30, up from Rs. 16.00 from the end of the previous finanial year.



As at 31 March	2024	2023
Earnings per share – Rs.	2.00	2.56
ROE – %	11%	15%
Net assets value per share – Rs.	18.00	17.00
Dividends per share – Rs.	0.79	0.83
Total shareholder return – %	13%	6%

COUNTRY-WISE PROFIT

Year ended 31 March 2024	Revenue	Capital Expenditure	Profit Before Tax	Income Tax	Community Distribution
Sri Lanka	7,737	1,918	601	-0.7	1.7
Bangladesh	2,936	224	697	147	-
United Arab Emirates	1,181	-	65	-	-
Others	93	-	3	-	-

Way forward

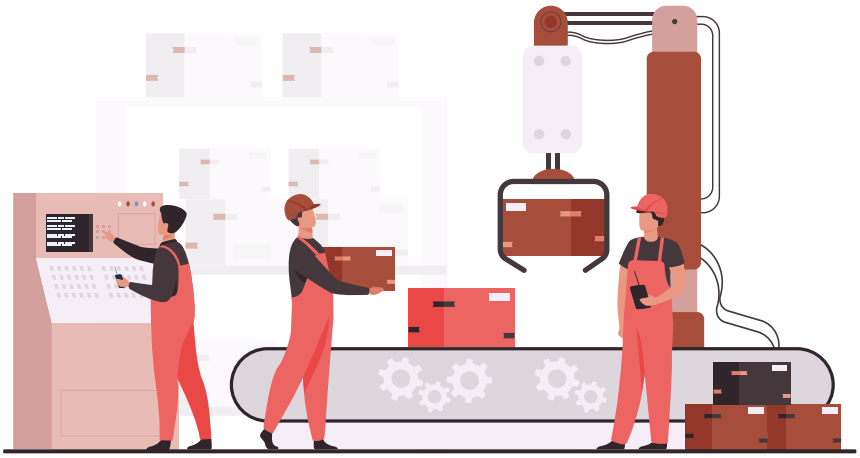
The Group's key sources of finance, for the foreseeable future are likely to be cash generated from operations. Therefore, it is expected that the said sources of finance will provide adequate liquidity to service debt and meet future working capital and capital expenditure requirements of routine and new project requirements.

The Company's main focus in the next financial year is as follows;

- invest in new products, an outcome of the R&D Centre with margin improvements, a contribution from the Binder and Alkyd plants
- penetration to new markets, that would enable the Group to sustain the upward trend in generating profits

CAPITAL REPORTS

MANUFACTURED CAPITAL



As a fully home-grown true Sri Lankan company, JAT is dedicated to bringing the world's best technologies and solutions to the country. Continued investments in our manufactured capital pool have ensured that we are able to produce such advanced products right here in Sri Lanka, thereby add meaningful value to our reviving economy.

Manufactured capital – Fact Sheet

Manufactured capital

The amalgam of manufacturing plants, machinery, warehouses, research and development infrastructure and IT systems located in Sri Lanka and Bangladesh predominantly comprise our manufactured capital. The quality and adequacy of same have been a key determinant in the dynamic expansion of JAT at home and across the globe.

Key capital inputs

- Property plant and equipment – Rs. 2.1 Bn
- 3 manufacturing plants
- 7 warehouses
- 01 research and development laboratory
- Staff quarters
- Head office premises

Value delivered

- 42% overall capacity utilization
- 75% overall efficiency
- Rs. 8.87 Mn savings generated through efficiencies
- Local production of binder in Sri Lanka and alkyd resin in Bangladesh as a part of back ward integration

Connectivity to other capitals

Financial capital
- Increased capital expenditure
+ Revenue growth
Human capital
+ Greater employment opportunities created through business expansion
Intellectual capital
+ Enhanced R&D capabilities
Social and relationship capital
+ Better quality brands at more competitive pricing
Natural capital
- More energy consumed, increase emissions and waste

Contribution to SDGs

Link to our strategy

Profitable growth | Innovation | Operational excellence

The strength and versatility of our manufactured capital enabled us in achieving our strategic aspirations during the financial year 2023/24 and also enabled us to maintain our status quo as Sri Lanka's premier manufacturer of wood coating paint. The considerable investments made during the prior year, vis.,

- the establishment of alkyd resin manufacturing facility in Bangladesh attached to the main manufacturing plant via the fully owned subsidiary Asia Coatings (Pvt) Ltd,
- establishment of a binder manufacturing facility in Horana, Sri Lanka which will be opened during the first quarter in the FY 2024/25

Manufacturing Innovation

Developing an innovative culture has been a crucial differentiator that has facilitated our growth into new markets, enhanced sustainability, and increased resistance to shifting business environments. Through innovative technology, quality, and aesthetics, we have persisted in utilizing our production and creative skills to appeal to consumers. JAT committed to offer more technologically sophisticated, user-friendly, and environmentally friendly products as per the consumer preferences. Despite the difficult economic condition, we continued with our creative efforts to better position ourselves so that we could emerge from the market downturn with a competitive advantage.

Performance of manufactured capital

Manufacturing Plant in Kahathuduwa, Sri Lanka

Core operations: Manufacture of wood coatings, decorative paints, brushes and handles

Year established: 2003

Book value: Rs. 384 Mn

Plant extent: 38,000 sq ft

Production capacity: 750,000 Liters per month, 200,000 brushes and rollers per month

Capabilities: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified manufacturing facilities

Key products manufactured

Paints

- Water-based wood coating – top coat and base coat
- Emulsion (decorative) paint – Interior and exterior, predominantly white emulsion as well as wood fillers
- Enamel – Interior and exterior
- Nitrocellulose wood coating

Capacity utilization

Given the economic conditions in the country, and muted growth in the construction industry, demand for our products were relatively low. In such context, we functioned under our maximum production capacity.

New product manufacturing capabilities achieved during the year:

As a part of our strategic backward integration, the manufacturing plant was enhanced with the capabilities to produce binder, which is the primary raw material of water-based paint products, with a production capacity of 75MT per month. Given 80% of Sri Lanka's paint products being water based, and JAT owning approximately 60% of the market share, local manufacturing of binder is going to yield considerable cost advantages.

Paint brushes

- Ordinary paint brushes
- Roller paint brushes

Key highlights from the year

- Fully automate the production of brush heads with required machinery imported from Harris Brushes, thereby enhancing operational efficiency as well as eliminating the risk of attrition in specialized and skilled labour requited for brush manufacturing
- Commencing of the production of roller brushes, replacing imported items, thereby considerably achieving cost reduction per item

Manufacturing Plant in Bangladesh

Core operations: Manufacture of wood coatings products

Year established: In 2022

Book value: Rs. 308 Mn

Plant extent: 17,000 sq ft

Production capacity: 300,000 Liters per month

Capabilities: ISO 9001:2015 QMS, ISO 14001:2015 EMS, and ISO 45001:2018 OHSMS

Key products manufactured

- PU, UV and water-based coatings that meet international standards under the renowned Sayerlack and JChem brands
- Resin Alkaline used as the primary ingredient in the manufacturing of solvent based wood coating products which comprise approximately 80% of Bangladeshi paint market

Other facilities connected to the Bangladeshi manufacturing plant

Warehousing facilities, laboratory, product sampling facility, packaging facility

Key highlights from the year

Surge in demand in the Bangladeshi market met with tactical enhancement to capacity peaking at 229,600 Litres per month, from initial capacity of 30,000 Litres per month

Becoming an ISO Certified company for ISO 9001:2015 QMS, ISO 14001:2015 EMS, and ISO 45001:2018 OHSMS in Bangladesh

CAPITAL REPORTS

MANUFACTURED CAPITAL

Research and Development Centre Situated at Sri Lanka Institute of Nanotechnology (SLINTEC)

Core operations: Driving innovations, new product development, product re-engineering, quality testing, etc.

Year established: In 2022

Book value: Rs. 185 Mn

R&D Centre extent: 2,050 sq ft

Capabilities: Testing standards (ASTM – American Society for Testing and Materials and ISO)

Key functional areas: Polymer Processing Division, Water-borne and Solvent-borne Wood Coating Division, Decorative Coating Division and Reverse Engineering Division

Warehousing Facilities – Sri Lanka

Core operations: Distribution points with secure storage facilities

Year established: 2003

Book value: Rs. 73 Mn

Consolidated capacity: 6,800 m3

Structure of warehousing facilities: Two own warehouses for raw material and packing material enabling smooth transit of material required for manufacturing to the plant in Kahathuduwa and storing of non-pant items for furnishing sector

Kahathuduwa – raw materials and packing materials

Kaduwela – non-paint items

Siyambalape – Finished good warehouse (outsourced from third party)

JAT Experience Centers and Tech Centers

Core operations: Affording our clientele an immersive experience of our products and technology, allowing them to connect with our interior designers and technical experts

Locations and year of establishment: Thalawathugoda , Nawala, Moratuwa and Colpetty

Consolidated book value: Rs. 34.6 Mn

Consolidated extent: 6700 sq ft

Staff strength: 10

JAT Corporate Office Premises

Core operations: All corporate functions performed, comprising over 150 full time staff members, inclusive of amenities such as auditorium, pantry area, cafeteria and gymnasium

Year established: In 2018

Located at: No. 351, Pannipitiya Road, Thalawathugoda

Book value: Rs. 1,185 Mn

Total building extent: 63,246.48 sq ft

Total land extent: 44,874.74 sq ft

Safety standards

We ensure maximum adherence to safety standards set within our premises. The following initiatives continued throughout the year in this regard.

- All safety standards, adherence to same, variances and remedial action overlooked by the Safety Committee as per their mandate
- Implemented Kaizen according to SQDCM which gives significance to safety
- Training extended to staff on administering first-aid and emergency response
- 3 fire drills conducted
- Fire safety infrastructure maintenance at Kahathuduwa factory premises
- Continued tiered level observation walks by the compliance officer, appointed zone leaders, Quality Assurance team and factory management regularly
- Safety criteria embedded in the KPIs for factory management
- Kaizen implementation according to SQDCM with added significance on safety

ISO certifications

Our operations are certified by the following ISO standards

- ISO 9001:2015 QMS
- ISO 14001:2015 EMS
- ISO 45001:2018 OHSMS

The Company successfully capped the rise in manufacturing overhead expenses at 21% for the financial year, directly attributable to refining resource use, enhancing cost efficiencies and automation.

Operational excellence

Our manufacturing, engineering, R&D, and technical teams work together to enhance manufacturing efficiency by implementing lean practices and continuous improvement strategies. During the year 26 of our employees were trained for Green Belt – Lean Practitioner Certificate Course, which is aimed at developing capacity around waste minimization and capacity enhancement. Such trained employees drive operational excellence via two dimensions.

Project implementations

A3 savings projects – Focus on large investments in ensuring the investments meet efficiency goals and achieve savings

Kaizen Projects were implemented throughout the year focusing on smaller savings with no or minimum implementation cost. The verified savings achieved by these implementations add up to a massive LKR 31.4 Mn (Rs. 31,394,048.12)

Knowledge sharing

Knowledge sharing and further capacity building of other staff members through structured, comprehensive training programmes, thereby broadening the benefits to be derived

Way forward

Sri Lankan operations

- Continue with current capacity levels until the economy regains faster momentum
- Expansion the product range to include colour emulsion paints
- Procurement of Alkyd Resin, which is the primary raw material of solvent based products from the Bangladeshi operation – Asia Coatings (Pvt) Ltd at much competitive pricing that imports
- Manufacturing of binder which is the main raw material in water-based emulsion and wood coating paints to achieve significant cost savings
- Focus on further productivity enhancement in brush manufacturing by migrating to fully-automated processes and addition of new machinery
- Resorting to sourcing and storing material in ISO tanks, as opposed to drum form, thereby achieve significant cost savings – establishment of two overhead chemical storage tankers towards this purpose

Bangladeshi operations

- Three new fully automated filling machines to be added to the production lines, thereby enhance capacity
- Increase the capacity of Alkyd plant to meet the increase demand of PU products
- Introducing of enamel and anticorrosive products to the market
- Increase water base market share targeting industrial customers

Research and Development

- Extend R&D support to the expansion of the emulsion range to colours through Point-of-Sale developments
- Investments to be made in radiation curing coating development
- Extend R&D support to waterproofing range
- Development of implementation of inhouse binders and alkyd resins for water based and solvent based products

CAPITAL REPORTS

HUMAN CAPITAL

Our pride is our people, our passion to perform is fuelled by our people. At JAT, we are committed to creating a rewarding workplace where talent flourishes, every person is equal and is rewarded based on meritocracy.

Human capital – Fact Sheet

Human capital

JAT team's knowledge, skills, and attitude have been crucial in building resilience and sustaining our business.

In return, we stay committed to supporting them with a comprehensive value proposition that aligns with both personal and organizational goals.

Key capital inputs

- The JAT team comprising 37% skilled production staff and 63% skilled professionals
- 21% female representation in the overall JAT workforce
- The collective expertise and experience of our team over the years

Value delivered

- Rs. 940.9 Mn paid to employees during the financial year
- 4,664 training hours

Connectivity to other capitals

Financial capital

+ A strong employee base driving business growth
+ Payments made to employees
- Investments in training and development

Intellectual capital

+ Enhances the organizational tacit knowledge

Social and relationship capital

+ Enables customer satisfaction
+ Employee contribution in CSR initiatives through volunteerism

Natural capital

+ Employee contribution in environment-related initiatives
- Emissions created and resource consumption

Contribution to SDGs

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

Link to our strategy

Profitable growth | Innovation | Operational excellence | People and partnerships | Sustainability

Management approach

Management of human capital at JAT is driven by an HR Philosophy, built upon JAT's core values of in-depth knowledge of the entire business, leadership at all levels, complete customer satisfaction and continuous improvement and innovation. The human resources function is positioned as a business partner for the rest of the organisation, to drive the entire team to achieve the organisation's vision and mission. The HR philosophy of JAT is built upon three pillars.

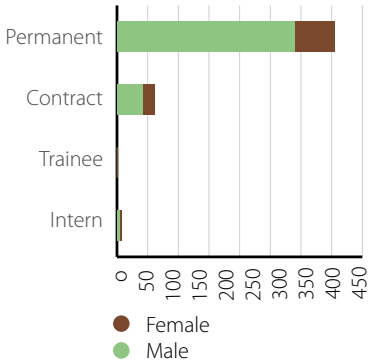
1. **Developing the workforce capability**
2. **Drive performance based culture**
3. **Faciliate an engaed, inspired and motivated workforce**

The HR function maintains a full set of HR policies and procedures that comply with ISO 9001:2015 standards and are aligned with industry best practices. These policies promote inclusive employment and create an environment that values dignity, mutual respect, and employee well-being.

Team profile

The JAT Team comprises 471 energetic employees who are our greatest strength. JAT takes pride in the fact that it is an equal opportunity employer, who treats all employees based on meritocracy and does not discriminate against employees based on gender, age, religion, race or any other factor, thereby affording all employees a fair and conducive work environment. Moreover, all the outsourced workers including security personnel are obtained from reputed agencies that ensure adequate awareness and knowledge of ethics and security practices related to the job role.

Employees by Contract & Gender

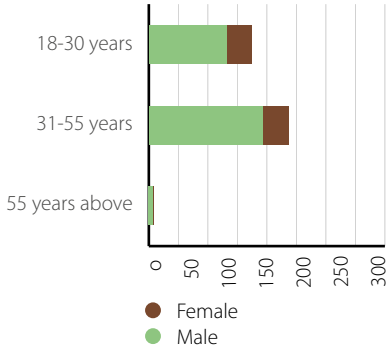


83% of our team is employed on a permanent basis, whilst the remainder of the team is engaged on a contract, trainee or intern basis.

All employees are engaged through appointment contracts, fostering a shared understanding that their involvement is voluntary, and devoid of any form of coercion or compulsory labour.

All employees are legally eligible and authorized to work within the established regulatory framework.

Employees by Age & Gender



Employees by Staff Category & age

Category	18-30 years		31-55 years		Above 55 years	
	Number of staff	%	Number of staff	%	Number of staff	%
Senior Management & above	0	0%	28	96%	1	4%
Executive	136	47%	152	52%	2	1%
Non-executive	60	40%	86	56%	6	4%

CAPITAL REPORTS

HUMAN CAPITAL

Employees by Region & Contract

	Permanent	Contract	Total
Sri Lanka			
Western	230	51	281
Southern	20	5	25
North Western	9	1	10
Central	29	3	32
Sabaragamuwa	19	7	26
Northern	4	1	5
Eastern	1	1	2
North Central	0	0	0
Uva	16	0	16
Bangladesh	72	2	74
Total	400	71	471

We endeavor to recruit from localities that is in close proximity to our operations which are concentrated in the Colombo district. 28% of staff based in Sri Lanka are recruited from areas outside of Sri Lanka thereby promoting regional development and employment opportunities across the country.

Workers who are not employees

In addition to the employees of the Company, there are workers engaged on contract basis, towards the provision of auxiliary services such as security and janitorial. As these do not form core operations of the Company, information pertaining to such worker who are not employees is not tracked.

Movements in our team

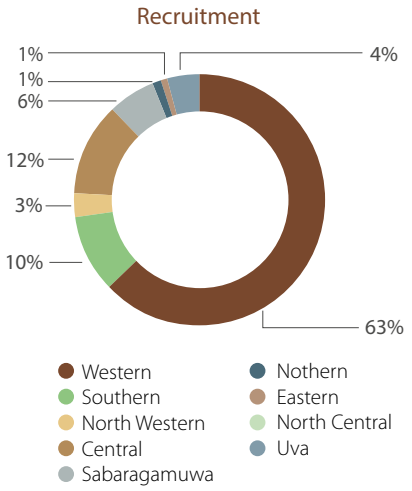
Increased levels of skilled migration from the country continued to impact our Company as well, where recruitment and retention of skilled employees remained a key challenge. Despite that, this movement of employees has allowed for the infusion of fresh talent into the organization, bringing new perspectives and innovative ideas. It has created room for internal growth and promotions, motivating existing staff to aim for career advancement within the company.

The company has enhanced skill diversification within the workforce, as new hires bring in a diverse range of skills and experiences. Also, we have heightened our focus on employee engagement and retention strategies, and we are working towards creating a more supportive and engaging workplace for our staff.

Staff retirements	-
Staff resignations	52
Attrition rate	11%
Percentage of internal staff filling vacancies created	1%
Staff-redeployments	4
Promotions	54

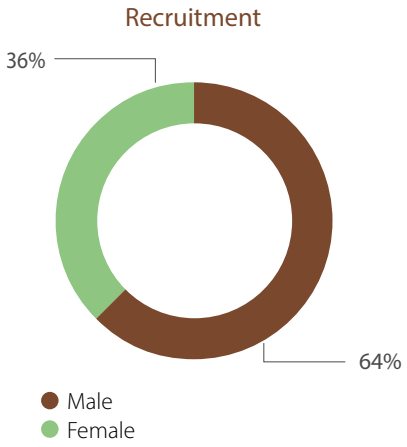
Recruitment by Region

	Number	Percentage
Western	49	63%
Southern	8	10%
North Western	2	3%
Central	9	12%
Sabaragamuwa	5	6%
Northern	1	1%
Eastern	1	1%
North Central	0	0%
Uva	3	4%
Total	78	100%



Recruitment by Gender

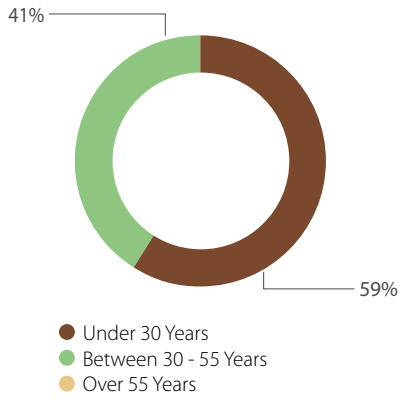
Gender	Number	%
Male	50	64%
Female	28	36%
Total	78	100%



Recruitment by Age

	Number	%
Under 30 Years	46	59%
Between 30 - 55 Years	32	41%
Over 55 Years	0	0%
Total	78	100%

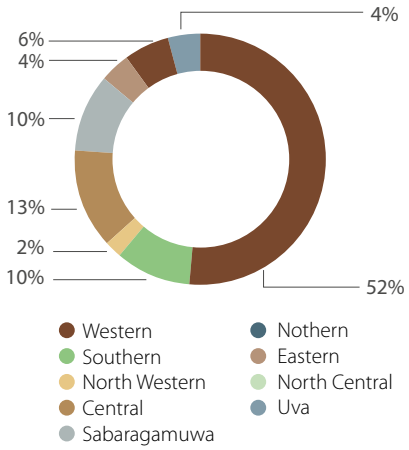
Recruitment



Turnover by Region

Province	Number	%
Western	27	52%
Southern	5	10%
North Western	1	2%
Central	7	13%
Sabaragamuwa	5	10%
Northern	0	0%
Eastern	2	4%
North Central	3	6%
Uva	2	4%
Total	52	100%

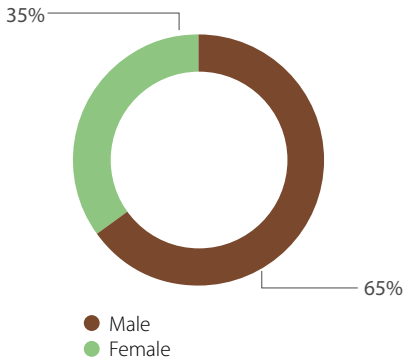
Turnover



Turnover by Gender

Gender	Number	%
Male	33	63%
Female	19	37%
Total	52	100%

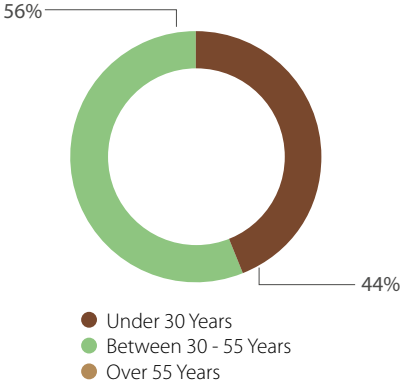
Turnover



Turnover by Age

	Number	%
Under 30 Years	23	44%
Between 30 - 55 Years	29	56%
Over 55 Years	0	0%
Total	52	100%

Turnover



Staff retention

Employee retention ratio for the year was 89%. Staff attrition was mostly attributable to migration of employees to foreign countries. Our enhanced rewards mechanism and the empowering work environment we afford our employees have played a major role in maintaining staff retention at healthy levels.

Remuneration, recognition and rewards

The Company's remuneration and reward schemes are transparent, unbiased and consistent, and are designed to attract and retain top talent through equitable and attractive compensation. Remuneration is benchmarked against industry practices and is based on meritocracy and performance. We do not discriminate on gender in determining remuneration and the ratio of the basic salary between men and women 1:1.

- There were no reductions in salaries and other benefits offered to employees amidst severe economic shocks over the past few years
- During the year all employees' salaries were increased to align with the current market conditions
- Total employee expenses for the year 2023/24 – Rs. 940,884,150.94 Mn

Full list of rewards and benefits offered

Guaranteed Pay and Allowance

- Salary

Variable Pay

- Overtime

Sales incentives

- Performance bonuses

Reimbursable Expenses

- Fuel
- Vehicle allowances
- Food and accommodation

Welfare Benefit Expenses

- Death donation
- Medical insurance
- Wedding gift
- Paternity Leave

Retirement benefit

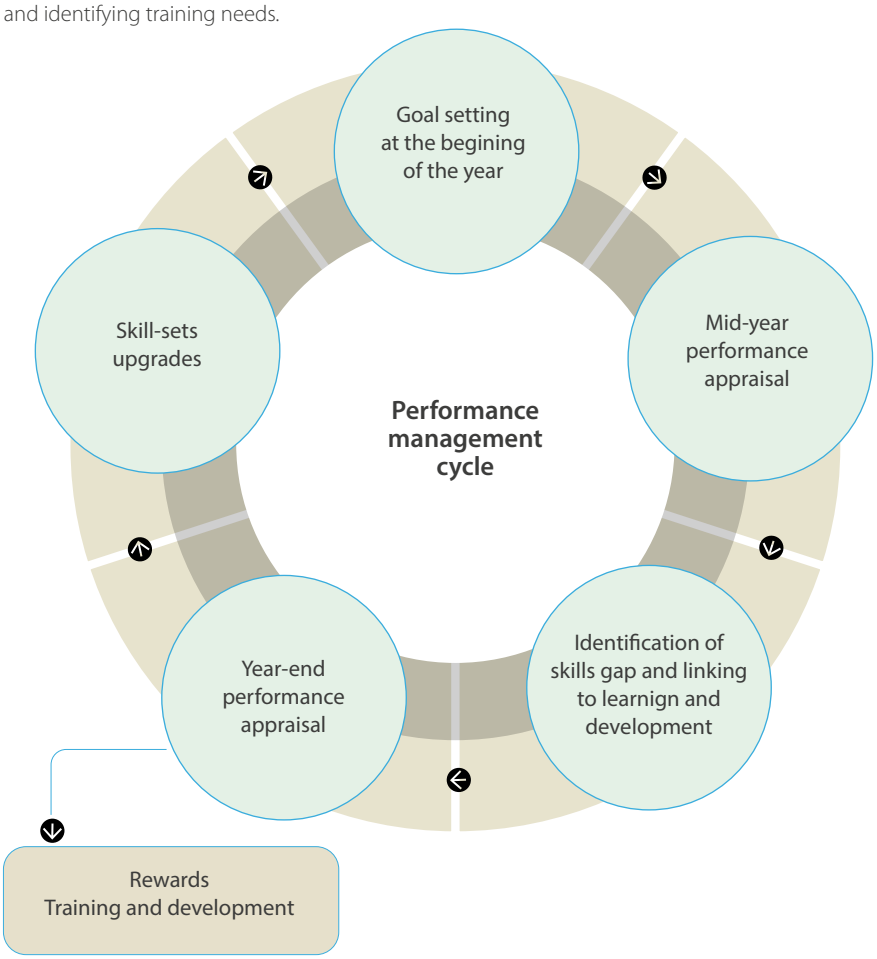
- EPF, ETF and Gratuity

CAPITAL REPORTS

HUMAN CAPITAL

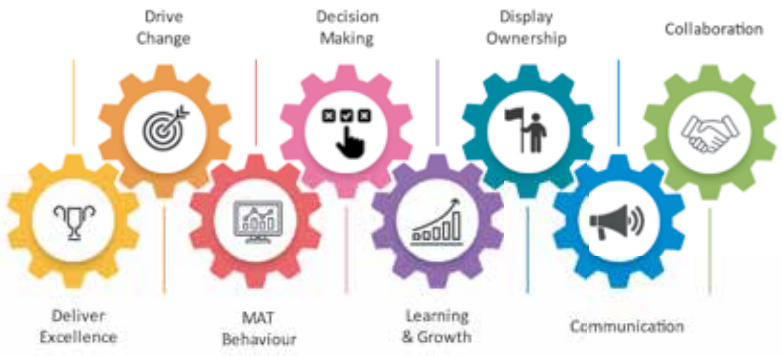
Performance management

The Company fosters a performance-based culture, with all eligible employees undergoing annual performance appraisals based on established key performance indicators. Employees who meet their targets are recognized and rewarded fairly, which helps boost morale. Performance appraisals also contribute to employee development by facilitating discussions on career growth and identifying training needs.



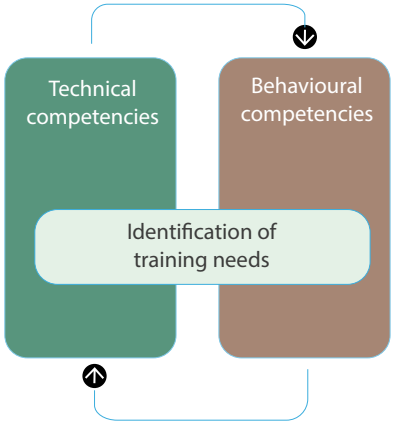
JAT Leadership Cog-wheel

JAT's Leadership Cog-wheel is the guiding blueprint for employees across all grades in identifying the leadership competencies an employee should cultivate, if he/ she is to advance in their career. Initially launched for the senior management within the FY 2021/22, this overarching and comprehensive growth blueprint is now open to employees across all levels and they are being assessed upon these behavioral competencies at the annual performance evaluations. It guides employees with clear specifications as to what competencies are required to be attained for any employee to move to the next level in career advancement.



Learning and development

Our learning and development philosophy is based on delivering programmes that directly address the skills, development needs of our employees and thereby equipping our team with the necessary skills sets to deliver on the JAT promise. Towards this end, discussions take place between the team members and their line supervisors and department heads in clearly identifying knowledge and skill gaps, emerging skill requirements, etc. Annual performance appraisal cycle is a critical juncture at which such discussions take place. Additionally, whenever the Company on-boards new product ranges or commences a new line of business operations as a part of strategic growth process, we ensure the respective team members acquire the necessary product, process and operations knowledge so that the team is geared in delivering the new venture successfully.



Training resources

Our training programmes feature both external resource persons and internal trainers. We are gradually building an internal pool of our own trainers who disseminate their learning, technical know-how and expertise through structured programmes. This initiative yields multiple benefits of enhancing the organizational tacit knowledge, development of our staff as trainers across multiple functions and sharpen the impact of training initiatives as they are delivered by our own staff who are well-versed with internal processes, expectations and the overall JAT philosophy.

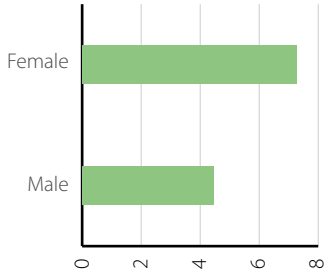
Percentage of employees receiving regular performance and career development reviews

	Male Count	Total number of males who received regular reviews	As a percentage	Female count	Total number of females who received regular reviews	As a percentage
Senior Management	25	21	84%	4	4	100%
Management	80	49	61%	19	14	74%
Executive	143	82	57%	47	20	43%
Non-executive	125	72	28%	27	9	33%

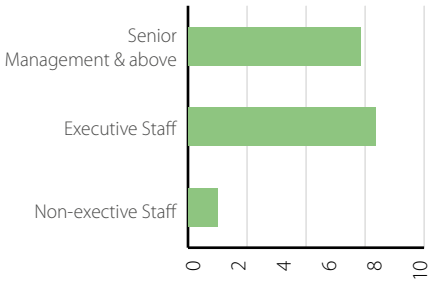
Succession planning and talent retention

During the year, we also reviewed the succession plan for all employees where they were encouraged to take opportunity within the Company for self-improvement and growth. They are motivated to try different roles within the organization to provide them with better career opportunities and thereby proactively ensuring talent identification, retention and grooming and a smooth transition of leadership. This was done with a focus on possible instances where external recruitment and expertise may also be required, in line with the strategic aspirations of the Company.

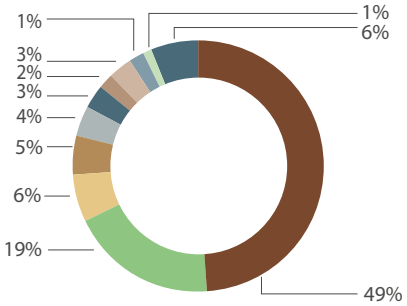
Average Training Hours per Gender



Average Training Hours per Category



Time spent on types of training areas



- OBT training
- JAT Lean Green Belt Training 2023 series
- First Aid Training
- Female Painter Project
- Office 365 related training
- Paint Product Training
- ESG, Sustainability and climate related training
- Fire Training
- HR Conference
- Lean Factory Deployment Training and Workshop

Dynamism of our training programmes

Types of training topics consolidated under the Other category

- Leveraging AI in Business
- Quarterly Induction programmes to introduce newly joined staff to the JAT culture
- Conducted the training program 'working with Yammer' for general staff
- Executive Certificate in Occupational Health & Safety
- MiHCM Awareness Session for Departmental Users to effectively manage and function HR operations
- Participation in Strategic Resurgence forum organized by CPM of Sri Lanka
- Navigating VAT and SSCL implications session conducted by ICASL, to enhance knowledge on taxes
- Trainings conducted for showroom staff on effective and efficient management of the showroom, product displays and customers
- Trainings provided for the quality circle of Research and Development department to enhance their Research and Development skills
- Workshop on Labour Laws and Recent Changes
- Trainings for Internal Audit Team with the intention of streamlining the audit functions
- ISO14001:2015 Internal Auditor Training
- Capacity building program for chemical emergency management by Ministry of defense, National Authority for Implementation of the Chemical weapons convention
- SPARK – "Streamlined Performance And Result Kickstart" program for factory employees
- AI in Marketing and talent acquisition to reshape the Business Landscape
- Trainings on impactful Content Creation for Corporations
- Trainings on how DEI (Diversity, Equity and Inclusion) drives a high-performing culture
- Training on the importance of embracing change to facilitate empowerment and growth within the Company
- Setting matrix and targets for the company

CAPITAL REPORTS

HUMAN CAPITAL

Employee well-being, health and safety

We are dedicated to ensuring a safe, secure, and healthy work environment for our employees based on the theme of promoting a healthy workforce. The company has implemented an occupational health and safety management system covering all employees in accordance with the guidelines outlined in ISO 45001:2018 OHSMS. Regular safety risk assessments are conducted to proactively identify and mitigate any potential hazards, ensuring that no risks remain overlooked within the organization.

The Company maintained a dedicated employee wellness programmes through various initiatives introduced throughout the year.

Powering our employees to be the "Best Version of Themselves"

- Propagating the philosophy of "Health is Wealth" with constant reminders and awareness driven among employees on the importance of taking care of themselves and their health
- Equal emphasis placed on mental health and well-being
- Free medical health camps including a dental camp during JAT wellness week
- Yoga programme conducted by a qualified Yoga trainer on a weekly basis
- Enhanced medical claims limit in response to escalation in medical expenses
- Iconic initiative of "Virtual walk from Colombo to Kandy in 21 days" with participants achieving the goals set being rewarded

Initiatives rolled out as relief measures in response to the economic crisis

- Allowances to the executives and minor staff in reaction to the rise in the cost of living
- Performance-based increments offered to maintain a performance-driven culture as well as encourage employees to retain with the Company amidst high turnover
- Job opportunities were given at our overseas subsidiaries to employees who were planning to migrate as a result of the economic crisis
- Flexibility allowed in clock-in time marking the commencement of work in the morning, to be compensated by clock-out time covering the set number of work hours for the day
- Transportation facilitated via the PickMe platform for employees signing off from work at late hours

Workplace safety

Work place health and safety is a way of life at JAT, driven on the concept of "Tackle the Risk". Initiatives are driven by a comprehensive Health and Safety Policy, which underwent comprehensive revision during the year.

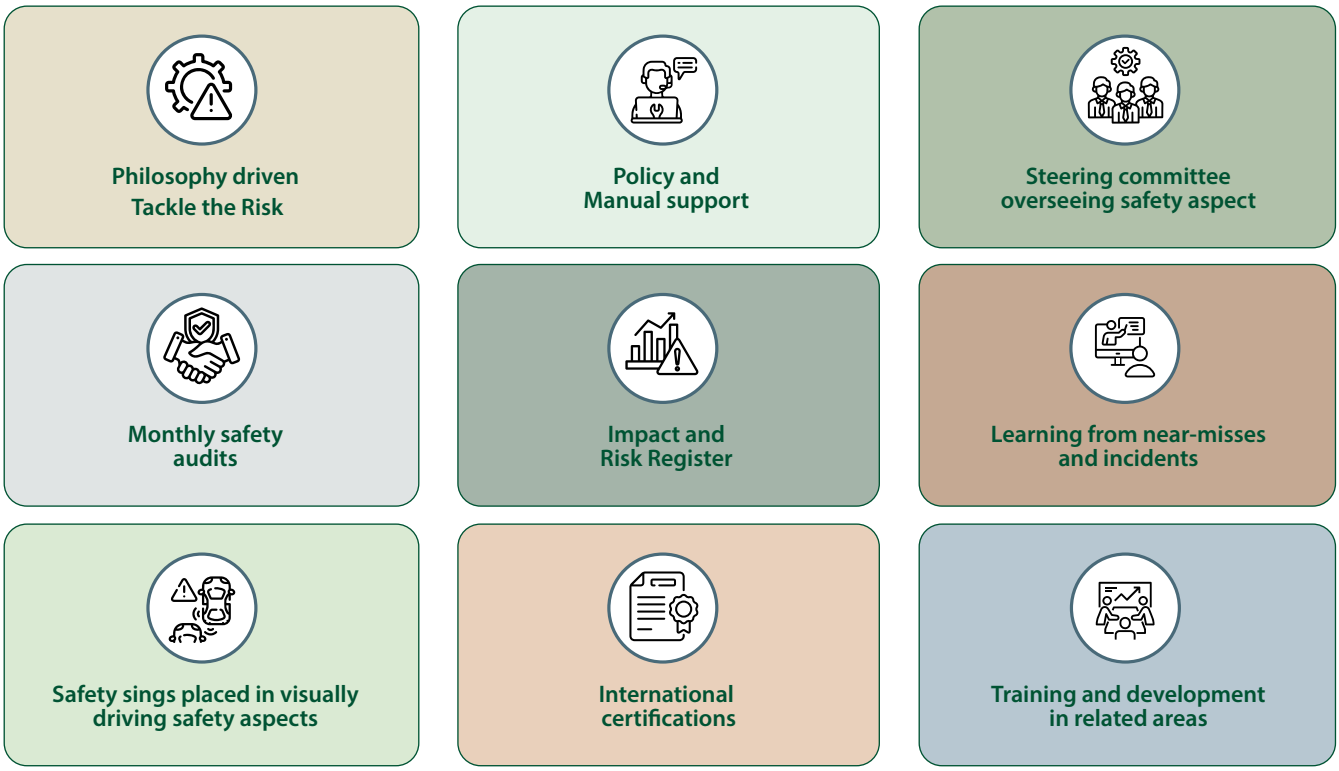
Focus areas of work place safety

- Employee safety
- External party safety such as visitors, contractors

First-aid training

Medical camp

JAT Workplace health and safety matrix



Fortifying work place health and safety

- Complying ISO 45001:2018 standard in Occupational Health and Safety Management System
- Continuous training, development and capacity building on safety aspects
  - First-aid training
  - Capacity building for emergency response
- Fire drills and duly renewed Fire Certificate
- Annual medical check-ups for factory employees on lung function and audio-metrics
- Provision and usage of safety gear and equipment
- Regular committee meetings to identify risk areas
- Location security is outsourced to the professionals and no human rights violation incident was reported during the year.

Grievance handling and redressal mechanism

The Company has a clearly established grievance handling and redressal mechanism guided by a clearly established policy. It is the policy of the Company that all employees should be permitted to have any grievances in relation to their employment dealt with promptly and fairly by an appropriate manager. All the employees have the right to appeal to a more senior manager against a decision made in respect of their grievance.

Health and Safety Indicators	2023/24	2022/23	2021/22
Reported first-aid cases	6	6	10
Occupational injuries – resulting lost hours	45	182	212
Work place related fatalities	0	0	0

Freedom of association and collective bargaining

No labour unions have been formed within our Company, primarily due to our open-door culture and ongoing efforts to foster a collaborative work environment and we affirm that no restrictions or barriers have been imposed in preventing our employees from exercising their right to form or join labour unions if they choose to do so.

All major projects are formulated and implemented with the contribution of cross-functional teams, which affords employees fair opportunity to share their views and feedback. All employees are given adequate notice regarding any significant operational changes.

Employee resilience and coping

At JAT, we prioritize both the mental and physical well-being of our employees. To achieve this, we offer wellness programs, counseling sessions, and various related services designed to address occupational stress, foster work-life balance, and attend to other health aspects. We believe that ensuring the mental health of our employees is essential for their overall well-being and productivity.

CAPITAL REPORTS

HUMAN CAPITAL

Employee engagement initiatives

The JAT employee engagement calendar is action-packed all year around. A number of initiatives were rolled out connecting employees based at various locations to strengthen the team spirit and comradery.

- Launch of JAT Connect WhatsApp group connecting all employee of JAT Sri Lanka – This platform serves as a real time updated channel via which our employees are connected to events happening within the Company, even though they are not physically a part of them. This platform has proven to be of high impact, enhancing inclusion and feeling of togetherness
- JAT Excellencia 2023", annual recognition night to celebrate the contribution of the JAT Team of over 400 employees for enabling excellence in performance

- Celebrated the World Childrens' Day with Kids of the staff. Kids below 14 had a day full of fun activities while 15 above youngsters had a work shop with the theme of KIDS FEST

- Had a very successful virtual walk from Kandy to Colombo with the participation of all staffs over 21 days
- In order to enhance the soft skills of employees we organized a departmental Kahoot where the teams had to watch and be thorough with the contents of the educational videos uploaded to the learning management system
- We also had a day full of Christmas celebrations with a departmental crib competition and singing of Carols couple with secret Santa activity

- In order to give a fresh start to new year 2024 JAT organized a business commencement ceremony which was colored by Pro. Ajantha Darmasiri as a guest speaker giving insights to the team

Driving strength in diversity and inclusion

The Group's policies, practices, and culture demonstrate its commitment to nurturing a diverse and inclusive workplace. These organizational practices ensure fair employment and pay based on employee merit, regardless of gender, race, or religion, thereby completely eliminating any potential for discrimination of any form. Proactive measures have been implemented to support women's career advancement while maintaining a healthy work-life balance. There were no reported incidents of discrimination during the reporting period.

Promoting gender diversity at JAT

- Women empowerment programmes carried out in commemoration of the International Women's Day
- Equal opportunity provided for staff members at their respective levels in decision making irrespective of gender
- Career progression programmes and the entire lifecycle of an employee designed and developed based on meritocracy with gender not being a hindrance
- Cleary established policies guiding gender parity within the organization and policies implemented with the true spirit of powering employees
- Conventionally "male job roles" opened up for females
- Added flexibility allowed for pregnant mother and new mothers

Policy support driving gender diversity

Equal Opportunity and Diversity Policy	This policy aims to eliminate discrimination, bias, and prejudice in all aspects of the company's operations, including recruitment, hiring, promotions, training, and workplace conduct. It encourages a diverse workforce by actively seeking and valuing talent from various backgrounds, cultures, and perspectives. Equal Opportunity and Diversity Policy helps foster a positive organisational culture that celebrates differences and fosters an environment of mutual respect, dignity, and equal opportunities for all
Anti-harassment Policy	This policy ensures that employees are treated fairly in an environment free of intimidation and harassment. All complaints of harassment will be treated seriously and promptly, with due regard to confidentiality and disciplinary action will be taken against any employee who has been found guilty of breaching this policy.
Policy on sexual harassment	Any unwanted, uninvited behaviour of a sexual nature which makes a person feel humiliated, intimidated or offended and which may occur between an employee and a co-worker, supervisor, manager, agent, consultant or contractor, is considered to be unlawful not only during working hours but also in any work-related context, including conferences, work functions, business or field trips, and interactions with other stakeholders.
Open-door Policy	This policy reflects our commitment to transparent and flexible communication between the management and team members. This enhances communication across levels of the organisation. Team members are free to communicate their thoughts with upper management. This policy extends to HR. If staff members have serious matters on their mind, ranging from concerns over their compensation to workplace harassment they may discuss it with HR. With the implementation of this policy, employees did not emphasise any need for a trade union as the current mechanism in place has worked for their benefit.
Grievance Policy	It is the policy of the Company that all employees should be permitted to have any grievances in relation to their employment dealt with promptly and fairly by an appropriate manager. All the employees have the right to appeal to a more senior manager against a decision made in respect of their grievance
Recruitment and selection Policy	The recruitment policy defines the objectives of Recruitment and Selection which are aimed at attracting competent and outstanding individuals to fill a position with the most suitable applicant. Candidates are selected for appointment according to their capabilities, qualifications and competencies required to fulfill the job requirements, without having regard to discrimination factors, such as race, religion, marital status, gender and age. Policy itself addresses the conflict of interest where it defines not to employ relatives of management in the same unit where such employment could place the employee in a potentially compromising situation and/or where there may a concern about conflict of interest. Th e policy ensures that the workforce of the company employees only the people who are eligible to work in the country under the common law and do not enforce child labour and there have been no incidents of child labour or forced or compulsory during the reporting period.
Health and Safety Policy	This policy ensures that a healthy and safe environment is provided for all employees, contractors, customers and visitors, compliant with all applicable health and safety legal requirements, and that best practice health and safety management standards are implemented and maintained across the JAT Group. The Company is strictly compliant and committed to improving the ISO 45001:2015 Standard, dedicated to providing employee awareness frequently about Occupational Health and Safety. All employees and work-related parties are responsible for following all safety procedures, guidelines and maintaining a safe working environment and improving safety measures.
Whistle-Blowing Policy	The Whistleblowing Policy is mainly introduced with the intention of creating a platform for the members of staff to report irregularities in good faith, without having to fear that their actions may have adverse consequences. The Whistleblowing Policy of the Company is a key element set up to safeguard the integrity of the Company. It is aimed at enhancing the Company's transparency and underpinning its system for combating practices that might damage its activities and reputation. This Policy creates an environment of trust and maximum protection for the members of its staff as the Company intends to encourage them to cooperate in full. Arrangements are made to ensure that the members of staff who report irregularities in good faith are afforded utmost confidentiality and the greatest degree of and most effective protection possible against any retaliation or reprisals, whether actual or threatened as a result of their whistle-blowing.

CAPITAL REPORTS

HUMAN CAPITAL

Gender representation by grade

	Male - Number of employees	%	Female - Number of employees	%
Senior Management & above	25	86%	4	14%
Executive	223	78%	67	22%
Non-executive	125	82%	27	18%
Total	373	79%	98	21%

Promotions by gender

	Number	%
Male	42	77.78%
Female	12	22.22%
Total	54	100.00%

Basic salary between women and men

1 : 1

Parental leave

	Male	Female
Employees entitled to parental leave	3	3
Employees that took parental leave	3	3
Number of employees that returned to work in the reporting period after parental leave ended	3	3
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	3	3

Way forward

- Emphasis on succession planning in ensuring a strong pipeline of talent to take the JAT journey forward
- Specifically curated talent retention program to preserve employees with deep technical know-how and organization specific knowledge
- Further enhancements to the performance management system enabling alignment of employee performance to organizational goals, driving employee morale and refining rewards mechanism
- Formulation of a joint consultation committee to discuss grievances, employee development areas and guide engagement initiatives
- Further strengthening of the human resources function of the JAT Bangladesh Team
- Driving more dynamic employee engagement initiatives in enhancing the JAT spirit
- Digitalization of HR process with AI and other tools available. The initiatives have been taken to digitalize the performance management system and few other HR process
- Revising of existing policies and coming up with few other new policies to ensure a consistent framework and uniformity in managing the Human Resources function

CAPITAL REPORTS

INTELLECTUAL CAPITAL

JAT's multi-faceted intellectual capital pool sets us apart from competition and drives our ambitious growth journey. The continuous nurturing of the capital pool has sharpened our agility in embracing new opportunities and swiftly responding to shifting customer preferences.

Intellectual Capital – Fact Sheet

Intellectual Capital

The Company's intellectual capital is represented in a wide array of aspects such as the strength of the JAT brand and related brands, market leadership, research and development capabilities, systems and processes and digital capabilities to name a few. Although financially non-quantified, intellectual capital has played a pivotal role in shaping JAT's growth journey over the years.

Key capital inputs

- R&D expense of Rs. 6.3 Mn
- JAT brand
- Other leading brands such as Sayerlack, Harris, WHITE by JAT, etc.
- Distinctive foundation of tacit knowledge and expertise of the staff
- Dynamic organizational structure with geo dispersion and sector dispersion
- Robust systems, standards and processes, certifications

Value delivered

- 14% growth in revenue
- Rs. 2,535.8 Mn payments made to local suppliers
- Rs. 23 Mn invested in community empowerment projects

Connectivity to other capitals

Financial capital

+ Strength of the brand portfolio driving revenue
+ Process efficiencies leading to cost savings
- Investments in marketing and branding initiatives

Manufactured capital

+ R&D capabilities enhance the productivity of manufacturing plants

Human capital

+ Learning and development driven culture enhancing the tacit knowledge base

Social and relationship capital

+ Efficient and leaner processes leading to enhanced and competitively priced products

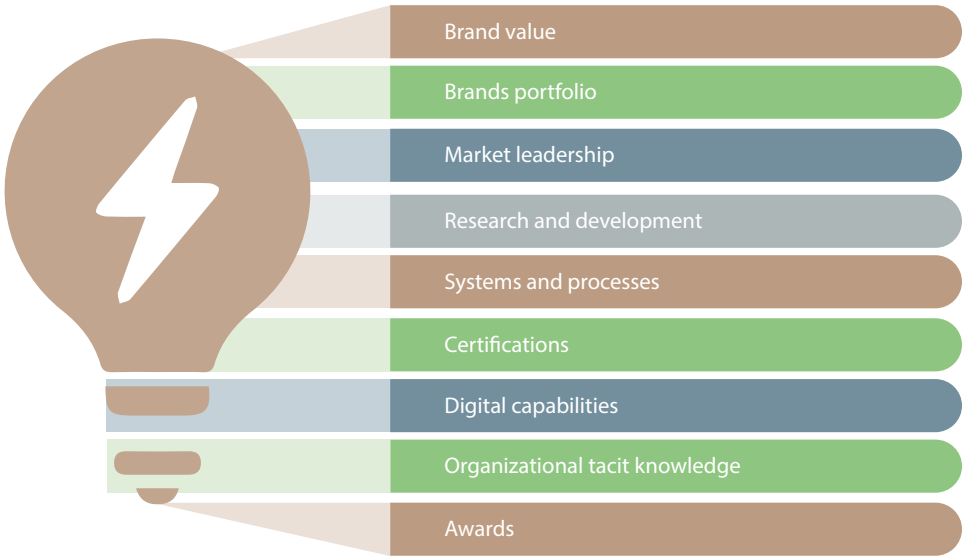
Contribution to SDGs

Link to our strategy

CAPITAL REPORTS

INTELLECTUAL CAPITAL

The Dynamism of Our Intellectual Capital



JAT brands portfolio

Our capacity to produce high-quality products, deliver outstanding customer service, and develop innovative products and brands have bolstered JAT's brand value. The broad range of products we offer affirms our global recognition as a brand that transforms spaces and solidifies our presence in the local market. JAT's extensive product portfolio, consisting of its own brands and an exclusive selection of global brands, includes over 18 reputable brands in wood coatings, decorative paints, accessories, and furnishing products.

PAINTS, COATINGS AND ACCESSORIES

SAYERLACK INNOVATIVE WOOD SOLUTIONS

The Group's flagship brand Sayerlack is the largest producer of wood coatings in the world and the pioneer in water-based coatings. Sayerlack offers a wider range of products including polyurethane, UV coatings and nitro cellular lacquers with scratch, heat, and chemical resistance properties. Out of 91 countries representing the brand, JAT has been awarded the largest partner for Sayerlack in the world by its parent company, Sherwin Williams. Sayerlack is the market leader in wood coatings in Sri Lanka.

WHITE by JAT

Introduced in 2020, the group's own range of premium quality brilliant white emulsion paints and undercoats provides customers with a complete, all-in-one solution under one roof. WHITE by JAT is synonymous with purity, cleanliness, and elegance. WHITE by JAT is the only emulsion paint in the market that offers 8 years guarantee on its white colour through its enhanced colour guard technology.

Harris

A Leader in Sri Lanka's paintbrushes and rollers market, offering a range of paintbrushes, rollers, and accessories across two distinct price points under the sub brands, Harris Classic and Harris Budget. Harris is the leading paint brush manufacturer in the UK and effective 1st September 2018 JAT has been appointed by Orkla House UK as its exclusive manufacturer, distributor, and marketer for Harris in Sri Lanka.

BORMA WACHS®

Reputed as a specialist in wood care, offering a range of products including wood putties, wood surfaces treatment products such as timber cleaning agents, maintenance waxes, special effect finishes and touch-up items for wood-finished surfaces. Borma wachs is the market leading brand in wood surface preparation in Sri Lanka.

The brand offers a range of solvent-based wood stains, thinner, retarder, wood preservative, sanding sealer, super gloss enamel, anticorrosive, varnish and French polish. This is another brand owned by JAT holding PLC and its manufactured locally to cater the middle segment and industrial market in Sri Lanka to deliver high quality products at a lower price

One of the best paint brush and roller range in Sri Lanka that produces a range of brushes for all applications. The brushes are completely handcrafted using Tynex filaments by experienced brush makers and are considered the best brush for wood coating. With 5 times the durability compared to brushes in the market, the product features flawless strokes, and the synthetic filaments are appropriately tipped to release paint evenly and smooth onto surfaces.

MASTER is JAT's own wood coating brand with all manufacturing operations based in Sri Lanka to produce an economical range of wood coating products to suit the local market requirements. At present Masters wood coating products have extended to both domestic and international markets through its wide offering of wood coating products. With the recently launched All-in-one wood coating product, MASTERS have further strengthened its market position in Sri Lanka

Wallz Interior Emulsion is a cost-efficient, yet high-quality emulsion that is perfect for use on interior walls and ceilings. The low-sheen formulation provides excellent opacity and whiteness, making it a great option at an affordable price.

Wallz Weather Coat is suitable for all types of masonry, offering superior protection against harsh weather conditions. The attractive, smooth matte finish stays cleaner for longer, and provides excellent opacity, making it a smart choice for those seeking a durable and long-lasting paint.

Furnishing

An internationally renowned brand represented by JAT and recognized as the pinnacle of prestige in seating and office desking around the world. Herman Miller offers, ergonomic seating and desking designed to support and improve posture is the essence of a Herman Miller along with a 12-year unconditional warranty on every product. JAT is the sole agent and distributor for Herman Miller chairs in Sri Lanka.

A century-old brand known for unique modular kitchens and wardrobe designs, customizable offerings and exclusive designs made to the highest quality German standards. A SEA product integrates into the overall interior design through its highly customizable products, exclusive designs and handpicked materials while keeping the product quality and longevity in mind.

OPPEIN, the world's largest cabinetry manufacturer, offers a diverse selection of kitchens, wardrobes, and vanities for residential and commercial spaces. Known for its unique blend of affordability, quality, and customization, OPPEIN leverages Italian design principles and European craftsmanship to create functional and stylish living solutions. Beyond beautiful cabinetry, OPPEIN provides comprehensive services and dependable local support, ensuring a seamless customer experience.

Globally reputed for design flexibility and acoustical performance of its range of ceiling solutions. Knauf's portfolio of commercial acoustical ceilings offers solutions in mineral fiber, fiberglass, perforated metal and perforated wood.

CAPITAL REPORTS

INTELLECTUAL CAPITAL

LIFE WOOD

Offers a range of luxury handcrafted flooring, synonymous with quality, coated with the revolutionary patented STAYFLAT technology and sourcing the finest sustainably grown French Oak and Australian hardwoods

HORMANN

Specialized Fire Doors are tested and certified to comply with the highest Indian, British and American Standards

dasso

DassoXTR Fused Bamboo® is manufactured using dasso's patented process, which combines two stages of high heat to first carbonize the bamboo, removing all of the starch and sugar, and then restructure the bamboo, reinforcing its natural strength and characteristics

colan

JAT Holdings is the authorized distributor for Colan in Sri Lanka, offering luxury furniture to design interior projects at workplaces or at homes

BURG

German-made high-quality electric appliances for your luxury kitchens

schäfer

Offers cubicle systems for partitioning in endless shapes and a range of colours

Driving our brand

Driving our brand forward, we have implemented a wide array of strategic initiatives to amplify customer engagement and strengthen loyalty. Through a relentless pursuit of excellence, we are determined to steer our brand towards new horizons, setting new benchmarks for success. Our unwavering commitment to innovation serves as the foundation of our approach, driving us to explore novel pathways and pioneer groundbreaking solutions. By placing the utmost emphasis on understanding and meeting the diverse needs of our customers, we strive to not only meet but exceed their expectations. Furthermore, our strategic collaborations with key partners play a pivotal role in our brand's growth, enabling us to leverage collective expertise and resources for mutual success. As we navigate the competitive landscape, our focus remains steadfast on nurturing customer relationships built on trust, value, and dedicated service. Through these efforts and a clear vision for the future, we are dedicated to propelling our brand to new heights of innovation, customer-centricity, and strategic excellence.

One-to-one Engagements

Retailers continued to be a part of our journey through one-to-one engagement. Our sales team visited retailers on a weekly basis to provide updated information related to our products. Based on a retailer's sales, products and categories, retailers were offered special discount schemes and promotional offers. During the year, JAT organized various customer engagement activities such as JAT Industrial Partners Night, Retail Partners Night, JAT Dealers Cricket Championship and Sisu Waruna which is a books distribution project to engage with key stakeholders.

Training through workshops

Our technical teams hosted weekly workshops for groups of around 60 painters and carpenters to provide them with a deeper understanding of our products, updates on new developments, and insights into new technologies and techniques. Over the past 20 years, JAT has trained over 170.000 painters making this one of our most effective methods for customer engagement and building brand and product awareness.

JAT Pintharoo Shilpee Abhiman

JAT Pintharoo Shilpee Abhiman is an innovative program launched by JAT in collaboration with the National Apprentice Industrial Training Authority (NAITA), aiming to elevate the industry and empower promising painters and carpenters. The program helps these skilled but uncertified individuals advance their lives and refine their craft by offering them formal certification in their field. Through this initiative, NAITA has certified over 100 painters and wood craftsmen, identified by JAT, with an NVQ Level 3 Wood Craftsman (Wood Finisher) Certification upon successful completion of the program requirements.

Collaboration with the Sri Lanka Foreign Employment Agency

Building on 30 years of experience in Sri Lanka's wood coatings and paint industry, and the success of the JAT Pintharoo Abhiman program, JAT is proud to announce its appointment as a Facilitation Partner for Training Painters by the Sri Lanka Foreign Employment Agency (SLFEA). This collaboration aims to create overseas employment opportunities for skilled Sri Lankan painters and woodworkers. Through this partnership, SLFEA will identify suitable job openings abroad and outline specific training requirements whilst JAT will leverage its expertise to train and prepare qualified candidates for these roles.

JAT Pintharoo Shilpee Abhiman partnering with MBC Network

JAT Holdings partnered with MTV Channel Private Limited to take the JAT Pintharoo Shilpee Abhiman program to new heights. The partnership was announced at a special ceremony and press conference held on July 14th, 2023, at MBC Network's Stein Studios. This strategic collaboration, which is the first of its kind, will see JAT Holdings join forces with MTV Channel Private Limited as the media partner for the JAT Pintharoo Shilpee Abhiman programme, further expanding its scale, scope and coverage. Thus, the partnership marks a significant milestone in the history of JAT Holdings and the entire woodcraft industry in Sri Lanka.

The collaboration connected JAT Pintharoo Shilpee Abhiman with the public in all three languages through various channels, including TV, radio and digital platforms. These include MBC's TV channels, such as Sirasa TV, Shakthi TV, and TV1, and radio stations such as Sirasa FM, Shakthi FM, and Yes FM, as well as its digital platforms such as News 1st's Facebook page and YouTube channel.

The collaboration will have three phases: videos highlighting past graduates' success stories, painter training workshops in eight locations, and an exciting industry-first initiative. The goal is to transform the program into a national initiative to improve industry standards, create skilled painters, and boost industry perception.

JAT Loyalty Programme

Our Loyalty Programme encompasses over 158,000 members, including painters, carpenters, and homeowners. These loyalty members receive benefits such as loyalty points when they purchase our products. Throughout the year, JAT organizes a variety of promotional programs to offer extra rewards and advantages to our loyal customers.

Campaigns to grow loyalty base, loyalty points etc.

- Introducing Loyalty Point scheme for the Master All in One 4L product
- Loyalty Points Increase for the Sayerlack WB Top Coat 1L and 5L Loyalty Products
- Masters Waterbase Stain and Top Coat product relaunch and Loyalty Point Scheme Introduction
- Loyalty Points Increase for all Sayerlack SKU's
- Introducing Loyalty Point scheme for the Sayerlack 6L and 25L

	FY 2023/24	FY 2022/23	FY 2021/22
Total Customers	158,326	144,005	125,152
Redemption of points (Rs.)	48,118,530	46,170,830	30,467,770

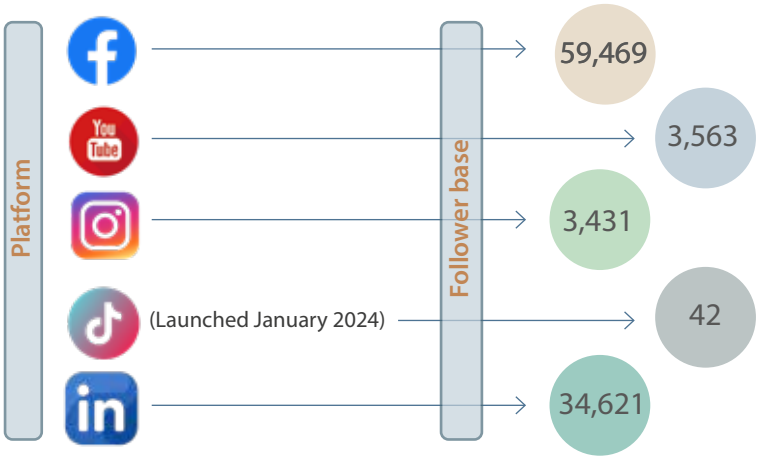
CAPITAL REPORTS

INTELLECTUAL CAPITAL

Digital Advertising

Digital advertising has been instrumental in building brand awareness. By leveraging various social media channels such as Facebook, YouTube, and TikTok, JAT has launched successful marketing campaigns to maximize engagement and extend our reach.

Our social media presence



E-commerce Platform

JAT's whitebyjat.com is the first e-commerce platform in the paints industry that incorporates the latest AI technology to effectively engage its target audiences, establishing it as one of the most successful platforms in Sri Lanka. Additionally, last year JAT introduced ergonomicsbyjat.com, a new e-commerce platform for its luxury furnishing products, including Herman Miller and Colan. Through these e-commerce platforms, we were able to target distinct consumer segments and analyze different purchasing patterns among customers.

Partnerships

We understand that partnerships are crucial for business growth. Therefore, we have collaborated with key stakeholders who help us increase brand awareness and expand our reach.

Market leadership

Consistency in quality and the strength of global affiliations have enabled JAT to secure market leadership positions in respective niches that they cater to.

SAYERLACK INNOVATIVE WOOD SOLUTIONS

Sustained market leadership for over 20 years in wood care

Current market leader with a 57% market share

Harris

Exclusive franchisee for manufacturing and distribution of world-renowned Harris Brushes

Market leader with 31% market share

WHITE by JAT

WHITE by JAT acquired a 7% market share within the first year of launch

Highest brand awareness created within the first two years of its launch

SEAFORM

JAT is a dominant player in the luxury kitchens segment with the brand SEAFORM

Propelling growth powered by science – JAT R& D Centre

As one of its objectives of Initial Public Offering (IPO) viz. Investment in enhancing the existing R&D facility to a fully-fledged state-of-the-art facility for all coatings, JAT established a new R&D Centre in Sri Lanka Institute of Nanotechnology (SLINTEC) in 2022. The core functions of the R&D Centre are as follows.

- Polymer processing division
- Water-borne and solvent-borne wood coating division
- Decorative coating division
- Reverse engineering division

Staff strength: The Centre comprises 8 of whom are qualified chemists and chemical engineers.

External validations: JAT R&D Centre is a member of the CATAS SPA of Spain, a global entity specialized in testing and validation of wood coating products

Contribution to the strategy: Facilitation of cost reductions, innovation of enhanced products, etc., which drives profitable growth

Key development during the financial year:

- Completion of product testing of Binder, primary input material of water-based paint, which is now ready for commercial production during the 2024/25 financial year
- On-site consultation obtained from an expert from the California Polytechnic State University (Cal Poly) on wood product development, reverse engineering and learning and development

Investments in R&D during the year: Rs. 6.3 Mn

Systems and processes

Process improvements and upgrades to our systems and procedures have increased the efficiency and flexibility of our operations. A significant milestone was achieved with 26 employees becoming certified as Green Belt Lean Practitioners, contributing to the enhancement of our operational excellence. Additionally, consistent investments in digital technology have strengthened our capabilities and sharpened our competitive edge. This commitment reassures our stakeholders of the stability and integrity of our manufacturing processes and the high quality of our products.

JAT recognizes digitization as a crucial strategy for enhancing efficiency, cost-effectiveness, and competitiveness in the contemporary digital economy. We consistently harness technology to enhance our internal processes, regularly assessing and enhancing our systems to align with the dynamic business environment.

Certifications

The range of accreditations that JAT has obtained, bears testimony to our commitment to quality and excellence in what as well as how we produce. It mirrors the robustness of our knowledge foundation and the excellence of our systems and procedures. The accreditations secured by JAT play a crucial role in its intellectual capital, facilitating entry into new markets and maintaining competitiveness.

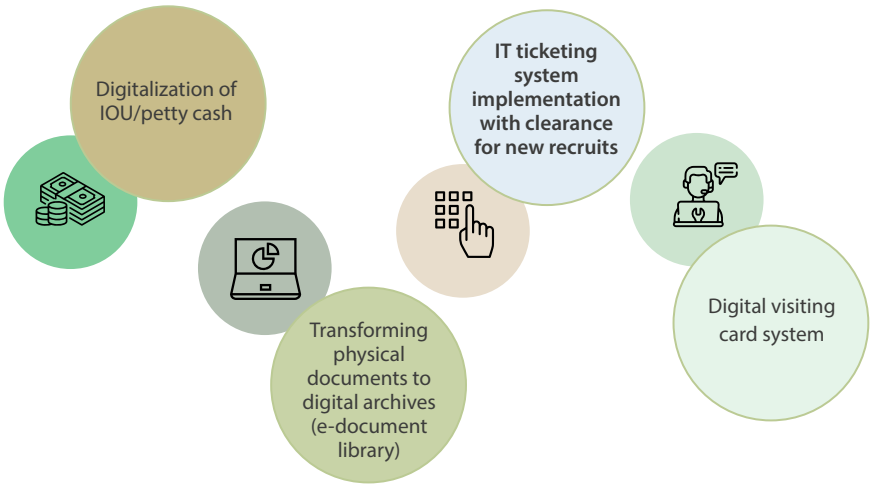
Please refer page 19 for a full list of certifications that cover our operations.

Digital capabilities

Continuous investments in digital infrastructure have facilitated the automation and optimization of everyday processes, resulting in increased productivity and improved customer relationship management. The utilization of data analytics has empowered informed decision-making, while the governance of the Group's digital strategy remains attuned to technological advancements, evolving business requirements, and associated risks. The safeguarding of systems and data assets is achieved through a multi-layered security architecture, incorporating firewalls, fostering cyber risk awareness among stakeholders, and conducting regular threat monitoring and assessments. Furthermore, operational continuity is assured by the development and testing of business continuity and disaster recovery strategies. Additionally, the Group actively pursues impactful business solutions that seamlessly integrate, provide scalability efficiency, and are cost-effective.

The Board approved strategic IT blueprint spanning five years, with the prime focus of transforming JAT to a digi-savvy organization continued with added vigor through the year. The initiatives revolved around eight key areas as succinctly listed down below.

- Establishment of robust IT infrastructure including Cloud firewall
- Migration to a paperless environment. Key operational aspects where this was implemented were



- Implementation of productive tools such as Computerized Maintenance Management Systems, conducting awareness trainings, Power BI Dashboard implementation to drive information-driven decision making
- Introducing Internet of Things (IOT) for energy usage monitoring
- Digital landscape and e-commerce implementation (WhatsApp bot implementation/e-invoice implementation)
- Development of L&D tools for human capital together with the implementation of the Learning Management System
- Enhanced IT system features supporting increased productivity
- Deployment of AI technology in identified areas – General AI tools implementation with awareness sessions, marketing and design related AI tools implementation
- Data privacy framework

The IT strategy is closely aligned to the Company's overall growth strategy, and is aimed at driving system capabilities, employee IT capabilities and a strong digital culture so as to make the organization, systems and people future-ready.

Organizational tacit knowledge

Tenure of service of the JAT team

Over 40% of our employees have served the Company for over five years with approximately 12% having been with the Company for over 10 years. The cumulative years of knowledge and experience amassed by our team have benefited the Company in gaining and maintaining competitive edge whilst also fostering industry growth.

Organizational structure

Since its inception JAT's organizational structure has expanded sustainably, making foray in to related diversified business areas and geographical locations spanning multiple continents. This has enabled the Company to achieve healthy diversification of revenue sources whilst reducing the risk of over concentration on any product category or market. Such dynamic organizational structure (page 10) has proven quite effective, particularly during the economic crisis of Sri Lanka, during which period, the Company continued to generate sound revenue across other markets.

CAPITAL REPORTS

INTELLECTUAL CAPITAL

The JAT culture

JAT Holdings' culture is a tapestry woven with threads of innovation, collaboration, and empowerment, reflecting a commitment to excellence and sustainability. At the heart of our culture is a relentless pursuit of innovation, where every individual is empowered to think boldly, challenge conventions, and pioneer new solutions. Collaboration is the cornerstone of our success, with teams coming together to leverage diverse perspectives and co-create value.

Transparency and integrity are ingrained in our DNA, fostering trust and accountability at every level. We cultivate a learning culture, providing ample opportunities for skill development and personal growth, ensuring that our employees are equipped to thrive in an ever-changing world. At JAT Holdings, we celebrate diversity and inclusion, recognizing the strength that comes from embracing different backgrounds, perspectives, and ideas. Together, we strive to build a culture where every voice is heard, every contribution is valued, and every individual can flourish.

Leadership and governance

The visionary leadership, collective knowledge, expertise and experience of our Board of Directors and the senior management team functioning within the highest standards of corporate governance and ethics have powered our sustainable growth. The Company's resilience amidst macro challenges as was seen in the recent years is attributable to this.

Awards

JAT has been the proud recipient of a number of awards over the years across multiple aspects, affirming the equilibrium it maintains in its performance (page 18). The awards have served as a constant source of motivation for the team to elevate performance to the next level. They have also enhanced the brand visibility, acceptability and credibility across multiple stakeholder groups. Our dedication to excellence is validated by the various awards and recognitions bestowed throughout the year. These not only showcase the effectiveness of our managerial strategies but also notably elevate our market reputation.

Way forward

- Drive the JAT brand in affirming its position as the market leader in respective products
- Further enhancements to R&D capabilities to drive innovation and gross profits
- Planned investments in radiation curing for export markets
- Collaborations with foreign universities
- Support the expansion of emulsion range in to colour paints
- Continued upgrades and enhancements to systems and processes in improving efficiencies and meeting customer needs
- Nurture a digi-savvy organizational culture

CAPITAL REPORTS

SOCIAL AND RELATIONSHIP CAPITAL

We deeply value the relationships we maintain with our customers, suppliers, channel partners and the community at large. For us at JAT, they are our perpetual partners in progress, and all our encounters with them are aligned towards mutual growth.

Social and relationship capital – Fact Sheet

Social and relationship capital

We maintain strong relationships with our customers, value chain partners, suppliers, the wider industry and the community which validate our social license to operate. These relationships propel the pursuit of our strategic priorities

Key capital inputs

- Customers both retail and industrial
- Value chain partners comprising dealers and distributors – 6700+
- Principals – 15+
- Suppliers – 1500+
- Industry collaborations
- The community we operate in

Value delivered

- 14% growth in revenue
- Rs. 2,535.8 Mn payments made to local suppliers
- Rs. 23.1 Mn invested in community empowerment projects

Connectivity to other capitals

Financial capital
+ Customer-centric and innovative products driving enhanced revenue
- Investments in community empowerment projects (immediate term effect)
Human capital
+ Employee volunteerism in Company sustainability initiatives
Natural capital
+ Positive impact created on the environment through CSR initiatives

Contribution to SDGs

Link to our strategy

Profitable growth

Sustainability

CAPITAL REPORTS

SOCIAL AND RELATIONSHIP CAPITAL

Management approach

JAT has implemented a wide set of policies and clearly established processes underpinned by a strong governance framework that guide the Company in maintaining sound relationships with the stakeholders that make up its social and relationship capital. Over the years, the operating environment has been highly volatile, leading to evolving expectations, challenges and concerns of our customers, suppliers, channel partners and the community at large. We have been particularly empathetic and cognizant of such evolving needs. We deployed communication modes and initiatives in response to such needs, prioritizing on mutual value creation and growth.

Customer relationships

Our customer relationships are centered on excellence in our product quality. JAT has been committed to enhancing its product portfolio quality, and also widening the products on offer, thereby offering a wide range of value propositions accessible to a broader base of customers. Over the years, JAT has consistently expanded its customer base in numbers, as well as in its dynamism, across multiple aspects viz., customer profiles, geographic presence, and mode of sales/channels (digital versus conventional).

Customer profile

Key customer categories

- Homeowners
- Project owners – Residential and commercial
- Intermediaries – painters, retailers and dealers

Geographic presence

JAT's foray in to multiple geographies across the world has enabled it to build a solid customer base, diversify risk and revenue source.

Country/Region	Key products on offer	Contribution to revenue
Sri Lanka	Full range of wood coating solutions and emulsion paints range	64.90%
Bangladesh	Full range of wood coating solutions (PU, UV & WB)	32.12%
India	Full range of wood coating solutions (PU, UV & WB)	1.01%
Maldives	Full range of wood coating solutions (WB & PU) and emulsion paints range	1.51%
African region	Full range of wood coating solutions (WB & PU)	0.45%

Customer health and safety

100% of our products comply with customer health and safety regulations. There were no incidents recorded during the year related to non-compliance of health and safety of the products or services.

Protection of customer privacy

Stemming from the fact that JAT operates a customer loyalty program, which allows us access to customers' confidential data, we prioritize customer privacy protection through robust security measures for data storage and transmission. We secure explicit consent from our customers for data collection, usage, and sharing, while strict access controls and encryption protect sensitive data. We transparently communicate the purpose of data collection and offer customers control over their personal information.

There have been no substantiated complaints concerning breaches of customer privacy or losses of customer data during the specified reporting period. We remain committed to upholding the highest standards of data protection and privacy for our valued customers.

Loyalty programme highlights

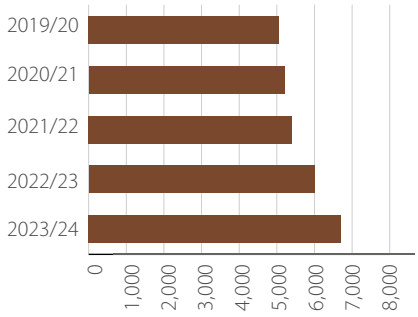
158,000+

Members

217.2 Mn

Points Redeemed

Customer acquisition and retention



Responsible marketing practices

Our marketing communications adhere to the guidelines established by the Company's Code of Conduct on Customer Service and applicable government laws and regulations. We operate within the framework outlined by the Consumer Affairs Authority, implementing strict measures to guarantee that our advertising and labelling offer transparent information about safe product usage. Our user manuals, available in Sinhala and English languages, provide comprehensive details regarding installation, maintenance, and daily operations.

There were no cases of non-compliance with regulations or standards concerning the health and safety impacts of our products/services, as well as product and service information and labelling. Additionally, there have been no instances of non-compliance in relation to our marketing communications. There had been no incidents of non-compliance concerning product and service information and labelling or concerning marketing communication during reporting year.

Customer-centricity

Understanding emerging customer needs and providing innovative product solutions have enabled JAT to enhance its competitive edge in key product categories. Our customer-centric approach prioritizes understanding customer needs and responding swiftly with efficient, effective products and services that surpass expectations.

Regular customer interactions and engagement, including events, social media, salesforce interactions, and communication via SMS, email, and call centers, are central to JAT's customer-centric approach. We continuously monitor customer satisfaction through feedback surveys on social media, consumer research, and one-on-one sales interactions to improve our offerings.

Loyalty and rewards

The Sayerlack Loyalty program, launched in 2019, has experienced substantial growth, reaching over 158,000 loyal customers since. This program rewards customers with long-term financial benefits in appreciation of their continued support.

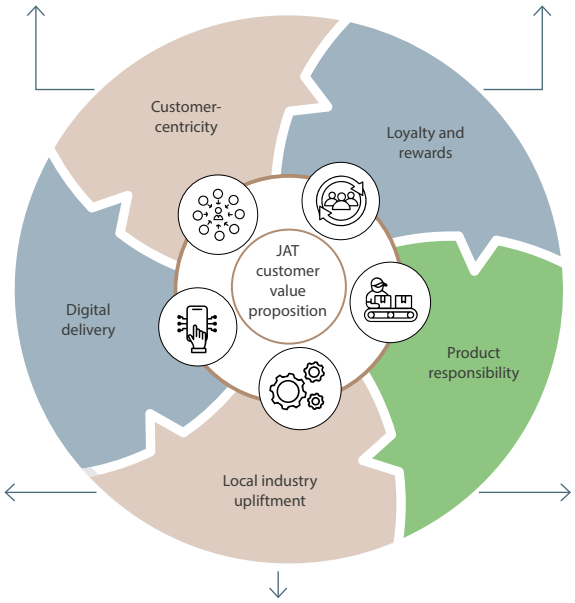
To enhance the income generation potential of most customers, JAT partnered with Commercial Bank of Sri Lanka to provide an exclusive loyalty debit card, encouraging customers to save for the future. Additionally, the program partnered with the National Apprentice and Industrial Training Authority (NAITA) to offer specialized training programs where participants can earn an NVQ Level 3 certification. Loyalty members receive priority enrollment in these programs.

Digital delivery

JAT has adopted a bold strategy to revolutionize the customer experience by launching a fully integrated end-to-end e-commerce platform in the paints industry. Despite market saturation, the WHITE by JAT emulsion paint brand was introduced digitally, using a direct-to-consumer approach as the main sales driver.

Targeted promotions and competitive pricing are employed on the JAT website and third-party e-commerce platforms to encourage online purchases. Social media platforms and active customer engagement provided purchasing advice and recommendations.

A user-friendly 3-step ordering process, including value-added services like volume converters enhance customer convenience with the added benefit of free home delivery



Local industry upliftment

As an initiative to support the local woodcraft industry, JAT has established a program to enhance the skill and competency of the youthful workforce. The JAT Pintharoo-Shilpee Abhiman program has been introduced in partnership with NAITA to encourage carpenters and painters to receive qualifications and add value to their trade (more information presented under Community Empowerment in page 91).

Product responsibility

JAT is dedicated to maintaining top-quality, consistent products through rigorous quality processes and compliance with multiple certifications. The Group's collaborations with leading international brands provide advanced solutions for consumer safety and well-being, enhancing its commitment to innovation.

During the year under review, there were no incidences of non-compliance with regards to laws, regulations or standards relating to customer health, safety, labelling information or marketing communication.

Innovative products offered:

- Green Seal certification from Green Seal Inc. USA has been obtained for WHITE by JAT exterior, WHITE by JAT interior and Masters all in one wood coating
- Internationally renowned Herman Miller office chairs backed by research on the science of sitting develop ergonomic designs focused on reducing physiological and biomechanical stresses caused by incorrect posture and long hours of sitting
- The first UV-C LED based air purifier by Knauf Ceiling solutions which purifies airborne microorganisms with 100% efficiency
- National Medical Regulatory Authority (NMRA) approved JAT care hand sanitizer and surface cleaner
- EN71 standard maintained for Sayerlack

CAPITAL REPORTS

SOCIAL AND RELATIONSHIP CAPITAL

Value chain partners

Our value chain partners act as the crucial conduit between JAT and our valued customers, and ensure seamless uninterrupted functioning of our operations. We depended the relationships we maintain with them over the years, particularly amidst the unprecedented challenges that arose on account of the COVID-19 pandemic and the Sri Lankan economic crisis. Our value chain partners have also powered our journey on innovation and environmentally-friendly products, partnering us for mutual benefits.

Principals

- Over 15 principles
- Globally reputed brands at the forefront of technology and design, allowing the Group to strengthen its portfolio and intellectual capital, whilst brining the best of the world to Sri Lankan and other regional markets
- Exclusive agencies
  - Exclusive agent for the distribution of Sayerlack products in South Asia and key regions of Africa
  - No. 1 global partner of Sherwin Williams Company – the world's largest paint company in terms of revenue for its wood coating brand, Sayerlack (2021)
  - Exclusive agency for many leading brands of the world such as SEAFORM Kitchen Solutions, Herman Miller office furniture, Knauf Ceilings and Lifewood flooring

Distributors

- Multi-channel distribution network linking its range of products with homeowners, retail market and institutions
- Over 6700 customer touch points via hardware and general trade stores spread across the country
- Extended global network across 10 countries

Influencers

JAT has strategically and responsibly leveraged partnerships with influential individuals in social media and industry leaders, experts, or public figures whose values and audience align with our brand. These collaborations raise brand awareness, enhance visibility, help establish credibility and lend authority to our brand, making it more recognizable and trusted by our customers. Some initiatives rolled out over the recent years are as follows.

- Sponsorship of Dilantha Malagamuwa, a renowned Sri Lankan motorsport racing driver, as he takes on the Lamborghini Super Trofeo European Championship 2023. With this partnership, JAT aims to empower the Dilango Racing team on its journey to contribute to the advancement of motorsport in Sri Lanka
- Partnered with a network of influencers for WHITE by JAT comprising of diverse voices and personalities, each with the aim of authentically connecting with our target audience. These personalities have played a pivotal role in amplifying our brand message, driving engagement, increasing brand visibility, and expanding our reach to new audiences.

Suppliers

The Group's procurement process ensured an uninterrupted supply of inputs through careful planning of demand and production trends. Disruptions to the supply chain due to import restrictions and a depreciating currency were carefully navigated by proactively managing working capital cycles and negotiating favourable credit terms from foreign suppliers. The Group is actively broad basing its supplier network to reduce reliance on import suppliers by expanding l1ocal procurement.

- Over 100 international suppliers with 80% of raw material being imported from countries including Italy and Germany
- Of all the purchases made by the group, 45.5% were supplied by vendors located in Sri Lanka
- Over 1500 local suppliers – total payments to local suppliers in FY 2023/24 – Rs. 3.8 Bn
- Conscious efforts made in broad-basing the supplier base with greater shift to local suppliers
- After a comprehensive social and environmental assessment by the company, we've added 40 new suppliers to our roster

15+ principals	**29** Distributors
6500+ dealers	**1500+** suppliers

Community Engagements

Affirming itself as an empathetic and responsible corporate, JAT takes a structured approach in its corporate social responsibility initiatives. The Company priorities on the balanced impact it can make on the people and planet, whilst also focusing on profits. The Company is guided by a clearly articulated corporate social responsibility blue-print focusing on three core themes of Transforming Communities, Transforming Minds and Transforming the Planet.

Specific initiatives within each theme are prioritized based on community needs, available resources, and access to relevant expertise to ensure alignment with our objectives. To foster a community-oriented culture, employees are encouraged to volunteer their time and effort for these projects.

Transforming Communities			Transforming Minds	Transforming Planet
Livelihood Development	Culture	Health & Wellness	Education	Environment
Developing livelihood of Sri Lankans all around the country	The conservation and restoration of cultural property including artworks, architecture, archaeology, and museum collections	Uplifting health & wellness of Sri Lankan community	Uplifting education and nurture future leaders	Developing partnerships and initiate environment projects aligning with compliance
Carpenter Training Programs Pintharoo Abhiman	Infrastructure Development of religious locations Awareness Programs	Medical Camps JAT Care – Sanitizer Donations Infrastructure Development	Shuttle – Career Guidance and Knowledge sharing. JAT Sisu Waruna – School Supplies Donation Infrastructure Development	Mihikathata Dayawen – Environment Projects Conservation and Awareness Programs Biodiversity Enhancement

Transforming Communities

Pintharoo Abhiman Program

The Pintharu Abhiman program has made significant strides in providing 8 technical workshops across various regions in the country including Matara, Kurunegala, Rathnapura, Jaffna, Anuradhapura, Aluthgama, Negombo, and Moratuwa. With approximately 800+ participants and over 1000 registrations, the program has successfully graduated a total of 419 painters with NVQ level 3 certification. In the current fiscal year 2023/24, 220 painters have received NVQ level 3 certification. In efforts to further support trained painters, the program has established a partnership with the Ministry of Labour and Foreign Employment.

Looking towards the future, the program aims to advance the NVQ qualification by introducing NVQ Level 4 certificates for Wood Finishing Technician specialized for wood paints and Building Painting Technician specialized for wall paints. Collaboration with NAITA and external resources has been instrumental in developing the curriculum for these specialized certifications, with plans underway to validate and upload the syllabus to the TVEC website in the upcoming years.

Breaking Barriers: Empowering Women in the Painter Industry

Recognizing the male-dominated nature of the carpentry and painting industry in Sri Lanka, JAT successfully completed "JAT Female Painter" pilot project launched in August. The 4 day training aimed to provide the females with the hands-on experience from wood preparation to coating and finishing.

The first batch of female painters included a combination of experienced painters and those aspiring to enter the field or with an interest in learning wood coating techniques. Covering a comprehensive curriculum from basics to advanced coating techniques, the program equips participants to obtain a broad understanding and experience in achieving diverse wood finishes using the right products and machinery. Moreover, this program serves as a platform for experienced trained painters to progress towards obtaining an internationally recognized NVQ-level qualification from the National Apprentice and Industrial Training Authority (NAITA) after fulfilling the entry criteria. It also provides the opportunity to enhance their entrepreneurial skills to run a successful business as qualified painters.

Impact: *19 female painters trained*

Carpenter Training Program

Through this initiative, youth in local communities were encouraged to develop carpentry skills, thus improving their employability across the country. Multiple workshops during the year were provided training opportunities to youth all over the country.

Impact: *40 training sessions in the year 23/24, 3781 young carpenters trained in the year 23/24*

Blood Donation Campaign

JAT sponsored the annual Blood Donation Camp organized by the locals of Kahathuduwa Weniwelkola which was successfully held at Sri Sudharshanaramaya Purana Viharaya, Weniwelkola in collaboration with the Sri Lanka National Blood Centre. JAT factory employees, along with community members participated in the blood donation campaign. This is the 2nd consecutive year that JAT collaborated with the Kahathuduwa community, within which the JAT factory is located.

Impact: *120 points donated to the National Blood Transfusion Centre*

JAT Care Sanitizer Donation

At JAT, we believe that success goes hand in hand with responsibility. In these times of unprecedented challenges, our island's healthcare sector has been under immense pressure to create a healthy and safe community. While the shortage of medicine was prominent all across the country, we at JAT identified another struggle faced by the healthcare sector to meet their demands of sanitizer and disinfectant supplies.

As phase 1 of our Donation Program to Healthcare Facilities, we identified 3 hospitals across the district, District Hospital Wethara, Base Hospital Homagama and District General Hospital Horana, which were struggling with the shortage of sanitizers. In response to this need, JAT donated sanitizers to ensure the overall safety and well-being of patients and medical staff.

Impact: *140L of sanitizer was donated*

CAPITAL REPORTS

SOCIAL AND RELATIONSHIP CAPITAL

Transforming Minds

JAT Sisu Waruna

Since 2019, "JAT Sisu Waruna" annual program distributes school supplies to young children of the painters and carpenters' community, extending them essential support to ensure undisrupted education amidst many economic hardships faced in current times.

Impact: *850 children benefited since inception; 200 children benefited during 2023/24*

JAT Shuttle

"JAT Shuttle" is an ongoing program aimed at empowering university students through career development and guidance to transform them as future leaders in Sri Lanka. Members of the JAT Group's management team have contributed to this program as resource people by sharing their knowledge and experience in their respective fields. During the year "Shuttles" were conducted for undergraduates of the University of Sri Jayewardenepura, Business Administration Department and University of Peradeniya Management faculty.

Additionally, with a bid to support the higher education system of Sri Lanka, JAT entered into Memorandum of Understanding (MoU) with the Faculty of Science of NSBM Green University, to provide JAT's R&D expertise in Chemistry and Microbiology through internship opportunities to the University's undergraduates.

JAT Industrial Partners Forum 2024 towards a Sustainable Future

JAT initiated its first ever partners forum with over 75 industry leaders, government decision-makers, and regulatory bodies to create a dialog on sustainability of the Wood coating industry.

Panel discussions ignited knowledge-sharing and collaboration, with expertise flowing from Mr. Ajith Jayasinghe (Forest Dept.), Mr. Channa Subasinghe (NAITA), Dr. Muthumala (Timber Corp.), Prof. Hiran Amarasekara (Timber Innovation Center, University of Sri Jayawardenapura), and Mr. K.S. Pathirana (Sri Lanka Police).

This forum united furniture industry owners and government bodies in a resounding commitment to excellence, paving the way for a thriving wood coating industry in Sri Lanka while having a deeper understanding of the associated environment.

Impact on local community

There were no significant negative impacts on the local community as a result of JAT's operations.

Industry collaborations

We engage in active collaboration with industry stakeholders towards contributing to the growth and development of the industry. Towards this purpose, JAT holds membership in a wide number of industry associations to leverage strength and partner for the benefit of the wider industry and its participants.

Memberships held in:

- The Ceylon Chamber of Commerce
- The American Chamber of Commerce in Sri Lanka (AMCHAM)
- The Employers' Federation
- Sri Lanka Foreign Employment Agency (SLFEA)

Partnering for corporate sustainability initiatives

JAT has established a number of partnerships with national, international, government and non-governmental institutions which has aided in designing and successful completion of a number of CSR projects. The organisations include

- National Cleaner Production Centre for Eco-Innovation Project
- United Nations VNET (National Volunteering Network in Sri Lanka)
- National Apprentice and Industrial Training Authority (NAITA)

Way forward

- Continue our efforts in devising the highest quality and most suitable product ranges to our customers spread across different geographies
- Continue efforts in research and development initiatives towards strengthening the brand
- Strengthen relationships with our channel partners aimed at affording greater business volumes for them and smoother supply flows for the Company
- Enhance our community-focused initiatives to produce meaningful and positive outcomes for those we serve, fostering lasting and transformative change in their lives

NATURAL CAPITAL

We are cognisant of the fact that "we don't inherit the earth, but that we borrow it from our children". Every decision and action at JAT is in step with our environmental stewardship, with an unwavering commitment to preserving the planet and making it a better place for the generations to come.

Natural capital – Fact Sheet

Natural capital

Natural resources such as land, energy and water are integral input in our operations. Conversely our operations are strongly aligned to the 'JAT ESG/Sustainability Framework' which ensures that our environmental footprint is responsible and minimized and our environmental handprint maximised.

Key capital inputs

Water consumption – 11,184 m3

Energy consumption:

- Electricity consumption – 2,218.74 GJ
- Fuel – 3,918 L

Value delivered

3% reduction in carbon footprint per employee

Rs. 1.321 Mn invested in environmental preservation initiatives

Connectivity to other capitals

Financial capital

- Investments made in greening our processes

+ Positive impact on revenue and operations through identification and management of climate related risksand opportunities (CRROs)

Manufactured capital

+ Enhanced reputation as a corporate committed to environmental preservation.

Intellectual capital

+ Enhanced reputation as a corporate committed to environmental preservation.

Human capital

+ Employee volunteerism in environmental conservation initiatives

Social and relationship capital

+ Enhanced patronage from environment conscious customers

Contribution to SDGs

Link to our strategy

Profitable growth | Sustainability | Operational excellence

CAPITAL REPORTS

NATURAL CAPITAL

MANAGEMENT APPROACH AND GOVERNANCE

JAT is dedicated to minimizing its environmental impact in response to the growing challenges of climate change. Our approach to identifying, managing, and tracking progress in our environmental focus areas is directed by the 'JAT ESG Sustainability Framework'.

Two of our main goals are,

- to reduce our operations' carbon footprint
- aid in preserving ecosystems

The Sustainability and Process Excellence Department leads our environmental sustainability efforts, integrating them throughout the Company's operations. During the year, there were no incidents of non-compliance with environmental laws and regulations.

Board of Directors

Oversight on Company ESG Priorities, evaluate the effectiveness of the sustainability strategies and hold Management accountable on ESG results

Chief Executive Officer

Leads environmental sustainability priorities through adequate resource allocation and guidance

Dedicated Sustainability and Process Excellence Department

- Mapping sustainability related risks and opportunities (SRROs) and climate related risks and opportunities (CRROs)
- Designing and driving related initiatives

Guided by

JAT ESG Sustainability Framework

Key initiatives rolled out during 2023/24 in accelerating our environmental handprint

- Acceleration of 'JAT Chemical Conscious Journey'
- Obtaining the Green Seal Certification of USA for responsible manufacturing
- Enhanced waste disposal processes including e-waste
- Comprehensive audits on resource and material consumption across all operations
- Establishment of the dedicated Sustainability and Process Excellence Department under the leadership of the Chief Executive Officer as depicted in the previous diagram
- Consideration of SRROs and CRROs in enterprise risk management process

JAT ESG Sustainability Framework

Purpose

Sets out JAT's sustainability goals and plans

Primary focus:

Elimination of carbon emissions and other adverse impacts generated through the production of paint and coating products

Other focus areas:

- Energy, waste, water, effluent, chemical and other input material management
- Process excellence to enhance resource efficiency
- Eco innovation
- Preserving biodiversity

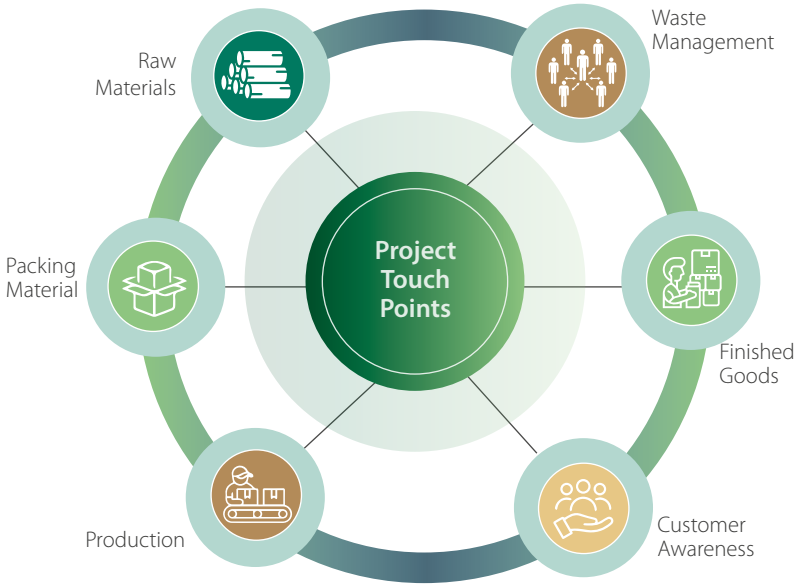
Acceleration of JAT Chemical Conscious Journey

JAT Chemical Conscious Journey, launched in 2019 as a cross-functional collaboration among the research and development, operations, commercial, sustainability and process excellence departments, continued its mission with added vigour during the year. Obtaining the Green Seal Certification was a major milestone achieved by the team during 2023/24. The JAT Chemical Conscious Journey roadmap is designed to reduce the impact of JAT's paint products on the environment.

The Company's key raw materials consist of chemicals used in the manufacturing process and packaging material. The Company focuses on the possibility to incorporate recycled materials for its production processes. The initiative stretches from raw material acquisition to delivering the finished goods to the end customers. The highlight of this project is that the project focus is not only on the product's impact on the environment but also on the employees and the community.

The Group is also committed to ensuring that the materials are sourced from responsible and ethical suppliers who comply with the highest social and environmental standards. All new suppliers have been screened using environmental and social criteria to ensure sustainable sourcing. With this mechanism, there were no negative environmental or social impacts reported during the year.

Project Touch Points



Environmental safety protocols followed by the Company

The Company follows robust protocols on a mandatory and voluntary basis, both local and international, thereby ensuring maximum environmental efficiency in its products and processes.

National laws and regulations

The Company has obtained a Scheduled Waste Management License and Environmental Protection License (EPL) from Central Environment Authority and Annual Fire Cover Certificate from Fire Service Department which are duly renewed with all specified conditions met.

ISO Standards

- ISO 14001:2015 – Environmental Management System
- ISO 9001:2015 – Quality Management System

At the forefront of all our operations lies a comprehensive Environmental Management System (EMS) established in accordance with ISO 14001:2015 which provides a framework for identifying, managing, monitoring, and continually improving our environmental performance.

We also ensure stringent environmental controls across various aspects of our operations such as sourcing of raw materials from environmentally conscious suppliers to the distribution of finished goods to our customers through an energy efficient

CAPITAL REPORTS

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delivery mechanism. By implementing efficient production methods, we minimize waste generation and reduce environmental impact. Furthermore, controls are in place to mitigate air and water pollution and necessary treatments are done and tested through test reports before our emissions are exposed to the environment, ensuring compliance with ISO 14001:2015 requirements for pollution prevention and resource conservation.

JAT also adheres to ISO 9001:2015 for Quality Management Systems, ensuring that environmental considerations are integrated seamlessly into its overall quality management framework. This holistic approach enhances environmental performance and increase customer trust and confidence in the Company's products.

Eco-Label Certification

During year 2022/23, as a proof of JAT's commitment to chemical consciousness, the Company secured Eco Label Certification offered by the National Cleaner Production Center of Sri Lanka for 10 products. This certification gives consumers, including suppliers and procurement teams, confidence that the products and services have been through an independent third-party assessment.

Green Seal certification (USA)

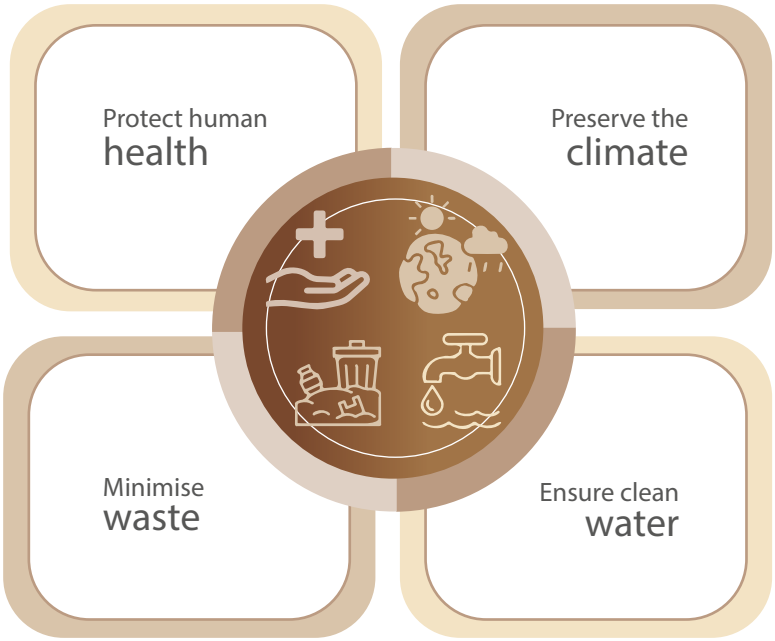
As a milestone of JAT's Chemical Conscious Journey, JAT obtained the Green Seal certification from Green Seal Inc. USA for responsible design and manufacturing of the following products, guaranteeing that JAT follows environmentally conscious procedures.

- WHITE by JAT interior emulsion
- WHITE by JAT exterior emulsion
- Master's all in one wood coating

This certification is rewarded to products with low-Volatile Organic Compounds (VOC) content, safer formulas, and uncompromising performance as for the GS-11 criteria. The above three products are sustainable in packaging details and also, it ensures that any priority substances were intentionally not added in manufacturing stage.

JAT is the only paint manufacturer in Sri Lanka to have obtained this certification.

How Green Seal certified products contribute in preserving nature



Performance of Green Seal

All Green Seal certified products demonstrate functional performance via an objective, scientifically validated method under controlled and reproducible laboratory conditions. Paints, coatings, stains, and sealers which are Green certified meet ASTM standards (formerly known as American Society for Testing and Materials), in relevant areas such as adhesion, applicability, scrubbability, and washability.

Responsible Care Certification

Lanka Responsible Care Council

RESPONSIBLE CARE

JAT Holdings PLC

As a member in good standing of the Lankan Responsible Care Council, JAT Holdings PLC qualifies to continue the right to use the authorised Responsible Care® logo with effect from 1st of November 2023 to 1st of November 2024

Responsible Care is the global chemical industry's unique initiative to improve health, environmental performance, enhance security, and to communicate with stakeholders about products and processes. 'Lanka Responsible care Council (LRCC)' was initiated as a voluntary Association with the blessings of National Cleaner Production Centre (NCPC) and New Zealand Responsible Care Council in 2012. LRCC is the sole national trade association representing the common interests of the Chemical suppliers and major users in Sri Lanka and JAT has been complied to this certificate since 2015 for its sound chemical management practises.

Water management

The Company's water consumption is governed by a Water Management Policy. The operations are relatively water-intensive with all water requirements fulfilled through the National Water Supply and Drainage Board. The Company ensures that no ground or surface water bodies are affected by the withdrawal of water. The Company's Head Office and Factory premises hosts a rainwater harvesting system with a tank capacity of 2,000 litres, with the collected rainwater utilised for gardening and cleaning purposes in the premises.

Water footprint calculation

The Company calculates the water footprint of its emulsion paint range, both interior and exterior. The Company remains the only one in the Sri Lankan paint industry to disclose its water footprint of emulsion paints, clearly outlining its scope from gate-to-gate.

Water Footprint of a liter of emulsion paint is 1.88

Water consumption

In m3	FY 2023/24	FY 2022/23	YoY change (%)
Total water withdrawn	11,184	9,269	20.66%
Total water consumed *	11,184	8,885	25.87%
Industrial Usage	2,735	1,607	70.16%
Domestic Use	8,449	7,278	16.09%

* Water consumption in 2022/23 has been restated due to change in scope

Environmental impact – Effluents discharged

In m3	FY 2023/24	FY 2022/23	YoY change (%)
Total effluents discharge	504.97	311	62%

Waste water disposal

The Company has an in-house automated wastewater treatment plant with a 5,000 litre capacity. The following collaborations ensure the effectiveness of our wastewater management systems.

- Prudence Engineering Services Pvt Ltd. – expertise in ensuring the treatment plant runs at its optimum efficiency
- INSEE Eco-Cycle Lanka (Pvt) Ltd, Sri Lanka's only Central Environment Authority (CEA) approved hazardous waste recycle in Sri Lanka – towards responsible disposal of its hazardous waste sludge

Water audit

A water audit was conducted during the year through data collection of the sub-water metering system installed last year, and valuable insights were gained on water consumption patterns and hot spots across various aspects of our operations. The audit highlighted areas of significant water usage, allowing us to assess opportunities for optimization and efficiency gains.

Energy management

The Company's energy management is guided by a dedicated energy policy which was introduced during the previous financial year, as an extension of the scope which was previously covered under the Company's Environmental Policy. The focus of this policy is enhancing energy efficiency of all operations. Our primary sources of energy are electricity and fossil fuel such as diesel and petrol. Initiatives implemented in achieving the Group's energy objectives are listed below.

- Solar Energy – Company is committed to reducing reliance on fossil fuel-based energy. A 350 KW solar system is installed towards this end, at the Head Office and factory premises. This initiative enabled the Company to generate around 237,590 kWh throughout the year, which meets approximately 39% of its electricity needs.
- Electricity analysers – Company has invested in electricity analysers to source data on its building energy utilization. Data gathered is used in devising optimum solutions for hot spots identified in terms of energy utilization.
- Energy utilization plan – our factory operations follow a scheduled energy utilization plan to reduce the demand imposed on the national grid during peak hours. This initiative mainly focuses on maintaining the KVA value at a moderate level which results in a reduction in electricity billing.
- Training and awareness – Company continually enlighten both its internal external stakeholders on latest initiatives available in greening the industry and how they can be replicated within JAT.

Energy consumption by source

Source	FY 2023/24	FY 2022/23	YoY change (%)
Electricity (GJ)	2,218.74	2029.03	9%
Diesel (GJ)	151.55	403.63	-62%
Energy Consumption (GJ) *	2,370.29	2,432.65	-3%

* Fossil fuel consumption has been converted to Energy using the factors provided by the Canada Energy Regulator, therefore, the energy consumption in 2022/23 has been restated.

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Renewable energy generation

In kWh	FY 2023/24	FY 2022/23	YoY change (%)
Renewable energy generation *	237,590	186,584	27%

* Renewable Energy generation in 2022/23 has been restated due to change of the source of data capturing.

Energy intensity

MJ/Revenue – In LKR Bn	FY 2023/24	FY 2022/23	YoY change (%)
Energy intensity	0.0003038	0.0002833	7%

Environmental impact – Emissions

(tCO2e)	2023/24	2022/23	YoY change (%)
Direct (scope 1) GHG emissions	146.79	260.58	-44%
Indirect (scope 2) GHG emissions	162.02	156.01	4%
Indirect (scope 3) GHG emissions	1,556.84	1,390.84	12%
Total carbon footprint *	1,865.65	1,807.43	3%

* Carbon footprint 2022/23 has been restated due to the scope change.

Emissions intensity

In tCO2e	FY 2023/24	FY 2022/23	YoY change (%)
Per product Carbon footprint tCO2e per Liter	0.00044	0.00051	-14%
Per Employee Carbon footprint tCO2e	5.18	5.33	-3%

Managing our carbon footprint

The Company's carbon footprint is measured in accordance with the methodology proposed by the Greenhouse Gas Protocol. The carbon footprint was measured based on GHG conversion factors specified in the 2023 update by DEFRA (UK). JAT is the first local paint manufacturer to disclose its carbon footprint in all 3 scopes in the industry. In the calculation of carbon footprint, the Company has taken into consideration its energy consumption, inside and outside of the organisation such as employee commuting, business travels, transportation and distribution, and waste generated in operations.

The Company intends to set carbon footprint reduction targets based on a yearly plan with the ultimate goal of achieving carbon neutrality/ net zero by year 2050. This plan is to be launched from the financial year 2024/25.

Waste management

Waste generated

In kg	FY 2023/24	FY 2022/23	YoY change (%)
Non-hazardous waste	30,405	44,374	-31%
Hazardous waste	106,669	27,929	282%
Total waste generated	137,073	72,303	90%

Waste directed to disposal and diverted from disposal

In kg	Method of Disposal	FY 2023/24	FY 2022/23
Non-hazardous	Land Filling	396	22,200
	Recycled	30,009	22,174
Hazardous	Recycled	103,089	27,089
	Incinerated	3,580	840
Total measured waste		137,073	72,303

Management approach in sustainable waste management practices

At JAT, we recognize the importance of minimizing our environmental footprint. As part of our steadfast commitment to sustainability, we have implemented streamlined procedures in waste management, ensuring responsible disposal and minimizing negative impacts on the environment. During the year overall waste generation has increased due to increase in production, changes of scope and newly introduced data capturing systems and points.

Key waste by types

• Hazardous solid waste

JAT has obtained the Scheduled Waste Management License issued by the Central Environment Authority by establishing agreements with hazardous waste collectors possessing appropriate licenses to handle chemical-contaminated solid waste. This ensures that such waste is collected and disposed of in accordance with the highest safety standards, mitigating potential risks to the environment and public health.

• Non-hazardous solid waste

We work with various management parties to repurpose, recycle, and reuse general waste collected from our operations. By partnering with certified waste collectors, we ensure that our general waste is managed responsibly, contributing to circular economy practices, and reducing landfill waste.

• E-waste

During the financial year, the Company rolled out an e-waste collection day in the month of October 2023 in collaboration with Green Links Lanka, licensed by the Central Environment Authority of Sri Lanka. The collection day was preceded by an awareness campaign targeting our employees at the responsible disposal of e-waste. Employees were encouraged to bring e-waste from their homes which avoided them being ending up in land-fills if handed over to general waste collectors.

***Impact**: 135 kg of e-waste collected*

Employee capacity building in identifying and reducing all kinds of waste:

As elaborated under Intellectual Capital in page 85, 26 of our employees were trained for Green Belt – Lean Practitioner Certificate, which is aimed at developing capacity around waste minimization and continuous improvement. The knowledge contribution and expertise of these employees will make significant impact in reduced material waste in the future.

Way forward

- Establishment of carbon foot print targets to be achieved in the near, mid and long term
- Streamlining of processes to reduce emissions and align to the carbon foot print targets
- Further increase of solar power generated thereby reduce reliance on and usage of fossil fuel
- Continued research and development backed innovation in enhancing product formula which are more environmentally friendly
- Deployment of Green Belt – Lean Practitioner Certificate holders in driving energy efficient process improvements as well as sharing their knowledge gained as a Green Belt Lean Practitioner training with other employees
- Organizational realignment, wherein the dedicated Sustainability and Process Excellence Department is now under the Chief Financial Officer, so as to drive the culture of "what gets measured gets done" and strengthening MIS around nature related metrics
- Group-wide digitization drive which will lead to considerable reduction in paper usage
- Clear identification of climate related risks and its financial impact on JAT performance

CAPITAL REPORTS

GEARING UP FOR ADOPTION OF SLFRS S1 AND S2

As the world of non-financial reporting is evolving, we are keeping tab. JAT Holdings PLC is well aware of the benefits of aligning its non-financial reporting to SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 - Climate-related Disclosures. We are also cognizant of the challenges involved in transitioning to such standardized reporting. As such, during the financial year under review we commenced streamlining our processes, identifying resources and establishing responsibilities towards a smooth and full adoption of SLFRS S1 and SLFRS S2when they are mandatory adoption for JAT Holding PLC or potentially an early adoption. We have also identified a set of Sustainability Related Risks and Opportunities (SRRSOs) and Climate Related Risks and Opportunities (CRROs) that could potentially impact the Group's financial viability.

Benefits of transitioning to SLFRS S1 and SLFRS S2

- Improved understanding of investors about SRROs and CRROs linked to business and greater ability in predicting future cash flows and the uncertainties associated with future cash flows, leading to lower risk of owning the company, and, as a result, lower cost of capital
- Enhanced interoperability among other sustainability reporting frameworks that a company adopts (such as GRI standards, SASB and integrated reporting in JAT's case) , leading to streamlined sustainability reporting processes
- Greater transparency of information, resulting in improved access to capital, governance and strategy
- Improved transparency and comparability of sustainability information enabling more informed decisions by investors and other key stakeholders
- Identification and management of risks related with sustainability and the climate, improving in this way long term resilience

Challenges in transitioning to SLFRS S1 and SLFRS S2

- Adaptation of existing information and reporting systems to the new requirements of SLFRS S1 and SLFRS S2
- Complexities around integrating sustainability and climate considerations into commercial strategies and operations
- Difficulties in quantifying medium and long term effects of sustainability and climate related implications
- Potential impact of sustainability-related risks and opportunities on the valuation of an asset, entity's accounting policies in the financial statements or the entity's assessment of their ability to continue as a going concern

Initiatives rolled out by JAT during the year in preparation towards SLFRS S1 and SLFRS S2

- Identification of SRROs and CRROs that affect our business with clearly established time horizons
- Integration of the Risk Management function into the SLFRS S1 and SLFRS S2 implementation process, given the considerable role they are to play in this endeavor
- Organizational realignment – The placing of the Group Process Excellence function under the purview of the Director Finance. This move is expected to streamline data gathering, budgeting, reporting and variance analysis processes related to process efficiencies the Group achieves which can be linked to sustainability aspects.

Sustainability and Climate Related Risks and Opportunities

Time Horizon

JAT defines the time horizons for assessments of SRROs and CRROs as follows.

0 to 2 years
Short term

2 to 5 years
Medium term

5 to 10 years
Long term

Scope

In deciding the scope of the SRRO and CRROs identification, the boundary was defined based on the possibility of them to affect the entity's prospect (ability to affect the cash flow, cost of capital, and access to finance).

Sustainability Related Risk

Employees Related Risk

Risk	Risk categorization	Time Horizon	Description
High staff turnover and vacuum in the workforce due to the financial instability of the country	Operational Risk	Short Term Medium Term Long Term	Sri Lanka experienced mass migration of skilled labour to overseas countries as a result of the financial crisis. The entirety of the Company's workforce is sourced from the local community. Consequently, the void created in the workforce poses a risk to the Company, potentially resulting in the loss of experienced personnel, thereby directly impacting the sustainability of its operation.

Suppliers Related Risk

Risk	Risk categorization	Time Horizon	Description
High cost of eco-friendly alternatives of raw material and packing material used	Operational Risk	Short Term Medium Term Long Term	To address the growing demand for eco-friendly raw materials and packaging, the Company is prioritizing the implementation of green procurement standards. However, in doing so, the Company faces the risk of higher product costs associated with these environmentally friendly alternatives, which may ultimately be passed on to the consumer.

Community Related Risk

Risk	Risk categorization	Time Horizon	Description
The increasing number of regulatory changes regarding waste disposal, coupled with a shortage of qualified waste collectors in the country, makes compliance challenging.	Operational Risk	Short Term Medium Term	The coatings manufacturing processes produce a range of waste materials, including hazardous wastes, and paint sludge. However, complying with constantly changing regulations becomes challenging due to a shortage of qualified waste collectors who provide verifiable tracking systems of waste disposal.

Sustainability Related Opportunities

Employees Related Opportunity

Opportunity	Opportunity categorization	Time Horizon	Description
Positioning as a market leader in sustainability to attract top-tier talent to the workforce	Employer Branding	Medium term Long term	As a local paint manufacturing company, the Company possesses the potential to leverage alignment to emerging sustainability aspects in employer branding. This can attract top talent who are both environmentally conscious and innovative, enhancing the workforce and intellectual capital base.

Community Related Opportunity

Opportunity	Opportunity categorization	Time Horizon	Description
New products to meet sustainability related customer demands	Innovative Products	Medium term Long term	From its market analysis, JAT identifies its opportunity to expand the product offering by introducing new products to match the sustainability related customer demand. JAT R&D department continuously engages in development of products that are sustainable by design. Through JAT Chemical Conscious Journey from initial concept through commercialization, the Company identifies ways to make our products more sustainable and better performing by evaluating health and safety considerations, chemical formulations, resource conservation, circularity and product performance, among other areas.
Opportunities to invest in the waste management industry	New Business Opportunity	Medium term Long term	Given the regulatory pressure across all manufacturing industries to implement responsible waste management practices and the shortage of qualified waste management companies, there is an opportunity for the company to invest in and establish its own waste management service provider business to generate an additional revenue stream.

GEARING UP FOR ADOPTION OF SLFRS S1 AND S2

Climate Related Risk

In our establishment of climate related risks that affect operations, JAT considers two primary types of climate risks, viz. physical risks and transition risks.

Physical Risks Occur due to climate change
Acute physical risk Refers to extreme weather events which could impact the business's operation and/or finances. Heat-waves Wildfires Storms including hurricanes, cyclones Floods
Chronic physical risk Refers to gradual shifts in climate patterns which could impact the business's operations and/or finances. Rising sea levels Water stress and drought Ocean acidification Desertification
Transition risks Occur in transitioning towards a low carbon economy

Risk	Risk categorization	Time Horizon	Description
Increased frequency of extreme weather events such as Heat waves, Flood	Acute Physical Risk	Short Term Medium Term Long Term	Severe weather and natural disasters can disrupt our operations, causing production challenges and reduced sales due to damaged facilities. These events also affect the supply chain, increase raw material costs, and hinder distribution, impacting revenue generation.

Risk	Risk categorization	Time Horizon	Description
Water stress and drought	Chronic Physical Risk	Long Term	The coatings industry is shifting from solvent-based to water-based formulations to cut down on greenhouse gas emissions. However, this transition increases demand on local freshwater resources. South Asia, especially Sri Lanka, faces water scarcity issues, but JAT's establishments in the wet zone of the country have lower water stress levels, offering strategic advantage.

Risk	Risk categorization	Time Horizon	Description
Policy action to low-carbon transition	Transition Risk – Policy and Legal Risk	Medium Term Long Term	As a chemical manufacturer, we must comply with various health, safety, and environmental regulations, including those related to climate change such as the Paris agreement. Compliance might lead to increased costs initially, including production expenses, taxes, and investments in renewable energy. However, long-term benefits include resource efficiency and sustainability.

Risk	Risk categorization	Time Horizon	Description
Perceived or actual failure to adhere to new or heightened laws, regulations, or standards related to climate change	Transition Risk – Reputation risk	Short Term	JAT is dedicated to sustainability and ESG initiatives, aiming to maintain its industry leadership. Non-compliance with climate regulations or stakeholder expectations could reduce product demand and harm the business. To stay responsive, JAT collaborates with NGOs, customers, suppliers, and regulators, promoting transparent communication

Risk	Risk categorization	Time Horizon	Description
Voluntary or forced early retirement of products technologies	Transition Risk – Market Risk	Medium Term	Companies risk early retirement of solvent-based products due to new regulations and customer demands. To address this, we expand our paint and coating range annually to meet sustainability and climate-related concerns.

Risk	Risk categorization	Time Horizon	Description
Competitive pressure to change strategies	Transition Risk – Market Risk	Medium Term Long Term	To retain market share amidst competition from global leaders, our company must swiftly invest in and adopt sustainability strategies.

Risk	Risk categorization	Time Horizon	Description
Change of Technology to face sustainability related demands	Transition Risk – Technology Risk	Medium Term Long Term	JAT prioritizes technology evaluations for informed decisions, emphasizing energy efficiency and user safety. However, market trends and regulations pose risks of changing technology demands across product formulas, manufacturing, and distribution.

Climate Related Opportunity

Climate-related opportunities refer to the potential positive effects arising from climate change for a company. Efforts to mitigate and adapt to climate change can produce opportunities for companies, such as opportunities to develop new products or capture new business.

Risk	Risk categorization	Time Horizon	Description
Opportunities to invest in clean energy	Investment Opportunities	Medium term Long term	With the global commitment on generating clean energy such as wind and solar power, moving away from fossil fuels, market is open to invest in renewable energy projects with the assistance of Sri Lanka Sustainable Energy Authority.

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF JAT HOLDINGS PLC ON THE INTEGRATED ANNUAL REPORT 2023/24

Scope

We have been engaged by JAT Holdings PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on JAT Holdings PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in JAT Holdings PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by JAT Holdings PLC

In preparing the Subject Matter, JAT Holdings PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

JAT Holdings PLC's responsibilities

JAT Holdings PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the JAT Holdings PLC on 22 May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).

- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.

- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.

- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.

- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.

- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.

- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.

- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of JAT Holdings PLC for the year ended 31 March 2024, in order for it to be in accordance with the Criteria.

Ernst + Young

28th May 2024
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

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A member firm of Ernst & Young Global Limited

INDEPENDENT ASSURANCE ON SUSTAINABILITY REPORTING

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF JAT HOLDINGS PLC ON THE SUSTAINABILITY REPORTING CRITERIA PRESENTED IN THE INTEGRATED ANNUAL REPORT FY2023/24

Scope

We have been engaged by JAT Holdings PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on JAT Holdings PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained JAT Holdings PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by JAT Holdings PLC

In preparing the Subject Matter, JAT Holdings PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

JAT Holdings PLC's responsibilities

JAT Holdings PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the JAT Holdings PLC on 22 May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organization through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.

- Conducted interviews with relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.

- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.

- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of JAT Holdings PLC for the year ended 31 March 2024, in order for it to be in accordance with the Criteria.

Ernst + Young

28th May 2024
Colombo

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UNBOUNDED PERCEPTION

Instinctive Ingenuity and Soaring Opportunity

GOVERNANCE AND RISK

GOVERNANCE AND RISK

CORPORATE GOVERNANCE

Chairman's Statement on Corporate Governance

As the Chairman of JAT Holdings PLC, I am pleased to report on our unwavering commitment to upholding the highest ethical standards and embracing corporate best practices.

Under the governance structure of our Group, we have established five Sub-Committees, each comprising of highly qualified personnel representing the Board. These committees play a pivotal role in ensuring the smooth regulation of our operations, driving us towards our goals and targets with efficiency and precision.

Our company remains steadfast in its stance against corruption, implementing rigorous compliance programs, fostering a culture of reporting and whistleblowing, and conducting regular audits and risk assessments. We actively promote transparency and accountability within our organizational culture.

I am proud to highlight our achievements, including our 12th ranking in the "Transparency in Corporate Reporting" assessment of 2023 conducted by Transparency International Sri Lanka, where we scored an impressive 95% transparency. Notably, we secured the highest ranking in the "Materials" sector, a testament to our unwavering dedication to transparency and integrity.

Key Areas of Focus

In the year under review, the Board mainly focused on mechanisms to ensure product reach to the end consumers in a macro environment of that prevailed a drastic reduction in disposable income, a continuous observation of the ongoing economic downturn of the country and the South Asian regions. The Group proactively monitored the developments in the macro-economic landscape and took conscious efforts in evaluating their effects on the Group's performance and stability. The Board also engaged in a critical analysis of the impacts of emerging regulatory developments on the Group, especially regarding imports. Considering the conditions prevailed during the previous year, special actions were taken to ensure the Group's stability, by mainly focusing on increasing the dollarised income.

Compliance

The Company's conformity with the Code of Best Practices on Corporate Governance published by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in 2017 is set forth in this report. I hereby assert that I am not aware of any serious breaches of the Code of Business Conduct and Ethics by any Director or member of the Corporate Management team of JAT Holdings PLC, as required by the Code.

The Board of Directors declares all material interests they hold in contracts involving in the entity. They also confirm that they have refrained from voting on matters in which they were materially interested, ensuring transparency and ethical conduct in corporate governance.

We have conducted a comprehensive review of our internal controls, encompassing financial, operational, and compliance domains, as well as risk management. As a result, we have achieved reasonable assurance regarding their effectiveness and successful adherence.

We have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.

We affirm that there are no instances of material non-compliance with laws or regulations, nor have any material fines been imposed by any government or regulatory authority in any jurisdiction where our entity operates. We maintain a constant commitment to adhering to legal and regulatory requirements

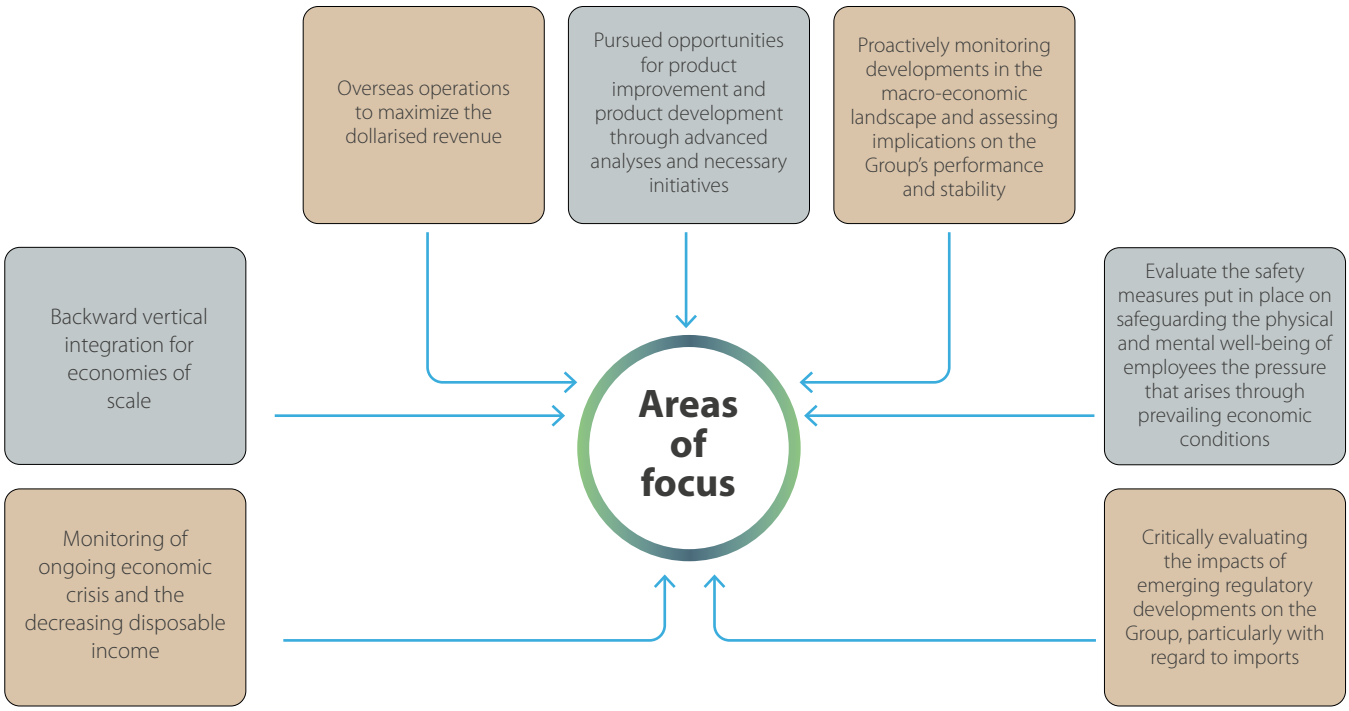
Dr. Sivakumar Selliah
Chairman

Corporate Governance Highlights

Board Activities		
The name of the Nominations Committee was changed to 'Nominations and Governance Committee'	9 Board Meetings held	10 Sub-Committee meetings held

GOVERNANCE AND RISK

CORPORATE GOVERNANCE



Our Approach to Corporate Governance

The Group's corporate governance philosophy underpins the achievement of ethical and stewardship obligations while driving the creation of long-term stakeholder value. Even as a privately held entity, JAT had voluntarily adopted regulatory requirements on corporate governance applicable to listed companies, due to which the transition to a publicly quoted company was seamless, with the relevant governance structures and policies already in place.

Steering instruments of the Group's governance framework:

External Instruments

- Companies Act No. 07 of 2007
- Continuing listing requirements of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued by the Chartered Accountants of Sri Lanka in December 2017 (2023 version will be adopted from next financial year onwards)
- Integrated Reporting Framework of the International Integrated Reporting Committee
- Compliance with the guidelines of the Sri Lanka Accounting Standards (LKAS and SLFRS)
- Sri Lanka Accounting and Auditing Standards Act No. 115 of 1995
- Directives/Regulations of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and its amendments thereto, as repealed by the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
- Acts, Circulars, and Gazettes issued by the Taxation Authorities for Corporates.
- Shop and Office Employees Act No. 19 of 1954 and amendments thereto
- Customs Ordinance No. 17 of 1869
- Exchange Control Act No. 22 of 2017
- Industrial Disputes Act No. 43 of 1950
- Factories Ordinance No. 45 of 1942
- Non-Financial Reporting Guideline of CA Sri Lanka
- United Nations Sustainable Development Goals (UNSDGs)
- Global Reporting Initiative's (GRI) Universal Standards 2021
- Gender Parity Reporting Framework (2019) of CA Sri Lanka
- United Nations Global Compact (UNGC)
- Women's Empowerment Principles
- Social and Environmental Certification Requirements
- UN Guiding Principles on Business and Human Rights

Internal Instruments

- Articles of Association
- Organizational structure
- Board and Sub-Committees Terms of Reference
- Code of Ethics
- Related Party Transactions policy
- Internal controls systems and manuals
- Board-approved policy framework
- Internal Code of Corporate Governance for Board and Key Management Personnel

Internal Mechanisms

- Strategic planning
- Financial budgeting
- Stakeholder engagement
- HR and people management
- Sustainability
- Risk management
- IT and cyber security governance
- Investor relations

Governance Principles

- Structures and delegation
- Strategic leadership
- Responsible corporate citizenship
- Controls and assurance

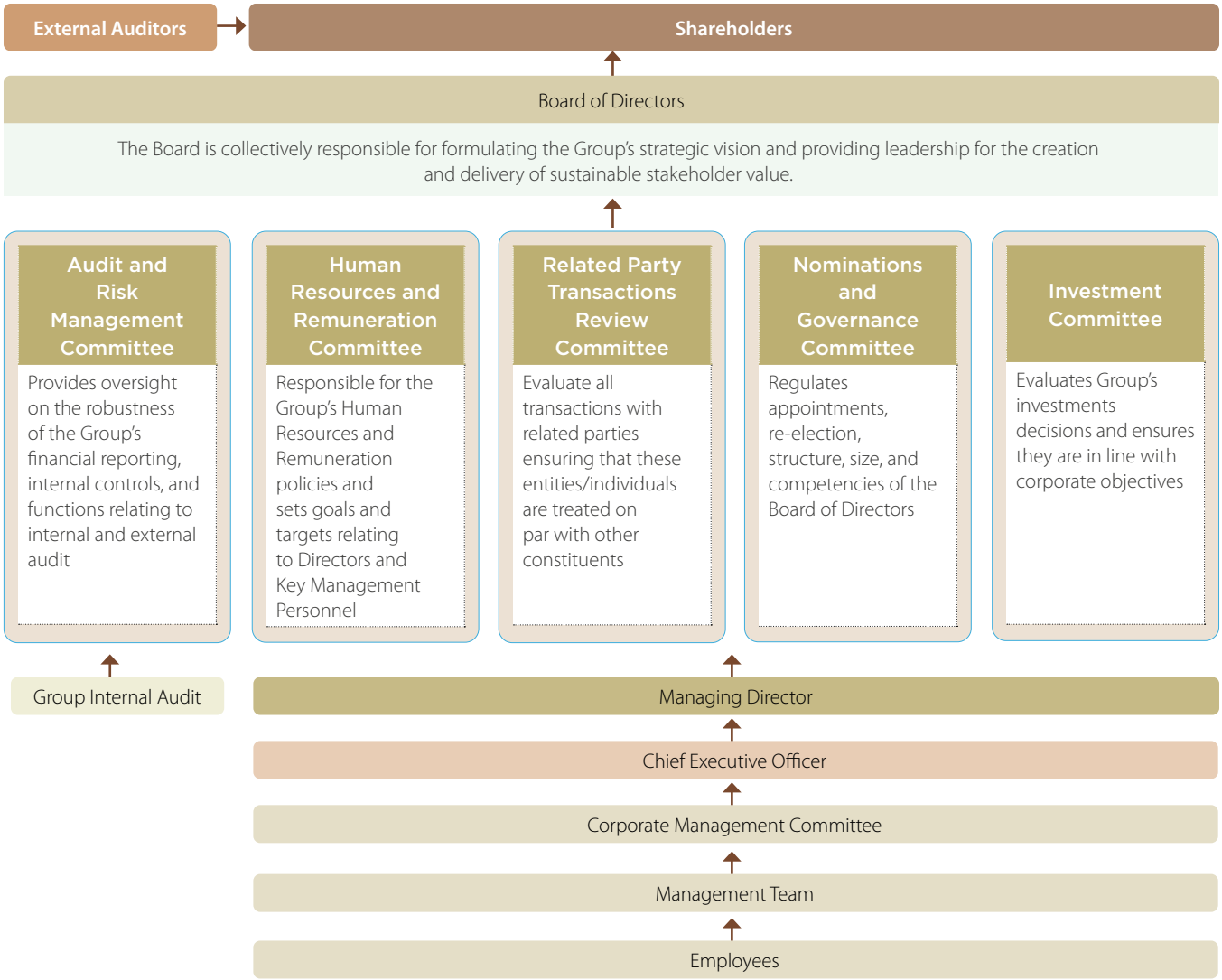
Key Internal Policies

- Recruitment and selection policies
- Learning and development policies
- Policies on equal opportunities, non-discrimination, career management and promotions
- Rewards and recognition policy
- Policy on employee performance management
- Code of conduct which also includes policies on gifts, entertainment, facilitation payments, proprietary and confidential information
- Policies on diversity, equity, and inclusion, including a gender policy
- Policy against sexual harassment
- Policies on forced, compulsory, and child labour and child protection
- Disciplinary procedure
- Policy on grievance handling
- Policies on anti-fraud, anti-corruption, and anti-money laundering and countering the financing of terrorism
- Policy on communications and ethical advertising
- Group accounting procedures and policies
- IT policies and procedures, including data protection, classification and security
- Group sustainability, environmental, and economic policies
- Whistleblower policy
- Policies on energy, emissions, water, and waste management
- Policies on products and services
- Policy on bidding for contracts, including on Government contracts

Governance Structure

The Board of Directors is the apex governing authority and is supported by 5 Sub-Committees which have oversight responsibility on matters delegated to them, thereby ensuring that adequate resources and time are devoted to assessing these functions. The composition and objectives of each of these Board Sub-Committees are clearly set out in the Terms of References. Please refer to the Reports of the Sub-Committees from page 162 to page 171 of this Report for further information.

The Governance Structure is graphically illustrated below:



GOVERNANCE AND RISK

CORPORATE GOVERNANCE

	Committee skills and composition	Composition	Areas of Oversight
Audit and Risk Management Committee	Finance & Accounting International Business Corporate Leadership	3 Non-Executive Independent Directors	• Risk management and internal control • Financial reporting and financial control • Provide additional assurance on the reliability of financial statements • Internal audit • External audit including assessing the independence of External Auditors • Compliance with legal and regulatory requirements
Nominations and Governance Committee	Finance & Accounting Corporate Leadership Legal	3 Non-Executive Independent Directors	• Evaluate and recommend the appointment/reappointment/election/re-election of Directors to the Board • Evaluate and recommend suitable internal and external candidates to higher levels of management • Maintain Board balance
Human Resources and Remuneration Committee	Corporate Leadership Legal International Business	3 Non-Executive Independent Directors	• Determine the remuneration policy of the Company's Executive Directors and the Senior Management • Determine the overall individual remuneration packages which includes compensation on termination of employment • Evaluate the fees and perquisites of the Chairman, the Managing Director, CEO, and the Independent Directors of the Board • Succession planning
Related Party Transactions Review Committee	Corporate Leadership International Business Finance & Accounting	3 Non-Executive Independent Directors	• Review in advance all proposed related party transactions of the Group prior to the transaction being entered into • Monitor that all related party transactions are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders • Review the economic and commercial substance of both recurrent/non-recurrent related party transactions
Investment Committee	Corporate Leadership International Business Finance & Accounting	2 Non-Executive Independent Directors and 1 Non-Executive Non-Independent Director	• Review investments proposed by the Company's management and provide recommendations to the Board of Directors of the Company

Sub-Committee Evaluation Criteria

- The Committees' composition
- Committee meeting procedures
- The effectiveness of meetings
- Information delivery to the Board
- Execution of responsibilities

The impact of Non-Executive Directors

The Group's Non-Executive Directors contribute to value creation and shareholder rights by providing:

- Independent counsel
- Various perspectives
- Objective advice
- Act in the best interests of all shareholders
- Domain-specific, specialist insights

Meeting Attendance

	Board Meetings	Audit and Risk Management Committee Meetings	Human Resources and Remuneration Committee Meetings	Related Party Transactions Review Committee Meetings	Investment Committee Meetings	Nominations and Governance Committee Meetings
Dr. S. Selliah	9/9	4/4	1/1	4/4	-	-
Aelian Gunawardene	9/9	-	-	-	-	-
Nishal Ferdinando	9/9	-	-	-	-	-
Hussain Akbarally	7/9	4/4	1/1	4/4	1/1	-
Devaka Cooray	7/9	3/4	-	3/4	0/1	-
Priyanthi Pieris	7/9	-	1/1	-	-	-
Joycelyn Gunawardene	9/9	-	-	-	-	-
Anika Williamson	9/9	-	-	-	1/1	-
Richard Gunawardene	9/9	-	-	-	-	-

Policy Framework

A comprehensive Board-approved policy framework ensures consistent treatment of strategic and operational issues; the policies are reviewed and revised regularly to the applicability to changing dynamics. The Group's key policies are presented below.

Human Resources	Risk Management	Sustainability	Others
• Diversity and inclusion policy • Occupational health and safety • Anti-harassment Policy • Performance management • Open door policy • Grievance policy • Recruitment policy	• IT and cyber-security risk management policy • Avoidance of conflict of interest • Maintaining confidentiality • Safeguard the Company's assets • Risk governance and accountability	• Environment policy • Energy management policy • Water management policy • Waste management policy • Chemical management policy • Corporate social responsibility policy	• Investment management policy • Whistleblowing policy

Integrated Governance Systems and Procedures

The Group's primary governance frameworks and practices are listed below. The JAT Internal Governance Structure is strengthened by these processes and procedures, which are measured against industry best practices.

- Strategy formulation and decision-making process
- Human resource governance
- Integrated risk management
- IT governance
- Tax governance
- Stakeholder management and effective communications
- Sustainability governance

Effective leadership

As the apex governing body, the Board of Directors is responsible for setting the Group's strategic direction, effectively managing risks within the Group's risk appetite and setting the right ethical tone at the top. The Board also plays a vital role in shaping organizational culture and driving accountability, transparency, and integrity across the organization.

The Board is ultimately responsible for generating and delivering sustainable stakeholder value since it is the ultimate enforcer of the Group's corporate governance standards. The Board Charter outlines the following as the Board's role and responsibilities.

Strategic Planning	The Board of Directors is responsible for setting the strategic direction of the organization, including approving strategic plans, setting long-term goals and objectives, and monitoring progress towards achieving them.
Policy and Decision Making	The Board of Directors establishes policies and makes key decisions that guide the Company's operations. This includes approving budgets, setting performance targets, and making decisions on major investments, acquisitions, or divestitures.
CEO Selection and Oversight	The Board of Directors hires, evaluates, and sets compensation for the CEO of the Company. It provides oversight of the CEO's performance and ensures that the CEO is leading the Group effectively and in alignment with the Board's expectations.
Risk Management and Compliance	The Board of Directors oversees the Group's risk management practices, including identifying and mitigating risks, ensuring compliance with applicable laws and regulations, and implementing effective internal controls.
Financial Oversight	The Board of Directors monitors the Company's financial performance, including reviewing and approving financial reports, budgets, and financial policies. It ensures that the Company's financial resources are used effectively and that appropriate financial controls are in place. Examining and approving large acquisitions, dispositions, and capital expenditures too are part of the Board's responsibilities.
Stakeholder Relations	The Board of Directors represents the interests of shareholders or stakeholders and maintains effective communication and engagement with them. This includes providing regular updates on the Company's performance, addressing stakeholders' concerns, and acting in the best interests of the Company and its stakeholders.
Board Composition and Governance	The Board of Directors is responsible for establishing and maintaining effective governance practices within the Group. This includes setting the size and composition of the Board, establishing Board Sub-Committees, defining Board roles and responsibilities, and ensuring compliance with corporate governance principles and regulations.
Ethical and Legal Responsibilities	The Board of Directors upholds the highest ethical standards within the Group and ensures compliance with applicable laws and regulations. This includes establishing and monitoring a Code of Conduct, addressing conflicts of interest, and promoting a culture of integrity and accountability.

GOVERNANCE AND RISK

CORPORATE GOVERNANCE

Succession Planning	The Board of Directors plans for the succession of leadership in the Group, including identifying and developing potential successors for key leadership positions, and ensuring a smooth transition during times of leadership changes.
Performance Evaluation	The Board of Directors evaluates its own performance, as well as the performance of the CEO and other top executives, to ensure effectiveness and accountability.
Crisis Management	The Board of Directors provides guidance and oversight during times of crisis or emergencies, such as natural disasters, financial crises, or reputational issues, to ensure the Company responds effectively and mitigates risks.
Legal and Fiduciary Duties	The Board of Directors has legal and fiduciary duties to act in the best interests of the Company and its shareholders or stakeholders, and to fulfil its obligations under applicable laws, regulations, and corporate governance principles.
ESG	The Board ensures that business is handled in accordance with environmental, social, and governance considerations.

Board Composition

As of the end of March 2024, the Board comprises 9 Directors including 2 Executive and 7 Non-Executive Directors of whom 4 are independent. The Board is diverse in its expertise, skills, experience, and demographics, therefore, bringing in rich perspectives to the Board, enhancing the depth of discussions and quality of decision-making. Please refer to page 34 for brief profiles of the Board of Directors. Board refreshments happen regularly, and appointments follow a transparent and rigorous process with the recommendations of the Nominations & Governance Committee. The Board periodically assesses its skill composition to ensure that its expertise remains relevant in driving the Group's strategic agenda.

All Board meetings are conducted as per a pre-determined agenda. The notices of Board meetings along with the agenda and Board papers are circulated among the Directors at least 4 (four) days prior to the scheduled meeting, giving adequate time for the Directors to review and request for any additional information or clarifications needed in order to prepare for the meetings.

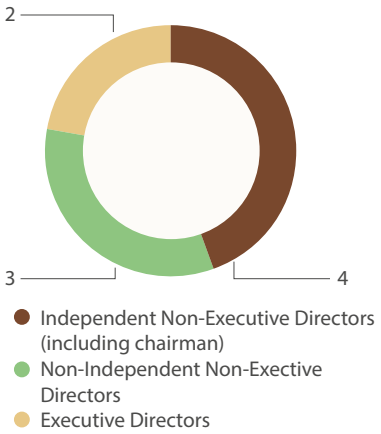
In such instances where decisions are made by way of special resolutions, all relevant information pertaining to the resolution is sent along with the relevant resolution to enable the Directors to clearly understand the purpose for which a resolution is being circulated.

Board Meeting Attendance

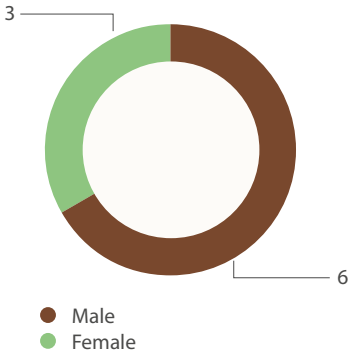
	Date of Appointment	29.05.2023	20.06.2023	18.07.2023	19.09.2023	17.10.2023	21.11.2023	16.01.2024	20.02.2024	15.03.2024
Dr. Sivakumar Selliah	01.02.2014	√	√	√	√	√	√	√	√	√
Aelian Gunawardene	07.07.1993	√	√	√	√	√	√	√	√	√
Nishal Ferdinando	26.10.2021	√	√	√	√	√	√	√	√	√
Hussain Akbarally	19.06.2016	√	√	√	√	x	√	√	√	x
Devaka Cooray	01.01.2021	√	√	√	√	√	x	√	√	x
Priyanthi Pieris	01.01.2021	x	√	√	√	√	√	√	x	√
Joycelyn Gunawardene	08.06.2015	√	√	√	√	√	√	√	√	√
Anika Williamson	08.07.2020	√	√	√	√	√	√	√	√	√
Richard Gunawardene	08.07.2020	√	√	√	√	√	√	√	√	√

Board Diversity

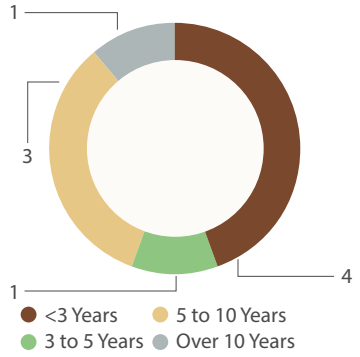
Board Composition



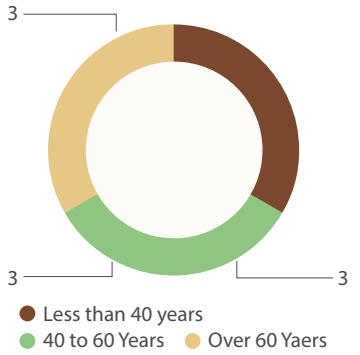
Gender Diversity



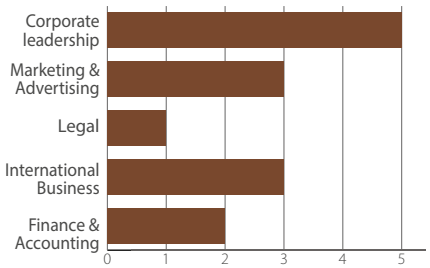
Composition by Tenure



Composition by Age



Skill Profile



Induction and Training

Upon being appointed to the Board, all Directors undergo an induction, which serves to provide an overview of the Group's operations. Directors are also expected to consistently refresh their knowledge, keeping abreast of all relevant developments and thereby contributing to the overall effectiveness of decision-making.

Directors have access to the management team through regular updates and reporting to the Board. As members of professional organisations, Directors also attend continuous development programmes of these organisations.

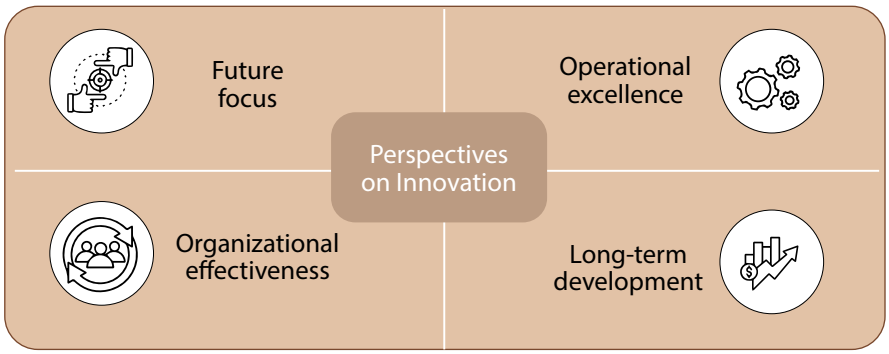
Induction Programme Covers

- Group's governance procedures
- Regulatory requirements and listing rules
- Market positions and business strategies
- Presentations by the management team

Annual update is given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations.

Board's support of innovation

The Board of Directors always defines and fosters innovative priorities, establishes an innovation culture, provides adequate resources, and makes critical choices about innovation within the Company. As a result, this will aid in aligning IT strategy with business strategy in order to provide medium to long-term value for shareholders.



GOVERNANCE AND RISK

CORPORATE GOVERNANCE

Refreshments of the Board and Success

Through an improved succession structure, the Board focuses on balancing the requirement for continuity with the introduction of new ideas. According to the Articles of Association, at each AGM, one-third of the Directors (excluding Chairman, Managing Director and CEO) will retire and being eligible will offer themselves for re-election. As Board of Directors retire, the Nominations and Governance Committee seeks and proposes persons with the necessary abilities, experience, and values in keeping with the Group's strategic ambitions and future requirements.

The Board has undertaken a number of measures in recent years to strengthen its skill profile in order to better align with the Group's strategic ambitions in the future by filling identified skill gaps.

Board Independence

Stakeholders, stock exchanges, and regulatory organisations around the world are placing a greater emphasis on Board independence. JAT believes that in order for a Board to be effective, corporations must take steps, both in their structures and nomination methods, to support independent decision-making while limiting any conflicts of interest. There is evidence that the stated vision of improved governance and greater independence can be realized through multiple checks and balances, while not jeopardizing a corporate's basic operating model. These checks and balances may include, among other things, the implementation of various assurance methods, the use of systematic and comprehensive Board review processes, and independent director-led participation. To that aim, JAT will continue to prioritize increasing the Board's independence while maintaining a balance with the Group's operational model, which handles the complexities of a diverse conglomerate context.

Powers reserved for the Board

- Approving all acquisitions, divestitures, and capital management activities
- In accordance with section 221 of the Companies Act No.07 of 2007, the Board Secretary is appointed
- Seeking expert guidance where necessary at the Company's expense
- Examining, revising, and approving governance frameworks and guidelines

Board and Subcommittee Performance Evaluation

The Board acknowledges that reviewing the performance of the Board and its Committees is critical to monitoring the Board's and Committees' effectiveness. The Board and Board Committees are evaluated on a yearly basis. Each Director separately completes a questionnaire to assess the Board's and its Committees' performance. The tabulated data are then used to improve efficacy.

Each Director independently completes a questionnaire to assess the performance of the Board, and that of its Committees. The tabulated results are used to make improvements in effectiveness. The Chairman also discusses any improvements required with individual Directors and Board Committee Chairs.

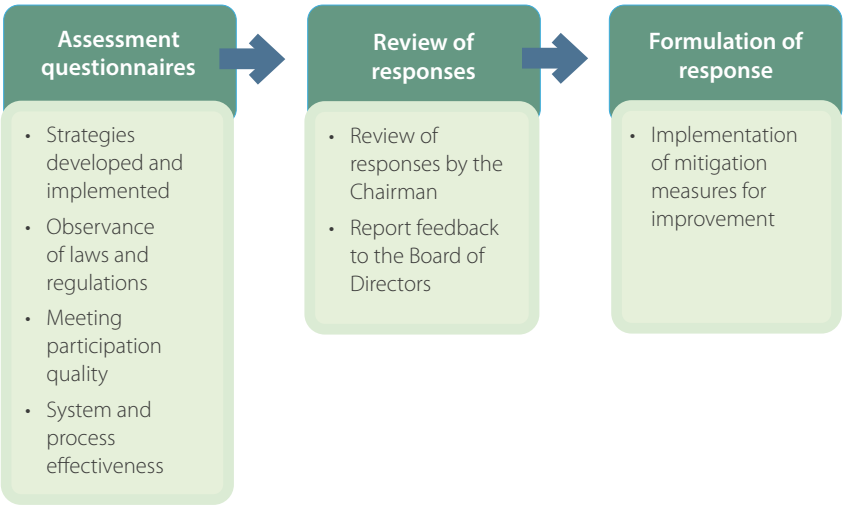
The evaluation result this year indicated that the Board operated effectively and performed well in the governance aspects of the Group, and that the members were satisfied with the composition and operational effectiveness of the relevant Board Committees.

The Non-Executive Directors, Chairman and the Managing Director assess the performance of the CEO through pre identified Key Performance Indicators (KPIs) and achievement of operational budgets.

Directors' remuneration The Board always ensures that the level of remuneration is attractive enough to motivate and retain Executive Directors. The Remuneration Committee assists the Board by suggesting and approving remuneration for Executive Directors.

Board Evaluation Measures	Committee Evaluation Measures
• Strategy implementation • Achievement of performance objectives • Conduct of Board's performance evaluation • Risk management practiced in the company. • Board composition, skills and trainings • Compensation philosophy • Succession planning done by the company. • Performance of the CEO • Compliance & latest developments in legal environment • Communication with shareholders • Stakeholder interest • Internal controls • Financial performance	• Conduct of committee meetings • Effectiveness of meetings held • Delivery of information to the Board • Execution of responsibilities

Board Evaluation Process



Appraisal of CEO

The Appraisal of the CEO follows a transparent and robust process with performance being assessed annually by the Managing Director. The assessment includes a comparison against pre-defined targets and evaluating reasons for non-achievement if any and it aims to evaluate the CEO's achievements, leadership qualities, and alignment with the organisations vision and values.

Board Oversight for Compliance

The Board is responsible for ensuring that JAT adheres to all applicable laws, rules, regulations, codes, and standards. This commitment is carried out by a zero-tolerance approach to non-compliance, with the Company's compliance team in charge of monitoring compliance with all applicable rules, regulations, and statutes. The Internal Audit team also gives impartial assurance about the Company's compliance status at any given time. The JAT Board encourages the early implementation of new regulations as part of its overall commitment to compliance.

Moreover, The Board of Directors has taken proactive measures to familiarize themselves with relevant laws, rules, and regulations, ensuring compliance with Listing Rules and relevant capital market provisions. They remain vigilant in staying informed about any changes to these regulations, thereby upholding a commitment to legal compliance and regulatory adherence within the organization.

Board Responsibility for Internal Control and Financial Reporting

The Board of Directors has built a full-fledged internal control system to ensure that day-to-day business activities are managed efficiently and effectively in accordance with the Company's strategic objectives. Aside from that, the Board maintains a comprehensive reporting suite to communicate the Company's performance and financial situation to stakeholders. As a publicly traded business, the principal document in the reporting suite is JAT's Board-approved Integrated Annual Report, which is created to provide a balanced and transparent assessment of the Company's financial status, performance, and future prospects. Aside from that, the Company releases quarterly financial reports and other CSE information. All such information is made available to the CSE and is published in the press.

Role of the Board in Promoting Ethics and Values

Based on the Board-approved Code of Conduct, Anti-bribery and Anti-Corruption Policy, Anti-Money Laundering rules, and Whistleblower policy, the Board sets the tone from the top to instill the correct behaviours among the Company's personnel. These rules and procedures are intended to instill appropriate behaviours and provide advice to employees so that they may carry out their responsibilities with the utmost integrity and fairness at all times. Regular training is provided to staff to raise knowledge of these behavior regulations and to impress upon them the need to adhere to these covenants.

Assurance Mechanisms

The Corporate Governance System's various supervisory, monitoring, and benchmarking components make up the assurance mechanisms, which are used to compare "actuals" to plan" in order to identify deviations and indicate the need for prompt corrective action. In the Governance system, these systems also serve as "safety nets" and internal controls. JAT also does internal and external audits periodically, at least once a year.

Employee Participation in Assurance

JAT is constantly working to introduce new and efficient channels for employee awareness and communication. The significance of top-down, bottom-up, and lateral communication in ensuring employee commitment to organizational goals has been thoroughly communicated through several communications released by the top management and the management. Although there are numerous opportunities for interaction between staff members and top management, the Group has established formal channels for this contact through feedback, which eliminates any threat of retaliation.

- Skip level meetings
- Exit interviews
- 360-degree evaluation
- Employee surveys
- Staff meetings
- Continuous reiteration and the practice of the 'Open-Door' policy

Assurance

Internal and external assurances for the integrity of systems, processes, controls, and financial and non-financial information are achieved.

Types of Assurance

Financial Statements Assurance	Internal Business Process, System, and Control Assurance	Assurance of the Integrated Report and non-financial data	Assurance on Management Systems
Independent audit report by External auditor – Ernst & Young	Internal Auditors' Reports and the Audit and Risk Management Committee assurance of the Board	Independent assurance on Integrated Reporting, and GRI compliance, ESG Statement and relevant standards on SASB	Independent audit and certifications on Quality Management System, Environmental Management System, Occupational Health and Safety Management System

GOVERNANCE AND RISK

CORPORATE GOVERNANCE

Internal Audit

The Company has an independent internal audit function in place that provides reasonable assurance to the Board, Audit and Risk Management Committee, and Senior Management regarding internal controls and controls regulating financial statement production. Internal auditing is carried out in accordance with a risk-based Internal Audit Plan. Internal auditors report their findings and recommendations to the Audit Committee and the Board on a quarterly basis. External Auditors have access to Internal Audit Reports if they desire. The Audit Committee examined the work of the Internal Audit function during the year and is pleased with its performance.

Internal Control

Internal controls are critical for the Company to prevent, detect, and mitigate problems that may arise from continuous business activities. The Audit and Risk Management Committee assists the Board in monitoring and evaluating the effectiveness of the Company's internal control environment. The review is mostly carried out through discussions and evaluation of reports presented by Internal Auditors, and External Auditors.

Continual Strengthening of Internal Controls

The Group's top priority over the next few years will continue to be adding operational components to transactional and financial internal controls in accordance with international best practices. Internal controls are anticipated to be strengthened continuously through a streamlined process that optimizes and enables process audit information, life cycle management, and related procedures.

- Get rid of the inefficiency endemic to manual procedures
- Offer a system built around process enforcement
- Make it possible for management to follow up based on data that is centrally stored in a compliance repository
- By examining changes in the compliance posture, identify trends, actions taken, effectiveness, and potential for process improvement
- Improve the Group's capacity to stop and identify fraud.

Conflict of Interest

Each Board member shall make every effort to keep his or her personal interests separate from the interests of the Company. The Board of Directors does not participate in or vote on any Board resolution in which they have a significant interest. Each Director files an annual statement outlining his or her relationship with the Company, which is then disclosed to the Board via the Related Party Transaction Review Committee. All such interests are also noted in the Company's Interest Register, which is kept by the Company Secretary.

Access to Information

Directors have access to timely, relevant, and accurate information, which enables them to discharge their duties effectively. The Company Secretary, under the direction of the Chairman, is responsible for ensuring that the Board and its Sub-Committees receive such information for review in sufficient time ahead of each meeting. Prior to Board meetings, Directors are typically provided information including periodic operational and financial performance reports, budgets and forecasts and information on stakeholder concerns, among others.

Board Minutes

- Matters considered by the Board and deliberations
- Summary of information used for Board deliberations
- Testimonies and confirmations from the senior management
- Board knowledge and understanding of risk to which the Bank is exposed
- Decisions and Board resolutions

Company Secretary

The Company Secretary plays a vital role in implementing the Group's Corporate Governance framework and ensuring that proper Board procedures are followed in line with applicable laws, rules, and regulations. All directors have access to the advice and services of the Company Secretary, and he assists the Chairman and Managing Director in setting the agenda for the Board meetings Sub-Committee meetings and for maintaining proper Board minutes and resolutions in consultation with the Chairman.

The Company Secretary's role has been defined in accordance with the provisions of the Code and comprises the following:

- Assisting the Chairman in the conduct of Board Meetings, AGMs, and EGMs in compliance with the Articles of Association, and applicable legislation.
- Ensuring that all meeting proceedings are properly minuted and facilitating the effective conduct of Board meetings
- Making certain that all Board Committees are appropriately formed and have defined terms of reference
- Ensuring that an Annual General Meeting is held in accordance with regulatory standards and that all notifications, documents, and reports required for the meeting are distributed with Board approval
- Keeping the essential registers and filing all statutory reports and papers with the Registrar of Companies
- Advise Directors on their roles and obligations in accordance with regulatory requirements
- Maintaining positive ties with shareholders
- Providing necessary details about related parties and related party transactions
- Ensure that all Board Committees are properly formed and have clearly defined Terms of Reference
- Facilitating best corporate governance procedures, including supporting Directors with their obligations and responsibilities
- Ensuring that the Bank conforms with its Articles of Association by integrating the necessary adjustments in accordance with the correct procedure
- Monitoring and ensuring compliance with Listing Rules, including required disclosure on connected parties and related party transactions, as well as maintaining amicable relationships with CSE, share, and debenture holders
- Communicating with regulators as per the stipulated time period

The Board of Directors appoints and replaces the Company Secretary. The attendance register is monitored by the Company Secretary to verify compliance. The internal Corporate Governance Code contains the Company Secretary's obligations as defined in statutes and other regulations.

The JAT's internal Code of Corporate Governance includes a provision allowing all Directors to have access to advice and services of the Company Secretary.

Role of Company Secretary at Board Meetings

The Company Secretary is crucial in organizing Board meetings and deliberations. The Company Secretary shall ensure that all Directors have complete and timely access to necessary data prior to each meeting.

Segregation of duties

There is a clear division of responsibilities between the Board and the executive leadership of the Group's business. These responsibilities are clearly set out in writing and agreed upon by the Board. The Chairman provides leadership to the Board, setting the tone at the top and ensuring that all governance procedures are carried out in accordance with the laid-out framework. As the founding entrepreneur, the Group's Managing Director plays the leading role in setting the Group's strategic direction through conceptualizing ideas and engaging with relevant stakeholders. Operation of the Group is the responsibility of the CEO who is accountable for implementing the Group's strategy, building the talent pool in line with the strategic aspirations, and embodying the corporate culture and values of the Group.

Pre Board meetings →

- Coordinate with the Board of Directors and management to develop the agenda for the Board meeting. Prior to each meeting, the agenda and all Board materials are distributed electronically to Board members. Specific reports and timetables are also distributed with Board papers as necessary. Ensures that prior meeting minutes are distributed to Board members. Board members can instantly contact the Company Secretary for clarification.

During meetings →

- Minutes of talks and decisions are recorded in the Board minutes in an appropriate manner.

Post Board meeting

- Board minutes are prepared and distributed to the Board prior to the following meeting

Structures and Balance of Power

Chairman	Managing Director	Chief Executive Officer
• Ensuring that Board proceedings are conducted in a proper manner • Facilitating and encouraging the expression of diverse views by Board members • Lead and manage the business of the Board • Determine corporate governance • Ensuring shareholder concerns are addressed	• Provides assurance to the Board related to identification, assessment of risk and adequacy of Internal Audit • Ensure alignment between Board of Directors and management • Conceptualising ideas and networking • Provide leadership in attaining Company's strategic objectives while ensuring the Board is promptly provided with precise, reliable, and transparent information regarding the overall performance and standing	• Effectively lead the Company's daily operations and ensure the effective implementation of the strategic direction Ensure succession planning of the executive team • Account for strategy and sustainable growth of Company • Reporting the performance to the Board

GOVERNANCE AND RISK

CORPORATE GOVERNANCE

Independence

All Directors submit annual declarations of independence or non-independence in accordance with the Articles of Association, stipulations of the Listing Rules of the CSE and the guidelines of the Code of Best Practice.

Criteria	Assessment	Results
Independence is determined against the criteria set out in the Code of Best Practice on Corporate Governance (2017). The Director should be independent in character and judgement and be free of any relationships or circumstances which could affect independent judgement.	Assessments of independence are carried out annually. Directors submit annual declarations and circumstances are assessed by the Board collectively with focus on Directors' interests, position, association or relatives, which are likely to influence or cause bias in decision making.	4 out of 9 Directors (including the Chairman) were deemed independent by the Board.

Governance Contribution to Value Creation in 2024

Drive strategy and performance	Culture and ethics	Effective control and risk management	Sustainability and stakeholder relationships
Oversight in ensuring that the Group's strategy is fit-for-purpose and directed towards creating stakeholder value in alignment with the Vision and Mission	Setting the right tone at the top and shaping organizational culture in line with the Group's Corporate Values	Ensure the robustness, prudency and effectiveness of the risk management practices and internal controls in place	Ensuring that business is conducted in a sustainable manner, with commercial, social and environment factors given due consideration

• Oversight of Strategy and Performance

The Board provides oversight on the overall performance of the Group, ensuring that strategy and performance are aligned with the Group's vision, mission and purpose. The business governance process commences from the point of preparing the Annual Plan and is based on the Group's future strategic direction and short-term, medium-term and long-term objectives; the plan is approved by the Board following proactive discussion and consideration of market dynamics. The Executive Directors closely monitor the performance on a regular basis and the Chairman and Board of Directors review the performance against defined objectives at all Board meetings.

• Culture and Ethics

The Board is responsible for setting the right ethical tone at the top, thereby contributing towards shaping an organisational culture that is aligned with our values. The Group's organisational culture provides a good foundation for understanding the expectations of both what is expected in both internal and external stakeholder interactions. Key tools in place which contribute towards shaping the Group's culture are set out below:

Code of Ethics:

The Company's Code of Conduct and Business Ethics are applicable to all employees, the Senior Management and the Board of Directors. In addition, whoever represents the Company and is authorized to act on behalf of the Company has to abide by the above-mentioned Code of Conduct and Business Ethics.

The Code sets out the expected conduct of employees when interacting with stakeholders and includes,

- Exercising honesty and diligence when performing one's duties
- Avoid situations of personal interest which might conflict with the interests of the Company
- Maintain confidentiality of price-sensitive and other information
- Safeguard company assets
- Avoid conduct that will affect badly on the Company image
- Considerations on labour and human rights as well as social and environmental sustainability
- Maintaining good international relationships with suppliers, investors, customers, and other stakeholders
- Acceptance of gifts are prohibited which could be deemed as a method of bribing
- Engagement in social media is not recommended within the office working hours

The Board of Directors declares all material interests they hold in contracts involving the entity. They also confirm that they have refrained from voting on matters in which they were materially interested, ensuring transparency and ethical conduct in corporate governance.

Whistleblowing Policy:

The Board approved whistleblowing policy provides an opportunity for employees who observe any improper practice/fraud to report such grievances to the Chairman of the Company. A structured mechanism is in place for addressing such grievances with employee anonymity preserved at all times. Further, two-way communication is maintained with the whistle-blower throughout this mechanism for any necessary follow-up on the concerns raised. The Company's whistleblowing policy ensures that no employee would be demoted, penalized or subjected to any other type of retaliation.

The Company maintains a policy against corruption and strict actions will be taken against employees who are involved in acts of workplace harassment including accepting bribes or unacceptable gifts and also offering of such items. The internal audit department carries out regular audits of all the transactions and activities of the Group in order to prevent unaccountable expenses.

Employees are typically required to adhere to a reporting process when gifts, hospitality, or expenses exceed the defined thresholds. This process may include informing their immediate supervisor or a designated authority within the Company, and in some cases, seeking prior approval before accepting or extending such gestures. Moreover, it outlines the consequences or disciplinary measures that can result from non-compliance with the established thresholds and reporting requirements. This serves as a reminder to employees of the significance placed on adherence to these guidelines, promoting responsible behaviour and maintaining the Company's ethical standards.

Moreover, employees, contractors, agents, and anyone acting on behalf of the organization are not allowed to make or accept facilitation payments under any circumstances. This is communicated to employees through the induction program and the employee handbook.

No political contributions of any kind including financial or material donations to a political party, cause, or candidacy are made by the Company.

The Company has also taken the below measures against anti-competitive practices.

- The Group is not a part of any cartels in the paint segment
- The Group acts independently in terms of price increases.
- The Company has not been involved in any prohibits or similar activities.
- The Company follows a pricing policy only based on the cost escalation, supply and demand levels in the market

Anti-Corruption Policy

The policy articulates the framework in place to prevent bribery and corruption within the Group. The following aspects are discussed herein.

All employees are educated on company anti-corruption policy during company induction.

- Prohibitions against bribery, kickbacks and facilitation payments when engaging in business
- The specific compliance requirements relating to the aforementioned prohibitions
- The policy is applicable to all Group Directors and employees without exception
- Regular training is conducted for employees and Directors to ensure these principles are further reinforced

The business partners and third parties who act on behalf of the Group are aware of the guidelines set out in the Group's Anti-Corruption Policy and are required to adhere to the same.

Gift Policy

The policy helps regulate the offering and receipt of business courtesies and gifts by the Group's employees.

- Its aim is to establish greater uniformity in the gifting culture through the setting of standard thresholds for gifts that are received or offered by Group employees
- The policy is applicable to gifts given or received within the Group and from third-parties, and enforced across all permanent employees and the Board of Directors
- The policy sets out the definitions of the thresholds, procedures and reporting requirements

Share Trading Policy

The policy outlines the implications of 'insider trading' and the Group's recommendations in this regard.

- The policy advises all individuals connected to the Group and to whom this policy is applicable of the limitations placed by the Securities and Exchange Commission (SEC) Act of Sri Lanka and the Listing Rules of the Colombo Stock Exchange on those who intend to deal in the shares of the Company while in possession of unpublished price-sensitive information in relation to the Group and its businesses.

Preserving Human Rights

The Group has also put in place an anti-harassment policy that aims to promote an organizational culture that upholds widely accepted standards for human rights while reducing the possibility of human rights abuse. The following are important elements of the Policy:

- Fair treatment: Good opportunities and treatment in order to end prejudice
- Non-harassment: Establishing a workplace free from any type of harassment
- Eliminating child, forced, and involuntary labor from our operations as well as from along our value chain when dealing with suppliers and subcontractors
- Collective bargaining and freedom of association
- Equality and un-biasness

Measures to encourage ethical behavior

To foster an ethical culture and promote ethical behavior, the Group has put in place a number of practical methods and procedures. These actions consist of the following:

- Performance evaluations
- Consequences are handled in accordance with the Disciplinary Policy
- Ongoing training and awareness programmes
- Ethical Code of Conduct
- Ethical Leadership
- Supplier and Vendor Screening
- Fair Employment Practices
- Conflict of Interest Policy
- Ethical Decision-Making Framework
- Regular Audits and Monitoring
- Rewards and Recognition
- External Certifications
- Transparency in Financial Practices

Effective control and risk management

The Board oversees the Group's risk management and internal controls, including financial reporting and legal compliance. Committees like the Audit and Risk Management Committee assist in ensuring the adequacy of these systems. Non-executive Directors engage with auditors independently to assess internal controls. Measures are implemented to maintain accurate accounting records and timely dissemination of information to stakeholders.

GOVERNANCE AND RISK

CORPORATE GOVERNANCE

Given the considerable shifts in the Group's external landscape during the year, the Board placed emphasis on the following risk exposures:

- Inflationary pressures
- Political and policy uncertainty
- Skill migration
- Supply chain disruptions
- Exchange rate fluctuations
- Lack of disposable income

Accountability and Audit

The Board is responsible for presenting a balanced and accurate assessment of the Company's performance, financial position and outlook. The financial statements are prepared in accordance with the Sri Lanka Financial Reporting Standards laid down by the Institute of Chartered Accountants of Sri Lanka. Our Annual Report is an Integrated Report and complies with the Global Reporting Initiative's GRI Standards.

The following specialized information requirements are also included in this Annual Report.

- The Annual Report of the Board of Directors on the Affairs of the Company on pages 156 to 161 of this Report contains the declarations prescribed by the Code
- The Statement of Directors' Responsibility is given on page 174 of this Report
- Chief Executive Officer's and Finance Director's Responsibility Statement on page 173

External Auditors and Auditor Independence Policy

The Group's external auditors are Ernst & Young Chartered Accountants, and the auditor has not engaged in any services which are in the restricted category as stipulated by the CSE for external auditors. Measures in place to ensure the independence and objectivity of the external auditors as discussed furthermore in the Board Audit and Risk Management Committee Report on page 164.

Minimum Public Holding

The Company has been transferred to the Second Board with effect from 22nd September 2022 due to non-compliance with the minimum public holding requirement in terms of rule 7.14.1 of the CSE Listing Rules. Consequent to the transfer to the Second Board, the Company is evaluating all possible proposals to take remedial action in order to comply with the minimum public holding requirement.

The public holding of the Company as of 31st March 2024 was 18.658%, which is below the minimum requirement of 20% as specified by the listing rule 7.14.1 (a) of the Colombo Stock Exchange Listing Rules.

IT Governance and risk management

The Group's increased focus on digital platforms and e-commerce channels has increased vulnerabilities to IT risks. A robust IT governance process ensures that these risks are managed in a systematic manner and aligned with the Group's overall strategic and operational objectives. IT Governance is an integral part of the Group's Corporate Governance framework and ensures that the Group's IT agenda is aligned with the Group's overall strategic aspirations. The impact of IT Governance on operational areas of the Group is set out below.

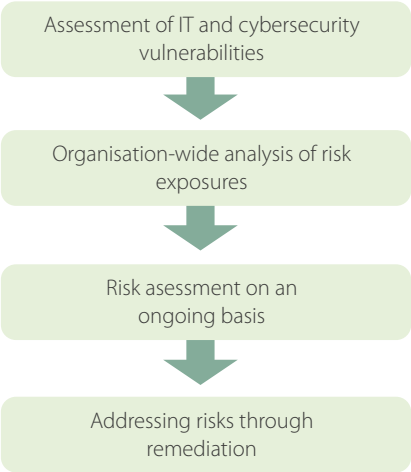
Compliance	Investing in licensed software to ensure effective management of IT risks, access to the latest updates and managing compliance with a view to educate and mandate compliance in reporting within the Group
Operational efficiency	Streamlining processes such as inventory management and credit management so that integrity is maintained across the value chain through near real-time processing
Customer Convenience	A Sales Force automation system is in place to ensure customer records and going concern of the distributors is in place which allows access to real-time information and enhances customer convenience
Green IT	Protecting the environment by reducing print through migration to emails/ soft copies etc.
End-User Protection	Investing in end-user training and development to raise awareness of the possible consequences of cyber risks and to increase user adoption of system protections
Performance monitoring and reporting	For data driven decision making, performance analysis, and continuous improvement

IT Value and Alignment

JAT has increased its IT implementation in recent years in order to optimize business processes. Investments in IT projects and systems, on the other hand, are made solely on the basis of their suitability for the linked initiatives. Furthermore, when judgments are made, elements such as cost savings, timely information, and the need to balance cost and benefits are taken into account.

IT and Cybersecurity Risk:

A framework of robust IT policies, continued investments in state-of-the-art hardware and software, clear demarcation of responsibilities and a highly skilled IT team ensure that IT risks are managed proactively and consistently. The Group Head of IT holds overall responsibility for implementing the Board IT and cybersecurity strategy and the process of identifying and managing such risks is presented alongside.



Managing IT and Cyber-Security risks

The Group is aware of its heightened exposure to IT and cybersecurity threats as a result of the digitalization push. A framework of strong IT policies, a clear division of responsibilities via the three lines of defense governance model, and a highly experienced IT workforce ensure that IT risks and vulnerabilities are addressed holistically and consistently.

IT Governance

1st line of Defence

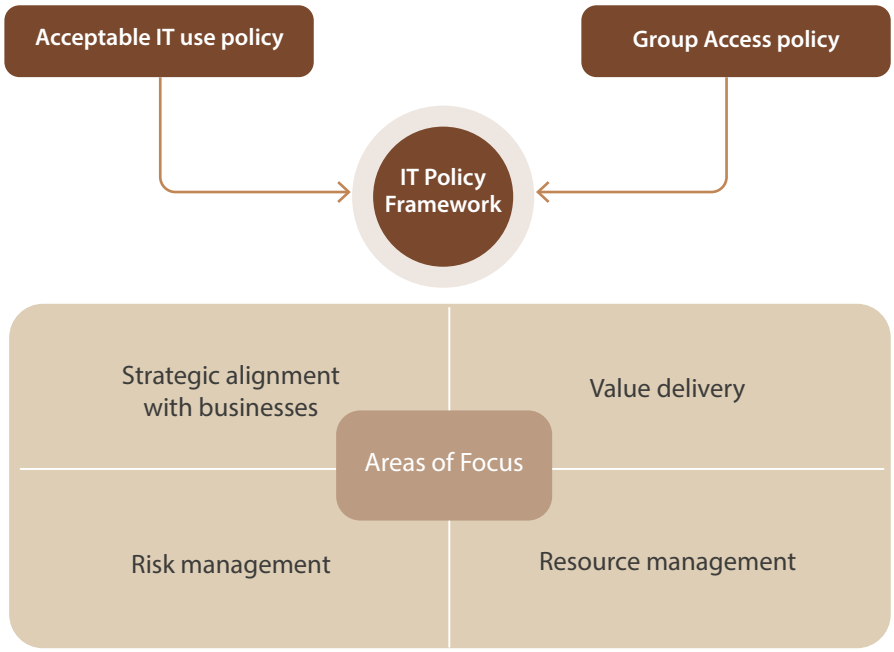
- Management controls Internal control measures

2nd line of Defence

- Financial control
- Security
- Security Risk
- Management
- Quality
- Inspection
- Compliance

3rd line of Defence

- Internal Audit



Sustainability and Stakeholder Relationships

Shareholder relationships: We are committed to preserving the rights of our shareholders and adopt an array of measures to ensure that shareholder views are heard and fully considered. With the Group's transformation to a publicly listed company, measures were taken to strengthen the Investor Relations function.

- **Annual General Meeting**
  The AGM provides shareholders with the opportunity to contribute their views and engages with the Board of Directors, including the Chairpersons of certain Sub-Committees and members of senior management. We encourage shareholder participation at AGMs, thereby fostering a constructive dialogue.

- **Dissemination of information**
  The Group provides shareholders with timely information on performance and any other material developments through the corporate website, disclosure of quarterly financials in the CSE, press release and one-to-one engagement where relevant. Shareholders can access information and engage in dialogue which is coordinated through the Company Secretary.

- **Investor Relations**
  A dedicated Investor Relations page on the Group's website ensures that shareholders are kept aware of emerging developments.

Engagement with other Stakeholders

Numerous formal and informal engagement channels enable the Group to understand and proactively respond to the expectations of stakeholders as described on page 48 of this Report. The value propositions we offer to our stakeholders are presented below:

Shareholder Communications

The Company Secretarial division is in charge of Shareholder Communications. While the Annual General Meeting (AGM) is the primary forum, shareholders can also raise questions, offer comments, or make suggestions to the Board through the Company Secretaries. All key shareholder issues and concerns are referred to the Board, together with Management's perspectives. The Board timely authorizes quarterly financial statements for distribution to shareholders via the CSE. All other price sensitive information, such as substantial acquisitions or dispositions, as well as share transaction activities, is also quickly reported to the CSE.

GOVERNANCE AND RISK

CORPORATE GOVERNANCE

Constructive Use of AGM

The Board promotes shareholder engagement at the AGM and makes the necessary preparations. At the AGM, the Chairman welcomes questions from the audience and the Board members are accessible for discussion. Additionally, the Company's Key Management Personnel will be present at the AGM.

Transparency and Accountability	The AGM provides an opportunity for the Company's management to share information and updates with shareholders or members. This promotes transparency and accountability, as it allows shareholders or members to ask questions, seek clarifications, and hold the management accountable for the Company's performance and decisions.
Decision-making	The AGM serves as a forum for shareholders or members to make important decisions related to the Company's affairs. This includes approving financial statements, appointing or reappointing Directors, setting dividend policies, and approving changes to the Company's bylaws or articles of association.
Shareholder Engagement	The AGM allows shareholders or members to express their opinions, concerns, and suggestions, and fosters open communication between shareholders or members and the Company's leadership. This facilitates constructive dialogue and builds trust between the Company and its shareholders or members.
Education and Information Sharing	The AGM is used as a platform for educating shareholders or members about the Company's operations, strategies, and plans.
Networking and Relationship Building	The AGM brings shareholders or members together in a formal setting, providing an opportunity for networking and relationship building among the shareholders or members themselves, as well as with the Company's management and Board of Directors.
Conflict Resolution	The AGM serves as a platform for addressing and resolving conflicts among shareholders or members. It allows for open discussion and dialogue, providing an opportunity to address concerns, seek resolutions, and find common ground.
Corporate Social Responsibility and Sustainability Reporting	Reporting on CSR initiatives, sustainability practices, and environmental stewardship efforts in the paint manufacturing process, including measures to reduce carbon footprint, promote eco-friendly products, and support community initiatives.

Treatment of minority shareholders

Minority shareholders' interests are protected by the following mechanisms:

- All shareholders have equal voting and transfer rights
- Effective voting mechanisms to safeguard minority shareholders
- Process for communicating with minority shareholders; all shareholders have direct contact with the Company Secretary
- All paths open to minority owners in accordance with applicable rules and regulations are enabled

Shareholder Voting

The Company constantly encourages shareholders to attend AGMs and EGMs and utilize their voting rights. To that aim, JAT includes explicit information on voting processes with every notice of AGMs/EGMs. Shareholders play an important role in the re-election of directors.

Remuneration Review

JAT Holdings' Remuneration Policy aims to attract and retain skilled and high-performing employees who can drive business performance in line with the Group's strategic objectives. Remuneration is typically linked to both individual and collective KPIs which are in turn aligned to the Group's overall strategy.

The Remuneration Committee is responsible for formulating the remuneration policies and practices of the Group. Non-Executive Director fees are determined by the Board supported by the Remuneration Committee which also seeks professional advice from HR professionals. The Committee also conducts periodic surveys to observe market expectations and ensure that remuneration is in line with industry best practices.

No individual Director is involved in determining his remuneration. The Committee consults the Chairman on proposals relating to the remuneration of the Executive Directors. The remuneration package of the Managing Director is structured to link rewards to corporate and individual performance, ensuring there is strong alignment between the short-term and long-term interests of the Company.

The composition of the HR and Remuneration Committee and activities of the Committee during the year are set out on page 166 of this Report.

Statement Of Directors' Responsibility

The responsibility of the Directors about the financial statements is set out in the following statement.

The responsibility of the auditors about the financial statements prepared by provisions of the Companies Act No 7 of 2007, is set out in the report of the auditors.

Considering the present financial position of the company and the forecasts for the next year, the Directors have adopted the going concern basis for the preparation of these financial statements.

The Financial Statements comprise of:

- **Income Statement:**
  Provides a true and fair view of the profit and loss of the Company and its subsidiaries for the financial year.
- **Statement of Financial Position:**
  Presents a true and fair view of the state of affairs of the Company and its subsidiaries as of the end of the financial year.

The Directors accept responsibility for the integrity and objectivity of the financial statements presented. The Directors confirm that the financial statements have been prepared;

1. Using appropriate accounting policies which are applied in a consistent manner disclosing and explaining material departures therefrom, if any
2. Presented in accordance with SLFRSs and LKASs.
3. Reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected.
4. Provides the information required by and otherwise complies with the Companies Act.

The Directors are responsible for the proper management of the resources of the Company, the internal control system has been designed and implemented to obtain reasonable assurance that the Company is protected from undue risks and fraud. The Directors are satisfied that the control procedures are operated effectively during the year.

The Directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections that may be considered appropriate to enable them to give their audit opinion.

The Directors are of the view that they have duly discharged their responsibilities as set out in this statement.

Statement of Compliance

As part of our commitment to upholding the highest standards of corporate governance and regulatory compliance, we provide regular updates to our existing Directors on relevant matters such as Corporate Governance, Listing Rules, securities market regulations, and other applicable laws.

The Nominations and Governance Committee has a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.

We ensure that all necessary measures are taken to comply with the corporate governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange. Our proactive approach ensures transparency, accountability, and integrity in our operations, fostering trust among our stakeholders and reinforcing our commitment to best practices in corporate governance.

Environmental and Social Responsibility

As a responsible corporate citizen, we have strived to embed sustainability practices across all aspects of our operations. The Board-approved Sustainability Policy sets out our social and environmental aspirations and the Board is responsible for ensuring the effective implementation of the same. The Group's environmental impacts are continuously identified, monitored and tracked through a comprehensive Environmental Management Framework which is founded on ISO 14001: 2015 and the Responsible Care Certification. We have also sought to evolve our sustainability reporting practices in line with increasing stakeholder interest and best practices in corporate reporting and our Annual Report complies with the Integrated Reporting Framework and the GRI Standards on Sustainability Reporting.

Sustainability Pillar Heads

The Sustainability Pillar Heads consist of members of the management team including Executive Directors. It holds primary responsibility to oversee the Group's activities with regard to the identification and management of economic, social and environmental impacts, and the achievement of the Group's Sustainability Agenda.

Sustainability and ESG Focus

As a responsible corporate citizen, we are committed to integrating sustainability into every aspect of our operations. JAT Corporate Sustainability Policy outlines our social, and environmental sustainability goals, with oversight for implementation resting with the Board. We actively identify and monitor our impacts through a robust Integrated Management System, based on ISO 14001:2015 EMS, ISO 9001:2015 QMS and ISO 45001:2018 OHSMS standards.

Understanding the pressing importance of tackling environmental issues, we have implemented strategies to conserve resources, cut emissions, and confront climate change head-on. These strategies involve embracing energy-efficient technologies, shifting towards renewable energy sources, and reducing chemical waste production. Furthermore, we prioritize social responsibility by cultivating inclusive and safe workplaces, and actively supporting community initiatives.

Board Oversight for ESG Integration and Reporting

ESG has always been a priority for the JAT Board of Directors. The Board-appointed sustainability team oversees all ESG matters of the company including building a conducive climate for incorporating ESG considerations into day-to-day operations at all levels of the organization. The sustainability team evaluates material topics regarding ESG concerns as part of their systematic efforts to increase the transparency of ESG disclosures.

Commitment at the highest level

Reporting to the Board of Directors or other senior officials can help a company demonstrate its commitment to sustainability.

Accountability must be created and properly expressed

Accountability contributes to the integration of sustainability with other company objectives. Incorporating sustainability performance into the Company's annual goals, as well as staff performance assessment and reward systems, could be beneficial.

It is critical that the structure and the business are in sync

Sustainability governance systems that align with and complement existing business models and organizational structures are more likely to succeed than redundant or competing structures.

Sustainability programme

The flexibility to adapt and expand on the sustainability program across business units and geographies can help to move the sustainability agenda forward. Allowing for some flexibility can help ensure that the sustainability program is relevant to the strategies of a business unit or the local conditions of a region. It can also increase staff engagement.

Commitment to the Future

JAT remains committed to conducting all its operations with stakeholder inclusiveness, displaying high levels of integrity, efficiency and fairness. Therefore, the Company will resolutely maintain and improve its standards of good corporate citizenship and governance practices while emphasizing stakeholder satisfaction and delivery of sustainable value.

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Greater Employee Participation in Governance

While it is thought that all relevant compliance and assurance frameworks are in place, JAT recognizes the critical role that employees play in maintaining an effective governance structure across the Group. JAT will continue to promote more employee participation by:

- A reinforced continuous performance management approach that includes ongoing feedback and increased participation through employee information technology.
- Increased participation and empowerment through increased transfer of authority.
- Better communication and teamwork.
- The use of differentiated communication methods based on the dynamics of workforce segments.
- Continuing education and refresher courses on the Code of Conduct and related governance policies.

Our Commitment to Sustainable Development Goals

With a strong governance framework in place supporting UN SDGs, below are the 6 main sustainability strategies of the company to ensure transparency, accountability, and collective contribution of the departments towards Sustainable Development Goals.

Enhancing scientific research and technological capabilities to elevate industry standards, achieve notable sustainability milestones, and proactively address climate change through decisive action.

Enforcing a comprehensive framework for managing chemicals and waste across their lifecycle, aligning rigorously with international standards. By doing so, ensure the production and delivery of products that actively contribute to the preservation of the hydrosphere, atmosphere, and biosphere. This strategy will simultaneously enhance safety and sustainability measures within the organization.

Prioritize organizational contribution towards renewable energy, through dedicating resources such as investments, fostering innovation and continuously improving processes to improve efficiency in energy consumption.

Create a safe environment for all employees to work, with mechanisms in place to ensure inclusivity, protection of human rights, and equal treatment of all forms. This strategy involves implementing robust mechanisms and policies to ensure the physical and psychological safety of all employees while fostering a culture of respect and equality.

Implement comprehensive skills development programs targeting youth and adults within the operating community to significantly enhance their employability and entrepreneurial potential. This strategy involves scaling up technical and vocational training initiatives to equip individuals with relevant skills needed for securing decent jobs and fostering entrepreneurship. Through this approach, aim to eradicate extreme poverty by empowering individuals to access sustainable livelihood opportunities.

Strategize for global partnerships, mobilize, and share knowledge, expertise, technology, and financial resources, while operating within a robust and equitable institutional framework to support the achievement of Sustainable Development Goals.

Core Principles in JAT Corporate Governance Framework

Conscience

JAT's feeling of ethical duty and accountability for its activities and decisions in the context of our primary mission as a construction firm, as well as our broader responsibilities to society and the environment, is referred to as conscience. Considerations for social and environmental sustainability, ethical corporate practices, and adherence to legal and regulatory frameworks are all part of this. The Board thinks that working with a clear conscience confirms the Company's financial success and contributes to the development of trust and shareholder confidence.

Ethical culture

The principles, basic beliefs, and standards that govern the JAT's behavior and decision-making are referred to as ethics. From the top, the Board sets the tone for developing an enterprise-wide culture of ethics to guarantee that all workers act with integrity and honesty in all their actions. This involves adhering to legal and regulatory standards, avoiding conflicts of interest, encouraging diversity and inclusion, human rights, environmental protection, and guaranteeing transparency and accountability in all corporate activities.

The culture of ethics includes openness as well. By providing information and talking openly with internal and external stakeholders, the Board demonstrates its readiness to be transparent. This commitment is expressed in a variety of ways, including an open-door policy, regular contact and feedback channels, effective grievance management, and a commitment to timely and accurate reporting. Sharing information regarding organizational goals and objectives, financial performance, decision-making processes, and corporate social responsibility activities is also part of being open.

Stewardship

The members of the Board serve as JAT's stewards, using independent judgment in reviewing management and protecting shareholders' interests. In carrying out its stewardship duty, the Board endeavors to instill and promote a corporate climate focused on integrity, as well as to provide solid direction to Management in pursuit of long-term shareholder value.

Strategic direction

Members of the Board serve as essential advisors to management, advising on strategic direction, objectives, and action plans while considering both opportunities and JAT's risk tolerance. In carrying out this oversight role, the Board actively participates in establishing the organization's long-term strategic goals, reviews and approves business strategies, corporate financial objectives, and financial and capital plans that are consistent with the strategic goals, and monitors JAT's performance in executing strategies and meeting objectives.

Risk management

The Board of Directors monitors the structure, rules, and processes in place to identify and manage business risks, and it strives to instill a strong risk management culture throughout JAT.

The Board actively reviews the organization's risk profile in relation to risk appetite and attempts to ensure that Management's plans and activities deliver a suitable return for the risks assumed while remaining responsibly focused on generating shareholder value.

Independence

The Board's independence from management is critical to its successful supervision, and systems are in place to ensure it. When establishing whether a member of the Board is independent, all direct and indirect material links with JAT are evaluated.

Accountability

Accountability entails accepting responsibility for the consequences of Board actions and decisions, both positive and negative. The Board establishes the tone for accountability by establishing clear goals and objectives, establishing performance targets, measuring and reviewing performance on a regular basis, and taking appropriate remedial action when necessary.

Fairness

The equitable treatment of all stakeholders is important to fairness. The Board demonstrates the value of fairness by committing to impartiality and consistency in decision-making in order to be fair to all individuals and entities with whom the Company does business.

Professionalism

Professionalism entails a dedication to quality and constant improvement, as well as the highest ethical and legal standards. The Board sets a good example by maintaining a high level of knowledge and skill, adhering to professional codes of conduct and ethics, acting with integrity and honesty, communicating effectively and respectfully, and treating colleagues, clients, and other stakeholders with respect and dignity.

Continuous Improvement

The Board is committed to continuous improvement of its corporate governance principles, policies, and practices, which are intended to align the Board's and Management's interests with those of shareholders, to support the Board's stewardship role, and to enhance the Board's ability to safeguard shareholders' interests through independent supervision of Management. JAT's corporate governance structure is subject to ongoing Board review to ensure that policies and practices meet or surpass emerging best practices and regulatory standards.

The Board is ultimately responsible for the management and oversight of the Company and its activities, and as such, is held accountable to shareholders and other stakeholders to ensure that the JAT is managed safely and soundly. In this regard, the Board establishes JAT's strategy, establishing short-, medium-, and long-term goals that are consistent with the Company's vision. The Board of Directors offers strategic oversight in driving the Company toward these strategic goals.

The Board is also responsible for ensuring regulatory compliance, effective risk management and control, establishing an appropriate internal control mechanism, and ensuring timely and accurate financial reporting, as well as promoting ethics and values, ESG integration and reporting, IT and HR governance, and maintaining stakeholder relations.

Transparency and disclosure

In both financial and non-financial reporting, the Group has adopted international best practices. The Group's Integrated Annual Report, which adheres to numerous voluntary reporting systems, is our primary publication for stakeholders. External assurance has been provided for the financial and non-financial information included in the Report, as well as the Integrated Reporting process. The Annual Report's content is established by a rigorous materiality evaluation, and any significant developments pertaining to these material topics are disclosed fully and transparently.

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Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure

MANDATORY PROVISIONS - FULLY COMPLIANT

	Rule	Compliance status	Reference (within the Report)
(i)	Names of persons who during the financial year were directors of the Entity.	Complied	Corporate Governance Commentary
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Complied	Management Discussion and Analysis
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Complied	Share Information
(iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement The public holding percentage in respect of non- voting Shares (where applicable)	Complied	Share Information
(v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Complied	Share Information
(vi)	Information pertaining to material foreseeable risk factors of the Entity	Complied	Risk, Opportunities and Internal Controls
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Complied	Sustainability Integration, Stakeholder Engagement and Materiality
(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Complied	Notes to the Financial Statement
(ix)	Number of shares representing the Entity's stated capital	Complied	Share Information
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Complied	Share Information
(xi)	Financial ratios and market price information 1. Dividend per share 2. Dividend pay out 3. Net asset value per share 4. Market value per share - highest and lowest values recorded during the financial year - value as at the end of financial year The market prices & yield during the year (ex: interest) - Highest Price - Lowest price - Last traded price (as at dd/mm/yy) Any changes in credit rating (for the Entity or any other instrument issued by the Entity), if applicable.	Complied	Share Information
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Complied	Notes to the Financial Statement
(xiii)	Details of funds raised via IPO and further issues - Manner in which funds are utilized (disclose as per the format) - Number, class of shares or debenture, consideration received and reason for the issue - Any material changes in the use of funds	Complied	Share Information
(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	Complied	Share Information
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules Section 9 of the Listing Rules	Complied	Corporate Governance Commentary
(xvi)	Details of Investments in RP and due from RP - date of the transaction - name of the Related Party - relationship between the Entity and the Related Party - amount of the transaction and terms of the transaction - rationale for entering into the transaction	Complied	Report of the Related Party Transactions Review Committee

Statement of Compliance under Section 7.10 of the Listing Rules of the CSE on Corporate Governance

MANDATORY PROVISIONS - FULLY COMPLIANT

	Rule	Compliance status	Reference (within the Report)
7.10	**Compliance**		
	Compliance with Corporate Governance Rules	Complied	The Group is in compliance with the Corporate Governance Rules and any deviations are explained where applicable
7.10.1	**Non-Executive Directors (NED)**		
a.	At least 2 members or 1/3 of the Board, whichever is higher should be NEDs	Complied	7 out of the 9 Board members are NEDs. The Company is conscious of the need to maintain an appropriate mix of skills and experience in the Board and to refresh progressively its composition over time, in line with needs
b.	The total number of Directors is to be calculated based on the number as at the conclusion of the immediately preceding Annual General Meeting	Complied	The NED ratio has been calculated as per the guidelines
c.	Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	Complied	No changes occurred within the given period.
7.10.2	**Independent Directors**		
a.	2 or 1/3 of NEDs, whichever is higher shall be "independent"	Complied	4 out of the 7 NEDs are independent
b.	Each NED to submit a signed and dated declaration of his/her independence or non- independence	Complied	Independence of the Directors has been determined in accordance with CSE Listing Rules and the 4 Independent NEDs have submitted signed confirmation of their independence. Compliance with Code of Best Practice on Corporate Governance jointly issued by Chartered Accountants of Sri Lanka and Securities and Exchange Commission of Sri Lanka
7.10.5	**Remuneration Committee**		
a.1	The Remuneration Committee shall comprise a minimum of two Independent Non-Executive Directors or a majority of Independent Non-Executive Directors, whichever is higher	Complied	The HR and Remuneration Committee comprises of 3 Independent Non-Executive Directors
a.2	One NED shall be appointed as the Chairman of the Committee by the Board of Directors	Complied	An Independent Non-Executive Director is the Chairman of the Committee
b.	The Remuneration Committee shall recommend the remuneration of the Executive Directors and Chief Executive Officer.	Complied	The remuneration of the Chairman/Executive Directors are determined as per the remuneration principles of the Group and recommended by the HR and Remuneration Committee
c.1	Names of Remuneration Committee members	Complied	Refer the Board Committees section of this Annual Report
c.2	Statement of Remuneration Policy	Complied	Refer HR and Remuneration Committee Report
c.3	Aggregate remuneration paid to EDs and NEDs	Complied	Aggregate remuneration - Company - EDs - Rs. 40.3 Mn - NEDs - Rs. 18.7 Mn
7.10.6	**Audit Committee**		
a.1	The Audit Committee (AC) shall comprise of NEDs, a majority of whom should be independent	Complied	The Board Audit and Risk Management Committee comprises 3 Independent Non-Executive Directors
a.2	A Non-Executive Director shall be the Chairman of the Committee	Complied	The Chairman of the Board Audit and Risk Management Committee is an Independent Non-Executive Director
a.3	The CEO and CFO should attend AC meetings	Complied	The Chief Executive Officer and Finance Director attended Board Audit and Risk Management Committee meetings by invitation and the External Auditors and Internal Auditors attended the Audit Committee meetings by invitation
a.4	The Chairman of the Audit Committee or one member should be a member of a professional accounting body	Complied	The Chairman of the Board Audit and Risk Management Committee is a member of a professional accounting body

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	Rule	Compliance status	Reference (within the Report)
b.1	Overseeing the preparation, presentation and adequacy of disclosures in the financial statements in accordance with SLFRS/ LKAS	Complied	The Board Audit and Risk Management Committee oversees the Company's financial reporting process to ensure the reliability of the information provided to the stakeholder. Appropriateness of the accounting policies adopted, key judgements and estimates used in preparation of financial statements and processes by which compliance with Sri Lanka Accounting Standards (SLFRSs & LKASs) and other regulatory provisions relating to financial reporting and disclosures are reviewed by the Board Audit and Risk Management Committee.
b.2	Overseeing the compliance with financial reporting requirements, information requirements as per the laws and regulations	Complied	The Board Audit and Risk Management Committee has overall responsibility for overseeing the preparation of financial statements in accordance with the laws and regulations of the country and also for recommending to the Board, the adoption of best accounting policies
b.3	Ensuring that the internal controls and risk management are adequate to meet the requirements of the SLFRS/LKAS.	Complied	The Board Audit and Risk Management Committee assesses the role and effectiveness of the Group Business Process which is largely responsible for internal controls and risk management
b.4	Assessment of the independence and performance of the Entity's external auditors.	Complied	The Board Audit and Risk Management Committee assesses the role and effectiveness of the external auditors annually
b.5	Make recommendations to the Board pertaining to External Auditors	Complied	The Committee is responsible for recommending the appointment, re-appointment or removal of External Auditors and also providing recommendations on remuneration and terms of Engagement.
c.1	Names of the Audit Committee members shall be disclosed	Complied	Refer the Report of the Board Audit and Risk Management Committee in this Annual Report
c.2	Audit Committee shall make a determination of the independence of the External Auditors	Complied	Refer the Report of the Board Audit and Risk Management Committee in this Annual Report
c.3	Report on the manner in which Audit Committee carried out its functions and manner of compliance of Company in relation to the above, during the period to which the annual report relates	Complied	Refer the Report of the Board Audit and Risk Management Committee in this Annual Report

Statement of compliance under Section 9 of the listing rules of the CSE on Corporate Governance (Required to be complied by 1st April 2024)

MANDATORY PROVISIONS - FULLY COMPLIANT

	Rule	Compliance status	Reference (within the Report)
9.1	**Compliance with Corporate Governance Rules**		
9.1.3	A statement confirming compliance with Corporate Governance Rules	Complied	The Company complies with the Corporate Governance Rules and has stated so within the Report, with any deviations explained where applicable
9.3	**Board Committees**		
9.3.1	Listed entities shall ensure that the following Board Committees are established and maintained at a minimum and are functioning effectively. The said Board Committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	Complied	Please refer Board Committee reports
9.3.2	Listed entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in these Rules	Complied	Please refer to sections 9.11, 9.12, 9.13 and 9.14 below

	Rule	Compliance status	Reference (within the Report)
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders**		
9.4.1	Listed entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the entity. The entity shall provide copies of the same at the request of the Exchange and/or the SEC (a) The number of shares in respect of which proxy appointments have been validly made (b) The number of votes in favor of the resolution (c) The number of votes against the resolution (d) The number of shares in respect of which the vote was directed to be abstained	Complied	The secretaries of the Company maintain the records of the said information along with the meeting minutes of the shareholders
9.4.2	Listed entities shall maintain effective communication and relations with shareholders and investors	Complied	Refer to Stakeholder management and effective communications under the Corporate Governance Report and details of the contact personnel are disclosed under Corporate Information
9.6	**Chairperson and CEO**		
9.6.1	The Chairperson of every listed entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such entity in terms of Rule 9.6.3 below	Complied	The Chairman of the Entity is a Non-Executive Director. The functions of Chairman and CEO are clearly separated to ensure balance of power and authority
9.6.3	The Requirement for a SID; A listed entity shall appoint an Independent Director as the SID in the following instances: i. The Chairperson and CEO are the same person ii. The Chairperson and CEO are Close Family Members or Related Parties	N/A	The functions of Chairman and CEO are clearly separated
9.7	**Fitness of Directors and CEOs**		
9.7.1	The listed entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Rules	Complied	Directors are required to provide general disclosures and declarations on fitness and propriety annually and are required to report any material changes to the information provided therein, including any changes to their professional responsibilities and business associations, to the Board
9.7.2	Listed entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	Complied	
9.7.4	Listed entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation	Complied	All the Directors of the Company and CEO provide a declaration confirming that they have continuously satisfied with the Fit and Proper Assessment Criteria
9.7.5	Disclosures in the Annual Report of Listed entities; (a) A statement that the Directors and CEO of the Listed entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange (b) Any non-compliance/s by a director and/or the CEO of the Listed entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed entity to rectify such noncompliance/s	Complied	Please refer Corporate Governance commentatory
9.8	**Board Composition**		
9.8.3	A Director shall not be considered 'independent' if he/she is 70 years of age or above	Complied	Company has ensured that all Independent Directors have satisfied the criteria
9.8.5	The Board of Directors of Listed entities shall require:		
(a)	Each Independent Director to annually submit a signed and dated declaration of their 'independence' or 'non-independence' using the specified criteria and format in Appendix 9A	Complied	All Independent Directors submitted the signed declaration of their independence to the Board

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	Rule	Compliance status	Reference (within the Report)
(b)	Annually assess the 'independence' or 'non-independence' of each Independent Director based on their declaration and other available information, listing the names of 'independent' Directors in the Annual Report	Complied	
9.9	**Alternate Directors**		
(a)	Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment	N/A	Currently there are no Alternative Directors appointed
9.10	**Disclosures relating to Directors**		
9.10.1	Listed entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the entity shall provide an explanation for such noncompliance in the manner specified in Rule 9.5.2 above	Complied	As per Article 82 of the Articles of Association of the Company, subject to the Companies Act the Company may by Ordinary Resolution from time to time increase or reduce the maximum or minimum number of Directors.
9.10.4	Listed entities shall also disclose the following in relation to the Directors in the Annual Report: (a) name, qualifications and brief profile (b) the nature of his/her expertise in relevant functional areas (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed entity (d) whether Executive, Non-Executive and/or independent Director (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies (f) number of Board meetings of the Listed entity attended during the year (g) names of Board Committees in which the Director serves as Chairperson or a member (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member (i) The terms of reference and powers of the SID (where applicable)	Complied	* Please refer the profiles of the Board of Directors * Please refer to the Corporate Governance commentatory for the number of Board meetings attended by the Board of Directors during the year * Please refer to the Committee reports for the details of attendance of Committee Meetings
9.12	**Remuneration Committee**		
9.12.2	Listed entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules	Complied	Please refer HR and Remuneration Committee report
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	Complied	Please refer HR and Remuneration Committee report
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	Complied	Please refer HR and Remuneration Committee report
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings	Complied	Please refer HR and Remuneration Committee report
9.12.6	Composition		
1	(a) The remuneration committee should comprise of a minimum of three (03) Directors of the listed entity, out of which a minimum of two (02) shall be Independent Directors of the listed entity (b) The members of the Remuneration Committee shall not comprise of Executive Directors of the listed entity	Complied	The committee comprised of a three (03) Directors, out of which two (02) members are Independent Directors of the Entity
9.12.8	Disclosure in Annual Report		
(a)	Names of the Chairperson and members Remuneration Committee and the nature of directorships held by such members	Complied	Please refer HR and Remuneration Committee report

	Rule	Compliance status	Reference (within the Report)
(b)	A statement regarding the remuneration policy	Complied	Please refer HR and Remuneration Committee report
(c)	The aggregate remuneration of the Executive and Non-Executive Directors	Complied	Please refer HR and Remuneration Committee report
9.13	**Audit Committee**		
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Complied	Please refer Audit and Risk Management Committee Report
9.13.5	Disclosures in the Annual Report		
1	Prepare an Audit Committee Report which shall be included in the Annual Report and it should set out the manner in which the entity has complied with the requirements applicable to the Audit Committee during the considered period	Complied	Please refer Audit and Risk Management Committee Report
2	The audit committee report shall contain,		
a	The names of the Chairperson, members of the Audit Committee, and the nature of directorships held by such members	Complied	Please refer Audit and Risk Management Committee Report
b	The status of risk management and internal control of the Listed entity and as a Group	Complied	The audit committee assesses the role and effectiveness of the group business process which is largely responsible for internal control and risk management.
c	A statement that it has received assurance from the CEO and the CFO of the entity's operations and finances	Complied	Please refer Audit and Risk Management Committee Report
d	An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements	Complied	The audit committee has overall responsibility for overseeing the preparation of financial statements in accordance with the laws and regulations of the country and also for recommending to the board, the adaptation of best accounting policies.
f	How the internal audit assurance is achieved and a summary of the work of the internal audit function	Complied	Please refer Audit and Risk Management Committee Report
g	The effective discharge of its functions and duties for the financial year	Complied	Please refer Audit and Risk Management Committee Report
h	A statement confirming that the external auditors approved by the SEC have provided written assurance confirming their independence throughout the audit engagement, in accordance with all relevant professional and regulatory standards	Complied	Please refer Audit and Risk Management Committee Report
i	a statement confirming that the Audit Committee has determined the independence of auditors and the basis of such determination, including the details on the number of years the external auditor and the audit partner were engaged. If the external auditor provides non audit services, it should explain on how auditor objectivity and independence are safeguarded	Complied	Please refer Audit and Risk Management Committee Report
9.14	**Related Party Transactions Review Committee**		
9.14.1	Listed entities shall have a Related Party Transactions Review Committee (RPT) that conforms to the requirements set out in Rule 9.14 of these Rules	Complied	Please refer Related Party Transactions Review Committee Report
9.14.2	Composition		
(a)	The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed entity, out of which two (02) members shall be Independent Directors of the Listed entity. It may also include Executive Directors, at the option of the Listed entity. An Independent Director shall be appointed as the Chairperson of the Committee	Complied	The committee comprised of a three (03) Directors, out of which two (02) members are Independent Directors of the Entity
9.14.8	Disclosures in the Annual Report		
1	Details of non-recurrent Related Party Transactions	Complied	Please refer Related Party Transactions Review Committee Report
2	Details of recurrent Related Party Transactions	Complied	Please refer Related Party Transactions Review Committee Report

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	Rule	Compliance status	Reference (within the Report)
3	The Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following: • The names of the Directors comprising the Committee • A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated its comments/observations to the Board of Directors • The policies and procedures adopted by the Committee for reviewing the Related Party Transactions	Complied	Please refer Related Party Transactions Review Committee Report
4	An affirmative declaration by the Board of Directors in the Annual Report that these Rules pertaining to Related Party Transactions have been complied with	Complied	Speciman Declaration under CSE Rules 7.10.2(b)
9.16	**Additional Disclosures by the Board of Directors**		
1	They have declared all material interests in contracts involving in the entity and whether they have refrained from voting on matters in which they were materially interested	Complied	Please refer Corporate Governance commentatory
2	They have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if unable to make any of these declarations an explanation on why it is unable to do so	Complied	Please refer Directors' Statement on Internal Control
3	They made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions	Complied	Please refer Corporate Governance commentatory
4	Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the entity has operations	Complied	Please refer Corporate Governance commentatory

Statement of Compliance pertaining to Companies Act No. 7 of 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

	Rule	Compliance status	Reference (within the Report)
168 (1) (a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Complied	Group Directory
168 (1) (b)	Signed financial statements of the Group and the Company	Complied	Financial Statements
168 (1) (c)	Auditors' Report on financial statements	Complied	Independent Auditors' Report
168 (1) (d)	Accounting policies and any changes therein	Complied	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	Complied	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Complied	Notes to the Financial Statements
168 (1) (g)	Corporate donations made by the Company	Complied	Notes to the Financial Statements
168 (1) (h)	Names of the persons holding office as Directors of the Company as at the end of the accounting period and the names of any persons who ceased to hold office as Directors of the Company during the accounting period	Complied	Group Directory
168 (1) (i)	Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period by the Company	Complied	Notes to the Financial Statements
168 (1) (j)	Auditor's relationship or any interest with the Company and its subsidiaries - audit fee/non-audit fee	Complied	Report of the Board Audit and Risk Management Committee/Financial Statements
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Complied	Financial Statements/Annual Report of the Board of Directors
168 (2)	Information as per Section 168 (1) (b) to (j) in relation to the subsidiaries	Complied	Report of the Related Party Transactions Review Committee

Statement of Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2017 (the code updated in 2023 will be adopted from next financial year onwards)

VOLUNTARY PROVISIONS - FULLY COMPLIANT

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A	**Directors**		
A.1	An effective Board should direct, lead and control the Company	Yes	The Company is headed by an effective Board of Directors who are responsible and accountable for the stewardship function of the Company. JAT recognises the key resources deployed in the business and financial and non-financial measures are established. JAT is mindful of the need to maintain an appropriate mix of skills and experience in the Board through a regular review of its composition in ensuring that the skill representation is in alignment with current and future needs of the Company.
A.1.1	Regular Board meetings should be held at least once in every quarter. The regularity of Board meetings and the structure and process of submitting information should be agreed to and documented by the Board.	Yes	Board meets regularly and the Directors provide information on a structured basis Board packs are circulated 4 days prior to the Board meeting and typically include the following information: • Financial and operational information including progress on agreed Key Performance Indicators and information on the external operating environment • Financial statements for the relevant month together with comparatives for the corresponding period of the previous financial year and budgets • Operational and financial compliance statements confirming regulatory compliance and other matters considered necessary in accordance with policies of the Company and the Board • These statements include information regarding breaches of internal controls or fraud detected during the period together with any action taken or confirm the absence thereof • Information on human resources, including appointments and resignations of Directors and KMPs of the Company • Information on capital expenditure • Related party transactions by Key Management Personnel • Documents to which the Company seal has been affixed to • Resolutions on other matters referred to the Board
A.1.2	Role and Responsibilities of the Board	Yes	The Board should be responsible for matters including implementation of business strategy, skills and succession of the management team, integrity of information, internal controls and risk management, compliance with laws and ethical standards, stakeholder interests, adopting appropriate accounting policies and fostering compliance with financial regulations and fulfilling other Board functions: • Appointment of the Chairman, Managing Director and CEO • Review the performance of the Managing Director and CEO • Review and approve major acquisitions, disposals and major investments by the management within their limits of authority • Ensure that financial statements are published quarterly and the Annual Report is published at the end of the financial year • Establish a process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks - Performance and progress of strategy implementation, budgets, plans and risks are monitored through a formal reporting process • Fulfill such other Board functions as relevant to the Organisation - The Board makes every endeavour to ensure a balanced and objective assessment of the Company's position, performance and prospects. Members from professional accounting bodies are on the Board ensuring financial and economic acumen, knowledge and other Board members from the professional marketing bodies ensure stimulation of marketing knowledge of the Board members

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A.1.3	Act in accordance with laws of the Country and obtain independent professional advice	Yes	The Board collectively and Directors individually, recognise their duty to comply with laws of the Country. The Board of Directors ensures that procedures and processes are in place to ensure that the Company complies with all applicable laws and regulations. In order to preserve the independence of the Board and to strengthen the decision-making, the Board seeks independent professional advice when deemed necessary. The Governance Framework outline the procedure to be followed in obtaining independent professional advice.
A.1.4	Access to advice and services of the Company Secretary	Yes	To ensure robust deliberation and optimum decision making, the Directors have access to the services of the Company Secretaries whose appointment and/ or removal is the responsibility of the Board. The Company Secretary ensures that all Board Terms of Reference are followed and applicable rules and regulations are adhered to.
A.1.5	Bring independent judgment on various business issues and standard of business conduct	Yes	Collectively, the Non-Executive Directors bring a wealth of value adding knowledge, ranging from domestic and international experience to functional know-how, thus ensuring adequate Board diversity in accordance with principles of Corporate Governance. Furthermore, every member of the Board brings independent judgment on various business issues. The Board comprises of senior professionals who are luminaries in their respective fields and use their independent judgement in discharging their duties and responsibilities on matters of strategy, performance, resource allocation, risk management, compliance, and standards of business conduct.
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	Yes	All Directors have attended a majority of the meetings and have devoted their time adequately. Dedicate adequate time and effort to matters of the Board and the Company Board meetings and Board Committee meetings are scheduled well in advance and the relevant papers are circulated a week prior to the meeting using electronic means to ensure that Directors have sufficient time to review the same and call for additional information or clarifications, if required and after a meeting to follow up on issues consequent to the meeting.
A.1.7	Calls for resolutions by at least 1/3rd of Directors	Yes	Any Director can call for a resolution to be presented to the Board if deemed necessary
A.1.8	Board induction and Training	Yes	The Directors are given the opportunity to have sufficient exposure, expertise in their relevant areas to fulfil their duties and responsibilities owing to the Board. Every Director receive appropriate training if necessary when first appointed to the Board. This training curriculum encompasses both general aspects of directorship and matters specific to the industry. The Board regularly reviews and agrees on the training and development needs of the Directors, to effectively discharge their duties.
A.2	Chairman, Managing Director and CEO	Yes	Division of Responsibility between the Chairman, MD and CEO. The Chairman, MD and the CEO of the Company are different persons with clearly defined and separated power and authority.
A.3	Chairman's role in preserving good Corporate Governance	Yes	The Chairman provides leadership to the Board and facilitates the effective discharge of duties in the best interests of the Board; maintains smooth functioning of the Board, presides at the Directors' and Shareholders' meetings to ensure Director participation and proper execution of Board proceedings and promotes and carries out his responsibilities in the best interests of good governance.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A.3.1	Conduct of Board Meetings	Yes	The Chairman ensures the following: • Approving the agenda for each meeting prepared in consultation with the managing Director and the Company Secretary taking in to consideration matters relating to strategy, performance, resource allocation, risk management and compliance • Sufficiency of information in Board packs and timely availability of the same • All Directors are made aware of their duties and responsibilities and the Board and Committee structures through which it will operate in discharging its responsibilities • Effective participation of both Executive and Non-Executive Directors is secured. All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company • All Directors are encouraged to seek information considered necessary to discuss matters on the agenda of meetings and to request inclusions of matters of Corporate concern on the agenda • Maintaining the balance of power between Executive and Non-Executive Directors • The view of Directors on issues under consideration are ascertained • Ensuring that the Board is in complete control of the Company's affairs and alert to its obligations to all shareholders and other stakeholders
A.4	Availability of financial acumen	Yes	The Board is equipped with qualified Directors in the field of Finance and Accountancy and possesses the necessary financial wisdom. The board has the privilege of having Directors who possess qualifications in the field of Finance and Accountancy to obtain advice and guidance. Finance Division is also well equipped in financial capabilities having qualified Chartered Accountants and experienced personnel to support the Board of Directors.
A.5	Board balance	Yes	The Board consists of 2 Executive Directors and 7 Non-Executive Directors. Each of them brings to the Board, wide experience and the ability to exercise independence and judgment when taking informed decisions.
A.5.1	The Board should include sufficient number of NEDs	Yes	7 of the 9 Directors are Non-Executive Directors, which is well above the minimum number prescribed by this Code.
A.5.2	If the Board includes only 3 NEDs, they should be independent	N/A	
A.5.3	Independence of Directors	Yes	4 of the Non–Executive Directors, which is the majority, are independent in terms of the criteria defined by CSE rule 9.18.1 on Corporate Governance, fulfils the minimum guidelines prescribed by the Code. The Board evaluates the independence yearly using annual declarations (listing rule 9.18.3) submitted by the Directors according to the Code criteria. This process ensures whether such Directors are independent of the management and free of any business or other relationship that could interfere with the exercise of their unfettered and independent judgment.

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A.5.4	Annual declaration of independence of NEDs	Yes	Each Non-Executive Director of the Company has made written submissions as to their independence.
A.5.5	Annual determination of independence of NEDs	Yes	Based on the written submissions made by the following Non-Executive Directors as per Code, the Board deems the said Directors "Independent".
A.5.6	Alternate Directors	N/A	
A.5.7	Senior Independent Director (SID)	N/A	Chairperson's, Managing Director's and CEO's roles have been separated therefore no requirement to appoint a Senior Independent Director.
A.5.8	Confidential discussion with the Senior Independent Director	N/A	
A.5.9	Annual meeting with NEDs	Yes	The Chairman meets with the Non-Executive Directors without the presence of Executive Directors, whenever necessary.
A.5.10	Recording of dissent in minutes	Yes	Company Secretary records any concerns raised by the Directors during the year in Board minutes with sufficient details. Directors' concerns on matters which have not been resolved unanimously are recorded in the Board minutes and Directors have the opportunity to review minutes.
A.6	Supply of Information	Yes	Agenda together with required information is circulated seven days prior to the Board meeting to discharge the Board obligations effectively as a practice.
A.6.1	Management's obligation to provide appropriate and timely information	Yes	Board receives adequate information from the Management in a timely manner. The Board receives regular reports and presentations on strategies and developments in relation to its business lines and performance. The Chairman ensures that all Directors are briefed adequately on issues arising at Board meetings.
A.6.2	Timely submission of the minutes, agenda and papers required for the Board meeting	Yes	Board agendas and necessary Board Papers and minutes are dispatched in advance of the Board meetings. The agenda and papers required for a Board Meeting should be provided to Directors at least 4 days prior to the meeting.
A.7	Appointments to the Board and Re-election	Yes	Appointment of Directors are done in line with the recommendations of the Nominations and Governance Committee.
A.7.1	Establishing a Nomination Committee, Chairman and Terms of Reference	Yes	A Nominations and Governance Committee was formed during the year under review. The Nominations and Governance Committee makes recommendations to the Board on all new appointments to the Board.
A.7.2	Annual assessment of Board composition	Yes	Board as a whole carry out an annual assessment of the Board's Composition to assess the level of skills, experience, qualifications, and knowledge of the Board members to address the growing strategic needs of the Company.
A.7.3	Disclosures on appointment of new Directors	Yes	All new Board appointments as it happens are communicated to shareholders via the Colombo Stock Exchange. A summary of the new Director appointed including the qualifications, experiences, names of the companies in which the Director holds directorships, and memberships in Board Sub Committees is usually given in the Annual Report and whether such Director can be considered 'independent'.
A.8	Directors to submit themselves for re-election	Yes	The Directors are subject to re-election on the basis of longest in office as provided in Articles of Association.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A.8.1	Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their reappointment should not be automatic	Yes	The Articles call for one third of the Directors in office to retire at each Annual General Meeting. The Directors who retire are those who have served for the longest period after their appointment /reappointment. Retiring Directors are generally eligible for re-election.
A.8.2	All Directors including the Chairman of the Board should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years. The names of Directors submitted for election or re-election should be accompanied by a resume minimally as set out in paragraph A.7.3 above, to enable shareholders to make an informed decision on their election.	Yes	Based on the Articles of Association and the current composition of the Board, a Director seeks for re-election, every three years. A reseme of the Directors coming up for re-election at the AGM is available in the Annual Report. The Chairman, Managing Director and Chief Executive Officer does not retire by rotation.
A.8.3	Resignation	Yes	In the event of a resignation of a Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation. Written communications are provided to the Board by Directors who resign prior to completion of his appointed term.
A.9	Appraisal of Board and Sub-Committee Performance	Yes	The performance of the Board and Sub-Committee is reviewed and evaluated by the Board and Chairperson on self-appraisal basis. The Board annually appraises its own performance to ensure that it is discharging its responsibilities satisfactorily. The Board should have in place a formal and rigorous process for annually reviewing the performance of the Board and its Committees and should address any matters that may arise from such review.
A.9.1	The Board should have in place a formal and rigorous process for annually reviewing the performance of the Board and its committees and should address any matters that may arise from such review, in the discharge of its key responsibilities as set out in A.1.2	Yes	The performance of the Board and the Sub-Committee is reviewed and evaluated by the Board and Chairman based on a self-appraisal basis.

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A.9.2	The Board should also undertake an annual self-evaluation of its own performance and that of its Committees. The evaluation should be carried out by each Director individually. The collective outcome should be compiled and made available to Nomination Committee, which should make recommendations to the Board on initiatives and actions required to improve the balance of skills, experience, independence, industry and Company knowledge, training of Directors, governance processes, strategy review and other factors relevant to its effectiveness.	Yes	The Chairman and Remuneration Committee are responsible for evaluating the performance of Executive Directors and committees through an annual self-evaluation of its own performance. The responses are submitted to the Chairman for discussion at a Board Meeting.
A.9.3	The Board should have a process to review the participation, contribution and engagement of each Director at the time of re-election	Yes	Board reviews the participation contribution and engagement of each Director at the re-election.
A.9.4	The Board should state how such performance evaluations have been conducted, in the Annual Report	Yes	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 the evaluation of Board Committees are the performance against their duties referred in respective Committee reports.
A.10	Annual Report to disclose specified information regarding Directors	Yes	Board Profiles Annual Report of the Directors on the Affairs of the Company
A.10.1	Disclosures about Directors	Yes	Name, qualifications, brief profile and nature of expertise of the Directors are given in the Annual Report. Directors' interests in contracts and the number of Board meetings attended by the Directors are available on the page 112 of this Report. Names of the Directors who serve as Chairman or as member of a Board Committee, and their attendance are given on page 158.
A.11	Appraisal of the CEO	Yes	Managing Director evaluates the performance of the Group CEO
A.11.1	Target/goals for the CEO	Yes	CEO is entrusted by the Board to conduct day to day operations effectively to attain strategic targets/goals. CEO/Managing Director's performance targets are aligned with business strategies of the Company. Financial and non-financial targets are set at the beginning of every financial year by the Board which is in line with the short-medium- and long-term objectives of the Company. At the end of each financial year the Board evaluates the set targets and the actual performance.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A.11.2	Evaluation of the performance of the CEO	Yes	The performance of the CEO is evaluated in relation to the achievement of business targets.
B	**Directors' Remuneration**		
B.1	**Establish process for developing policy on Executive and Director remuneration**	**Yes**	**No Director is involved in deciding his or her own remuneration package.**
B.1.1	Remuneration Committee	Yes	The Board has established a HR and Remuneration Committee authorized to evaluate, assess, decide and recommend to the Board, Executive Director's remuneration as per the Terms and Reference of the Remuneration Committee.
B.1.2	Composition of the Remuneration Committee	Yes	HR and Remuneration Committee comprises of Non-Executive/ Independent Directors only.
B.1.3	The Chairman and members of the Remuneration Committee should be listed in the Annual Report each year	Yes	Please refer page 168 of the HR and Remuneration Committee Report for details of the Chairman and members of the Board Remuneration Committee.
B.1.4	Remuneration of Non-Executive Directors	Yes	The Board has the authority on deciding the Non-Executive Directors' remuneration packages which is a collective decision. The Non-Executive Directors are paid a fee for attending Board or other Committee meetings or carrying out other Non-Executive duties based on responsibilities assigned.
B.1.5	Consultation of the Chairperson and access to professional advice	Yes	The Committee has the authority to seek internal and external independent professional advice on matters falling within its purview. Views of the Chairman, Managing Director and CEO are obtained as they too assist and participate in its analysis and deliberations to the said Board Sub-Committee. When deciding on remuneration of Executive Directors, the Committee also obtains advice from the Chairman as necessary.
B.2	**Level and make-up of remuneration**	**Yes**	**The Board together with the HR and Remuneration Committee aims to attract retain and motivate high calibre individuals for top Executive positions.**
B.2.1	The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors of the quality required but should avoid paying more than is necessary for this purpose	Yes	The HR and Remuneration Committee assesses the sufficiency of remuneration of Executive Directors to ensure a strategy of retention. The remuneration levels relative to other companies and performance of the Directors are taken into account when considering the remuneration levels of the Directors. Executive Director including performance of Managing Director is evaluated annually and suitable remuneration levels are decided by the Committee.
B.2.2	Executive Directors' remuneration should be designed to promote the long-term success of the Company	Yes	Executive Directors' and Key Management's remuneration is designed to promote the long-term success of the Company.
B.2.3	Comparison of remuneration with other companies in the Group	Yes	The HR and Remuneration Committee determined remuneration structures with the objective of attracting, retaining and motivating skilled Directors who can drive the Company's strategic agenda. The remuneration levels relative to other Companies and performance of the Directors are taken into account when considering the remuneration levels of the Directors.

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
B.2.4	Determining annual salary increases & employment conditions		The HR and Remuneration Committee considers Remuneration and employment conditions sensitively elsewhere in the Company or the Group of which it is part.
B.2.5	Performance-related payments to the Executive Director	Yes	A transparent, stretching and rigorously applied performance-related elements of remuneration is available for Executive Directors with the objective of providing appropriate incentives to those Directors to perform at the highest level.
B.2.6	Executive share options	Yes	There was no Executive share options scheme offered to any Director.
B.2.7	In designing schemes of performance-related remuneration, Remuneration Committees should follow the provisions set out in Schedule E. The schemes should include provisions that would enable the Company to recover sums paid or withhold a portion of such performance related remuneration and specify the circumstances in which a Company may not be entitled to do so.	Yes	Performance-related Remuneration is designed by the Remuneration Committee based on the provisions set out.
B.2.8	Early termination of Directors	Yes	Not applicable to the Board.
B.2.9	Early termination not included in the initial contract	Yes	In an event of early termination of a Director, remuneration will be concluded based on the scenario.
B.2.10	Remuneration of Non-Executive Directors	Yes	Non-Executive Directors are paid a fee for their services as mentioned in Code B.1.4.
B.3.1	Disclosure of Remuneration	Yes	Related Party Disclosure Note
B.3	**Disclosures related to remuneration in Annual Report**	**Yes**	**The HR and Remuneration Committee operates within agreed terms of reference and is committed to the principles of accountability and transparency. The Company's Annual Report should contain a Statement of Remuneration Policy and details of remuneration of the Board as a whole.**
B.3.1	Disclosure of Remuneration - Names of Directors comprising the Remuneration Committee - Remuneration Policy statement - Aggregate Board remuneration paid	Yes	Annual Report of the Company should contain a statement of Remuneration Policy and details of remuneration of the Board as a whole. Disclosure in the Annual Report about the Remuneration Committee members, statement of Remuneration Policy and aggregate remuneration paid.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
C	**Relations with Shareholders**		
C.1	Constructive use of the AGM and Conduct of General Meetings	Yes	Annual Report of the Directors on the Affairs of the Company and the Group - Annual General Meeting (AGM)
C.1.1	The Notice of AGM and related papers to be sent to shareholders as determined by the Statute, before the meeting	Yes	Notice of the AGM and related documents are sent to shareholders along with the Annual Report within the specified period. The contents of this Annual Report will enable existing and prospective stakeholders to make better informed decisions in their dealings with the Company.
C.1.2	Separate resolution to be proposed for each item and the proxy appointment forms to have options to vote for or against each of the item	Yes	Two-way proxy forms are provided. Separate resolutions are proposed at an Annual General Meeting on each substantially separate issue. A resolution for adoption of the Annual Report of the Board of Directors and the financial statements with the Independent Auditor's Report is proposed separately.
C.1.3	Votes and use of proxy appointments	Yes	The Company ensures that all proxy votes are properly recorded and counted. The level of proxies lodged on each resolution is conveyed to the Chairman.
C.1.4	Availability of all Board Sub-Committee Chairmen at the Annual General meeting	Yes	All Board members which include Chairpersons of all the Board Sub-Committees were present at the AGM to answer any questions coming under the purview of their Committee.
C.1.5	Procedures of voting at General Meetings	Yes	Voting procedures at the General Meetings are circulated to the shareholders.
C.2	**Communication with shareholders**	**Yes**	**Extensive financial and non-financial information of Company's activities are provided to shareholders through the Annual Report and the Interim Reports published on a quarterly basis.**
C.2.1	Channel to reach all shareholders of the Company	Yes	Formal communications with the shareholders are conducted through Notices to shareholders, Annual Report, Quarterly Financial Statements, and general meetings of shareholders. All the financial information such as Annual Reports, Interim Reports are made available to shareholders via CSE website. Shareholders can reach Company Secretaries via telephone or email or post for any correspondence. The active participation of shareholders at the Annual General Meeting is encouraged. The Board believes that the Annual General Meeting is a means of continuing effective dialogue with shareholders.
C.2.2	Policy and methodology for communication with shareholders	Yes	The Communication Policy is implemented through exchange of Memos, Electronic Mail, Board Papers and Presentations. The Company provides fair disclosure with emphasis on the integrity, accuracy, timeliness and relevance of the information provided. The Company has implemented a Corporate Communication Policy that outlines various communication channels aimed at reaching all shareholders of the JAT effectively. This policy ensures the timely dissemination of important information to shareholders, utilizing multiple channels of communication.
C.2.3	Implementation of the policy and methodology for communication with shareholders	Yes	Printed copies of Annual Report are provided to all shareholders on request without charge and soft copies are available in CSE website and Corporate website. All other announcements are also posted on the CSE website and Corporate website.
C.2.4	Disclosure of contact person	Yes	Shareholders can forward their inquiries via electronic media (e-mail, telephone call or in writing) to the Investor Relations Officer to raise queries. Details of Company Secretary are disclosed in Board of Directors - Communication Policy. Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of the Company.

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
C.2.5	Process to make all Directors aware of major issues and concerns of shareholders	Yes	Material issues and concerns of the shareholders are communicated to the Board by Company Management and Executive Directors via Board Meetings.
C.2.6	Contact person in relation to shareholders' matters	Yes	Details of the Investor Relations Officer are disclosed in the CSE website.
C.2.7	The process of responding to shareholder matters	Yes	All shareholder-related material matters are handled promptly and attentively upon being informed.
C.3	**Disclosure of major and material transactions**	**Yes**	**Board has established a process to capture and disclose any material transactions proposed that would alter or vary the net asset position of Company either through its audited financial statements or in interim publication or by making announcement to the Colombo Stock Exchange.**
C.3.1	Disclosure of all material facts involving any proposed acquisition, sale or disposition of assets	Yes	All material and price sensitive information about the Company is promptly communicated to the Colombo Stock Exchange where the shares of the Company are listed, and released to the employees, press and shareholders.
C.3.2	Public listed Companies should in addition comply with the disclosure requirements and shareholder approval by special resolution as required by the Rules and Regulations of the Securities and Exchange Commission and by the Colombo Stock Exchange	Yes	JAT being a public listed Company complies with the disclosure requirements and shareholder approval by special resolution as required by the rules and regulation of the Securities Exchange Commission and by the Colombo Stock Exchange as well as the Companies Act and the Bank's Articles of Association.
D	**Accountability and Audit**		
D. 1	**Financial and Business Reporting**	**Yes**	**The Board presents a balanced and understandable assessment of the Company's financial position, performance business model, Governance structure, Risk Management, internal Controls and challenges, opportunities and prospects.**
D.1.1	True, fair, balanced and understandable presentation of Annual Report including Financial Statements with the relevant laws and regulations	Yes	The Annual Report of the Board of Directors gives an affirmation on Company's compliance with laws and regulations, confirms the going concern assumption and the effectiveness of Internal Control System that is in place.
D.1.2	The Board's responsibility to present a balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators, as well as to information required to be presented by statutory requirements	Yes	The Board is well aware of its responsibility to present regulatory and statutory reporting in a balanced and understandable manner and a statement to this effect is given in the Statement of Directors' Responsibility on page 174 confirming this position. The Company has reported a true and fair view of its financial position and performance for the year ended 31st March 2024 and at the end of each quarter of 2023/24 financial year. The Board ensures that the quarterly and annual Financial Statements of the Company are prepared and published in compliance with the requirements of the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards (LKASs and SLFRSs) and the Rules of the Colombo Stock Exchange.
D.1.3	Statement of CEO and Financial Director responsibility for the Financial Statements	Yes	Chief Executive Officer's and Financial Director's Responsibility Statement.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
D.1.4	Directors Report declarations	Yes	The Annual Report of the Board of Directors on the affairs of the Company is given in this Annual Report which contains the following: • Declaration that the Company has not engaged in activities that contravene laws and regulations of Sri Lanka • Declaration by the Directors on all material interests in contracts involving the Company and has refrained from voting on matters in which they were materially interested • Equitable treatment to shareholders • Compliance with best practices of Corporate Governance • Review of internal controls, Risk Management and reasonable assurance of effectiveness and adherence • Going concern of the business
D.1.5	"Statement of Boards' and Auditors' responsibility for the Financial Statements Statement on internal control"	Yes	Statement of Directors' responsibility provides a statement setting out the responsibilities of the Board for the preparation and presentation of the Financial Statements.
D.1.6	Management Discussions and Analysis	Yes	As per Code D.1.4 management commentary covering all requirements is given in the Financial Capital. A comprehensive coverage of key initiatives undertaken during the year, business model, industry structure and development, opportunities and threats, Risk Management, internal controls and their adequacy, Governance, stakeholder relationship, social and environment protection activities, financial performance, investment in physical and intellectual capital, human resource / industrial relations, sector performances, achievements and prospects for the future. Awards won and certifications received are available in the management discussion.
D.1.7	Summoning an Extra Ordinary General Meeting (EGM) to notify serious loss of capital	Yes	A situation of a serious loss of capital is unlikely to arise.
D.1.8	Related party transactions	Yes	An adequate and accurate disclosure of related party transactions is given in Note 15 to the Financial Statements. The Company adheres to the Listing Rules of the CSE and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (ICASL). The Company Secretary keeps records on Related Party Transactions quarterly.
D.2	**Risk Management and Internal Control**	**Yes**	**The Board has established an effective system of risk management and internal controls to safeguard the assets of the Company. Risk management and internal control provides reasonable assurance regarding the achievement of Company's objectives.**
D.2.1	Annual evaluation of the risks facing the Company and the effectiveness of the system of internal controls	Yes	Internal Auditors have been entrusted to periodically review the adequacy and effectiveness of Risk Management and internal controls of the Company, feedback of which is given to the Audit and Risk Management Committee.

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
D.2.2	The Directors should confirm in the annual report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. The Directors should describe those risks and explain how they are being managed or mitigated	Yes	Please refer pages 150 to 155 in the Risk Management report.
D.2.3	Internal audit function	Yes	Internal Audit division provides independent and objective assurance with respect to the adequacy of the design and operating effectiveness of internal controls and governance process across the Company.
D.2.4	Review of the process and effectiveness of risk management and internal controls by the Audit and Risk Management Committee	Yes	Audit and Risk Management Committee continuously reviewed the effectiveness of risk management process and internal controls and ensured the soundness of the risk management process and internal controls and managed to report any deficiencies and matters to Board with recommendations.
D.2.5	Responsibilities of Directors in maintaining a sound system of internal control	Yes	The Board Statement on Internal Controls complies with the contents in Annexure K of the Code.
D.3	**Audit and Risk Management Committee**	**Yes**	**The Board has established an Audit and Risk Management Committee that operates independently under specified terms of reference covering review of financial reporting aspects, internal controls and maintaining relationship with Company auditors internal and external in accordance with the provisions of this Code and other regulatory requirements.**
D.3.1	Composition of the Audit and Risk Management Committee	Yes	The Audit and Risk Management Committee consists of three Independent Non-Executive Directors. The Committee is chaired by an Independent NED. The Committee met 4 times during the year. The names of members forming the Audit and Risk Management Committee, their participation level, secretary, and invitees of the Committee are disclosed on page 162.
D.3.2	Terms of Reference of the Audit and Risk Management Committee	Yes	The Board approved written terms of reference governs all activities of Audit and Risk Management Committee. The Terms of Reference have been drawn after giving due reference to the "Code of Best Practices".
D.3.3	Disclosures of the Audit and Risk Management Committee	Yes	The External Auditor has provided a Confirmation of Independence in compliance with the "Guidelines for Appointment of Auditors of Listed Companies" issued by SEC. Names of the members of the Audit and Risk Management Committee are given on page 162 under the section on the Composition of the Committee and disclosure on the independence of the Auditors is found on page177 under the Independent Auditors' report.
D.4	**Related Party Transactions Review Committee**	**Yes**	**The Board has established Related Party Transactions Review Committee that operates independently under specified terms of reference covering the review of related party transactions and them being arm's length.**
D.4.1	A related party and related party transactions will be as defined in LKAS 24	Yes	Related Party and Related Party Transaction are defined as per LKAS 24.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
D.4.2	Compositions of the Related Party Transactions Review Committee	Yes	The Committee comprises of 3 Non-Executive Independent Directors. One Independent Non-Executive Director acts as the Chairman of the Committee.
D.4.3	The Committee to have written terms of reference covering the salient aspects as stipulated in the section	Yes	The RPTR Committee has written terms of reference outlining the scope.
D.5	**Code of Business Conduct and Ethics**	**Yes**	**High standards in business conduct and ethics are an integral part of JAT's culture. In keeping with the practiced value system, an Organisation-wide human resource policy document is in place which defines clear HR policies and procedures to the employee.**
D.5.1	Code of Business Conduct and Ethics	Yes	The Directors and members of the Senior Management team are bound by the Code of Business Conduct & Ethics; which is applicable to the JAT. The Code consists of important topics like conflict of interest, bribery and corruption, entertainments and gifts, accurate accounting and record keeping, fair and transparent procument practices, Corporate opportunities, confidentiality, fair dealing, protection and proper use of Company assets, compliance of laws, rules and regulations, and encouraging the reporting of any illegal, fraudulent or unethical behaviour. The Board ensures the compliance with the Code and non-compliance may reasons to go for a disciplinary action. There were no instances of non-compliance with the Code of Ethics by Directors or employees.
D.5.2	The Company should have a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations	Yes	Company has established policy and process to ensure that material and price sensitive information is immediately disclosed to the Colombo Stock Exchange immediately after relevant decisions are made by the Board of Directors. This task is assigned to the Company Secretary and it is a prime responsibility of the Company Secretary.
D.5.3	Process for monitoring, and disclosure of shares purchased by any director, Key Management Personnel or any other employee involved in financial reporting	Yes	Company has established policy and process to ensure that material and price sensitive information is immediately disclosed to the Colombo Stock Exchange immediately after relevant decisions are made by the Board of Directors. This task is assigned to the Company Secretary and it is a prime responsibility of the Company Secretary.
D.5.4	The Chairman must affirm in the Company's Annual Report that a Code of Conduct and Ethics has been introduced Companywide and the procedure for disseminating, monitoring and compliance with that Code. He must also disclose that he is not aware of any violation of any of the provisions of the Code of Business Conduct and Ethics.	Yes	Please refer Chairman's statement in this Report.

GOVERNANCE AND RISK

CORPORATE GOVERNANCE

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
D.6	Corporate Governance Disclosures	Yes	Board of Directors upholds adopting sound Corporate Governance practices while improving the overall governance year on year. The Corporate Governance report provides a comprehensive disclosure of the Company's Corporate Governance framework and practices indicating Code of Best Practices on Corporate Governance issued in 2017.
D.6.1	The Directors should include in the Company's Annual Report, a Corporate Governance Report setting out the manner and extent to which the Company has complied with the principles and provisions of this Code	Yes	This Report from pages 128 to 149 sets out the manner and extent to which JAT Holdings PLC has complied with the principles and provisions of the Code.
E	**Institutional Investors**		
E.1	Shareholders voting	Yes	Institutional shareholders are required to make considered use of their votes and are encouraged to ensure their voting intentions are translated into practice.
E.1.1	Communication with Shareholders	Yes	In order to avoid conflict of interest by nurturing the mutual understanding, the Board carries out dialogues with its shareholders at General Meetings. In this regard, the Annual General Meeting (AGM) and Extraordinary General Meetings (EGM) of the Company plays a critical role. Voting of the shareholders is crucial in carrying a resolution at the AGM/EGM. The Chairman who plays the role of the agent and communicates the views and queries of the shareholders to the Board and the Key and Senior Management in order to ensure that the views are properly communicated to the Company. Investor Relations Officer is available to communicate with shareholders if necessary. Investors and shareholders can directly communicate and share their views and it will be communicated to the Board for necessary actions. Shareholders are provided with quarterly financial statements and the Annual Report, which the Company considers as its principle communication with them and other stakeholders. These reports are also available on the Colombo Stock Exchange. Any information that the Board considers as price sensitive is disseminated to the shareholders as necessary.
E.2	Evaluation of Corporate Governance initiatives	Yes	Matters relating to governance are communicated effectively to all shareholders via the Annual Report and through AGM. Views and other material matters of shareholders are subsequently taken up at Board meetings as necessary.
F	**Other Investors**		
F.1	Investing/Divesting decision	Yes	Individual shareholders are encouraged to carry out adequate analysis and seek independent advice prior to making investments or divestments directly in shares of the Company.
F.2	Individual shareholders voting	Yes	Individual shareholders are encouraged to participate in the Annual General Meeting and to exercise their voting rights.
G	**Internet of Things and Cybersecurity**		
G.1	Internal and external IT devices connected to the Business Model and to identify the consequent cybersecurity risks that may affect the Business	Yes	Connection of internal and external IT devises to the Organisation network has been allowed with necessary access controls and firewalls to safeguard the integrity of information.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
G.2	Cyber Information Security officer and cyber security risk management policy	Yes	Head of IT and ERP continuously monitor and review the security requirements of the Company's information system.
G.3	Discussions on cyber risk management	Yes	This is a regular agenda item of the risk management discussion of the Board and have given due attention.
G.4	Independent periodic reviews and assurance	Yes	Periodic reviews are carried out by the external auditors and consultants and observations are submitted to the Board for review and actions.
G.5	The Board should disclose in the Annual Report, the process to identify and manage cybersecurity risks	Yes	IT Risk assessments are carried out at least annually to identify the risks on the IT environment. Identified risks will be evaluated and proper measures are taken to mitigate or minimise the threats. The Board of Directors shall be updated regarding the controls in place to mitigate cyber-risks, and on possible cyber-risks that the Company is exposed to.
H	**Environment, Society and Governance (ESG)**		
H.1	Principals of Sustainability Reporting	Yes	Sustainability Governance
H.1.1	Provision of information on ESG	Yes	Company has included the environmental, social and governance factors in its business models and provided sufficient information on all aspects in the Annual Report.
H.1.2	The Environment	Yes	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, protection of environment, bio diversity and restoration of natural resources.
H.1.3	Social Factors	Yes	The Company adopts an integrated approach to build strong relationship with community, to building a relationship with customer, and strives towards sustainable development. The Organisation should have policies and procedures to ensure that suppliers and outsourced providers comply with social governance norms of the Company. Sustainability principles related to social factors are embedded in the operations of the Company and initiatives implemented to ensure adherence to social governance by the Company are discussed in this report.
H.1.4	Governance	Yes	The Company established a governance structure to support its ability to create value and manage risks on all pertinent aspects of ESG. Process of managing risks in line with ESG aspects is discussed in the Risk Management Report.
H.1.5	Board's role on ESG Factors	Yes	The Company has followed the Integrated Reporting Framework and the Global Reporting Initiative Guidelines in presenting this Annual Report and has obtained external assurance on the same.

GOVERNANCE AND RISK

RISK MANAGEMENT

Risk Assessment Criteria

Impact/Consequence

Likelihood Occurrence/Frequency	1	2	3	4	5
5	Moderate	Moderate	High	Significant	Significant
4	Low	Moderate	High	High	Significant
3	Low	Moderate	Moderate	High	High
2	Low	Low	Moderate	Moderate	Moderate
1	Low	Low	Low	Low	Moderate

	Focus
Significant	Immediate action required
High	Near-term attention and action required
Moderate	Action required to control the risk
Low	Action required agreed-in-time/No action required

Risk and Risk Rating	Risk rating		Factors Impacting Risk Rating	Mitigation Strategies
	2023/24	2022/23		
Operating environment related risks				
Inflationary pressures				
The price hikes in global commodity prices, and disruptions in supply-chain have all contributed to Sri Lanka's inflation levels. In the short term, this is expected to have an influence on the demand for construction activities as consumers priorities satisfying their essential needs. Price Volatility of Key Raw Materials: Changes to Government policies on material imports and restrictions on usage of raw materials directly impact the cost of production.	Significant	Significant	• Inflation levels • Depreciation of the exchange rate • Consumer sentiments • Disposable income	• Pursued opportunities in the value-for-money segment through product innovations • Introduced product cost efficiencies through the R&D unit through alternative use of materials and substitutes • Targeted marketing promotions to drive demand in selected segments • Relentless focus on cost-saving measures to mitigate the impact of product cost increases"
Political and policy uncertainty				
The Government's tendency to impose strict exchange control regulations, import restrictions and new tax regulations due to the present economic situation in the country, may adversely impact the Group. Socio-Political Risk and Implication: Socio-Political risk is the possibility of instability in a country or the world which would cascade to negatively impacting markets. Unrest of any kind could affect investor attitudes towards the markets in general, leading to disruption of business. Continuity of a cohesive policy towards local business is a key element here.	Significant	Significant	• Corporate governance and business conduct • Regulations pertaining to imports • Economic Stability • Tax Policies • Trade Policies	• Strategic Risk Unit monitors the domestic and global operating environment to identify early warning signs of risks and opportunities which are promptly intimated to the management • Mobilising internal resources to ensure timely response to regulatory changes and maintaining regulatory compliance • Constant engagement with regulatory authorities together with trade chambers and associations, so as to be up to date with new laws and regulations and influence those which adversely impact the economy and the business environment
Increased taxation leading to reduced consumer disposable income				
Soaring inflation and interest rates combined with increased taxation to reduce the disposable income of Sri Lankans. Inflation and interest rates have stabilized towards the end of the year. Customer retention and loyalty might decline, leading to a potential revenue loss.	Significant	Significant	• Customer retention • Loyalty • Disposable income • Inflation and Cost of Living • Economic Conditions	• Promotions • Provide flexible payment options • Adapt product offerings to suit changing needs • Enhance export market presence and place representatives at target locations

Risk and Risk Rating	Risk rating		Factors Impacting Risk Rating	Mitigation Strategies
	2023/24	2022/23		
IT related risks				
IT system and infrastructure risk				
Risks are frequently associated with the implementation of new IT systems and infrastructure including under- or over-provisioning, hardware and software incompatibilities, network issues, unforeseen costs and other hazards.	High	High	• Inadequate security measures or non-compliance with data protection regulations • Financial loss arising from cyberattacks and vulnerabilities • Poor network infrastructure, including unreliable connectivity or insufficient bandwidth • Compatibility issues between different hardware components or software applications • Potential loss of customer and confidential data • Breakdown of systems	• Establishing strong governance structures, rules, and processes for IT risk management • Investments in cutting-edge cybersecurity infrastructure and software • Constant employee education on reducing cybersecurity threats • Regular penetration testing and vulnerability assessment • Design the IT infrastructure to accommodate future growth and changing business needs • Develop contingency plans • Comprehensive backup and recovery systems in place. • Installed a Fire Protection system at the Server Rooms and maintained centralized UPS Rooms and installed Smoke Detectors for the Server Rooms and UPS Rooms
Customer and data privacy				
The unprecedented shift to digital platforms for both employee and customer related processes increases the Company's vulnerability to cyber threats. The enactment of the Personal Data Protection Act during the year has also increased the Group's obligations to protect customer data in a secure manner.	Moderate	Moderate	• Digital shift raises cyber threat risk • IT Infrastructure • Data Collection and Storage Practices • Data Access and Permissions	• Employee Training and Awareness • Secure Data Storage and Transmission • Company-wide information security awareness activities • Regular Audits and Assessments • Compliance with Data Protection Regulations • Safeguarding stakeholder information to prevent any breaches of data confidentiality • Data Backups and Recovery Plans • Regularly Update Systems and Software
Information risk				
Real time accurate information greatly impacts management decisions and a loss of sensitive information may lead to a loss of competitive advantage.	Low	Low	• Management decisions • Competitive advantage	• Implement robust cyber-security measures • Conduct regular employee training on data protection • Use secure communication channels for sensitive information • Limit access to confidential data to authorized personnel • Regularly update and patch software for vulnerabilities • Monitor network activity for unusual patterns • Establish contingency plans for data breaches • Ensure compliance with data protection regulations

GOVERNANCE AND RISK

RISK MANAGEMENT

Risk and Risk Rating	Risk rating		Factors Impacting Risk Rating	Mitigation Strategies
	2023/24	2022/23		
Operational risks				
People related risks				
Soaring inflation will increase pressure on wages, increasing economic hardship for the people. The extreme economic stress can motivate skilled talent to migrate for employment causing a brain drain within the country and companies. This eventually challenged attracting and retaining employees, quality of organizational tacit knowledge and employee know-how..	Significant	Significant	• Employee value proposition offered including attractive rewards, opportunities for training and development, career progression and conducive work environment • Group's employer brand	• Salary increments, incentives and special allowances being continued • Continuous investments in training and development • Opportunities for career progression • Rewards for high-performing employees through an efficient performance management framework • Focus on mental wellbeing through motivational programmed • Job rotation and overseas assignments are offered to employees to develop their leadership qualities • Credibility of grievance mechanisms • Human Resources policies and practices duly updated to reflect relevant and evolving market dynamics
Supply chain disruptions				
The Group's supply chain had a negative impact due to the increased prices in sectors like transportation. Also, the red-sea attacks affected the supply chain operations. This increased the delivery time and costs.	significant	High	• Commercial sustainability of distributor network • Supplier Reliability • Geopolitical factors • Demand volatility	• Supplier relationship management • Backward vertical integration • Inventory optimization through efficient management
Product risk				
Poor quality product manufacturing and delivery significantly affect customer satisfaction and the competitive edge.	High	High	• Relationships with principals in being consistently aware of changes to their product dynamics/ features • Adherence to quality assurance standards • The Group's research and development infrastructure and capabilities	• Facilitating transfer of knowledge and access to state-of-the-art products by maintaining strong relationships with principals • Prioritizing research and development • All processes to be subject to robust quality assurance• Maintaining a portfolio of good quality products supported by strong principals • Prioritizing on marketing and distribution procedures"

Risk and Risk Rating	Risk rating		Factors Impacting Risk Rating	Mitigation Strategies
	2023/24	2022/23		
Reputational risks				
Reputational risks can result from failing to comply with the regulations in labor practices, and environmental protection and also implications through product quality, business and employee conduct and relationships with external stakeholders. The Group renders its services and products to large number of customers and interacts with hundreds and thousands of stakeholders annually, exposing the Group to potential reputational risk.	High	High	• Corporate governance and business conduct • Compliance framework and practices • Organisational culture • Negative effects on total revenue growth • Underlying operating margin • Underlying Earnings per share • Negative impact on work won and secured and probable orders • Quality Assurance	• Ongoing evaluation of compliance level by the Audit and Risk Management Committee • A compliance culture • Strong brand-building initiatives • Strong sustainability practices with ongoing efforts to minimise negative environmental impacts • The availability of an incident and complaint review system to enable corrective actions • Code of ethics and professional conduct is applicable to all directors and employees • Sound governance and comprehensive policy framework are in place to articulate Group's management approach on material topics • Standard operating procedures for key business processes are in place • The Group voluntarily adopted the Environmental, Social and Governance (ESG) framework • Frequent social media surveillance and formulating appropriate responses by a specialist team • Strict monitoring of the practice of The code of ethics of the Company by employees without any exception
Energy risk				
Escalating energy costs resulting in higher overheads and potential disruptions to business operations as well as increased emissions and carbon footprint by utilising fossil fuel based energy sources, contributing the climate change. Transition risks of moving to a low carbon operation in the midst of stakeholder expectations and rapid technology advances in the areas of renewable energy and low carbon strategies.	High	Low	• Rising energy costs • Increased overheads and business operation disruptions • Higher emissions and carbon footprint from fossil fuels • Transition risks to low carbon operations • Stakeholder expectations and technology advances in renewables	• Comprehensive financial and non-financial evaluation undertaken prior to the implementation of initiatives to transition to a low carbon operations • R&D, and process improvements identified in tandem with capital expenditure made on green energy technology and green energy sources such as solar power
Legal and regulatory risks				
Non-compliance can cause loss of reputation and license to operate, and consequently impact sales. Legal and Regulatory Compliance Risk: The potential negative impact on the business due to non-compliances with external regulatory requirements and internal policies and procedures	Moderate	Moderate	• Impacts on sales due to non-compliance with regulations and internal policies • Reputation damage, license jeopardy • Regulatory Changes	• Established a unit to keep abreast of all policy changes, to manage risk and ensure adherence to all regulations • Conduct compliance assessment on a regular basis

GOVERNANCE AND RISK

RISK MANAGEMENT

Risk and Risk Rating	Risk rating		Factors Impacting Risk Rating	Mitigation Strategies
	2023/24	2022/23		
Operational risk and implication				
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The nature of our business renders us vulnerable to several common operational risks including fraud, human error, natural disasters, loss of data and unrequited disclosure of sensitive information.	Moderate	Moderate	• Market conditions • Regulatory environment • Internal processes • Quality Control • Employee Training and Turnover • Equipment Maintenance and Upgrades"	• Conducted frequent progress review meetings for business units to monitor work progress and budgetary controls and accordingly took precautionary actions when and where necessary • Regular monitoring of Company assets Utilization • Internal Audit scope was redirected more towards the safeguarding of assets of the Company and Reviewed the compliance of processes with the Standard Operating Procedure • Compliance with Management System Standards (ISO 9001, ISO 14001, ISO 45001) • Contingency plans are in place to minimise work-stop situations
Principal relationships				
Strong principal relationships are essential in preserving our competitive edge since they influence the quality of products and ensure the continuity of our operations. The Group benefitted from the exceptional support extended by our long-standing principals throughout the year.	Low	Low	• Sales volumes generated • Level of engagement with principals • Product diversification aspirations"	• Proactive interaction with principals in knowledge transfer and market insight sharing • Diversification of risks with continual efforts to deepen our connections by bringing on new principals
Financial risks				
Credit and liquidity risk				
Customers' payment delays or nonpayment may cause liquidity issues that have an impact on the Group's financial performance and stability.	High	High	• Business activity and volume growth • Level of engagement with customers/ dealers • Credit management policies and standards • The creditworthiness and financial health of customers • Economic downturns or instability • Increase in impairment provisions • Debtor write-offs • Increase in cost of collection • Due to low off-take in the market, retailers faced credit limitations, which resulted in payment delays"	• Effective credit control policies with periodic evaluation • Risk management by obtaining adequate security for offered credit • Establish effective systems for monitoring customer payment behavior and follow up promptly on any overdue payments • Maintain healthy relationships with customers • The development of a monitoring threshold for debt exposure at a Group level • Maintain unutilized bank facilities as a safety cushion to meet immediate commitments • Group treasury division is entrusted with monitoring borrowings, payments and maintaining good relationships with banks Liquidity position of the Company is regularly reviewed • Encourage cash sales through special discounts"

Risk and Risk Rating	Risk rating		Factors Impacting Risk Rating	Mitigation Strategies
	2023/24	2022/23		
Finance risk				
Risks arising from losing money on investments made or inability to provide a reasonable return on business ventures.	Moderate	Moderate	• Economic downturns or instability • The Group's debt obligations in terms of floating interest rates exposes it to interest rate risk • The Group is also exposed to foreign exchange rate risk where it has cash flows in foreign currency which are affected by foreign exchange movements • Market conditions	• Implementing cost-cutting measures to improve working capital efficiency • All sectors focus on prudent management of debtors. • Ensuring that long and short term funding are negotiated and sourced at low interest rates • Maintaining sufficient bank facilities and striving for short working capital cycles • The Company ensures that inflation is inbuilt to the pricing strategies of all sectors • Maintain cash reserves • Maintain a proper combination of fixed and floating rates and Effective management of working capital • Close monitoring of new business ventures"
Interest rate risk				
Exposure to interest rate risk may occur when the changes in the market interest rates would negatively impact the financial situation of the organisation.	Low	Low	• High-interest rates • Adjustments to monetary policy of the Central Bank • Alterations in reserve requirements by the central bank • High inflation rates"	• Ongoing engagement and negotiations with banks • Optimising short and long-term debt compositions to minimise impact of interest rate hike • Leverage strong brand and financial strength (as attested by the credit rating of AA(lka) by Fitch Rating) to obtain funding at attractive rates"

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of JAT Holdings PLC has pleasure in presenting their Report on the affairs of the Company which covers the Audited Financial Statements of JAT Holdings PLC, the Audited Consolidated Financial statements of the Group, Chairman's Message, Corporate Governance, Management Discussion and Analysis and all other relevant information for the period ended 31st March 2024. Disclosures that appear in the share information section form part of the Annual Report of the Board of Directors as it is a requirement of the Companies Act No. 07 of 2007, the Colombo Stock Exchange Listing Rules, and Code of Best Practices on Corporate Governance 2017 issued by the Institute of Charted Accountants of Sri Lanka.

The management believes that the Company, its subsidiaries, associates, and joint ventures have sufficient resources to sustain their operations for the foreseeable future, based on the ongoing implementations on risk mitigation and the vigilant monitoring of business continuity and response plans at each business unit level. The Group's future prospects can be found on pages 59 to 99 in the Annual Report.

IMPACT OF MACRO ECONOMIC DEVELOPMENTS

Information on future developments and assessment to the closest possible reality considering the economic stagnation in Sri Lanka and globally applicable to JAT Holdings' subsidiaries, is contained in Chairman's message, Managing Director's Review and Chief Executive Officer's Review sections of this Annual Report.

REVIEW OF OPERATIONS DURING THE YEAR

Chairman's Message (pages 26 to 27), Managing Director's Review (pages 28 to 29), Chief Executive Officer's Review (pages 30 to 31) and Management Discussion and Analysis (pages 59 to 99), describe the Company's affairs and the Group's business, and mention important events that occurred during the year in this Report.

CHANGE OF OWNERSHIP & SHAREHOLDING

Current ownership held is displayed in page numbers 242 of this report.

PRINCIPAL ACTIVITIES

The Company/Group is engaged in manufacturing and trading of furnishing and finishing solutions to the local and export markets.

JAT is the largest distributor in the world for Sayerlack, which is the wood coating brand of The Sherwin-Williams Company.

JAT represents the ever-growing portfolio of brands such as SEAFORM, Harris Brushes, Borma Wachs – wood cosmetics, Herman Miller ergonomic office furniture, Horous – office furniture, Dasso – bamboo flooring, OPPEIN – Kitchens, wardrobes and Vanities along with a range of its own brands for key product categories including WHITE by JAT – brilliant white paint, Brush Master – brushes for wood coating, Masters – wood coatings and J Chem – solvent-based paints.

CORPORATE VISION AND VALUES

The employees of the Group are accustomed to practicing a set of values contained on page 8 of the report, in order to achieve the vision of the company of being the brand of choice to the finishing and furnishing industries in the South Asian Region.

INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the Financial Statements is given on page 177 in this Annual Report.

FINANCIAL STATEMENTS

The Financial Statements of the Company and Group for the year ended 31st March 2024 which have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), are given as part of this Annual Report.

THE FINANCIAL STATEMENTS COMPRISE OF

- Statement of Profit or Loss and Other Comprehensive Income which provides a true and fair view of the profit and loss of the Company and its subsidiaries for the financial year
- Statement of Financial Position which presents a true and fair view of the state of affairs of the company and its subsidiaries as at the end of the financial year
- A Statement of Changes in Equity which presents a true and fair view of the changes in the Company and its subsidiaries retained earnings for the financial year
- A Statement of Cash Flow that presents a true and fair view of the flow of cash of the business for the financial year.

The Directors accept the responsibility for the integrity and objectivity of the financial statements presented. The Directors confirm that the financial statements have been prepared,

- Using appropriate accounting policies that are applied in a consistent manner disclosing and explaining material departures therefrom, if any.
- Presented in accordance with SLFRSs and LKASs
- Reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected
- Provides the information required by and otherwise complies with the Companies Act.

The responsibility of the auditors in relation to the financial statements prepared in accordance with provisions of the Companies Act No. 7 of 2007, is set out in the report of the auditors.

	Group	
As at 31 March	2023/24	2022/23
Revenue	**11,556,354,523**	10,167,326,936
Gross Profit	**3,388,557,860**	3,423,830,996
Total Overhead	**(2,579,086,990)**	(1,618,214,673)
Other Income	**545,837,097**	125,813,099
Net Finance Cost	**(144,798,416)**	(445,425,630)
Income Tax Expense	**(187,265,688)**	(185,082,691)
Net Profit	**1,023,243,864**	1,300,921,100

Financial results of the Company/Group are included on pages 130 to 134. These reports together with the Audited Financial Statements reflect the state of affairs of the Company/ Group.

DISCLOSURES TO ACCOUNTS

Disclosures made by the company are stated on pages numbers 185 to 199 in this report.

ACCOUNTING POLICIES

The accounting policies adopted in preparation of the Financial Statements are provided in detail in the Notes to the Financial Statements on pages 185 to 199. There have been no changes in the accounting policies adopted by the Group during the year under review. The Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) which have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

REVENUE

Revenue generated by the Company amounted to LKR 7,304,020,157 (2023 – LKR 7,161,896,306) while the Group revenue accounted for LKR 11,556,354,523 (2023 – LKR 10,167,326,936). Contribution to Group revenue from the different business segments, is contained in note 23 to the Financial Statements.

PROFIT & APPROPRIATIONS

	Group	
As at 31 March	2023/24	2022/23
Group Profit Before Tax for the twelve months ended 31st March after deducting all expenses, providing for known liabilities and depreciation	**1,210,509,552**	1,486,003,791
Income tax expenses	**(187,265,688)**	(185,082,691)
Non- Controlling expenses	**2,054,083**	(4,345,478)
Profit for the Period	**1,021,189,781**	1,305,266,578
Total other comprehensive Income/ (Loss)	**545,160**	959,975
Balance Brought Forward from the Previous Year	**6,138,539,386**	5,263,420,779
Final Dividend for the Period 2022/23	**250,099,809**	193,954,954
Interim Dividend for the Period 2023/24	**153,122,332**	229,683,498
Total Available for Appropriation	**6,757,052,187**	6,138,539,386
Transfer to Reserve Fund	**-**	-
Total Appropriation	**-**	-
Balance on Group basis to be carried forward	**6,757,052,187**	6,138,539,386
Balance on Company basis to be carried forward	**6,053,260,642**	5,828,321,631

PROPERTY, PLANT AND EQUIPMENT

During the period under review, the Company and the Group invested a sum of LKR 1,918,755,222 (2023 – LKR 339,612,321) and LKR 2,143,206,293 (2023 – LKR 446,960,749) in Property, Plant and Equipment.

Details of Property, Plant and Equipment and Intangible Assets and their movements are given in Notes 6 and 9 to the Financial Statements respectively. Details of Freehold Land and Buildings are given in Note 6.3 to the Financial Statements.

MARKET VALUE OF PROPERTIES

The freehold property of the Company/Group is revalued by an Independent Qualified Valuer when there is a substantial difference between the fair value and the carrying amount of the freehold property. Company/Group reviews its assets once in each reporting date.

DIRECTORS' RESPONSIBILITIES

The Statement of the Directors' Responsibilities is given on page 174 of this report.

DIVIDENDS

An Interim Dividend of LKR 153,122,332.00 was paid on 25th March 2024 for the Financial Year 2023/24 which accounted for LKR 0.30 per share.

The Board of Directors obtained a Certificate of Solvency from the Auditors prior to the date of dispatch of all dividend payments made in accordance with Section 57 of the Companies Act No. 07 of 2007.

As per our internal dividend policy, the Divided payout ratio ranges within 35% to 40%, with an exception this year given the moderation in profitability, which was budgeted for, and attributable to the high investments involved during the year.

In accordance with Section 56 of the Companies Act, the Directors have confirmed their belief that the Company will, immediately after the said distribution is made, satisfy the solvency test in accordance with Companies Act. Following this declaration, the Directors have also obtained the Auditor's certificate affirming the company's solvency.

RESERVES

Group reserves and retained earnings as at 31st March 2024 amounted to LKR 6,732,604,425 (2023 – LKR 6,246,438,711). The break-up and movement are shown in the Statement of Changes in Equity in the Financial Statements.

STATED CAPITAL

Stated Capital as at 31st March 2024 for the Company amounted to LKR 2,395,221,320 (2023 – LKR 2,395,221,320). The movement and composition of the Stated Capital is disclosed in the Changes to Equity and in Note 17 to the Financial Statements.

SHARE INFORMATION

The distribution and composition of shareholders and the information relating to earnings, dividends, net assets, market value per share and share trading is given in the Share Information section of the Annual Report.

As additional disclosures the Company's Board of Directors' shareholdings as of 31st March 2024, market capitalization, public holding percentage and number of public shareholders are given in the share information section of the Annual Report.

MAJOR SHAREHOLDERS

Details of the Company's twenty largest shareholders and the percentages held by each of them are disclosed in the Share Information section of the Annual Report.

EQUITABLE TREATMENT OF SHAREHOLDERS

The Group/Company has at all times ensured that all shareholders are treated equitably

BOARD OF DIRECTORS

The following Directors served on the Board of the Company during the period under review.

- Dr. Sivakumar Selliah – Non-Executive/ Independent Director
- Aelian Gunawardene – Executive /Non-Independent Director
- Nishal Ferdinando – Executive /Non-Independent Director
- Hussain Akbarally – Non-Executive/ Independent Director

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

- Devaka Cooray – Non-Executive/ Independent Director
- Priyanthi Pieris – Non-Executive / Independent Director
- Joycelyn Gunawardene – Non-Executive/ Non-Independent Director
- Anika Williamson – Non-Executive /Non-Independent Director
- Richard Gunawardene – Non-Executive / Non-Independent Director

Brief profiles of the Directors are shown on pages 34 to 35.

The Board comprises 9 Directors; 2 Executive/ Non-Independent Directors, 4 Non-Executive/ Independent Directors and 3 Non-Executive/ Non–Independent Directors to maintain the Board balance.

In accordance with Rule 7.10.2 (b) of the Colombo Stock Exchange (CSE) Listing Rules, Non-Executive Directors have submitted a signed and dated declaration as per the specimen given in Appendix 7A of continuing Listing Rules of CSE.

Three out of the 9 Directors on the Board, 3 are Females which accounts to a composition of 33%.

RETIREMENT AND RE-ELECTION OF DIRECTORS

In terms of Articles 88 (i) and 89 Mr. Hussain Akbarally – Director and Mrs. Joycelyn Gunawardene – Director retires by rotation and offers themselves for re-election at the Annual General Meeting.

BOARD COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE

Following are the names of the Directors comprising the Audit and Risk Management Committee of the Board.

- Devaka Cooray – Chairman/Non-Executive/ Independent Director, a member of the Institute of Chartered Accountants of Sri Lanka
- Dr. Sivakumar Selliah – Member/Non-Executive/Independent Director
- Hussain Akbarally – Member/Non-Executive/Independent Director

The Report of the Audit and Risk Management Committee on pages 164 sets out the manner of compliance by the Company on Internal Control and Risk Management systems in accordance with the requirements of Rule 7.10 and 9 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

HR AND REMUNERATION COMMITTEE

Following are the names of the Directors comprising the HR and Remuneration Committee.

- Dr. Sivakumar Selliah – Chairman/Non-Executive/Independent Director
- Priyanthi Pieris – Member/Non-Executive/ Independent Director
- Hussain Akbarally – Member/Non-Executive/Independent Director

The Report of the HR and Remuneration Committee on page 168 contains a statement of the Remuneration Policy. The details of the aggregate remuneration paid to Executive and Non-executive Directors during the period under review are given in note 15.6 to the financial statements on page 212.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Following are the names of the Directors comprising the Board Related Party Transactions Review Committee:

- Dr. Sivakumar Selliah – Chairman/Non-Executive/Independent Director
- Hussain Akbarally – Member/Non-Executive/Independent Director
- Devaka Cooray – Member/Non-Executive/ Independent Director

The Board of Directors formed the Board Related Party Transactions Review Committee to assist the Board in reviewing all related party transactions in accordance with the requirements of Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

The Report of the Board Related Party Transactions Review Committee on page 165 sets out the manner of compliance by the Company.

INVESTMENTS COMMITTEE

Following are the names of the Directors comprising the Board Investment Committee:

- Devaka Cooray – Chairman/Non-Executive/ Independent Director
- Hussain Akbarally – Member/Non-Executive/Independent Director
- Anika Williamson – Member/Non-Executive/ Non-Independent Director

NOMINATIONS AND GOVERNANCE COMMITTEE

Following are the names of the Directors comprising the Board Nominations and Governance Committee:

- Dr. Sivakumar Selliah – Chairman/Non-Executive/Independent Director
- Devaka Cooray – Member/Non-Executive/ Independent Director
- Priyanthi Pieris – Member/Non-Executive/ Independent Director

A Nominations and Governance Committee was formed during the year under review to regulate appointments, structure, size and competencies of the Board of Directors.

The Report of the Board Nominations and Governance Committee on page 170 sets out the manner of compliance by the Company in accordance with the requirements of the Section 9 of Listing Rules and the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.

INTERESTS REGISTER AND INTERESTS IN CONTRACTS

The Company has maintained an Interests Register as required under the Companies Act No. 7 of 2007.

The Directors have all made general disclosures relating to share dealings and indemnities and remuneration to the Board of Directors as permitted by Section 192 (2) of the Companies Act No. 7 of 2007 and no additional interests have been disclosed by any Director. The Interest Register is available at the Registered Head Office of the Company, in keeping with the requirements of the section 119 (1) (d) of the Companies Act No. 7 of 2007.

DIRECTORATE AND SHAREHOLDING

Shareholding of the Group is stated in Note 242 of this report.

INDEMNITIES AND REMUNERATION

The HR and Remuneration Committee has recommended all approvals pertaining to indemnities and compensation, incorporating insights from market research, expert advice, and the specific management complexities associated with the Company, while aligning with the remuneration policy. The Director fees are in line with the market challenges associated with the Group.

DIRECTORS' REMUNERATION

Executive Directors' remuneration is structured within an established framework by the

Board's Remuneration Committee to whom this task has been entrusted. The Directors are of the opinion that the framework assures appropriateness of remuneration and fairness for the Company. The total remuneration of the Executive Directors for the reporting period ended 31st March 2024 is given on page 129 of this report.

The total fees of Executive Directors and Non-executive Directors which are LKR 56.3 Mn and LKR 18.5 Mn respectively, for the reporting period ended 31st March 2024 are given in page 129 of this report. This includes the board fees, attendance fees and subcommittee fees paid to Non-executive Directors.

RELATED PARTY TRANSACTIONS

The Directors declare that during the year under review there were no related party transactions which required shareholder approval or nonrecurrent related party transactions which required immediate market disclosures in accordance with Section 9 of the Listing Rules of the CSE.

EMPLOYMENT SHARE OPTION PLAN (ESOP)

During the year 2021/22, the Company implemented an Employee Share Option Plan (ESOP) to retain and motivate talented and critical employees for the business; motivate employees to align their self-interests with the best interests of the Company, reward employee performance with ownership in proportion to their contribution, and align individual performance of employees with the Company's objectives.

A total of 13,851,851 shares were allocated for the ESOP where the Exercise Price shall be the price at which the Company made its Initial Public Offering on the Colombo Stock Exchange which is Rs. 27/-.

Participants shall be required to exercise their Options within a window of twelve (12) months immediately after the expiry of three (03) years after the Options are granted.

EMPLOYMENT

The Company has an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability.

Employees are regularly and comprehensively informed about matters of interest and are kept updated on the financial and economic factors that impact the overall performance of the Company. This information is communicated through various management channels, meetings, publications, and internal websites. Additional details about employee engagement, as well as information related to diversity, succession planning, and talent development, can be found in the corresponding section of this report.

Employee ownership of the company is facilitated through the Employee Share Option Plan.

The details of the Group's human resource initiates are specified on page 74 of this report.

The number of persons employed by the Company and Group are as at 31st March 2024 was 346 and 471 respectively.

There have been no material issues pertaining to employees and industrial relations of the Company and the Group.

SUPPLIER POLICY

The Group applies a clear supplier policy where supplier registrations are made subsequent to negotiating and agreeing the payment and delivery terms. Supplier selections are solely based on quality and price decided on calling upon several quotations.

Purchases pertaining to distributorships and agencies are executed based on the agreements signed with the suppliers.

CORPORATE GOVERNANCE

The Company has complied with Corporate Governance rules laid down by The Institute of Chartered Accountants of Sri Lanka. The Corporate Governance Section on pages 109 to 149 describes the good corporate governance principles adopted by the Company.

The company has complied with section 7.10 and 9 of the Listing rules of the Colombo Stock Exchange (CSE) as described on pages 128 to 134.

SUSTAINABILITY

The Group follows a stakeholder governance model to achieve its objectives.

The Group has been able to prioritize material concerns such as conserving natural resources and addressing environmental impacts, alongside addressing other significant issues brought forth by stakeholders like employees, customers, suppliers, and the community. This ability stems from the insights gained through continuous internal stakeholder engagements. These phases have been contained in a Group-wide sustainable development strategy that is constantly evolving based on the stakeholder engagements indicated above.

This Integrated Annual Report includes a comprehensive discussion of the Group's financial and non-financial performance in order to provide stakeholders with holistic information about the Group's value creation proposition through the six forms of capital reported under the International Financial and Non-financial Reporting Standards.

RESEARCH AND DEVELOPMENT

The Group has given immense importance to R&D from the inception of the Company with added emphasis focussed this year with further developments to the state-of-the-art R&D complex at Sri Lanka Institute of Nanotechnology (SLINTEC) utilising advanced testing equipment and service of experienced professional chemists both locally and internationally while collaborating with international laboratories and suppliers. Commencement of the manufacturing of Alkyd resin, which is the main raw material for most of the solvent- based paints was a huge step.

The 'Reverse Engineering Division', which comes under the R&D centre analyses the competitor products and possible product developments in order to upgrade our products and thereby addressing the key points like customer satisfaction and quality enhancements in a more effective manner.

Upon setting up this new facility, all R&D initiatives within JAT Group were centralised and carried out efficiently through this facility. The R&D facility enabled JAT to reduce the dependency on R&D support by existing suppliers, improve collaboration with suppliers' R&D facilities to improve the JAT wood coating product range as well as enhance quality and offer tailor made product solutions to new market segments.

ENVIRONMENTAL PROTECTION

The Group complies with the relevant environmental laws, regulations and endeavours to comply with best practices at all times. An enhanced focus is being given to the ISO 14001:2015, in complying with the Environment Management System.

With the Group's commitment to conserve limited and non-renewable resources, along with its environmental goals and key initiatives, the steps taken by the Company to ensure environmental protection is given under Natural Capital on pages 93 to 99.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

CORPORATE SOCIAL RESPONSIBILITY

The sustainability division of the Company ensures all CSR activities of the Company aligns with United Nation Sustainable Development Goals (UN SDGs).

COMMITMENTS AND CONTINGENCIES

Commitments and Contingent Liabilities of the Group are disclosed in the Note 32 to the Financial Statements on page 231.

EVENTS AFTER THE REPORTING PERIOD

No circumstances have arisen since the Reporting Date, which would require adjustment or disclosure except for the details given in Note 33 to the Financial Statements on page 232.

STATUTORY PAYMENTS

The Board affirms that, to the extent of their awareness, all the company's obligations, including taxes, duties, levies, contributions on behalf of employees, and other statutory dues, that were due and payable by the company as of the reporting date, have been settled or, in certain cases, accounted for, except for certain assessments for which appeals have been lodged.

The declaration relating to statutory payments is made in the Statement of Directors' Responsibility on page 174.

SUBSIDIARIES

The names of the Directors holding office at the end of the reporting period ended 31st March 2024 in respect of the subsidiaries are given below.

Company Name	Directors
Brush Master (Pvt) Ltd	Aelian Gunawardene
	Joycelyn Gunawardene
	Kalidas Nadar Prem Sagar
	Kalidas Prabhu Darshan
	Somasundaram Sivasubramaniam
Worldwide Resins & Chemicals (Private) Limited	Somasundaram Sivasubramaniam
	Mangala Attanayake
	Richard Gunawardene
JAT Exports (Pvt) Ltd	Aelian Gunawardene
	Richard Gunawardene
JAT Exports DMCC	Anika Williamson
JAT Global Private Limited	Anika Williamson
	B. S. Muturaj
	Richard Gunawardene
Asia Coatings (Pvt) Ltd	Richard Gunawardene
	Anika Williamson

RISK MANAGEMENT

Risk identification is an ongoing process which involves engagement with stakeholders and persistent monitoring of the business environment. Risk considerations also form a key input in determining strategy and formulating budgets. The responsibility for managing the Group's risk exposures lies with the Board of Directors who are assisted by the Audit and Risk Management Committee. The report on risk management is included in pages 150 to 155 of this report.

IMPACT OF MACRO ECONOMIC FACTORS AND IMPLICATION TO GROUP'S PERFORMANCE

JAT navigated a dynamic economic landscape influenced by various macroeconomic factors, significantly impacting its performance. One of the primary drivers was the global economic recovery following the disruptions caused by the COVID-19 pandemic. As economies reopened and consumer confidence rebounded, JAT experienced increased demand for its products and services in the construction and home improvement sectors.

However, alongside recovery came challenges. Persistent inflationary pressures, fueled by supply chain disruptions and rising commodity prices, posed hurdles for cost management. JAT had to adapt its pricing strategies to maintain competitiveness while safeguarding profit margins. Furthermore, fluctuations in exchange rates, particularly in key markets where JAT operates, added another layer of complexity. Currency volatility impacted the company's revenues and expenses, necessitating hedging strategies to mitigate risks.

Moreover, governmental policies and regulatory changes, both domestically and internationally, influenced JAT's operations. Shifts in taxation, trade agreements, and environmental regulations shaped the business environment, requiring agility in compliance and strategic planning.

Despite these challenges, JAT demonstrated resilience and adaptability. Through prudent financial management, innovation, and strategic investments, the company capitalized on emerging opportunities while mitigating risks, ultimately sustaining and enhancing its performance in the face of macroeconomic fluctuations.

FUTURISTIC OUTLOOK

In the wake of our commitment to innovation and expansion, JAT proudly presents its futuristic outlook as encapsulated by our recent ventures. The past year marked a significant milestone as we fortified our presence in South Asia with the establishment of an alkyd resin manufacturing plant in Bangladesh and a binder manufacturing plant in Sri Lanka. With a significant focus on research and Development, the Company is focusing on customer satisfaction and retention together with the maximization of efficiency and effectiveness. These strategic endeavours not only signify our dedication to catering to regional demands but also underscore our proactive approach towards enhancing operational efficiency and meeting market dynamics.

Looking ahead, we envisage substantial benefits stemming from these capacity-building initiatives in the forthcoming financial year. With streamlined production processes and localized operations, we anticipate heightened competitiveness and

strengthened market penetration in these regions. Additionally, our foray into the African market represents a pivotal step towards global expansion. By setting up infrastructure tailored to the region's requirements, we aim to capitalize on expanding export opportunities and foster mutually beneficial partnerships.

Moreover, our incursion into the retail market in Bangladesh promises to unlock a new realm of growth prospects. By diversifying our distribution channels and tapping into consumer segments previously untapped, we foresee accelerated market outreach and amplified brand visibility. As we navigate through the horizon of possibilities, JAT remains steadfast in its pursuit of excellence, poised to seize opportunities and drive sustainable growth in the years to come.

GOING CONCERN

The Board of Directors and the Management have formed judgement that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future through the continuous implementation of risk mitigation initiatives, business continuity monitoring, response plans at the business unit level, and the Company's financial stability, and continue to adopt the going concern basis in preparing and presenting these financial statements.

DIRECTORS' DECLARATIONS

The Directors declare that having considered all information and explanations made available to them that,

- the Company complied with all applicable laws and regulations in conducting its business and are aware of changes, particularly to Listing Rules and applicable capital market provisions.
- they have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested
- the Company has made all endeavours to ensure the equitable treatment of Shareholders
- the business is a going concern with supporting assumption or qualifications as necessary
- they have conducted a review of internal controls covering financial, operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith.

The Corporate Governance Report is given under the governance section of this Annual Report.

TRANSFER TO THE SECOND BOARD

Due to the Non-compliance with minimum public holding requirement in terms of Rule 7.13.1 of the CSE Listing Rules, the Company has been transferred to the Second Board with effect from 22nd September 2022.

Consequent to the current Stock Market conditions and world economic downturn, rectification of public holding is not foreseeable in the near future. However, the Board of Directors continuously evaluate the position and will endeavour to take remedial action.

AUDITORS

The Financial Statements for the period under review were audited by Ernst and Young Chartered Accountants who offer themselves for reappointment for the ensuing year. The Directors propose the reappointment of Ernst and Young Chartered Accountants as Auditors of the Company for the year 2024/25 subject to the approval of the Shareholders at the Annual General Meeting.

The Audit and Risk Management Committee reviews the appointment of the Auditor, its effectiveness and its relationship with the Company including the level of audit fees paid to the Auditors. Details on the work of the Audit and Risk Management Committee are set out in the Audit and Risk Management Committee Report.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company or its subsidiaries.

ANNUAL GENERAL MEETING

The 11th Annual General Meeting will be held virtually at the Registered Office of the Company, at No. 351, Pannipitiya Road, Thalawathugoda on 24th June 2024 at 10.00 a.m.

NOTICE OF MEETING

The Notice of the Annual General Meeting to the shareholders is given on page 260.

The Directors are of the view that they have duly discharged their responsibilities as set out in this statement.

Dr. Sivakumar Selliah
Chairman

Aelian Gunawardene
Managing director

By Order of the Board
JAT Holdings PLC

N. I. D. Corporate Services (Pvt) Ltd
Secretaries to the Company

28th May 2024

BOARD COMMITTEE REPORTS

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Devaka Cooray
Chairman
Audit and Risk Management Committee

MEMBERS OF THE COMMITTEE AND MEETINGS HELD

The Committee met 4 times during the financial year.

The Committee consists of 3 Non-Executive Independent Directors

The names, attendance and designations of the Committee members at the meetings was as follows.

MANDATE AND RESPONSIBILITY

ROLE	SCOPE
The Audit and Risk Management Committee (the Committee) is authorized to conduct an independent evaluation of JAT Holdings PLC and its subsidiaries' financial reporting processes in order to provide extra confidence to the Board of Directors regarding the accuracy of its financial statements and processing. The Committee serves as a useful platform to support the Board of Directors in carrying out its duties to guarantee the quality of financial reporting and associated communications to the public and shareholders.	The Committee's overarching goal is to assess the Company's internal control and risk management systems to ensure control and compliance and provide suggestions for improvement to the Board of Directors for adoption. The scope of the Committee includes determining whether the financial statements and disclosures are compliant with Sri Lanka Accounting Standards and discusses the statements compiled with the auditors at the year end audit.
RULE	**OVERSIGHT**
The Board established the Committee in terms of the Code of Best Practice on audit and risk functions issued by the Securities and Exchange Commission of Sri Lanka, Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2017 and section 7.10 and 9 of the Listing Rules of the Colombo Stock Exchange.	The Committee is a Sub-Committee of the Company's Board of Directors, reporting directly to the Board.

Committee member's name	Date of Appointment	Meeting Attendance			
		26.05.2023	03.08.2023	10.11.2023	09.02.2024
Devaka Cooray – Chairman/Non-Executive Independent Director	09.08.2021	√	√	x	√
Dr. Sivakumar Selliah – Member/Non-Executive Independent Director	09.08.2021	√	√	√	√
Hussain Akbarally – Member/Non-Executive Independent Director	09.08.2021	√	√	√	√

Brief profiles of the members of this Committee are stated on pages 34 to 35 of this report.

Attendance by invitation

The Company's Managing Director, Chief Executive Officer, Finance Director and Manager – Internal Audit attend meetings when scheduled as and when required, by invitation.

The Company Secretary acts as the Secretary to the Committee.

FUNCTIONS OF THE COMMITTEE

The Audit and Risk Management Committee has a written terms of reference clearly defining its scope, authority and duties.

Financial Reporting

- Examine and discuss the Group's quarterly and annual financial statements with the Management
- Ensure the Company complies with financial reporting regulations including Listing Rules, the SEC Act, and other relevant financial reporting requirements
- Address the propriety of accounting policies and changes in substantial judgemental matters by the External Auditors in their reports to the Committee on the audit for the year
- Review and monitor the financial reporting process of the Group to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective review
- Ensure that the impacts of new accounting standards are discussed and disclosed in the Financial Statements

Compliance

- Ensure compliance with mandatory, statutory, and other regulatory requirements laid down by the authorities are duly adhered to
- Ensure that the Group follows all applicable laws, regulations, codes, and standards which firmly commits the Company to achieve the highest standards of good corporate governance practice – the Group's Code of Conduct and Ethics include provisions for enforcing compliance norms

Internal Controls and Risk Management

The Board is responsible for ensuring the robustness of the Group's risk management and internal control systems, which include internal and external financial reporting and compliance with all legal requirements. The Audit and Risk Management Committee and the Related Party Transaction Review

Committee support the Board in ensuring the adequacy of the internal control systems.

Non-Executive Directors also meet the external/internal auditors without the participation of the Executive Directors and management in assessing the adequacy and robustness of internal controls. Accordingly, measures are in place to ensure that proper accounting records are prepared and maintained, and that information is disbursed to all relevant stakeholders in a timely manner.

- Ensure the Company's internal control and risk management procedures are adequate to manage and mitigate the risks that may occur in the daily operations of the company and to prevent outflow of material information to unauthorised persons
- Provide a forum for impartial review of internal audit reports, considering their findings and recommendations on significant business risks
- Review and manage various business and operational risks, including finance, legal, regulatory, and strategic risks, ensuring effective mitigation plans for various business units but some of the risks cannot completely eliminated and in this context the remedial measures were taken to manage risks including the related policies
- Assess the Group audit plan for the year and approve the budget and resources needed
- Conduct an assessment of the internal audit function's performance
- Develop and implement sufficient and acceptable internal control systems
- Obtain assurance from CEO and other Key Management Personnel who are responsible for the adequacy and effectiveness of the entity's risk management and internal control systems
- Ensure that the entity's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards

Given the considerable shifts in the Group's external landscape during the year, the Board placed emphasis on the following risk exposures:

- Economic contraction impacting construction sector
- Inflation volatility which declined sharply towards the latter part of the reporting period
- Monetary Policy adjustment by the Central Bank Sri Lanka and Bangladesh Bank
- Impact of trade deficit and foreign exchange liquidity in Sri Lanka and Bangladesh
- Implications of exchange rate volatility in Sri Lanka and all South Asian countries JAT operates in
- Migration of skilled labour
- Interest rate volatility and potential impact on borrowing costs in all countries JAT operates in

Internal Audit

The Audit and Risk Management Committee's authority, responsibilities, and specific duties have been formalized. By this, the Committee will be empowered to examine any matters relating to the financial affairs of the company and to review the adequacy of the internal control procedures, coverage of internal and external audit programs, disclosure of Accounting Policies and compliance with statutory and Corporate Governance requirements. Presently the committee reviews and approves all above as per the internal guidelines set by the Board of Directors.

The internal audit activity will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the definition of internal auditing, the code of ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards).

The primary function of Internal Audit is to strengthen governance, risk management, and control processes by providing assurance on its operational efficiency, reliability of reporting, compliance with laws and/or regulations, safeguarding of assets, and ethical culture. The Internal Audit Department performs risk-based objective assessments to ensure the effectiveness of the internal control environment to enhance and protect organizational value. The Internal Audit Department will provide reasonable assurance, depending on the nature, timing, and extent of procedures performed.

- Ensure that the Internal Audit function is independent of the activities, it audits all areas of the business and that it is performed with impartiality, proficiency and due professional care
- Receive and examine frequent reports from the Group Internal Audit division on the adequacy and efficacy of internal controls and to implement preventative actions to minimize fraud, errors, and procedural violations in the Group, as well as compliance with laws and regulations as well as established policies and processes
- Review and assess the company's system of internal controls for detecting misappropriation of assets and operational inefficiencies
- Review the compliance with financial reporting requirements, information requirements of the Companies Act, and other relevant financial reporting-related regulations and requirements
- Review the compliance with laws and regulations in the company operation process
- Ensure the effectiveness of the company's information technology security and control

Effective discharge of its functions and duties:

During the year, the Committee continued to fulfil its mandate to monitor and review the scope, extent, and effectiveness of the activities of the Internal Audit Department. Internal Audit Division conducted planned audit assignments at the Head Office Departments/Processes, Information Systems, and related processes based on the risk-based Internal Audit Plan approved by the Committee for the year 2023/24. The internal Audit Department also performed other reviews based on the requirements from the audit committee, Management, or based on need.

Internal Audit reports are tabled at the Audit Committee meetings and directions of the Audit Committee are effectively communicated to the Auditees including on follow-up of unresolved audit findings. Recognizing the extraordinary challenges posed by the country's economic conditions, the Internal Audit Department strategically re-evaluated its audit approach to ensure that it is aligned with the dynamic environment. The Internal Audit Department conducted thorough assessments of the potential impact of these changes on the company's operations and risk management strategies and ensured swift action was taken to implement necessary adjustments to audit procedures, as needed. By adopting a forward-looking approach, the Internal Audit Department provides valuable insights to the Audit Committee and Senior Management, to support the company's ability to navigate challenging economic conditions effectively.

Furthermore, the progress of the Internal Audit assignments was measured against the approved Internal Audit Plan for 2023/24. During the year, the Committee reviewed the independence, objectivity, and performance of the Internal Audit Function. This review

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

also included the findings from the Internal Audits completed and the internal audit department's evaluation of the company's internal controls.

External Audits

- Assist the Board by recommending the appointment of the External Auditor in compliance with the relevant statutes and regulations, the service period, the audit fee, and any resignation or dismissal of the auditor
- Assess the independence and performance of the External Auditors and makes recommendations to the Board on the appointment/re-appointment of External Auditors
- Examine and discuss the External Auditors' Letter of Engagement with the External Auditors and management, including the scope of the audit, prior to the start of the audit
- Meet with External Auditors and management before the end of the audit to discuss and agree on the treatment of all audit matters
- Prior to the finalization of the financial statements, meet with the External Auditors without management present to receive their advice on specific concerns and to determine whether they had any areas of concern
- Discuss the audit plan, scope and the methodology proposed to be adopted in conducting the audit with the Auditors, prior to commencement of the annual audit
- Evaluate the procedures established by the Auditors to maintain their independence following the independence guidance set forth in the Institute of Chartered Accountants of Sri Lanka's Code of Ethics
- Assess the performance of the External Auditors using a formal assessment process that included input from the Internal Auditors

The Group's external auditors are Ernst & Young Chartered Accountants, Sri Lanka, which is an audit form approved by the Securities and Exchange Commission of Sri Lanka, and the auditor has not engaged in any services which are in the restricted category as stipulated by the CSE for external auditors.

Measures in place to ensure the independence and objectivity of the external auditors. Written assurance was obtained from the external auditors, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. External auditors have been engaged for the last three financial years since the IPO in 2021 and the current Audit Partner for the last two financial years.

EXPERTISE OF THE COMMITTEE

The Chairman of the Audit and Risk Management Committee is a Fellow Member of the Institute of Charted Accountants of Sri Lanka and the Chartered Institute of Management Accounts of the United Kingdom.

ETHICS AND GOOD GOVERNANCE

The Committee consistently emphasized the importance of maintaining ethical standards among the staff. To achieve this, Code of Ethics and Whistleblower Policy were put in place and are followed by educating and encouraging all staff members. Thorough procedures were implemented to carry out unbiased investigations reported through whistleblowing or discovered through alternative methods. The Whistleblower Policy ensures that the identity of whistleblowers is kept strictly confidential.

SRI LANKA ACCOUNTING STANDARDS

The Committee examined the updated policy decisions concerning the implementation of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) that are relevant to the Company, and provided recommendations to the Board of Directors.

PROGRESS OF IMPLEMENTATION OF SLFRS

The Committee monitored the progress of implementation of SLFRS as per the requirements of Sri Lanka Accounting Standards stipulations and the adherence to the Accounting Standards and will provide regular updates to the Board of Directors. The Committee has sought the assistance of Messers. Ernst & Young to evaluate and examine the current SLFRS policies and procedures implemented by the Company.

ASSURANCE FROM THE CEO AND CFO

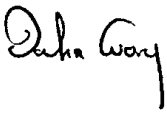
We confirm that the Board has received assurance from both the CEO and the CFO regarding the Group's operations and finances. This assurance underscores our commitment to maintaining robust governance practices and ensuring the integrity and transparency of our financial operations.

UPHOLDING FINANCIAL REPORTING STANDARDS

We assert the compliance with all financial reporting requirements outlined in the relevant regulations, including those stipulated by the Companies Act, the SEC Act, and other relevant financial reporting-related regulations. Our commitment to accuracy, transparency, and adherence to regulatory standards ensures that all necessary information requirements under these rules are met.

MEETING MINUTES/ REPORTING TO THE BOARD

The meeting minutes of the Audit and Risk Management Committee are meticulously documented and are tabled at the Board Meetings enabling all Board Members to have access to same.



Devaka Cooray
Chairman – Audit and Risk Management Committee

28th May 2024

REPORT OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

Dr. Sivakumar Selliah
Chairman
Related Party Transactions Review Committee

MANDATE AND RESPONSIBILITY

ROLE	SCOPE
The Related Party Transactions Review Committee (the Committee) is responsible for independent reviewing of transactions between the Company and its related parties.	The primary objective of the Committee is to assess and consider all transactions with related parties of the Company in line with the Listing Rules of the Colombo Stock Exchange, in order to ensure that related parties are treated on par with other shareholders and constituents of the the Company.
RULE	**OVERSIGHT**
The Board established the Related Party Transaction Review Committee in terms of the Code of Best Practice on related party transactions issued by the Securities and Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange.	The Related Party Transaction Review Committee is a subcommittee of the Company's Board of Directors, reporting directly to the Board.

MEMBERS OF THE COMMITTEE AND MEETINGS HELD

The Committee met 4 times during the financial year.

The Committee consists of three Non-Executive Independent Directors.

The names, attendance and designations of the Committee members at the meetings was as follows.

Committee member's name	Date of Appointment	Meeting Attendance			
		26.05.2023	03.08.2023	10.11.2023	09.02.2024
Dr. Sivakumar Selliah - Chairman/Non-Executive Independent Director	09.08.2021	√	√	√	√
Devaka Cooray - Member/Non-Executive Independent Director	09.08.2021	√	√	x	√
Hussain Akbarally - Member/Non-Executive Independent Director	09.08.2021	√	√	√	√

Brief profiles of the members of this Committee are stated in pages 34 of this report.

Attendance by invitation

The Company's Managing Director, Chief Executive Officer, the Finance Director and the Finance Manager of the Company attend the meetings when required, by invitation.

The Company Secretary acts as the Secretary to the Committee.

FUNCTIONS OF THE COMMITTEE

- Review in advance all proposed related party transactions of the Group prior to the transaction being entered into
- Seek any information the Committee requires from Management, employees or external parties with regard to any transaction entered into with a related party
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified person if required
- Recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction
- Monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the parties concerned
- Review the economic and commercial substance of both recurrent/non-recurrent related party transactions
- Evaluate the transfer of resources, services, or responsibilities among related parties, regardless of whether there is a fee involved
- Review assets disposals between related parties, which may even involve seeking expert guidance from independent professionals on determining the value of the assets
- Establish guidelines for recurrent Related Party Transactions
- Ensure that timely and comprehensive disclosures, both in the immediate market context and within the Annual Report, are provided as mandated by the relevant rules and regulations
- Assess if the related party transaction is reasonable and in the best interests of the Company and its stakeholders
- Advise the entire Board, when deemed appropriate, that shareholder approval for the Company should be sought through a Special Resolution before proceeding with the specified transaction in accordance with Section 9.1 and 9.4 of the Listing Rules, when applicable
- Ensure that the interests of all shareholders are considered when dealing with related parties and avoidance of conflicts of interest
- Ensure that if a Director of the Company has a material personal interest in a matter being considered at a Board Meeting to approve as a Related Party Transaction, the said Director is not present while the matter is being considered at the meeting and does not vote on the said matter

REPORT OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

Other significant transactions of non-listed subsidiaries:

The Committee is informed about the material transactions involving non-listed subsidiaries within the Group. The Group expanded its definition of Key Management Personnel (KMPs) to include all senior decision-makers. Therefore, to promote transparency and improve corporate governance, the Corporate Management Committee of the Company have been appointed as KMPs, in addition to the Directors.

The Committee obtained and reviewed yearly disclosures from all KMPs regarding any Related Party Transactions (RPTs) they were involved in, if applicable. The Committee's activities and perspectives were regularly shared with the Board of Directors on a quarterly basis, both through verbal briefings and by presenting the minutes of the Committee's meetings.

Non-recurrent Related Party Transactions (RPTs) of listed entities:

The Committee ensured that the Management establish suitable protocols to guarantee that any non-recurrent RPTs are submitted to the Committee for prior approval. As a result, the Committee assessed and granted advance approval for all proposed non-recurring RPTs.

Recurrent RPTs of listed entities:

The Committee has approved a set of transactions that aim to make it easier for senior management to disclose and provide assurances regarding their compliance with Section 9.5(a) of the Listing Rules. This allows the Management to avoid the need for the Committee to review and pre-approve certain transactions.

As a result, the Committee reviews recurrent RPTs and report the mentioned disclosures and assurances on an quarterly basis.

POLICIES AND PROCEDURES ON RELATED PARTY TRANSACTIONS

The Committee conducts its activities as per its predetermined standards and is entrusted with the task of reviewing RPTs other than those transactions explicitly exempted under the Code of Best Practice.

The policy ensures that procedures are in place to guarantee that the Company does not engage in any transactions with the related parties in a manner that would be more advantages to such parties.

- When reviewing a transaction, the Committee would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or nonrecurrent in nature
- Review and approval would be either by meeting of members (subject to quorum being present) or by circulation
- Determine whether to obtain the approval of the Board of Directors for a RPT, the Committee will take into account, among other factors it deems appropriate, whether the proposed Related Party Transactions pose a conflict of interest to the Directors
- Ensure that all transactions involved with related parties are in the best interests of all stakeholders, maintain a high level of transparency in the procedures, and adhere to the regulations outlined in the Listing Rules

Reviewing and Communication of Related Party Transactions

The Committee has diligently reviewed all RPTs conducted throughout the financial year and has provided comprehensive feedback and observations to the Board of Directors. Our thorough examination ensures transparency, fairness, and adherence to regulatory standards in all dealings involving related parties. By actively engaging in this oversight process, we uphold the principles of good governance and safeguard the interests of our stakeholders.

Board Assurance

The Board of Directors affirms in the Annual Report that all rules and regulations pertaining to Related Party Transactions have been diligently complied with, reflecting our unwavering commitment to transparency, integrity, and ethical business practices

Non-Recurrent Related Party Transactions

There are no non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Listed Entity in the reporting period.

Recurrent Related Party Transactions

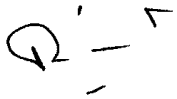
There are no recurrent Related Party Transactions exceeding 10% of the consolidated gross revenue/income of the Group for the reporting period.

TRANSACTIONS DURING THE YEAR

Details of transactions with Related Parties during the year is set out in pages 15 to 221 of this report.

MEETING MINUTES/REPORTING TO THE BOARD

The meeting minutes of the Related Party Transaction Review Committee are meticulously documented and are tabled at the Board Meetings enabling all Board Members to have access to same.



Dr. Sivakumar Selliah
Chairman – Related Party Transactions Review Committee
28th May 2024

REPORT OF THE INVESTMENT COMMITTEE

Devaka Cooray
Chairman
Investment Committee

MANDATE AND RESPONSIBILITY

ROLE	SCOPE
The Investment Committee (the Committee) possesses extensive expertise in the fields of investments, finance, and risk management. The primary role of the Investment Committee is to support the Board in fulfilling its obligation to shareholders and policyholders concerning the management of the investment portfolio. This includes the formulation of comprehensive investment guidelines for both the overall portfolio and specific segments within it.	The Committee reviews investments which fall under 2 categories. 1. Investments related to Company's existing operations, where the quantum of investment planned is more than LKR 50 million 2. Investments in areas outside of the Company's existing operations, irrespective of quantum of investment.
RULE	**OVERSIGHT**
The Board established the Investment Committee based on the recommendation of the majority shareholders.	The Investment Committee is a subcommittee of the Board of Directors of the Company and reports directly to the Board of Directors of the Company.

MEMBERS OF THE COMMITTEE AND MEETINGS HELD

The Committee met 1 time during the financial year.

The Investment Committee consists of 2 Independent Directors and 1 Non-Executive Director.

The names, attendance and designations of the Committee members at the meetings was as follows.

Committee members' name	Date of Appointment	Meeting Attendance 10.05.2023
Devaka Cooray - Chairman/Non-Executive Independent Director	09.08.2021	x
Hussain Akbarally - Member/Non-Executive Independent Director	09.08.2021	√
Anika Williamson - Member/Non-Executive Non-Independent Director	09.08.2021	√

Brief profiles of the members of this Committee are stated on pages 34 to 35 of this report.

Attendance by invitation

The Company's Managing Director, Chief Executive Officer and Finance Director attend the meetings by invitation.

The Company Secretary acts as the Secretary to the Committee.

FUNCTIONS OF THE COMMITTEE

- Manage investment risk and ensure full regulatory compliance
- Advice on exposure limits
- Provide suggestions for mitigating potential risks
- Suggestions for developing the investment plan
- Analyze the performance of the investments
- Assess whether internal and external investment regulations are being followed
- Examine well-known investment opportunities or investments that will significantly alter the Company's organizational structure – these consist of investments in subsidiaries, associates, special purpose vehicles, or associated parties; acquisitions, divestitures, spinoffs, mergers; equity investments (except from trading purposes); debentures; and government securities (apart from investments made to satisfy legal obligations)
- Assess the risks and returns of the Company's investment portfolio

MEETING MINUTES/ REPORTING TO THE BOARD

The meeting minutes of the Investment Committee are meticulously documented and are tabled at the Board Meetings enabling all Board Members to have access to same.

Devaka Cooray
Chairman – Investment Committee
28th May 2024

REPORT OF THE HR AND REMUNERATION COMMITTEE

Dr. Sivakumar Selliah
Chairman
Human Resources And Remuneration Committee

MANDATE AND RESPONSIBILITY

ROLE	SCOPE
The Human Resources and Remuneration Committee (Committee) examines the proposals and recommendations made by the Management on the remuneration package for the Company's Executive Directors and Senior Management and makes the recommendation to the Board for approval. The Committee operates within the Board approved terms of reference and assists the Board of Directors to ensure that the remuneration policies in the Company align with the Company's objectives.	The scope of the Committee also involves, to look into the fees and perquisites of the Chairman, the Managing Director, CEO, and the Independent Directors of the Board.
RULE	**OVERSIGHT**
The Board established the Committee in terms of the Code of Best Practice on remuneration functions issued by the Securities and Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange.	The Committee is a subcommittee of the Company's Board of Directors, reporting directly to the Board.

MEMBERS OF THE COMMITTEE AND MEETINGS HELD

The Committee met one time during the financial year.

The Committee consists of three Non-Executive Independent Directors.

The names, attendance and designations of the Committee members at the meetings was as follows.

Committee member's name	Date of Appointment	Meeting Attendance
		03.05.2023
Dr. Sivakumar Selliah - Chairman/Non-Executive Independent Director	09.08.2021	√
Priyanthi Pieris - Member/Non-Executive Independent Director	09.08.2021	√
Hussain Akbarally - Member/Non-Executive Independent Director	09.08.2021	√

Brief profiles of the members of this Committee are stated on pages 34 to 35 of this report.

Attendance by invitation

The Company's Managing Director, Chief Executive Officer, and General Manager of HR attend these meetings on invitation to participate in the deliberations, except when their own compensation packages are reviewed.

The Company Secretary acts as the Secretary to the Committee.

FUNCTIONS OF THE COMMITTEE

Performance evaluations

- Assess the Managing Director and Key Management Personnel's performance in relation to the predetermined objectives and targets
- Ensure that the compensation component linked to performance is structured and customized to harmonize the interests of employees with those of the Company and its primary stakeholders, all while promoting long-term and sustainable growth

Policy reviews

- Create rules, regulations, and boundaries for the compensation structure of the Company's top-level management team
- Provide advice and policy direction on relevant concerns related to the Company's general areas of human resource management
- Examine executive compensation data periodically to make sure that same aligns with market or industry rates. Approving annual raises, bonuses, and changes in requirements and incentives
- Establish a structured and flexible process for determining the compensation packages for Executive Directors and for fixing the remuneration packages for individual Directors
- Recommend the remuneration payable to the Executive Directors and CEO of the Company and/or equivalent position thereof to the Board of the Company which will make the final determination upon consideration of such recommendations

Promotions and recruitment

- Evaluate and propose promotions for key management personnel to the Board of Directors
- Address succession planning and matters related to the organizational structure
- Provide recommendations to the Board regarding the need for acquiring new expertise for the company
- The Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO

REMUNERATION POLICY

The Company has a philosophy of attracting and retaining high-profile executives. In this context, the Committee considers competition, individual and collective performance, and target attainment while determining the Company's overall remuneration policy.

Remuneration and Other Benefits

The Board as a whole decides on the Non-Executive Directors' salaries based on the Committee's recommendations.

Remuneration of staff is based on the profile of the job holder and encompasses the base salary, benefits and fixed allowances, alongside a variable pay scheme. Such variable pay schemes are designed to drive business goals and have been aligned with the goals of corporate governance.

Non-Executive Directors do not receive any performance-related or incentive payments or share option plans, further they do not have access to retirement benefits, and no Director or employee is eligible for Company loans.

Based on market surveys carried out, the Company, has adopted measures while ensuring internal and external parity, which will support the organization to attract the right talent from external talent pools and retain high performers within the organization. No remuneration is paid to the Non-Executive Directors other than the Directors fees and Sub Committee fees paid for participation in Board meetings and Subcommittee meetings.

The aggregate remuneration of the Executive and Non-Executive Directors

The aggregate remuneration paid to Executive and Non-Executive Directors amounted to Rs. 40.3 and Rs. 18.7 respectively.

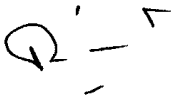
JAT Employee Share Option Plan

An Employee Share Option Plan (ESOP) is available in the Company which was introduced by aligning the Company's goals and objectives with individual performance to motivate employees through equity ownership. The Plan was introduced to selected employees based on position held, seniority, and contribution in terms of strategic and operational importance to the company.

The ESOP scheme, which is enforceable after 3 years of listing, will enable the selected employees to purchase Company shares at the IPO issue price and benefit from the capital appreciation which they would have contributed to, ensuring the individual performance is directly attributable to the mid-term goals of the Company.

Meeting Minutes and Reporting to the Board

The meeting minutes of the Committee are meticulously documented and are tabled at the Board Meetings enabling all Board Members to have access to same.



Dr. Sivakumar Selliah
Chairman – HR and Remuneration Committee
28th May 2024

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

Dr. Sivakumar Selliah
Chairman
Nominations and Governance Committee

MANDATE AND RESPONSIBILITY

ROLE	SCOPE
Assisting the Board to ensure the required balance of expertise of the Board to meet the strategic demands of the Company and the Group is met.	The Nominations and Governance Committee (the Committee) was formed with the main focus of assisting the Board to ensure the required balance of expertise of the Board to meet the strategic demands of the Company and the Group.
RULE	**OVERSIGHT**
The Board established the Nominations and Governance Committee in terms of the Code of Best Practice, nomination functions issued by the Securities and Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange.	The Nominations and Governance Committee is a subcommittee of the Board of Directors of the Company and reports directly to the Board of Directors of the Company.

MEMBERS OF THE COMMITTEE AND MEETINGS HELD

The Committee met one time during the financial year.

The Committee consists of 3 Non-Executive Independent Directors.

The names and designations of the Committee members were as follows.

Committee members' name	The date of Appointment to the Committee
Dr. Sivakumar Selliah - Chairman/Non-Executive Independent Director	20.02.2023
Devaka Cooray - Member/Non-Executive Independent Director	20.02.2023
Priyanthi Pieris - Member/Non-Executive Independent Director	20.02.2023

Brief profiles of the members of this Committee are stated on pages 34 to 35 of this report.

The Company Secretary acts as the Secretary to the Committee.

FUNCTIONS OF THE COMMITTEE

- Consideration of making any appointment of new Directors or re-electing current Directors and other Key Management Personnel as per the established formal procedure
- Provide advice and recommendations to the Board on new appointments and need for new skills and plans for the Directors and Key Management Personnel including succession plans for these positions
- Review criteria such as qualifications, experience and key attributes required for eligibility for appointment to the Board and Key Management in the Company
- Maintain optimum Board balance
- Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities
- Examine the organization's executive and non-executive leadership requirements in order to ensure the organization's long-term growth in a growing market
- Review prospective Director appointments that would ensure that the candidates have no conflict of interest between their job roles and personnel goals in relation to the present and future business plans
- Review Declarations from all Directors and Key Management Personnel, and propose same for Board's approval
- Maintain gender diversity to ensure company goals are achieved in the most effective manner
- Review and recommend the overall corporate governance framework including the related policies are in line with the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices
- Review of Compliance reports submitted by the management to ensure that all practices are as per the Corporate Governance framework of the entity which includes the entity's compliance with provisions of the SEC Act, Listing Rules of the Colombo Stock Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.

Information regarding Directors who are re-elected or being proposed for re-election during the year

Name of the Board of Director	Board Committees served (as a member/ chairperson)	Date of 1st appointment as a Director	Date of last re-appointment as a Director	Directorships or Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities	Any relationship between the candidate and the Directors, the listed entity and the shareholders with more than 10% of the shares
Hussain Akbarally	Non-Executive/ Independent Director	19.06.2016	30.06.2021	-	-
Joycelyn Gunawardene	Non-Executive/ Independent Director	08.06.2015	30.06.2021	-	-

As per the Articles of Association, one-third of the Directors for the time being, or if their number is not a multiple of three the number nearest to (but not greater than) one-third shall retire from office. Provided that a Director appointed to the office of Chairman, Chief Executive, Managing or Joint Managing Director, Manager or other Executive Officer shall not, while holding that office or a Director vacating office in terms of 88 (ii), be subject to retirement by rotation or be taken into account in determining the Directors to retire in each year.

The Directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their last election or appointment, but as between persons who became or were last re-elected Directors on the same day the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Periodic evaluations conducted on the performance of the Board of Directors and the CEO of the Entity

The annual performance evaluation of the CEO and the Board of Directors of the Entity is a transparent and robust process which happens annually by the authorized personnel including the Managing Director of the Group. This ensures that their responsibilities are being discharged of satisfactorily.

A specific, assessment criteria aligned with the roles and responsibilities of the Board of Directors and the CEO is being followed annually which includes, leadership, strategic direction, risk management, financial performance, stakeholder relations, board composition, diversity, director independence, committee effectiveness and adherence to corporate governance principles.

Processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity

The Company informs the Independent Directors of major issues relating to the entity at a Board meeting by submitting a Board Paper. There were no major issues that required Board attention during the year in review.

Board Diversity

Board diversity is an integral consideration to ensure Board performance is at the highest level. Please refer page 34 to 35 for information on the Directors range of experience, skills, age and gender.

Induction and Training

A procedure is in place to carry out orientation for newly appointed Directors primarily led by the Chairman in order to ensure a sound understanding of the corporate governance requirements, the applicable laws.

Directors are updated quarterly on new laws and regulations and changes to existing laws and regulations including those relating to governance.

The criteria for determining independence of the Directors

All Directors submit annual declarations on independence/non-independence in accordance with the Articles of Association, stipulations of the Listing Rules of the Colombo Stock Exchange. The Independence is determined against the criteria set out in the Code of Best Practice on Corporate Governance (2017) and all Directors satisfy the criteria of being independent in character and judgement and be free of any relationships or circumstances which could affect independent judgement.

Ensuring Compliance

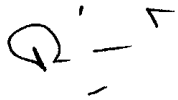
The Directors confirm that to the best of their knowledge belief that all statutory payments, duties and levies payable by the Company and its subsidiaries in relation to regulatory and statutory authorities that were due in respect of the Company and its subsidiaries as at the balance sheet date have been duly paid where relevant provided for.

POLICIES AND PROCEDURES

The Committee conducts its activities as per its policy and guidelines. The policy ensures that the procedures are in place to guarantee that the appointments to the Board and other related governance processes are happening in the most accurate and reliable way.

MEETING MINUTES/REPORTING TO THE BOARD

The meeting minutes of the Committee are meticulously documented and are tabled at the Board Meetings enabling all Board Members to have access to same.



Dr. Sivakumar Selliah
Chairman – Nominations and Governance Committee
28th May 2024

BOARD OF DIRECTORS – COMMUNICATION POLICY

POLICY STATEMENT

JAT Holdings PLC values the input and insights of all its stakeholders, including lenders, creditors, shareholders and borrowers and other interested parties and believes that effective communication strengthens the role of the Company's Board of Directors as an active, informed and engaged body. To facilitate communication, this policy outlines the procedures for communicating with the Board, its Committees and its members.

This policy is regularly reviewed to ensure it aligns with the communication best practices.

The company has established a Communication Policy that outlines various communication channels aimed at ensuring that all company stakeholders receive timely information.

The Company's Communication Policy clearly outlines the need for efficient and punctual communication.

This policy has been approved by the Board of Directors and has become effective from 31st of March 2016. The Board of Directors will oversee this policy and will review it and may recommend any changes from time to time. The Board can modify this policy unilaterally at any time without notice.

The Communication Policy is designed to ensure that stakeholder communication is carried out efficiently, and the Board regularly assesses and updates the policy to enhance its scope and effectiveness in policy implementation.

DISCLOSURES OF MAJOR AND MATERIAL TRANSACTIONS

The Communication Policy ensures that the Company complies with SEC and CSE regulations by disclosing significant and substantial transactions to shareholders. The Company has a well-established process for meeting these obligations. No transactions have occurred that would significantly impact the Company's assets, and there have been no major related party transactions, except for those already disclosed, which include Shareholder engagement and voting, Statement of Compliance, and Related Party Disclosures.

COMMUNICATION TO THE BOARD

Stakeholders and other interested parties can communicate with the Board as a whole, the Independent Directors or any individual member of the Board or any Committee of the Board. All such written communications should be submitted by mail to the following address.

No. 351, Pannipitiya Road, Thalawathugoda, Sri Lanka

PROCEDURES FOR HANDLING COMMUNICATIONS TO THE BOARD

The Board has designated the Company's Board Secretary as its agent to receive and review written communications addressed to the Board, any of its Committees, or any Board member or group of members. The Board Secretary may communicate with the sender for any clarifications. In additions, the Board Secretary will promptly forward to the Chairman of the Audit Committee any communication regarding legal, ethical or compliance issues by management or any other matter deemed by the Board Secretary to be potentially material to the Company.

As an initial matter, the Board Secretary will determine whether the communication is a proper communication for the Board. The Board Secretary will not forward to the Board, any Committees or any Director communications of a personal nature or not related to the duties and responsibilities of the Board, including without limitations, junk mail and mass mailings, business solicitations, opinion survey polls or any other communications deemed by the Board Secretary to be immaterial to the Company.

Separately, the parent Company's Audit and Risk Management Committee has established a Group Whistleblowing Policy for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters, fraud and unethical business practices, sexual harassment/ misconduct, racial or religious discrimination and the confidential, anonymous submission by employees or any other concerned persons of concerns regarding questionable practices or events that would be harmful to the Company's progress and reputation.

By Order of the Board,
JAT Holdings PLC

N.I.D. Corporate Services (Pvt) Ltd
Secretaries to the Company

28th May 2024
Colombo

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

The Financial Statements of JAT Holdings PLC and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) as at 31st March 2024 are prepared and presented in conformity with the following requirements:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (LKAS and SFRS)
- Companies Act No. 07 of 2007
- Continuing listing requirements of the Colombo Stock Exchange
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission Sri Lanka
- Acts, Circulars, Gazettes issued by the Taxation Authorities for Corporates
- Exchange Control Act No. 22 of 2017

The formats used in the preparation of the Financial Statements and disclosures are made in compliance with the formats prescribed by the Sri Lanka Accounting Standards. Additionally, the requirements as per the laws of the countries where the foreign subsidiaries are domiciled are abided by.

The Accounting Policies used in the preparation of the Financial Statements are appropriate and are consistently applied by the Group. There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation, and material departures, if any, have been disclosed and explained. Significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the External Auditors and the Audit and Risk Management Committee.

The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements were made on a prudent and reasonable basis, in order to ensure that the Financial Statements are reflected in a true and fair manner and the form and substance of transactions and the Company's state of affairs are reasonably presented. We also confirm that the Group has adequate resources to continue in operation and has applied the going concern basis in preparing these Financial Statements.

JAT is in responsible for creating, implementing, and sustaining internal controls and procedures within the company. To ensure this, the Company and the Group have taken proper and sufficient care in installing a system of internal controls and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis.

The Internal Audit Department has conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company and the Group were consistently followed.

The Company affirm that there were no significant inadequacies or substantial weaknesses in the way internal controls are established and executed, especially in detecting fraudulent activities involving management or other staff.

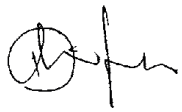
However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Audit and Risk Management Committee holds meetings with the internal audit team and the independent external auditor. In order to maintain full independence, both the external auditor and internal auditors have unrestricted access to the members of the Audit and Risk Management Committee for discussing significant issues. The Audit and Risk Management Committee reviewed all of the internal and external audit and inspection programmes, the efficiency of the internal control systems and procedures, the quality of accounting policies and their adherence to statutory and regulatory requirements, the external audit plan and the management letters, are also followed up on any issues raised during the statutory audit, the details of which are given in the Audit and Risk Management Committee Report on page 164 of this Annual Report.

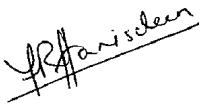
The Financial Statements of the Company and the Group were audited by Messrs. Ernst & Young Chartered Accountants, Sri Lanka and their Report is given on pages 177 of this Annual Report.

We confirm that:

- the Group has complied with all applicable laws and regulations and prudential requirements,
- there are no material non-compliances,
- there are no material litigations that are pending against the Group other than those disclosed in Note 32 of the Financial Statements of this Annual Report,
- All taxes, duties, levies and other statutory payments by the Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Group as at 31st March 2024 have been paid, or where relevant provided for.



Nishal Ferdinando
Director/Chief Executive Officer



Rizna Dilshard
Finance Director

28th May 2024
Colombo

STATEMENT OF DIRECTORS RESPONSIBILITY

The Directors are responsible under sections 150 (1), 151, 152 (1) and 153 of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out therein and to prepare Financial Statements for the twelve months financial period ended 31st March 2024 giving a true and fair view of the state of affairs of the Company and the Group and of the profit of the Company and the Group for the said financial period.

The Directors are also responsible, under Section 148, for ensuring that proper accounting records are kept enabling, determination of financial position with reasonable accuracy, preparation of Financial Statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently and where necessary changes to accounting policies have been made with adequate disclosures while reasonable and prudent judgements have been made so that the forms and substance of transactions are properly reflected.

The financial reports include the following

1. A Statement of Comprehensive Income for the Company and its subsidiaries, offering an accurate representation of their financial performance during the fiscal year
2. A Statement of Financial Position, providing an accurate representation of the Company and its subsidiaries' financial status at the end of the fiscal year.

The Directors confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs), Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange and Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). Further, the Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors have several key responsibilities

- Maintain accurate accounting records that provide a reasonably precise view of the Group and Company's financial status. This ensures compliance with relevant laws and regulations and allows auditors to thoroughly review the financial statements
- Establish an ongoing system for identifying, assessing, and managing significant risks that the Company faces and regularly review the effectiveness of this system
- Take reasonable measures to protect the assets of the Company and the Group, as well as to prevent and detect instances of fraud and other irregularities and maintaining the integrity of publicly available statutory and audited information
- Ensure that appropriate accounting policies are consistently selected and applied

The Board of Directors acknowledges accountability for the integrity and impartiality of the Financial Statements provided.

The Directors are of the opinion, based on their knowledge of the Company, key operations and specific inquiries that adequate resources exist to support the Company and the Group on a going concern basis over the next year. These Financial Statements have been prepared on that basis.

The Directors have taken reasonable measures to safeguard the assets of the Company and the Group and in that context have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

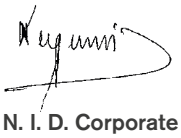
The Board of Directors declared one interim dividend for the twelve months' period ended 31st March 2024 in terms of the Articles of Association of the Company and in line with Section 56 of the Companies Act No 07. of 2007. The solvency test was satisfied immediately after such distribution in accordance with Section 57 of the Companies Act No 07. of 2007 and have obtained in respect of dividends paid, necessary certificates of solvency from the External Auditors.

The External Auditors, Messrs. Ernst & Young, Chartered Accountants, who will be proposed to be reappointed as the Auditors of the Company at the Annual General Meeting were provided with every opportunity to undertake the inspections, they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on pages 177 sets out their responsibilities in relation to the Financial Statements. The Board has recommended the Messrs. Ernst and Young, Chartered Accountants be reappointed as Auditors for the year 2024/25.

COMPLIANCE REPORT

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

By Order of the Board
JAT Holdings PLC



N. I. D. Corporate Services (Pvt) Ltd
Secretaries to the Company

28th May 2024

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

The following statement fulfils the requirement to publish the Directors' Statement on internal control as per principle D.2.4. the Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka.

The Board of Directors is responsible for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and Group. This process includes enhancing the system of internal controls as and when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by the Board.

The internal control system can offer a reasonable but not absolute assurance when it comes to detecting significant errors or fraudulent activities.

The Board believes that the existing internal control mechanisms implemented comprising internal checks, internal audits, risk management policies, and financial and other controls are adequate. This system is designed in a way that provides an assurance in protecting assets and ensuring that transactions are appropriately authorized and accurately recorded. This design aims to either prevent or identify significant errors and irregularities within a reasonable timeframe.

In addition, the Board has formed several committees, including the Audit and Risk Management Committee, HR and Remuneration Committee, Related Party Transaction Review Committee, Investment Committee, and Nominations and Governance Committee. These Committees play a vital role in enhancing the effectiveness and reliability of internal control system and risk management procedures.

The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting, and the preparation of Financial Statements for external purposes are in accordance with relevant accounting principles and regulatory requirements. The Board has implemented the following to obtain reasonable assurance that proper systems of internal controls are in place:

- Various committees instituted to assist the Board in ensuring the effectiveness of Company's operations and the operations are in accordance with the corporate strategies, annual budget and policies, taking into consideration the business environment and internal operating conditions.
- The Internal Audit Department ensuring the efficiency and effectiveness of the Company's Internal Control System. The Internal Audit Department reviews and reports on the internal control environment in the Company and also the department monitors compliance with policies and procedures, and their suitability of design and effectiveness on an ongoing basis. Audits are carried out on all subsidiaries in accordance with the annual audit plan approved by the Audit and Risk Management Committee. Findings are submitted to the Audit and Risk Management Committee for review at their periodic meetings.
- Continuous monitoring by the Internal Audit Department of the internal control system over financial reporting to mitigate the risk of misrepresentation of financial reporting. The Company regularly assess and enhance the procedures and controls associated with important accounts and disclosures in the financial statements.
- The Audit and Risk Management Committee approvals on the annual audit plan, review of internal control issues identified by the Internal Audit Department, the Independent External Auditors, regulatory authorities, and the management and evaluation of the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits. The minutes of the Audit and Risk Management Committee meetings are tabled at the Board meetings.
- The adoption of new Sri Lanka Accounting Standards comprising LKAS and SLFRS in 2023. Processes that are required to comply with new requirements of recognition, measurement, presentation and disclosures were introduced and implemented. Continuous monitoring is in progress to ensure effective implementation of the required processes.
- The comments made by External Auditors in connection with the internal control system during the financial year taken into consideration and appropriate steps taken to incorporate them where appropriate.

CYBER SECURITY

The organization has embraced a more technology-oriented approach, leading to greater dependency on cyber connectivity. In this modern era, safeguarding and preserving the organization's valuable information assets has become a top concern. The Board of Directors has implemented essential measures to mitigate the risk of a security breach. In the past year, proactive measures were implemented to control the risk of cyberattacks by reducing the areas susceptible to threats and potential vulnerabilities that could be exploited.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors, Ernst & Young, have examined the Directors' Statement on internal control over financial reporting in the Annual Report for the year ending 31 March 2024. They have informed the Board that, based on their assessment, they have not identified any issues that would lead them to believe that the statement contradicts their understanding of the process adopted by the Board in the design and effectiveness of the Company's financial reporting internal controls.

CONCLUSION

The board acknowledges that the implemented systems are meant to manage, not completely eliminate, the risk of failing to meet business objectives. These systems offer reasonable, but not absolute, assurance against significant financial errors or losses. The company has insurance and physical safeguards in place to protect its major assets and minimize potential losses in the event of unexpected adverse events. The Board of Directors and management reassessed operational and financial risks and evaluated any noted modifications on internal controls.

The Board of Directors confirm that the financial reporting system of JAT Holdings PLC has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance with the Sri Lanka Accounting Standards, requirements of the Company's Act No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

Dr. S. Selliah
Chairman – JAT Holdings PLC

Devaka Cooray
Chairman – Audit and Risk Management Committee

28th May 2024

UNBOUNDED FORTITUDE

Augmented Resilience and Secured Commitment

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

Building a better working world

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JAT HOLDINGS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JAT Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2024, and statements of Profit or Loss and Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes. to the financial statements, including material accounting policy information. 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 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, 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
Revenue from contracts with customers	
During the current financial year, the Group recognized revenue of Rs. 11,556 Mn which represents a 14% increase when compared with the prior financial year from sales arrangements for products and services provided by the group's entities as disclosed in Note 23 and recognised as per the group accounting policy mentioned in Note 3.18.1 to the financial statements. A significant amount of the increase in revenue recorded during the current year is arising from multiple group locations based outside of Sri Lanka. Revenue was a key audit matter due to: • The materiality of the balance and the geographical spread of the group operations • high volume of transactions and significant increase recorded during the current year • Consideration of revenue as a key financial performance measure linked to the achievement of performance targets and management incentive schemes	Our audit procedures included the following key procedures; We identified the group entities that generated significant revenues and performed the following key procedures, with the involvement of component auditors, where relevant; • Understood the nature of revenue contracts entered by group entities • Evaluated the design of internal controls and tested the operating effectiveness of the key controls over the recognition of revenue. Our procedures included testing the general IT control environment and key IT application controls relating to most significant IT systems relevant to revenue • Performed inquiries of management and appropriate analytical procedures over revenue transactions throughout the financial year to understand and assess the reasonableness of the reported revenues • Tested the appropriateness of revenue recognised for the period by reviewing the relevant contracts with customers and other related supporting evidence • Tested revenue cut-off at the period- end date to determine whether transactions are recorded in the proper period and to the proper accounts We also assessed the adequacy of the disclosures in respect of revenue in Note 3.18.1 and 23 to the financial statements

INDEPENDENT AUDITOR'S REPORT

Existence and valuation of inventories	Our audit procedures included the following key procedures;
As disclosed in Note 12 to the financial statements, the carrying value of inventories amounted to Rs. 2,884 Mn which accounts for 20% of the total consolidated assets. A significant amount of inventory is located in multiple group locations based outside of Sri Lanka. The existence and valuation of inventories was a key audit matter due to the: • The materiality of the balance and the existence of inventory at multiple geographical locations • Judgements applied by the management in valuing the inventories on hand and in determining the provision for slow-moving and obsolete inventory based on the group accounting policy mentioned in Note 3.11 to the financial statements	We identified the group entities that have significant inventory balances as at 31 March 2024 and performed the following key procedures, with the involvement of component auditors, where relevant; • Obtained an understanding of the types, forms and usability of inventories maintained by the entity, together with key processes and controls relating to the management and measurement of inventories and tested relevant key controls • Observed physical inventory counts and reconciled the count results to the inventory reports that support the reported balance as at the reporting date • Tested whether inventories were stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices of such items and assessed the reasonableness of judgements applied by the management in recording inventories at net realizable value • Tested the age analysis and shelf life of inventories considered by management for purposes of determining the allowance for slow-moving and obsolete inventory including assessing the reasonableness of judgements applied by the management. We also assessed the adequacy of disclosures made in relation to inventories, and related allowances in Notes 3.11 and 12 to the financial statements.

Other Information included in the 2023/24 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 for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism 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 relevant

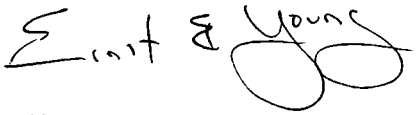
ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 7752.



28 May 2024
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	6	3,631,260,418	1,979,440,089	3,343,337,028	1,872,397,657
Right-of-use assets	7	116,020,774	76,080,912	81,693,669	23,620,842
Investment properties	8	668,023,780	-	216,635,216	-
Intangible assets	9	160,517,690	18,941,870	152,829,001	11,157,602
Investments in subsidiaries	10.1	-	-	1,013,620,803	633,275,240
Consumable biological assets	11	72,267,944	68,830,578	72,267,944	68,830,578
Net Investment in the lease	10.2	130,588,285	138,183,850	130,588,285	138,183,850
Other Investment	10.3	77,495,664	59,489,052	77,495,664	59,489,052
Deferred Tax Receivable	21	7,003,465	-	-	-
Advance paid for investment properties	14	-	715,298,499	-	218,823,451
		4,863,178,020	3,056,264,850	5,088,467,610	3,025,778,272
Current assets					
Inventories	12	2,884,443,016	3,511,755,816	2,270,292,871	2,681,493,784
Income tax recoverable		46,476,961	-	42,739,408	-
Trade and other receivables	13	4,318,348,208	3,670,323,743	2,642,624,852	2,411,654,625
Advances and prepayments		996,844,095	1,590,711,826	889,168,349	1,508,332,929
Net Investment in the lease	10.2	1,716,601	1,522,505	1,716,601	1,522,505
Amounts due from related parties	15.1	62,463,305	15,466,305	275,922,920	222,508,575
Short term financial assets	16	1,051,395,258	887,203,460	774,375,557	618,217,309
Cash and cash equivalents	17.1	224,206,247	275,833,478	88,338,022	115,240,932
		9,585,893,691	9,952,817,133	6,985,178,580	7,558,970,659
Total assets		14,449,071,711	13,009,081,983	12,073,646,190	10,584,748,931
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	18	2,395,221,320	2,395,221,320	2,395,221,320	2,395,221,320
Retained earnings		6,757,052,187	6,138,539,386	6,053,260,642	5,828,321,631
Foreign currency translation reserve		(24,447,762)	107,899,325	-	-
Equity attributable to equity holders of the parent		9,127,825,745	8,641,660,031	8,448,481,962	8,223,542,951
Non-controlling interest		(12,543,373)	(13,807,358)	-	-
Total equity		9,115,282,372	8,627,852,673	8,448,481,962	8,223,542,951
Non-current liabilities					
Interest bearing loans and borrowings	19	114,115,432	57,376,938	72,450,294	14,616,309
Retirement benefit obligation	20	92,978,812	74,142,249	90,894,582	72,827,983
Deferred tax liability	21	55,986,311	58,885,477	55,986,310	55,170,522
		263,080,555	190,404,664	219,331,186	142,614,814
Current liabilities					
Trade and other payables	22	2,275,741,041	2,516,304,370	1,193,493,580	830,839,982
Amounts due to related parties	15.2	-	-	26,124,847	-
Interest bearing loans and borrowings	19	2,674,439,532	1,557,543,932	2,186,214,616	1,355,896,675
Income tax payable		120,528,211	116,976,344	-	31,854,509
		5,070,708,784	4,190,824,646	3,405,833,043	2,218,591,166
Total equity and liabilities		14,449,071,711	13,009,081,983	12,073,646,190	10,584,748,931

It is certified that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Rizna Dilshard
Finance Director

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

Dr. Sivakumar Selliah
Chairman

Aelian Gunawardene
Managing Director

The accounting policies and notes on pages 185 to 239 form an integral part of these financial statements.
Colombo
28th May 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March	Note	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Revenue from contracts with customers	23	11,556,354,523	10,167,326,936	7,304,020,157	7,161,896,306
Cost of sales		(8,167,796,663)	(6,743,495,940)	(4,850,032,154)	(4,330,928,805)
Gross profit		3,388,557,860	3,423,830,996	2,453,988,003	2,830,967,501
Other income	24	545,837,097	125,813,099	277,511,872	335,770,973
Selling and distribution expenses		(1,296,373,315)	(856,928,928)	(1,029,234,975)	(831,215,001)
Administrative expenses		(1,282,713,674)	(761,285,745)	(1,020,909,601)	(625,605,788)
Results from operating activities		1,355,307,968	1,931,429,422	681,355,299	1,709,917,686
Finance cost	25	(251,276,134)	(573,853,513)	(187,046,077)	(443,119,175)
Finance income	26	106,477,718	128,427,883	134,328,895	102,013,564
Profit before tax	27	1,210,509,552	1,486,003,791	628,638,117	1,368,812,074
Income tax expense	28	(187,265,688)	(185,082,691)	(1,253,833)	(84,487,111)
Profit for the year		1,023,243,864	1,300,921,100	627,384,284	1,284,324,964
Profit for the period attributable to:					
Equity holders of the parent company		1,021,189,781	1,305,266,578	627,384,284	1,284,324,964
Non-controlling interest		2,054,083	(4,345,478)	-	-
		1,023,243,864	1,300,921,100	627,384,284	1,284,324,964
Other comprehensive Income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Currency translation of foreign operations		(133,073,384)	11,604,624	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(133,073,384)	11,604,624	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gains/(losses) on defined benefit plans	20.1	814,303	1,230,255	1,109,810	1,138,426
Income tax effect	21	(332,943)	(250,454)	(332,943)	(250,454)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax		481,360	979,801	776,867	887,972
Other comprehensive income for the period, net of tax		(132,592,024)	12,584,425	776,867	887,972
Total Comprehensive loss for the year, net of tax		890,651,840	1,313,505,525	628,161,151	1,285,212,936
Total Comprehensive Income attributable to:					
Equity holders of the parent company		889,387,855	1,317,828,654	628,161,151	1,285,212,936
Non-controlling interest		1,263,985	(4,323,129)	-	-
		890,651,840	1,313,505,525	628,161,151	1,285,212,936
Basic/Diluted earnings per share	29	2.00	2.56	1.23	2.52
Dividend per share	30			0.79	0.82

The accounting policies and notes on pages 185 to 239 form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

Group	Note	Attributable to equity holders of the parent					
		Stated capital	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April 2022		2,395,221,320	5,263,420,779	96,297,224	7,754,939,323	(8,337,725)	7,746,601,598
Profit for the year		-	1,305,266,578	-	1,305,266,578	(4,345,477)	1,300,921,100
Other comprehensive income						-	-
Currency translation of foreign operations				11,602,102	11,602,102	2,521	11,604,624
Actuarial gains/(losses) on defined benefit plans			1,210,429		1,210,429	19,826	1,230,255
Income tax effect on defined benefit plan	20.		(250,453)		(250,453)	-	(250,454)
Total other comprehensive income/(loss), net of tax			959,975	11,602,102	12,562,078	22,347	12,584,425
Total comprehensive income/(loss) for the year, net of tax		-	1,306,226,554	11,602,102	1,317,828,656	(4,323,131)	1,313,505,525
Acquistion of non controlling Interests			(7,469,495)		(7,469,495)	(1,146,505)	(8,616,000)
Dividends to equity holders	30		(423,638,452)	-	(423,638,452)	-	(423,638,452)
Balance as at 31 March 2023		2,395,221,320	6,138,539,386	107,899,325	8,641,660,031	(13,807,358)	8,627,852,673
Profit for the year		-	1,021,189,781	-	1,021,189,781	2,054,083	1,023,243,864
Other comprehensive income							
Currency translation of foreign operations				(132,347,086)	(132,347,086)	(726,298)	(133,073,384)
Actuarial gains/(losses) on defined benefit plans			878,103		878,103	(63,800)	814,303
Income tax effect on defined benefit plan			(332,943)		(332,943)	-	(332,943)
Total other comprehensive income/(loss), net of tax			545,160	(132,347,086)	(131,801,926)	(790,098)	(132,592,024)
Total comprehensive income/(loss) for the year, net of tax		-	1,021,734,941	(132,347,086)	889,387,855	1,263,985	890,651,840
Acquistion of non controlling Interests			-		-	-	-
Dividends to equity holders	30		(403,222,140)	-	(403,222,140)	-	(403,222,140)
Balance as at 31 March 2024		2,395,221,320	6,757,052,187	(24,447,762)	9,127,825,746	(12,543,373)	9,115,282,373

Foreign currency translation reserve comprises of all foreign exchange differences arising from the translation of foreign subsidiaries in the Group.

The accounting policies and notes on pages 185 to 239 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Company	Note	Stated capital	Retained earnings	Total
		Rs.	Rs.	Rs.
Balance as at 1 April 2022		2,395,221,320	4,966,747,147	7,361,968,467
Profit for the year			1,284,324,964	1,284,324,964
Other comprehensive income				
Acurial gains/(losses) on defined benefit plans	20.1		1,138,426	1,138,426
Income tax effect on defined benefit plan	21.1		(250,454)	(250,454)
Total other comprehensive income, net of tax			887,972	887,972
Total comprehensive income/(loss) for the year, net of tax		-	1,285,212,936	1,285,212,936
Dividends to equity holders	30	-	(423,638,452)	(423,638,452)
Balance as at 31 March 2023		2,395,221,320	5,828,321,631	8,223,542,951
Profit for the year		-	627,384,284	627,384,284
Other comprehensive income				
Acurial gains/(losses) on defined benefit plans	20.1		1,109,810	1,109,810
Income tax effect on defined benefit plan	21.1		(332,943)	(332,943)
Total other comprehensive income, net of tax			776,867	776,867
Total comprehensive income/(loss) for the year, net of tax		-	628,161,151	628,161,151
Dividends to equity holders	30	-	(403,222,140)	(403,222,140)
Balance as at 31 March 2024		2,395,221,320	6,053,260,642	8,448,481,962

The accounting policies and notes on pages 185 to 239 form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Year ended 31 March 2024	Note	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Cash flows from/ (used in) operating activities					
Profit before tax		1,210,509,552	1,486,003,791	628,638,117	1,368,812,074
Adjustments for,					
Depreciation of property, plant and equipment	6	133,831,010	124,925,575	122,739,082	120,209,755
Amortization for intangible assets	9	7,622,890	3,430,122	7,527,310	3,275,135
Depreciation of right-of-use assets	7	27,537,428	34,946,760	13,765,505	16,769,733
Depreciation of Investment Property	8	6,747,715	-	2,188,235	-
Provision for defined benefit plans	20.1	23,015,172	17,401,179	22,421,275	16,926,524
Provision for obsolete and slow moving inventories	12.1	189,060,605	(12,864,544)	190,602,761	3,762,044
Disposal loss/(gain) on property, plant and equipment	24	(32,705,967)	(2,567,637)	(32,705,967)	(2,567,637)
Changes in fair value of biological assets	11	(2,373,609)	1,595,964	(2,373,609)	1,595,964
Changes in fair value of investment in other financial assets	24	(58,964,169)	(107,946,676)	(58,964,169)	(107,946,676)
Temporary concessions of right-of-use assets	7	-	(3,657,396)	-	(3,657,396)
Allowances for expected credit losses	13.3	(27,811,614)	60,712,678	(40,739,464)	56,435,492
Other write offs		10,533,414	(34,573,008)	10,533,414	(34,573,008)
Dividend income	24	(648,460)	(1,183,522)	(156,003,968)	(192,025,317)
Finance income	26	(106,477,718)	(128,427,883)	(134,328,896)	(102,013,564)
Finance costs	25	251,276,134	591,462,318	187,046,077	460,727,979
Unrealised (gain) / loss on foreign exchange (net)		127,481,575	(158,358,417)	22,636,811	(50,188,497)
Operating profit before working capital changes		1,758,633,957	1,870,899,305	782,982,512	1,555,542,606
(Increase)/ decrease in inventories		438,252,195	(1,245,131,474)	220,598,151	(539,068,926)
(Increase)/ decrease in trade and other receivables		(758,227,841)	829,377,194	(423,342,609)	760,589,357
(Increase)/ decrease in amount due from related parties		(46,997,000)	116,286,131	(53,414,345)	(124,686,997)
(Increase)/ decrease in advances and prepayments		(342,790,151)	(803,440,958)	(317,493,303)	(763,778,224)
Increase/ (decrease) in amount due to related parties		-	(4,607,375)	26,124,847	-
Increase/ (decrease) in trade and other payables		(376,673,570)	114,124,736	104,458,963	(574,706,264)
Cash generated from operations		672,197,589	877,507,559	339,914,217	313,891,552
Tax paid		(231,335,824)	(12,046,929)	(75,364,906)	(12,046,929)
Defined benefit plan cost paid	20	(3,364,305)	(5,916,972)	(3,244,865)	(5,873,373)
Finance cost paid		(233,134,672)	(585,063,497)	(181,542,012)	(458,471,003)
Net cash flow from/(used in) operating activities		204,362,788	274,480,161	79,762,434	(162,499,752)
Cash flows from/(used in) investing activities					
Purchase and constructions of property, plant & equipment		(883,564,407)	(389,173,491)	(570,696,229)	(281,825,064)
Acquisition of intangible assets		(805,801)	(4,744,704)	(805,801)	(4,744,704)
Cost incurred on investment properties		-	(422,563,407)	-	(95,418,757)
Proceeds from disposal of property, plant and equipment		41,274,610	7,617,065	41,274,610	7,617,065
Investment in biological assets		(1,063,757)	(1,849,494)	(1,063,757)	(1,849,494)
Proceeds from lease investments		25,104,613	9,309,215	25,104,613	9,309,215
Investment in fixed deposits and money market funds		(1,832,657,728)	(2,584,644,161)	(1,543,642,333)	(2,559,796,116)
Proceeds from redemption of money market funds		1,707,979,632	2,897,797,540	1,446,345,556	2,897,797,540
Dividend income received		648,460	1,183,522	648,460	1,183,522
Payments made for acquisition of right-of-use assets		(2,411,624)	(18,216,676)	(1,653,342)	(4,847,117)
Proceeds from sale of financial instruments - fair valued through profit or loss		1,664,877	37,364,169	1,664,877	37,364,169
Purchase of financial instruments - fair valued through profit or loss		(1,433,434)	(31,543,479)	(1,433,434)	(31,543,479)
Investment in treasury bills		(200,000,000)	(533,671,540)	(200,000,000)	(533,671,540)
Proceeds from treasury bills		200,000,000	464,101,169	200,000,000	548,263,499
Investment in debentures		(17,260,000)	(56,960,000)	(17,260,000)	(56,960,000)
Interest income received		80,299,899	125,898,831	108,151,076	85,558,579
Net cash flows from/(used in) investing activities		(882,224,661)	(500,095,440)	(513,365,704)	16,437,318
Cash flows from/(used in) financing activities					
Repayment of interest bearing loans and borrowings	19	(3,809,653,173)	(3,291,315,139)	(3,563,075,286)	(3,037,038,843)
Proceeds from interest bearing loans and borrowings	19	4,576,667,591	3,292,813,261	4,175,889,980	2,930,239,520
Payments under lease liabilities	19.2	(29,007,963)	(25,871,863)	(14,809,173)	(13,925,933)
Dividend paid		(403,222,141)	(423,638,452)	(403,222,141)	(423,638,452)
Net increase in cash and cash equivalents		334,784,314	(448,012,192)	194,783,380	(544,363,707)
Effects of exchange rate changes on cash and cash equivalents		(53,076,624)	(12,402,311)	-	-
Net decrease in cash and cash equivalents		(396,154,183)	(686,029,783)	(238,819,891)	(690,426,142)
Cash and cash equivelents at the beginning of the year		(83,184,347)	602,845,436	(189,537,512)	500,888,630
Cash and cash equivelents at the end of the year (Note 17)		(479,338,530)	(83,184,347)	(428,357,403)	(189,537,512)

The accounting policies and notes on pages 185 to 239 form an integral part of these financial statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

The consolidated financial statements of the JAT Holdings PLC and its subsidiaries (collectively, the Group) for the year ended 31 March 2024 were approved by the Board Directors by way of Resolution by circulation on 28th May 2024. JAT Holdings PLC (the Company or the parent) is a public limited company incorporated and domiciled in Sri Lanka and whose shares are listed on Colombo Stock Exchange and publicly traded. The registered office of the Company is located at No. 351, Pannipitiya Road, Thalawathugoda and the principal place of business is located at the above address.

1.2 Principal business activities and nature of operations of the group

JAT Holdings PLC carries on businesses of importers, exporters, agents, distributors, manufacturers, representatives, international traders, suppliers of and dealers in chemicals and chemical products, furniture, electrical and electrical goods, local produce and products. Information of the subsidiaries are provided in Note 3.3.1.

1.3 Parent and ultimate parent enterprise

JAT Holdings PLC does not have an identifiable parent of its own. JAT Holding PLC is the ultimate parent of the Group.

1.4 Number of employees

The number of employees of the Group at the end of the year was 471 (2023 – 391), Company – 346 (2023– 349).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements which comprise the statement of profit or loss and other 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 requirement of the Companies Act No. 7 of 2007.

2.2 Basis of measurement

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

Item	Basis of measurement	Disclosure notes
Consumable biological assets	Measured at fair value	Note 11
Financial assets at fair value through profit or loss	Measured at fair value	Note 16
Retirement benefit obligations	Measured at the present value of the defined benefit obligation	Note 20
Lease liabilities	Measured at amortised cost using effective interest method	Note 19.2

Where appropriate, the specific policies are explained in the succeeding notes.

2.3 Comparative information

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The presentation and classifcation of the financial statements of the previous period, have been adjusted, where relevant, for better presentation.

2.4 Functional and presentation currency

The consolidated financial statements are presented in Sri Lankan Rupees (Rs.), 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.

The following subsidiaries are using different functional currencies other than Sri Lankan Rupees (Rs.):

Name of the subsidiary	Country of incorporation	Functional currency
JAT Global (Pvt) Ltd	India	Indian Rupees
JAT Exports DMCC	United Arab Emirates	US Dollars
Asia Coating (Pvt) Limited	Bangladesh	Bangladesh Taka

2.5 Going concern

The directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. The assessment took into consideration the performance of the Group and the measures adopted by the government to support the recovery of the economy. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Business combination and Goodwill

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate

classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 recognised for non-controlling interests and any previous interest held 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 Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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

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

3.2 Current versus non-current classification

The Group presents assets and liabilities in the Statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is currentwhen:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the

reporting period

The Group classifies all other liabilities as non-current.

Deferred tax liabilities are classified as non-current assets and liabilities

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as for the year ended 31 March 2024.

Control 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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income 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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities,

equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Accounting under separate financial statements

Investment in subsidiary is measured at cost less accumulated impairment in the separate financial statements.

3.3.1 Subsidiaries

Subsidiaries are those enterprises controlled by the parent and have been listed in the Group directory.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The financial statements of all subsidiaries in the Group other than JAT Exports DMCC are prepared for a common financial year, which is 12 months ending 31 March, using consistent accounting policies. The Financial Statements of JAT Exports DMCC prepare for the year ended 31st December and the additional financial statement has been prepared for consolidation purposes matching the twelve-month financial period up to 31st March as of the same date as the financial statements of the parent company.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Subsidiaries & their controlling percentages of the Group, which have been consolidated are as follows:

Subsidiary	Principal activities	County of incorporation	Effective holding	
			2024	2023
Worlwide Resins & Chemicals (Private) Limited	Trading of chemicals to the local market	Sri Lanka	100%	100%
Brush Master (Private) Limited	Manufacturing and Trading of brushes and rollers to the local market	Sri Lanka	78.41%	78.41%
JAT Global (Private) Limited	Importing and trading of chemical products	India	98.37%	98.37%
JAT Exports (Private) Limited	Business of exporters and offshore businesses of chemical products	Sri Lanka	100%	100%
JAT Exports DMCC	Offshore businesses of chemical products	United Arab Emirates (U.A.E)	100%	100%
Asia Coatings (Private) Limited	Importing/Manufacturing and trading of chemical products	Bangladesh	**99.96%**	99.96%

3.3.2 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Subsequently, profit or loss and each component of other comprehensive Income are attributed to 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.

3.3.3 Loss of control

When the Group losses control over subsidiary derecognises the assets and liabilities of the Subsidiary, any non-controlling interests and other components of equity. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. Any interest retains in the previous Subsidiary, is measured at fair value as at the date that control is lost.

3.3.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.4 Foreign currency

3.4.1 Foreign currency translations and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group Companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit and loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

NOTES TO THE FINANCIAL STATEMENTS

3.4.2 Foreign operations

The results and financial position of overseas operations that have a Functional Currency different from the company's Presentation Currency are translated into the company's Presentation Currency as follows:

- Assets and liabilities are translated at the rates of exchange ruling at the Reporting date.
- Income and expenses are translated at the average exchange rate for the period, unless this average rate is not a reasonable approximation of the rate prevailing at the transaction date, in which case income and expenses are translated at the exchange rates ruling at the transaction date.

All resulting exchange differences are recognised in the OCI and accumulated in the Foreign Currency Translation Reserve (Translation Reserve), which is a separate component of Equity, except to the extent that the translation difference is allocated to the NCI.

3.5 Fair value measurement

The Group measures financial instruments such as financial assets at fair value through profit or loss, and non-financial assets such as Biological assets, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the Note 35.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1

Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Management 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.

External valuers are involved for valuation of significant assets, such as Biological assets. Involvement of external values is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

Fair value measurement	Disclosure Notes
Disclosures for valuation methods, significant estimates and assumptions	Notes 11.1 and 35
Quantitative disclosures of fair value measurement hierarchy	Note 35
Investment in quoted equity shares	Notes 16.1
Consumable biological assets	Note 11
Financial Instruments (Including those carried at amortized cost)	Note 34

3.6 Property, plant and equipment

3.6.1 Basis of recognition

Property, plant and equipment is recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

3.6.2 Measurement and subsequent costs

Property, plant, and equipment are initially stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group & Company recognise such parts as individual assets with specific useful lives and depreciates them accordingly. 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 recognized in the statement of profit or loss as incurred.

3.6.3 Depreciation

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

Asset	Years
Office and factory buildings	50 Years
Office equipment	7 Years
Computers	4 Years
Furniture and fittings	6 - 10 Years
Motor vehicles	4 - 6 Years
Store equipment	6 - 10 Years
Signboards	5 Years
Factory equipment	7 Years
Lab equipment	7 - 10 Years
Plant and machinery	10 - 25 Years
Leasehold improvements	4 Years

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at end of each reporting period. An estimation change in the useful life of fixed asset during the period has occurred and the underlying assumptions considered are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised prospectively.

3.6.4 Assets in the course of construction

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

3.6.5 Derecognition

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss statement in the year the asset is derecognized.

3.7 Leases

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

3.7.1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.7.2 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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Description	Period
Land and buildings	2 - 5 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

3.7.3 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings

3.7.3.1 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.8 Investment Property

3.8.1 Basis of recognition

Investment property is recognized as an asset when it is probable that future economic benefits associated with the property will flow to the company, and the cost of the property can be measured reliably. These properties, which are held either to earn rental income or for capital appreciation or both, are recognized as investment properties.

3.8.2 Measurement and subsequent cost

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-today servicing of the investment property.

3.8.3 Depreciation

Depreciation is recognized in the Statement of profit or loss on a straight-line basis over the estimated useful life of investment property, which is 25 years, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

3.8.1 Derecognition

Investment properties are derecognised either when they have been disposed of, or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amounts of the asset is recognized in the Statement of Profit or Loss in the period of derecognition. Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner occupied property the deemed cost for subsequent accounting is the fair value at the date of change in use. If the owner of occupied property becomes an investment property, the group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.9 Intangible assets

3.9.1 Basis of recognition

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

3.9.2 Measurement and subsequent costs

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss statement in the year in which the expenditure is incurred.

3.9.3 Amortisation

The useful lives of intangible assets are assessed to be either finite or indefinite. The estimated useful lives of intangible assets with finite lives are as follows.

Asset class	Useful life
Computer software	5 years

Intangible assets with finite lives are amortized over the useful economic life 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 are 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 treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss statement in the expense category consistent with the function of the intangible asset.

3.9.4 Derecognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition 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.

3.10 Fair valuation of biological assets

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

Consumable biological assets, comprise of managed timber trees, are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41- Agriculture. The cost is treated as approximation to the fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial.

The fair value of timber trees are measured using discounted cash flow method taking in to consideration the current market prices of the Sandalwood of the root per kg, applied to estimated Scented of Heart wood of a sandalwood tree at the maturity by an independent professional valuer.

Variable	Comment
Timber content	Estimate based on physical verification of girth, height and considering the growth of the each species.
	Factor all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company.
Economic useful life	Estimated based on the normal life span of each species by factoring the forestry plan of the Company.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfilled in bringing the trees in to saleable condition
Discount Rate	Discount rate reflects the possible variations in the Cash flows and the risk related to the biological assets.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in the Statement of Profit or Loss for the period in which it arises.

3.11 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 condition is accounted using the following cost formulae:-

Finished goods and work-in-progress	At the cost of direct materials, direct labor and an appropriate portion of factory overhead on normal operating capacity.
Raw materials	At purchase cost on First in First (FIFO) basis
Goods in transit	At actual cost

3.11.1 Provision for obsolete and slow-moving inventories

A provision for slow moving inventories is recognized based on the best estimates available to management on their future recovery. As Management uses present conditions and historical information as the basis to determine the future recoverability, actual future losses on inventories could vary from the allowance made in these financial statements.

Provision for Paint Items (Items with shelf-life)

The company makes a hundred percent (100%) provision when the inventory item exceeds its average shelf-life. The estimated lifespan of the paint items has been decided by the company's Research and Development team or specified by the original manufacturer.

Provision for non-paint Items (Items with no shelf-life)

Similarly, for the non-paint items (i.e. furniture, Paint Brushes, and Rollers, etc), the company makes a judgmental provision based on the nature and the aging bucket of the inventory category. The Management of the company decided the percentage of provision by consulting the internal technical

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experts advice based on the factors that may negatively impact the value of the inventory including the change in saleable condition, obsolesces, shrinkage etc.

3.12 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.

3.12.1 Financial assets

a) 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.

b) 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 with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- Financial assets at fair value through profit or loss

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.

The Group's financial assets at amortised cost includes trade receivables and amounts due from related parties.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect

contractual cash flows and selling 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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.

The Group's financial assets at fair value through profit or loss include investment in quoted equity instruments and investment in un-quoted equity instruments under other non-current financial assets.

c) Derecognition

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

- The rights to receive cash flows from the asset have expired 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 asset is recognised to the extent of the Group's continuing involvement in the asset. 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.

d) Impairment of financial assets

Further disclosure relating to impairment of financials assets are also provided in the following notes:

• Disclosures for significant assumptions	Note 4
• Financial assets	Notes 16.4 and 34
• Trade receivables, including contract assets	Note 13.3

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.

For trade receivables and contract assets, 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. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.12.2 Financial liabilities

a) 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.

The Group's financial liabilities include trade and other payables, loans and borrowings and amounts due to related parties.

b) 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 fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

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Financial liabilities designated upon initial recognition at fair value through profit or loss so designated at the initial date of recognition, and only if criteria of SLFRS 9 are satisfied. The group has not designated any financial liability at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of 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 in finance costs in the Statement of Profit or Loss.

c) 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 de-recognition 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.

3.12.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if.;

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.12.4 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques.

Such techniques may include:

- Using recent arm's length market transactions.
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 34.

3.13 Cash and cash equivalents

Cash and cash equivalents are 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.

3.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the group of non-financial asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of non-financial assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The amount of impairment losses are recognized in the profit and loss during the reporting period.

3.15 Liabilities and provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where 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.

Liabilities classified as current liabilities in the Statement of Financial Position are those obligations payable on demand or within one year from the reporting date.

3.16 Retirement benefit obligations

3.16.1 Defined contribution plans– Employees' provident fund & employees' trust fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations in Sri Lanka. The Company contributes 12 % and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

3.16.2 Defined benefit plan – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 20 Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The gratuity liability is not funded in the planned assets.

3.17 Taxation

3.17.1 Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income taxes relating to items recognized directly in Other Comprehensive Income are also recognized in Other Comprehensive Income and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or 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.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred 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
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in statement of other comprehensive income are also recognized in statement of other comprehensive income and not in the statement of profit or loss.

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

3.17.3 Sales tax

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

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

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

3.18 Statement of profit or loss

For the purpose of presentation of the statement of profit or loss, the function of expenses method is adopted.

3.18.1 Revenue from contracts with customers

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue and associated costs incurred or to be incurred can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes. The following specific recognition criteria are used for the purpose of recognition of revenue:

a) Goods transferred at a point in time

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. In relation to sales with local customers, this point is generally the delivery of goods, exports also take in to account the term related to each shipment of goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

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b) Services transferred over time

The Group determines, at contract inception, whether it satisfies the performance obligation over time or at appoint in time. For each performance obligation satisfied over time, the Group recognises revenue over time, by using an output method to measure progress towards complete satisfaction of that performance obligation.

In determining the transaction price for the sale of goods and the services the Group considers the effects of variable consideration the existence of significant financing, non-cash considerations and consideration payable to customer (if any). However,

- The Group does not offer discounts, warranties or incentives to its customers.
- The Group does not receive long-term advances from its customers for the services which entails a financing element.
- The period between the transfer of the promised service to the customer and when the customer pays for that good will be one year or less

c) Presentation and disclosure

As required for the financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to Note 23.1 for the disclosure on disaggregated revenue.

d) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial instruments – initial recognition and subsequent measurement.

e) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contact liabilities of the Group have been disclosed in the Note 23.2..

3.18.2 Other income

a) Dividends

Dividend income is recognized when the shareholder's right to receive payment is established.

b) Rental income

Rental income is recognized on an accrual basis.

c) Gains and losses

Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment and other non-current assets including investments are accounted for in the Statements of Profit or Loss, after deducting from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

d) Other income

Other income is recognized on an accrual basis.

3.18.3 Expenditure recognition

Expenses are recognized in the statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income.

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to statements of profit or loss in the year in which the expenditure is incurred.

3.18.4 Finance income and finance costs

Finance income comprises interest income on funds invested and gain arisen from the foreign exchange translation of financial assets and liabilities. Interest income is recognised based on the EIR in the statement of profit or loss.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, and losses on hedging instruments that are recognised in the statement of profit or loss.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.18.5 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset. The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with the in LKAS 23 - Borrowing Costs.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

3.19 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

The Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Taxation

Uncertainties exist with respect to the interpretation of complex tax regulation, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and the 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. The Group establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on upon the likely timing and the level of future taxable profits together as with future tax planning strategies.

Fair valuation of consumer biological assets

The group measures consumable Biological Assets at fair value and changes in value being recognised in the statement of profit or loss. Fair valuation involves use of assumptions which are provided in Note 10.1. Such estimations are subject to significant uncertainties due to the sensitivity of assumptions used.

Employee benefit liability - Gratuity

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of long term Government Bonds (Treasury Bonds) corresponding to the average work life of the employees.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about pension obligations are provided in note 20.

Impairment losses on trade & other receivables

The Company 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. The Company applies a simplified approach in calculating ECLs for the impairment assessment, due to the adoption of SLFRS 09.

NOTES TO THE FINANCIAL STATEMENTS

Receivables that have been assessed individually and found not to be impaired and all individually insignificant Receivables are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident.

The allowance for expected credit losses is disclosed in note 13.3.

Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements.

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group and the Company. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

Others

Other information about judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes to these financial statements.

Accounting estimate/judgment	Notes
Going Concern	2.5
Useful lives of tangible and intangible assets	
Property, plant and equipment	3.6 and 6
Investment Properties	3.8 and 8
Intangible assets	3.9 and 9
Right-of-use assets	3.7.2 and 7
Valuation of inventories	3.11 and 12
Provision for obsolete and slow moving inventories	3.11.1
Provisions and contingencies	3.15 and 32.2

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Adoption of these amendments and interpretations will not have significant impact on the consolidated financial statements of the Group.

Amendment to LKAS 1 - Classification of Liabilities as Current or Non-current

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024.

Amendment to SLFRS 16 - Lease Liability in a Sale and Leaseback The amendments to SLFRS 16

Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2024.

Amendments to LKAS 7 and SLFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024.

SLFRS 17 – Insurance Contracts

SLFRS 17 - Insurance Contracts As recommended by the Accounting Standards Committee, the Institute of Chartered Accountants of Sri Lanka (ICASL) has decided to adopt SLFRS 17 - Insurance Contracts with effect from annual reporting periods beginning on or after 1 January 2025. However to facilitate a seamless transition and allow ample time for implementation, the Council of ICASL has granted approval for another one-year extension in the effective date of SLFRS 17. Consequently, SLFRS 17 will now be applicable for the annual reporting period commencing on or after 1 January 2026. Simultaneously, the

mandatory application of SLFRS 9, which has implications for the insurance industry, will also take effect from 1 January 2026, aligning with the deferred implementation of SLFRS 17.

SLFRS 17 requires liabilities for insurance contracts to be recognised as the present value of future cash flows, incorporating an explicit risk adjustment, which is updated at each reporting date to reflect current conditions, and a contractual service margin (CSM) that is equal and opposite to any day-one gain arising on initial recognition. Losses are recognised directly into the income statement. For measurement purposes, contracts are grouped together into contracts of similar risk, profitability profile and issue year, with further divisions for contracts that are managed separately.

SLFRS 17 introduces a new measure of insurance revenue, based on the delivery of services to policyholders and excluding any premiums related to the investment elements of policies, which will be significantly different from existing premium revenue measures, currently reported in the income statement. In order to transition to SLFRS 17, the amount of deferred profit, being the CSM at transition date, needs to be determined.

SLFRS 17 requires, this CSM to be calculated as if the standard had applied retrospectively. If this is not practical, an entity is required to choose either a simplified retrospective approach or determine the CSM by reference to the fair value of the liabilities at the transition date. The approach for determining the CSM will have a significant impact on both shareholders' equity and on the amount of profits on in-force business in future reporting periods.

The Group is currently assessing the impact of the amendments.

NOTES TO THE FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT

6.1 Group

6.1.1 Gross carrying amounts

Year ended 31 March	Balance as at 31.03.2023 Rs.	Additions Rs.	Disposals / Transfers Rs.	Exchange difference Rs.	Balance as at 31.03.2024 Rs.
At cost					
Freehold					
Land	517,571,589	50,000,000	-	-	**567,571,589**
Office and factory buildings	1,065,012,583	926,185,296	-	(6,444,136)	**1,984,753,742**
Office equipments	42,746,705	4,893,642	(499,553)	(9,430,420)	**37,710,374**
Computers	79,505,918	29,368,491	(6,794,064)	(839,797)	**101,240,548**
Furniture and fittings	83,185,174	18,165,494	(16,149,048)	(684,277)	**84,517,343**
Motor vehicles	184,656,344	7,961,483	(26,500,000)	(403,467)	**165,714,361**
Store equipments	4,038,718	1,040,600	-	(238,886)	**4,840,432**
Sign boards	5,817,645	4,250,000	(413,000)	(104,315)	**9,550,330**
Factory equipments	14,109,598	7,567,222	(91,328)	(1,088,809)	**20,496,683**
Lab equipments	120,294,362	6,473,743	(1,453,980)	(291,646)	**125,022,480**
Plant and machinery	317,922,851	580,391,887	(4,883,645)	(2,704,625)	**890,726,468**
	2,434,861,486	1,636,297,858	(56,784,618)	(22,230,378)	**3,992,144,350**
Leasehold					
Leasehold Improvements	6,575,712	1,577,152	(3,513,499)	-	**4,639,365**
	6,575,712	1,577,152	(3,513,499)	-	**4,639,365**
Total value of depreciable assets	2,441,437,198	1,637,875,010	(60,298,117)	(22,230,378)	**3,996,783,715**

In the course of construction

Year ended 31 March	Balance as at 01.04.2023 Rs.	Additions Rs.	Transfers Rs.	Exchange difference Rs.	Balance as at 31.03.2024 Rs.
Capital work in progress	51,331,404	505,331,283	(311,763,807)	(11,698,830)	**233,200,050**
	51,331,404	505,331,283	(311,763,807)	(11,698,830)	**233,200,050**
Total gross carrying amount	2,492,768,602	2,143,206,293	(372,061,924)	(33,929,208)	**4,229,983,766**

6.1.2 Depreciation

Year ended 31 March	Balance as at 01.04.2023 Rs.	Charge for the year Rs.	Disposals / Transfers Rs.	Exchange difference Rs.	Balance as at 31.03.2024 Rs.
At cost					
Freehold					
Office and factory buildings	160,713,685	20,867,260	-	(111,013)	**181,469,933**
Office equipments	23,995,938	5,904,743	(7,667,286)	(97,709)	**22,135,686**
Computers	45,672,240	15,345,555	(6,251,105)	(440,166)	**54,326,524**
Furniture and fittings	31,808,027	10,734,607	(7,934,623)	(251,015)	**34,356,996**
Motor vehicles	110,914,679	20,942,156	(18,034,722)	(82,506)	**113,739,607**
Store equipments	471,655	565,870	-	(43,514)	**994,011**
Sign boards	3,454,429	851,152	(392,733)	(15,643)	**3,897,205**
Factory equipments	3,735,594	2,435,998	(29,002)	(150,589)	**5,992,001**
Lab equipments	16,101,244	12,318,469	(624,623)	(63,049)	**27,732,041**
Plant and machinery	112,453,518	43,797,486	(326,778)	(2,681,363)	**153,242,863**
	509,321,010	133,763,296	(41,260,872)	(3,936,567)	**597,886,867**
Leasehold					
Leasehold improvements	4,007,502	67,714	(3,238,735)	-	**836,481**
	4,007,502	67,714	(3,238,735)	-	**836,481**
Total depreciation	513,328,512	133,831,010	(44,499,607)	(3,936,567)	**598,723,348**

6.1.3 Net book values

As at 31 March	2024 Rs.	2023 Rs.
At cost		
Freehold		
Land	**567,571,589**	517,571,589
Office and factory buildings	**1,803,283,809**	904,298,898
Office equipments	**15,574,688**	18,750,766
Computers	**46,914,025**	33,833,678
Furniture and fittings	**50,160,347**	51,377,147
Motor vehicles	**51,974,754**	73,741,666
Store equipments	**3,846,420**	3,567,062
Sign boards	**5,653,125**	2,363,215
Factory equipments	**14,504,682**	10,374,004
Lab equipments	**97,290,439**	104,193,118
Plant and machinery	**737,483,605**	205,469,333
	3,394,257,483	1,925,540,476
Leasehold		
Leasehold improvements	**3,802,885**	2,568,210
	3,802,885	2,568,210
In the course of construction		
Capital work in progress	**233,200,050**	51,331,403
	233,200,050	51,331,403
Total carrying amount of property, plant and equipment	**3,631,260,418**	1,979,440,089

NOTES TO THE FINANCIAL STATEMENTS

6.14 During the financial year, the group acquired property, plant and equipment to the aggregate value of Rs. 2,143,206,293/- (2023 - Rs. 446,960,749/-). Cash payments amounting toRs. 883,564,407,/- (2023 - Rs. 389,173,491/-) were made during the year for purchase of property, plant and equipment.

6.1.5 As at 31 March 2024, the group had a total of fully depreciated assets still in use amounting to Rs.132,651,098/- (2023- Rs. 75,761,169/-)

6.1.6 In 2024, the Group sold property, plant, and equipment with a net carrying amount of Rs. 9,273,090/- (2023 - Rs. 5,049,428/-) for a cash consideration of Rs. 41,274,610/- (2023 - Rs. 7,617,065/-). The net gains on these disposals were recognised as part of other operating income in the statement of profit or loss.

6.1.7 The exchange difference has arisen as a result of the translation of property, plant and equipment of foreign operations which are accounted for in foreign currencies and translated to the reporting currency at the balance sheet date.

6.1.8 There was Rs. 95,371,943/- borrowing costs capitalised on interest-bearing loans and borrowings and lease liabilities by the Group on qualifying assets during the financial years 2023/2024, and There was no capitalization in 2022/2023.

6.1.9 On re-assessment of the fair value of the Group's assets, it has been identified that there is no impairment of property plant and equipment which requires provision in the financial statements.

6.2 Company

6.2.1 Gross carrying amounts

Year ended 31 March	Balance as at 01.04.2023 Rs.	Additions Rs.	Disposals / Transfers Rs.	Balance as at 31.03.2024 Rs.
At cost				
Freehold				
Land	517,571,589	50,000,000	-	**567,571,589**
Office and factory buildings	1,009,404,845	913,408,391	-	**1,922,813,236**
Office equipments	39,836,461	842,770	(9,422,975)	**31,256,256**
Computers	72,178,444	26,121,696	(6,794,064)	**91,506,076**
Furniture and fittings	72,542,059	16,591,199	(16,149,048)	**72,984,210**
Motor vehicles	182,250,124	4,906,160	(26,500,000)	**160,656,284**
Store equipments	1,688,388	1,040,600	-	**2,728,988**
Sign boards	4,791,320	4,250,000	(413,000)	**8,628,320**
Factory equipments	6,167,395	1,550,000	(91,328)	**7,626,067**
Lab equipments	117,424,947	6,473,743	(1,453,980)	**122,444,710**
Plant and machinery	294,147,184	560,697,553	(4,883,645)	**849,961,092**
	2,318,002,758	1,585,882,110	(65,708,040)	**3,838,176,828**
Leashold				
Leasehold improvements	6,575,713	1,577,152	(3,513,499)	**4,639,366**
	6,575,713	1,577,152	(3,513,499)	**4,639,366**
Total value of depreciable assets	2,324,578,469	1,587,459,262	(69,221,539)	**3,842,816,194**
In the course of construction				
Capital work in progress	36,691,403	331,295,959	(302,709,422)	**65,277,940**
	36,691,403	331,295,959	(302,709,422)	**65,277,940**
Total gross carrying amount	2,361,269,872	1,918,755,221	(371,930,961)	**3,908,094,134**

6.2.2 Depreciation

Year ended 31 March	Balance as at 01.04.2023 Rs.	Charge for the year Rs.	Disposals / Transfers Rs.	Balance as at 31.03.2024 Rs.
At cost				
Freehold				
Office and factory buildings	160,485,211	19,448,785	-	179,933,996
Office equipments	23,073,570	5,203,596	(7,667,286)	20,609,881
Computers	41,199,263	14,098,616	(6,251,105)	49,046,774
Furniture and fittings	25,050,183	9,931,933	(7,934,623)	27,047,493
Motor vehicles	110,349,430	20,049,435	(18,034,722)	112,364,143
Store equipments	251,715	223,985	-	475,700
Sign boards	3,420,218	654,584	(392,733)	3,682,069
Factory equipments	2,255,626	965,522	(29,002)	3,192,146
Lab equipments	15,735,082	11,901,076	(624,623)	27,011,536
Plant and machinery	103,044,416	40,193,835	(2,681,363)	140,556,889
	484,864,714	122,671,367	(43,615,457)	563,920,627
Leashold				
Leasehold Improvements	4,007,501	67,714	(3,238,735)	836,479
	4,007,501	67,714	(3,238,735)	836,479
Total depreciation	488,872,215	122,739,081	(46,854,192)	564,757,106

6.2.3 Net book values

As at 31 March	2024 Rs.	2023 Rs.
Freehold		
Land		
Office and factory buildings	567,571,589	517,571,589
Office equipments	1,742,879,239	848,919,634
Computers	10,646,375	16,762,891
Furniture and fittings	42,459,302	30,979,181
Motor vehicles	45,936,717	47,491,876
Store equipments	48,292,141	71,900,694
Sign boards	2,253,288	1,436,673
Factory equipments	4,946,251	1,371,102
Lab equipments	4,433,921	3,911,769
Plant and machinery	95,433,174	101,689,865
	709,404,203	191,102,768
Leashold	3,274,256,201	1,833,138,042
Leasehold improvements		
	3,802,887	2,568,213
In the course of construction	3,802,887	2,568,213
Capital work in progress		
	65,277,940	36,691,403
	65,277,940	36,691,403
Total carrying amount of property, plant and equipment	3,343,337,028	1,872,397,657

NOTES TO THE FINANCIAL STATEMENTS

6.2.4 During the financial year, the company acquired property, plant, and equipment to the aggregate value of Rs. 1,918,755,222/- (2023 - Rs. 339,612,321/-). Cash payments amounting to Rs. 360,405,239/- (2023 - Rs. 281,825,064/-) were made during the year for purchase of property, plant and equipment.

6.2.5 As at 31 March 2024, the Company had a total of fully depreciated assets still in use amounting to Rs. 131,681,803/- (2023 - Rs. 75,761,169/-).

6.2.6 In 2024, the company sold property, plant and equipment with a total net carrying amount of Rs.9,273,090/- (2023 - Rs. 5,048,429/-) for a cash consideration of Rs.41,274,610/- (2023 - Rs. 7,617,065/-). The net gains on these disposals were recognised as part of other operating income in the statement of profit or loss.

6.2.7 There was Rs. 95,371,943/- borrowing costs capitalised on interest-bearing loans and borrowings and lease liabilities by the Company on qualifying assets during the financial years 2023/2024, and There was no capitalization in 2022/2023.

6.2.8 On re-assessment of the fair value of the Company's assets, it has been identified that there is no impairment of property plant and equipment which requires provision in the financial statements.

6.3 Value and ownership of freehold land and freehold buildings of the Group/Company

Location	Property	No. of Buildings	Ownership	Extent	Carrying value Rs.
Thalawathugoda	Land	-	Freehold	A-1, R-0, P4.83	243,621,000
	Building	01	Freehold	63,246 Sq. ft	530,866,373
Kahathuduwa	Land	-	Freehold	A-2, R-1, P-45.70	75,170,590
	Building	05	Freehold	65,486 Sq. ft	260,075,573
Badulla	Land	-	Freehold	A-0, R-1, P-32	4,000,000
Horana	Land	-	Freehold	A-0, R2, P - 24.05	7,500,000
	Building	01	Freehold	15,048 Sq. ft	18,536,913
Kaduwela	Land		Freehold	A0, R1, P1.60	38,999,000
	Building	01	Freehold	10000 Sq. ft	21,604,143
Hokandara	Land	-	Freehold	A-0, R-0, P -14.17	25,755,000
	Building	01	Freehold	4,000 Sq. ft	17,434,067
Ekala Land	Land	-	Freehold	A0, R5, P65	122,526,000
Bangladesh-Dhaka	Building	01	Freehold	17,000 Sq. ft	55,379,262

7 RIGHT-OF-USE ASSETS

	Group		Company	
	Land and buildings		Land and buildings	
As at 31 March	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Group/ Company				
Cost				
As at 1 April	**157,483,401**	61,768,221	**87,016,466**	61,768,221
New lease entered during the year	**71,964,763**	101,255,967	**71,838,332**	25,248,245
Effect of movements in exchange rates	**(5,339,832)**	(5,540,788)	**-**	-
As at 31 March	**224,108,332**	157,483,401	**158,854,798**	87,016,466
Accumulated depreciation				
As at 1 April	**81,402,488**	46,625,891	**63,395,624**	46,625,891
Depreciation charge for the year	**27,537,428**	34,946,760	**13,765,505**	16,769,733
Effect of movements in exchange rates	**(852,358)**	(170,163)		
As at 31 March	**108,087,558**	81,402,488	**77,161,129**	63,395,624
Carrying value	**116,020,774**	76,080,912	**81,693,669**	23,620,842

8 INVESTMENT PROPERTIES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Cost				
As at 1 April	-	-	-	-
Transfer from Advance	715,298,499	-	218,823,451	-
Effect of movements in exchange rates	(40,527,004)	-	-	-
As at 31 March	674,771,495	-	218,823,451	-
Accumulated depreciation				
As at 1 April	-	-	-	-
Depreciation charge for the year	6,747,715	-	2,188,235	-
As at 31 March	6,747,715	-	2,188,235	-
Carrying value	668,023,780	-	216,635,216	-
Rental income earned 2023/2024 Group & Company	1,400,347	-	-	-
Direct operational expenses incurred	-	-	-	-
Direct operating expenses that did not generate rental income	-	-	-	-

9 INTANGIBLE ASSETS

9.1 Group

As at 31 March	Goodwill	Computer Software	2024	2023
	Rs.	Rs.	Rs.	Rs.
Cost				
At the beginning of the year	7,663,026	45,849,704	53,512,730	48,754,853
Acquisitions during the year	-	149,198,709	149,198,709	4,744,704
Effect of movements in exchange rates	-	(106,955)	(106,955)	13,172
At the end of the year	7,663,026	194,941,458	202,604,484	53,512,729
Amortization				
At the beginning of the year	-	34,570,859	34,570,859	31,127,565
Amortization for the year	-	7,622,890	7,622,890	3,430,122
Effect of movements in exchange rates	-	(106,955)	(106,955)	13,172
At the end of the year	-	42,086,794	42,086,794	34,570,859
Carrying value as at 31 March	7,663,026	152,854,664	160,517,690	18,941,870

9.2 Company

As at 31 March	Computer software	
	2024	2023
	Rs.	Rs.
Cost		
At the beginning of the year	44,248,779	39,504,074
Acquisitions during the year	149,198,709	4,744,705
At the end of the year	193,447,488	44,248,779
Amortization		
At the beginning of the year	33,091,177	29,816,042
Amortization for the year	7,527,310	3,275,135
At the end of the year	40,618,487	33,091,177
Carrying value as at 31 March	152,829,001	11,157,602

10 INVESTMENTS

10.1 Investment In Subsidiaries

Year ended 31 March	Number of shares 2024	Number of shares 2023	Holding 2024	Holding 2023	Company 2024 Rs.	Company 2023 Rs.
Worlwide Resins & Chemicals (Private) Limited	1,000,000	1,000,000	100%	100%	10,000,000	10,000,000
JAT Global (Private) Limited	7,546,198	7,546,198	98.37%	98.37%	173,011,448	173,011,448
Brush Master (Private) Limited	401,894	401,894	78.41%	78.41%	48,616,000	48,616,000
JAT Exports (Private) Limited	10,587,236	10,587,236	100%	100%	105,872,360	105,872,360
JAT Exports DMCC	7,267	3,050	100%	100%	676,120,995	295,775,432
					1,013,620,803	633,275,240

10.2 Net Investment in the lease

As at 31 March	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
As at 1 April				
New lease entered during the year	139,706,355	151,583,207	139,706,355	151,583,207
Effect of movements in exchange rates	(7,728,066)	(10,052,460)	(7,728,066)	(10,052,460)
Accretion of interest	25,431,210	6,790,385	25,431,210	6,790,385
Payments received	(25,104,613)	(8,614,777)	(25,104,613)	(8,614,777)
As at 31 March	132,304,886	139,706,355	132,304,886	139,706,355
Current	1,716,601	1,522,505	1,716,601	1,522,505
Non-current	130,588,285	138,183,850	130,588,285	138,183,850

The Group/Company has entered in to finance lease on its one condominium property at Altair Residencies, Colombo 02 for a period of 5 Years

The table below summarises the maturity profile of the Group's/Company's lease rentals receivables as at 31 March 2024 based on contractual undiscounted payments.

As at 31 March	Within one Year Rs.	1 to 3 Years Rs.	3 to 5 Years Rs.	Total Rs.
Lease Rentals Receivables	22,772,400	121,452,800	55,033,300	199,258,500

10.3 Other Investments

As at 31 March	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Quoted Investments				
Investment in Debentures	77,495,664	59,489,052	77,495,664	59,489,052
	77,495,664	59,489,052	77,495,664	59,489,052

The investment is made on long term debentures issued by Sampath bank PLC and Commercial Bank PLC.
The respective information relates to debentures are mentioned below

Issuer Details	Coupon Rate	Tenure
Sampath Bank PLC	28%	5 Years
Commercial Bank PLC	28%	5 Years
Commercial Bank PLC	15%	5 Years

11 CONSUMABLE BIOLOGICAL ASSETS

Year ended 31 March	Company/ Group	
	2024	2023
	Rs.	Rs.
At the beginning of the year	68,830,578	68,577,048
Changes in fair value less costs to sell	2,373,609	(1,595,964)
Maintenance costs	1,063,757	1,849,494
At the end of the year	72,267,944	68,830,578

The Group's/ Company's biological assets consist of a Sandalwood plantation situated in the Village of Meegahakiula.

As at 31 March 2024, the Group / Company had 356 of immature sandalwood trees (2023: 356)..

11.1 Valuation of biological assets

\ The fair value less costs to sell of sandalwood trees is determined based on estimates of yield, costs to incur until harvest, Cost of sells, expected Scented of heartwood content per a tree and market prices at harvest and Sandalwood quality. In 2024, Sandalwood's market price is estimated to Rs. 19,000/- per kilogram (2023: Rs. 19,000/- per kilogram). Significant unobservable inputs used in fair value measurements of sandalwood are the following:

As at 31 March	2024	2023
	Rs.	Rs.
Total number of Trees	356	356
Total number of Harvestable trees (12% allowance for death)	313	313
Harvest at maturity	313 @ 17.5 Kg	313 @ 20 Kg
Estimated scented of heartwood	5,477 Kg	6,260 Kg
Value at harvest (per Kg)	Rs. 19,000	Rs. 19000
Discount rate	20%	20%
Number of years to maturity	2	3
Wood content per tree at maturity	17.50 Kg	20 Kg

11.2 Valuation processes

The Group / Company has an External Valuer (Mr. W. M. Chandrasena) that performs the valuation of biological assets. When considering the appropriate market prices for sandalwood to use, the valuer reviews available information, including: the age of trees, the maturity age of trees, the annual marginal increase in growth in the timber content, the number of years to harvest in case of trees for harvest, the timber content of immature trees at an estimated future harvestable date, estimate the current price of sandalwood of the root per kg at relevant date.

11.3 Sensitivity analysis

Sensitivity variation sales price

Net present value of the biological assets as appearing in the statement of financial position are very sensitive to the changes into the average sales prices applied. Simulations made for sandalwood trees show that an increase or decrease by 10% of the estimated future selling price while other variables remained unchanged, has the following effect on the net present value of biological assets:

	+10%	-10%
Sandalwood plantation (Rs.)	7,226,794	(7,226,794)

Sensitivity variation discount rate

Net present value of the biological assets as appearing in the statement of financial position are very sensitive to changes of the discount rate applied. Simulations made for sandalwood trees show that an increase or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets:

	+1%	-1%
Sandalwood plantation (Rs.)	(1,186,427)	1,228,056

NOTES TO THE FINANCIAL STATEMENTS

12 INVENTORIES

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Finished goods	1,804,851,250	2,321,349,296	1,443,384,419	1,651,930,526
Raw materials	1,366,259,307	1,265,328,286	1,126,098,474	1,104,494,467
Goods in transits	376,079	77,575	-	-
Work in progress	53,659,505	76,643,179	33,544,910	67,200,962
	3,225,146,141	3,663,398,336	2,603,027,803	2,823,625,955
Less: Provision for obsolete and slow moving inventories (Note 12.1)	(340,703,125)	(151,642,520)	(332,734,932)	(142,132,171)
	2,884,443,016	3,511,755,816	2,270,292,871	2,681,493,784

12.1 Provision for obsolete and slow moving inventories

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	151,642,520	164,507,064	142,132,171	138,370,127
Provision/write-offs during the year (net)	189,060,605	(12,864,544)	190,602,761	3,762,044
At the end of the year	340,703,125	151,642,520	332,734,932	142,132,171

13 TRADE AND OTHER RECEIVABLES

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade receivables-Others	3,488,508,432	3,209,966,769	2,335,563,771	2,010,644,490
Trade receivables-Related Parties (Noe 13.1)	381,423,483	251,491,685	66,128,442	81,826,446
Trade receivables (Note 13.2)	3,869,931,915	3,461,458,454	2,401,692,213	2,092,470,936
Allowance for expected credit losses (Note 13.3)	(200,277,157)	(228,151,324)	(150,734,054)	(191,536,072)
	3,669,654,758	3,233,307,130	2,250,958,159	1,900,934,864
Other receivables	648,693,450	437,016,613	391,666,693	510,719,761
	4,318,348,208	3,670,323,743	2,642,624,852	2,411,654,625

13.1 Trade receivables - Related Parties

Year ended 31 March	Relationship	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
JAT Holdings Bangladesh (Pvt) Ltd	Affiliate	377,055,337	240,896,326	-	-
JAT Tradings (Pvt) Ltd	Affiliate	2,410	2,410	2,410	2,410
Brush Master (Pvt) Ltd	Subsidiary	-	-	45,861,094	68,636,436
Alpha Delta Coatings (Pvt) Ltd	Affiliate	4,365,736	9,092,601	-	-
Worldwide Resins & Chemicals (Pvt) Ltd	Subsidiary	-	-	20,205,583	5,684,048
JAT Global (Pvt) Ltd	Subsidiary	-	-	59,355	6,003,205
Flexospan Steel Buildings (Pvt) Ltd	Affiliate	-	1,500,348	-	1,500,348
		381,423,483	251,491,685	66,128,442	81,826,446

13.2 Trade receivables

Year ended 31 March	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Trade debtors - Local	3,037,018,008	2,571,817,582	2,259,416,169	1,767,599,734
Project debtors	114,341,321	315,364,508	114,341,321	315,364,508
Export debtors	718,572,586	574,276,364	27,934,723	9,506,693
	3,869,931,915	3,461,458,454	2,401,692,213	2,092,470,935
Allowance for expected credit losses (Note 13.3)	(200,277,157)	(228,151,324)	(150,734,054)	(191,536,071)
	3,669,654,758	3,233,307,130	2,250,958,159	1,900,934,864

13.3 Allowance for expected credit losses

Movement in allowance for expected credit losses

Year ended 31 March	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Balance at the beginning of the year	228,151,324	202,011,654	191,536,071	169,673,587
Provision for the year	(27,811,614)	60,712,678	(40,739,464)	56,435,492
Written off during the year	(62,553)	(34,573,008)	(62,553)	(34,573,008)
Balance at the year end	200,277,157	228,151,324	150,734,054	191,536,071

The Group adopted Expected Credit Loss (ECL) approach for the impairment of its financial assets. This enables better credit risk reporting of financial instruments by carrying reasonably quantified default risk adjusted value of assets in the balance sheet and minimising the timing difference in recognition of future default loss.

NOTES TO THE FINANCIAL STATEMENTS

14 ADVANCES AND PREPAYMENTS

As at 31 March		Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Advances	- Related parties (Note 14.1)	1,203,069	2,164,630	1,203,069	2,164,630
	- Advance paid for investment properties (Note 14.2)	-	715,298,499	-	218,823,451
	- others	978,438,863	1,572,422,122	871,767,416	1,490,567,666
Prepayments		17,202,163	16,125,074	16,197,864	15,600,633
		996,844,095	2,306,010,325	889,168,349	1,727,156,380
Current advances and prepayments		996,844,095	1,590,711,826	889,168,349	1,508,332,929
Non-current advances - Advance paid for investment properties		-	715,298,499	-	218,823,451

14.1 Advances -Related parties

Year ended 31 March	Relationship	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Bileeta (Pvt) Ltd		1,203,069	2,164,630	1,203,069	2,164,630
		1,203,069	2,164,630	1,203,069	2,164,630

14.2 Movement in advance paid for investment properties

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	715,298,499	142,421,669	218,823,451	142,421,669
Incurred during the year	-	721,892,400	-	225,417,352
Capitalised (Note 08)	(715,298,499)	-	(218,823,451)	-
Disposal	-	(149,015,570)	-	(149,015,570)
At the end of the year	-	715,298,499	-	218,823,451

15 RELATED PARTY TRANSACTIONS

Refer Note 3.3.1 for effective equity holding percentages and other key information's of Group entities.

Terms and conditions of transactions with related parties

The Group and Company carried out transactions in the ordinary course of the business on an arm's length basis at commercial rates with parties who are defined as Related Parties as per the Sri Lanka Accounting Standard - LKAS 24 'Related Party Disclosures'.

Outstanding current account balances at the year end are unsecured, charged with weighted average cost of debt rate, and settlements occur in cash.

The details of guarantees provided to the banks on behalf of related parties are disclosed in Note 32.2.

Disclosure as per the requirement of the Colombo Stock Exchange Listing Rule Section 9.3.2 (a) and 9.3.2 (b) are on page 166 - Related Party Transactions Review Committee Report.

15.1 Amounts due from related parties

Year ended 31 March	Relationship	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
SEAFORM Bangladesh Pvt Ltd	Affiliate	14,711,365	-	32,467	-
JAT Australia (Pvt) Ltd	Affiliate	16,933,601	-	-	-
JAT Africa Ltd	Affiliate	13,380,768	-	-	-
Worldwide Resins & Chemicals (Pvt) Ltd	Subsidiary	-	-	3,189,783	-
JAT Exports DMCC	Subsidiary	-	-	254,815,762	206,955,135
Asia Coatings (Pvt) Ltd	Sub Subsidiary	-	-	617,088	-
JAT Exports (Private) Limited	Subsidiary	-	-	-	87,135
JAT Global (Private) Limited	Subsidiary			1,800	-
Key management personnel		17,437,571	15,466,305	17,266,020	15,466,305
		62,463,305	15,466,305	275,922,920	222,508,575

15.2 Amounts due to related parties

Year ended 31 March	Relationship	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
JAT Exports (Private) Limited	Subsidiary	-	-	26,124,847	-
		-	-	26,124,847	-

NOTES TO THE FINANCIAL STATEMENTS

15.3 Related party disclosures

Details of significant related party transactions are as follows;

15.4 Transactions with subsidiaries

As at 31 March	Transaction amount			
	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade sales	63,398,852	116,464,199		
Trade purchases	(182,253,133)	(74,707,101)		
Settlements and net fund transfers	(75,879,242)	(71,587,877)		
Expenses incurred on behalf of subsidiaries	123,756,711	90,208,981		
Dividend income	155,355,508	210,830,315		
Other service income	6,945,000	7,010,000		
Other service expenses	(7,912,970)	(8,467,583)		
Interest charged	39,911,044	38,785,444		
Net loan granted	40,378,290	(140,958,910)		

15.5 Transactions with affiliates *

As at 31 March	Transaction amount			
	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade sales	-	1,520,903	239,893	148,973,746
Other purchases	(15,344,598)	(4,055,992)	(15,344,598)	(4,055,992)
Settlements and net fund transfers	(54,191,948)	(47,145,971)	(1,491,290,009)	1,182,976,779
Expenses incurred on behalf of other related parties	16,739,446	1,350,874	16,739,446	14,774,016
Trade purchases	(13,866,598)	(68,244,060)	(853,486,428)	(1,764,415,732)

* Affiliate Companies include: JAT Holdings Bangladesh (Pvt) Ltd, Solid Land Developments (Pvt) Ltd, Securitech Systems (Pvt) Ltd, JAT Technologies (Pvt) Ltd, JAT Trading (Pvt) Ltd, Flexoplan Building (Pvt) Ltd, Alpha Delta Coatings (Pvt) Ltd and Beleeta (Pvt) Ltd

15.6 Transactions with key management personnel

The key management personnel of the Company are the members of its Board of Directors. There are no transaction with such KMP and their close family members, other than mentioned below.

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Short-term employee benefits	83,452,448	78,219,659	73,230,506	62,202,084
Ordinary shares buy back	-	-	-	-
Proceeds for the disposal of property, plant and equipment	-	-	-	-

16 SHORT TERM FINANCIAL ASSETS

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Equity instruments designated at fair value through profit or loss				
Listed equity investments (Note 16.1)	28,810,395	28,913,092	28,810,395	28,913,092
Investment in money market funds (Note 16.2)	320,565,162	589,304,217	320,565,162	589,304,217
Other financial assets at amortized cost				
Investment in fixed deposits (Note 16.3)	702,019,701	268,986,151	425,000,000	-
	1,051,395,258	887,203,460	774,375,557	618,217,309

16.1 Investment in quoted securities - Group/ Company

As at 31 March	No. of shares		Market value	
	2024	2023	2024	2023
			Rs.	Rs.
Expo Lanka Holdings PLC	76,659	78,659	11,537,180	10,855,121
Sunshine Holdings PLC	13,947	13,947	829,847	627,615
Lanka Tiles PLC	17,440	17,440	901,648	751,664
Access Engineering PLC	97,823	97,823	2,210,800	1,389,087
Hayleys PLC	55,390	55,390	4,547,519	3,988,080
LOLC Holdings PLC	3,612	3,612	1,435,770	1,354,500
Kotagala Plantations PLC	29,500	29,500	182,900	179,950
Lankem Developments PLC	82,283	69,783	1,390,583	1,744,575
Balangoda Plantations PLC	24,000	24,000	1,202,400	1,591,200
Horana Plantations PLC	25,000	25,000	987,500	1,312,500
Swisstek (Ceylon) PLC	50,000	50,000	955,000	705,000
Brown & Company PLC	-	1,000	-	119,500
Renuka Foods PLC	101,732	100,000	1,424,248	2,140,000
Lankem Ceylon PLC	8,000	8,000	544,000	605,600
The Colombo Fort Land And Building PLC	-	27,000	-	704,700
Softlogic Life Insurance PLC	10,000	10,000	661,000	844,000
			28,810,395	28,913,092

NOTES TO THE FINANCIAL STATEMENTS

16.2 Investment in money market funds

As at 31 March	Credit Rating	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Capital Alliance Investments Limited	BBf(lka)	124,575,645	589,304,217	124,575,645	589,304,217
First Capital Holdings PLC	(SL)A	195,989,517	-	195,989,517	-
		320,565,162	589,304,217	320,565,162	589,304,217

16.3 Investment in fixed deposits

As at 31 March	Credit Rating	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Commercial Bank	A(lka)	59,200,701	268,986,151	-	-
Hatton National Bank	A(lka)	217,819,000	-	-	-
Habib Bank Fixed Deposit	A(lka)	425,000,000	-	425,000,000	-
		702,019,701	268,986,151	425,000,000	-

16.4 Impairment of investments in fixed deposits and money market funds

Management has assessed the provision of impairment of fixed deposits and money market funds by considering the credit ratings of these institutions and considering other economic factors and concluded that the resulting impairment provision is immaterial to the financial statements.

17 CASH AND CASH EQUIVALENTS

17.1 Favourable cash and cash equivalent balances

As at 31 March	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Cash and bank balances	195,165,413	227,496,410	88,338,022	115,167,997
Short term deposits (3 months maturity period)	29,040,834	48,337,068	-	72,935
	224,206,247	275,833,478	88,338,022	115,240,932

17.2 Unfavourable cash and cash equivalent balances

Bank overdrafts (Note 19)	(703,544,777)	(359,017,825)	(516,695,425)	(304,778,443)
Total cash and cash equivalents for the purpose of cash flow statement	(479,338,530)	(83,184,347)	(428,357,403)	(189,537,512)

18 STATED CAPITAL

Company / Group	2024		2023	
	Number of shares	Rs.	Number of shares	Rs.
Issued and fully-paid - ordinary shares				
Balance at the beginning of the year	510,407,773	2,395,221,320	510,407,773	2,395,221,320
Balance at the end of the year	510,407,773	2,395,221,320	510,407,773	2,395,221,320

19 INTEREST BEARING LOANS AND BORROWINGS

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Other financial liabilities				
Current interest bearing loans and borrowings				
Bank loans (Note 19.1)	1,949,558,731	1,181,878,687	1,656,117,335	1,043,302,642
Lease liabilities (Note 19.2)	21,336,024	16,647,421	13,401,855	7,815,590
Bank overdrafts	703,544,777	359,017,825	516,695,425	304,778,443
	2,674,439,532	1,557,543,932	2,186,214,615	1,355,896,675
Non-current interest bearing loans and borrowings				
Bank loans (Note 19.1)	-	665,625	-	-
Lease liabilities (Note 19.2)	114,115,432	56,711,312	72,450,294	14,616,309
	114,115,432	57,376,937	72,450,294	14,616,309
Total Interest bearing loans and borrowings	2,788,554,963	1,614,920,869	2,258,664,909	1,370,512,984

NOTES TO THE FINANCIAL STATEMENTS

19.1 Bank loans

Group	As at 01.04.2023 Rs.	Loan obtained Rs.	Repayment Rs.	Exchange rate adjustments Rs.	As at 31.03.2024 Rs.	Current Rs.	Non-current Rs.
Short term loans					-		
People's Bank	-	225,000,000	-	-	225,000,000	225,000,000	-
Commercial Bank PLC	612,563,869	1,713,000,000	(2,146,563,869)	-	179,000,000	179,000,000	-
Standard Chartered	-	100,000,000	(50,000,000)	-	50,000,000	50,000,000	
Seylan Bank	50,000,000	150,000,000	(150,000,000)	-	50,000,000	50,000,000	
Import loans			-		-		
Hatton National Bank PLC	122,249,239	685,903,510	(380,683,254)	-	427,469,495	427,469,495	-
Commercial Bank PLC	195,507,103	1,191,259,720	(555,193,285)	-	831,573,538	831,573,538	-
Standard Chartered	193,901,976	364,914,361	(387,370,639)	-	171,445,698	171,445,698	-
NDB Bank PLC	-	146,590,000	(131,520,000)	-	15,070,000	15,070,000	
Term loans					-		
Commercial Bank PLC-Term Loan	8,322,125	-	(8,322,125)	-	-	-	-
Total	1,182,544,312	4,576,667,591	(3,809,653,172)	-	1,949,558,731	1,949,558,731	-

Company	As at 01.04.2023 Rs.	Loan obtained Rs.	Repayment Rs.	Exchange rate adjustments Rs.	As at 31.03.2024 Rs.	Current Rs.	Non-current Rs.
Short Term Loans							
People's Bank	-	225,000,000	-	-	225,000,000	225,000,000	-
Commercial Bank PLC	540,000,000	1,713,000,000	(2,074,000,000)	-	179,000,000	179,000,000	-
Standard Chartered	-	100,000,000	(50,000,000)	-	50,000,000	50,000,000	-
Seylan Bank	50,000,000	150,000,000	(150,000,000)	-	50,000,000	50,000,000	-
Import Loans					-		
Hatton National Bank PLC	122,249,239	447,651,284	(380,683,213)	-	189,217,310	189,217,310	-
Commercial Bank PLC	137,151,427	1,175,324,335	(521,021,434)	-	791,454,328	791,454,328	-
NDB Bank PLC	193,901,976	364,914,361	(387,370,639)	-	171,445,698	171,445,698	
Total	1,043,302,642	4,175,889,980	(3,563,075,286)	-	1,656,117,336	1,656,117,336	-

19.2 Lease liabilities

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
As at 01 April	73,358,733	17,357,123	22,431,899	17,357,123
Lease entered during the year	86,246,116	83,039,296	72,596,614	20,401,129
Effect of movements in exchange rates	(5,430,081)	(3,907,247)	-	-
Accretion of interest	10,284,651	6,398,821	5,632,809	2,256,976
Adjustment on temporary concessions	-	(3,657,396)	-	(3,657,396)
Payments made	(29,007,963)	(25,871,863)	(14,809,173)	(13,925,933)
As at 31 March	135,451,456	73,358,733	85,852,149	22,431,899
Current lease liabilities	21,336,024	16,647,421	13,401,855	7,815,590
Non-current lease liabilities	114,115,432	56,711,313	72,450,294	14,616,309

19.2.1 Total amount recognised in profit or loss

The following are the amounts recognised in profit or loss:

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Depreciation expense of right-of-use assets	27,537,428	34,946,760	13,765,505	16,769,733
Interest expense on lease liabilities	10,284,651	6,398,821	5,632,809	2,256,976
Temporary concessions	-	(3,657,396)	-	(3,657,396)
Total amount recognised in profit or loss	37,822,079	37,688,185	19,398,314	15,369,313

The Group had total cash outflows for leases of Rs. 29,007,963/- in 2024 (2023: Rs. 25,871,863/--). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 36.3 (Maturity Note.)

The Company had total cash outflows for leases of Rs. 14,809,173/- in 2024 (2023: Rs. 13,925,933/-). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 36.3.2 (Maturity Note.)

NOTES TO THE FINANCIAL STATEMENTS

19 INTEREST-BEARING LOANS AND BORROWINGS (CONTD.)

19.3 Nature and repayment terms of the facilities

Lender	Nature of facility	Nominal Interest rate	Repayment terms	Carrying value of facility 2024 Rs.	2023 Rs.
JAT Holdings PLC					
Standard Charted Bank	Short term loan (revolving)	Respective AWPLR+0.2%	90 days from the granted date	50,000,000	-
	Import loan	Respective AWPLR	Up to 180 days	-	-
	Overdraft	Respective AWPLR+0.2%	On demand	47,446,262	48,814,123
Commercial Bank of Ceylon PLC	Short term loan (revolving)	AWPLR + 0.5% (reviewed weekly)	Within 90 days	970,454,328	540,000,000
	Import loan	AWPLR + 0.5% (reviewed weekly)	Within 120 days		137,151,427
	Overdraft	AWPLR + 0.5% (reviewed weekly)	On demand	44,911,791	-
Hatton National Bank	Import loan	AWPLR+0.5% (Weekly review)	Within 120 days	189,217,330	122,249,198
	Overdraft	AWPLR+0.5% (Weekly review)	On demand	94,733,724	24,526,138
Peoples Bank	Short term loan (revolving)	AWPLR-0.5% (weekly review)	Within 120 days	225,000,000	-
	Overdraft	AWPLR+0.5% (weekly review)	On demand	24,177,308	-
National Development Bank	Import loan	AWPLR + 0.5% (reviewed weekly)	Within 90 days	171,445,697	193,901,976
	Overdraft	AWPLR + 0.5% (reviewed weekly)	On demand	73,577,029	72,784,047
Seylan Bank	Short term loan (revolving)	AWPLR + 0.5% (reviewed weekly)	Within 120 days	50,000,000	50,000,000
	Overdraft	AWPLR + 0.5% (reviewed weekly)	On demand	94,765,589	96,576,126
DFCC Bank	Overdraft	AWPLR + 0.5% (reviewed monthly)	On demand	100,314,478	55,764,387
JAT Exports DMCC					
Hatton National Bank	Short Term Loan/Import Loan	3M EUR ESTR + 4%	06 or 12 months	238,252,165	-
Brush Master (Pvt) Ltd					
Commercial Bank of Ceylon PLC	Term loan	AWPLR+1.5% (reviewed monthly)	In 48 equal monthly installments	-	3,328,125
	Working capital term loan	4% p.a (fixed rate)	1st Installment 586,000/-, 21 Equal Installment of Rs.373,300 & Final Installment 374,100	-	1,494,000
	Working capital term loan	4% p.a (fixed rate)	25 equal monthly installment of Rs. 500,000/-	-	3,500,000
Worldwide Resins & Chemicals (Pvt) Ltd					
Commercial Bank of Ceylon PLC	Import Loan	AWPLR+1%	Within 120 days	40,119,230	58,355,676
	Overdraft	AWPLR+1%	On Demand	-	-
	Working capital term loan	4% p.a (fixed rate)	25 equal monthly installment of Rs. 280,000/-	-	1,960,000
	Working capital term loan	4% p.a (fixed rate)	02 Installments of Rs.440,000/-, 22 equal installments of Rs.260,000/-	-	1,040,000
Asia Coating (Pvt) Ltd.					
Commercial Bank of Ceylon PLC	Overdraft	13%	On Demand	77,448,915	33,049,269
	Loan Against Trust Receipt	SMART+3%	Within 120 Days	-	69,563,869
Habib Bank Limited	Overdraft	SMART+3%	On Demand	108,591,579	-
	Import Loan/Short Term Loan	SMART+3%	180 Days	15,070,000	-

19.2 Assets pledged

The following assets have been pledged as security for above liabilities:

Lender	Nature of facility	Nature of the collateral	Carrying value of facility 2024 Rs.	2023 Rs.
JAT Holdings PLC				
Standard Charted Bank	Import letters of credit			
	Short term loans			
	Overdraft	Primary mortgage over stocks at Logiwiz and Advantis Logistic Hub & book debtors	Rs.375 Mn	Rs.375 Mn
	Import loan		Euro 1 Mn	Euro 1 Mn
	Shipping guarantees			
	Bond & guarantees			
Commercial Bank of Ceylon PLC	Overdraft	Lien over savings deposit	Rs. 38.2 Mn	Rs. 28.46 Mn
	Letters of credit	Mortgage over Property at Thalawathugoda	Rs. 561 Mn	Rs. 578.00 Mn
	Import Demand Loan	Insurance policy over above property	Rs. 362.20 Mn	Rs. 362.20 Mn
	Revolving short term loan			
	Shipping guarantee facility			
	Letters of Guarantee			
	SBLC			
Habib Bank Limited	SBLC	LKR Fixed Deposits (125% cash collateral)	Rs. 425 Mn	-
National Development Bank PLC	Stand By Letter of Credit	Primary mortgage over stocks & book debts	Rs.616 Mn	Rs.616 Mn
	Import loan			
	Pre export finance			
	Overdraft			
JAT Exports DMCC				
Commercial Bank of Ceylon PLC	SBLC	Fixed Deposits	USD 0.262 Mn	USD 0.965 Mn
Hatton National Bank	Import Loan/Short Term Loan	Fixed Deposits	USD 0.725 Mn	-
	SBLC	Corporate Guarantee	EUR 0.567 Mn	-
Asia Coatings Pvt Ltd				
Habib Bank Limited	Short Term Loan (Revolving)	SBLC from HBL SL backed by FD	USD 1 Mn	-
	Overdraft			
Commercial Bank of Ceylon PLC	Loan against trust receipt (LTR)	Stock	BDT 160 Mn	BDT 160 Mn
	Overdraft	Margin Buildup BDT 100,000 per month		
	Letter of Credit			

20 RETIREMENT BENEFIT OBLIGATION

Year ended 31 March	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Balance as at 01 April	74,142,249	63,888,296	72,827,983	62,913,258
Current service cost	14,828,449	8,456,820	14,565,596	8,118,668
Interest cost	8,186,722	8,944,361	7,855,679	8,807,856
Actuarial (gain)/loss arising from changes in assumptions	(814,303)	(1,230,255)	(1,109,811)	(1,138,426)
Payments made during the year	(3,364,305)	(5,916,973)	(3,244,865)	(5,873,373)
As at 31 March	92,978,812	74,142,249	90,894,582	72,827,983

NOTES TO THE FINANCIAL STATEMENTS

20.1 Following amount are recognized in profit or loss and other comprehensive income during the year in respect of the retirement benefit obligation.

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Expense recognized in profit or loss				
Current service cost	14,828,449	8,456,820	14,565,596	8,118,668
Interest cost	8,186,722	8,944,361	7,855,679	8,807,856
	23,015,171	17,401,181	22,421,275	16,926,524
Actuarial gains and losses recognized directly in OCI				
Recognized during the period	(814,303)	(1,230,255)	(1,109,811)	(1,138,426)

Messrs. Actuarial and Management Consultants (Pvt) Ltd Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 March 2024. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The liability is not externally funded.

The Projected Unit Credit Method is used to determine the present value of the defined benefit obligation and the current service cost.

20.2 The principal assumptions used in determining defined benefit obligation are shown below:

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Discount rate	12%	20%	12%	20%
Salary increment	12%	16%	12%	16%
Staff turnover	16% - 20%	16% - 22%	20%	22%
Retirement age	60 years	60 years	60 years	60 years

Assumptions regarding future mortality are based on A 1967/70 mortality table, issued by the Institute of Actuaries, London.

20.3 Sensitivity of assumptions employed in actuarial valuation

Values appearing in the financial statements are very sensitive to the changes in financial and non financial assumptions used.

A Sensitivity analysis was carried out as follows,

20.3.1 Group

As at 31 March		2024		2023	
		Effect on comprehensive income increase / (reduction)	Effect on employee benefit obligation increase / (reduction) in the liability	Effect on comprehensive income increase / (reduction)	Effect on employee benefit obligation increase / (reduction) in the liability
		Rs.	Rs.	Rs.	Rs.
Increase/(decrease) in discount rate	+1%	3,415,746	(3,415,746)	2,282,164	(2,282,164)
	-1%	(3,689,747)	3,689,747	(2,427,542)	2,427,542
Increase/ (decrease) in salary increment	+1%	(4,011,608)	4,011,608	(2,766,310)	2,766,310
	-1%	3,776,168	(3,776,168)	2,637,019	(2,637,019)

20.3.2 Company

As at 31 March		2024		2023	
		Effect on comprehensive income increase / (reduction)	Effect on employee benefit obligation increase / (reduction) in the liability	Effect on comprehensive income increase / (reduction)	Effect on employee benefit obligation increase / (reduction) in the liability
		Rs.	Rs.	Rs.	Rs.
Increase/ (decrease) in discount rate	+1%	3,310,111	(3,310,111)	2,225,790	(2,225,790)
	-1%	(3,573,543)	3,573,543	(2,366,271)	2,366,271
Increase/ (decrease) in salary increment					
	+1%	(3,887,263)	3,887,263	(2,697,724)	2,697,724
	-1%	3,661,281	(3,661,281)	2,573,092	(2,573,092)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

20.4 The following are the expected payments to the defined benefit plan in future years

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Within the next 12 months	13,284,619	12,722,625	13,055,674	12,535,261
Between 2 and 5 years	58,503,709	49,096,189	57,620,160	48,512,573
Between 5 and 10 years	15,182,941	9,462,013	14,435,578	9,029,867
Beyond 10 years	6,007,542	2,861,422	5,783,167	2,750,282
Total expected payments	92,978,811	74,142,249	90,894,579	72,827,983

20.5 The Group weighted average duration of the defined benefit plan obligation at the end of the reporting period is 5.07 years (2023: 3.8 years).

NOTES TO THE FINANCIAL STATEMENTS

21 DEFERRED TAX ASSETS AND LIABILITIES

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Assets	7,003,465	-	-	-
Deferred Tax Liabilities	(55,986,311)	(58,885,477)	(55,986,310)	(55,170,522)
Net Deferred Tax Liabilities	(48,982,846)	(58,885,477)	(55,986,310)	(55,170,522)

21.1 Differed Tax Assets

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	(58,885,477)	(14,334,396)	(55,170,522)	(14,334,396)
Amount origination/ (reversal) of temporary differences				
- Recognised in profit or loss				
Accelerated depreciation for tax purposes	(105,754,289)	(39,669,573)	(106,745,250)	(34,970,887)
Biological assets	3,892,411	(3,697,077)	3,892,411	(3,697,077)
Retirement benefit obligation	9,424,607	6,912,200	8,303,040	6,912,200
Provision for doubtful debts	3,389,589	28,637,285	(5,381,458)	27,910,065
Provision for obsolete and slow moving inventories	49,528,462	29,520,199	49,528,462	29,520,199
Right-of-use assets	2,506,539	(1,614,768)	2,367,902	(1,430,429)
Effects of movements in exchange rates	(303,792)	-	-	-
Carried forward business losses	47,552,047	(64,388,893)	47,552,048	(64,829,745)
- Recognised in other comprehensive income				
Actuarial gains and losses on defined benefit plans	(332,943)	(250,454)	(332,943)	(250,454)
At the end of the year	(48,982,846)	(58,885,477)	(55,986,310)	(55,170,522)

Net deferred tax asset/liability on each temporary difference which were recognized in the financial statements are disclosed below.

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Deferred tax liability				
Capital allowances for tax purpose	(212,991,472)	(107,998,767)	(207,121,287)	(103,001,919)
Tax Effect of Investment Properties	(2,625,881)	-	(2,625,881)	-
Consumable biological assets	(19,212,358)	(23,104,769)	(19,212,358)	(23,104,769)
Right-of-use assets	(248,726)	(15,546,876)	-	(1,120,358)
	(235,078,437)	(146,650,413)	(228,959,526)	(127,227,046)
Deferred tax assets				
Right-of-use assets	1,247,544	-	1,247,544	-
Expected credit losses	54,979,313	52,305,206	45,220,216	50,601,674
Retirement benefit obligation	27,737,128	18,965,333	26,684,977	18,965,333
Provision for obsolete and slow moving inventories	99,820,480	50,041,565	99,820,480	50,041,565
Tax Effect of Property Plant & Equipment	2,311,127	-	-	-
Carried forward business losses & Others	-	(33,547,169)	-	(47,552,048)
	186,095,592	87,764,935	172,973,216	72,056,524
	(48,982,846)	(58,885,477)	(55,986,310)	(55,170,522)

22 TRADE AND OTHER PAYABLES

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade payables-Others	925,198,897	497,376,317	353,623,348	158,507,536
Related parties (Note 22.1)	289,458,016	986,391,478	24,905,817	-
	1,214,656,913	1,483,767,795	378,529,165	158,507,536
Other payables	986,843,815	937,997,822	776,010,891	606,346,977
Contract liabilities	25,949,584	61,931,367	25,949,584	54,566,620
Sundry creditors including accrued expenses	48,290,729	32,607,386	13,003,940	11,418,848
	2,275,741,041	2,516,304,370	1,193,493,580	830,839,982

22.1 Trade Payables - Related Parties

As at 31 March	Relationship	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
Brush Masters (Pvt) Ltd	Subsidiary	-	-	61,296	20,553,980
Worldwide Resins & Chemicals (Pvt) Ltd	Subsidiary	-	-	5,148,104	532,002
JAT Global (Pvt) Ltd	Subsidiary	-	-	14,761,741	-
JAT Holdings Bangladesh (Pvt.) Ltd	Affiliate	284,523,340	986,391,478	-	
JAT Technologies (Pvt) Ltd	Affiliate	96,676	-	96,676	-
Flexospan Steel Buildings (Pvt) Ltd	Affiliate	4,838,000	-	4,838,000	-
		289,458,016	986,391,478	24,905,817	21,085,982

23 REVENUE FROM CONTRACTS WITH CUSTOMERS

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Local sales	7,252,918,823	6,540,108,132	6,998,810,599	6,347,781,145
Export sales	4,056,031,297	2,866,282,090	57,805,155	53,178,447
Project sales	247,404,403	760,936,714	247,404,403	760,936,714
	11,556,354,523	10,167,326,936	7,304,020,157	7,161,896,306

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Revenue generated within Sri Lanka	7,500,323,226	7,599,793,839	7,246,215,001	7,108,717,860
Revenue generated outside Sri Lanka	4,056,031,297	2,567,533,097	57,805,155	53,178,447
	11,556,354,523	10,167,326,936	7,304,020,156	7,161,896,306

Revenue Generated within Sri Lanka includes all local sales and Project sales.

NOTES TO THE FINANCIAL STATEMENTS

23.1 Disaggregation of revenue

Based on the nature of the product sold

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Wood coatings	9,323,167,703	6,415,165,948	5,301,058,861	4,064,007,959
Paints, chemicals and other products	1,715,231,981	2,685,192,330	1,485,006,456	2,031,322,806
Brushes	216,718,714	259,088,102	216,718,714	258,684,986
Furnitures	53,831,722	46,943,841	53,831,722	46,943,841
Finishing and furnishing projects	247,404,403	760,936,714	247,404,403	760,936,714
	11,556,354,523	10,167,326,936	7,304,020,156	7,161,896,306

Wood coatings

This segment focuses on importing and manufacturing of a range of water based and polyuthere based wood coatings solutions and sand papers. Revenue is recognized at the point of time when the control of the asset is transferred to the customer, which is generally upon delivery of the goods. Revenue is measured based on actual sales, and therefore the output method is used for revenue recognized.

Paints, chemicals and other products

This segment focuses on manufacturing of emulsion paints, resins, chemicals and other industrial solutions. Revenue is recognized at the point of time when the control of the asset is transferred to the customer, which is generally upon delivery of the goods. Revenue is measured based on actual sales, and therefore the output method is used for revenue recognized.

Brushes

This segment focuses on manufacturing of brushes, rollers and handlers and other paint and wood coating application solutions. Revenue is recognized at the point of time when the control of the asset is transferred to the customer, which is generally upon delivery of the goods. Revenue is measured based on actual sales, and therefore the output method is used for revenue recognized.

Furnitures

This segment focuses on importing of chairs, work stations, tables, cupboards, Sofas, Coffee machines, shadders and other office and domestic furnishing solutions. Revenue is recognized at the point of time when the control of the asset is transferred to the customer, which is generally upon delivery of the goods. Revenue is measured based on actual sales, and therefore the output method is used for revenue recognized.

Finishing and furnishing projects

This segment focus on undertaking of domestic and industrial finishing, furnishing and development projects.

At inception of the contract, the entity determines whether it satisfies the performance obligation over time or at a point in time. Timing and amount of cash flow will be determined according to the agreement.

23.1 Disaggregation of revenue (Contd…)

Based on the geographical locations of the customers

Year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Sri Lanka	7,500,323,226	7,599,793,839	7,246,215,001	7,108,717,860
India	116,799,778	136,942,276	-	8,732,490
Bangladesh	3,712,107,072	2,289,226,050	239,893	-
Maldives	174,620,845	134,898,059	25,407,448	39,380,609
Africa	52,503,601	-	32,157,814	-
Others	-	6,459,712	-	5,065,348
	11,556,354,523	10,167,326,936	7,304,020,156	7,161,896,306

Revenue from contract with customers

Year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Goods transferred at a point of time	11,308,950,120	9,225,753,580	7,056,615,753	6,220,322,951
Services transferred over time	247,404,403	941,573,355	247,404,403	941,573,355
	11,556,354,523	10,167,326,936	7,304,020,156	7,161,896,306

23.2 Contract balances

Year ended 31 March	Group		Company	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Trade receivables (Note 13.2)	3,669,654,758	3,233,307,130	2,250,958,159	1,900,934,864
Contract liabilities (Note 22)	25,949,584	61,931,367	25,949,584	54,566,620

Contract liabilities include short term advances received for the finishing and furnishing projects.

NOTES TO THE FINANCIAL STATEMENTS

24 OTHER INCOME

Year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Sundry income	449,744,545	12,053,832	26,384,159	10,011,391
Rent income	1,400,347	-	1,080,000	1,170,000
Dividend income from equity instruments	648,460	1,183,522	156,003,968	212,013,837
Changes in fair value of biological assets	2,373,609	(1,595,964)	2,373,609	(1,595,964)
Changes in fair value of financial assets	58,964,169	107,946,676	58,964,169	107,946,676
Temporary concession of right-of-use assets	-	3,657,396	-	3,657,396
Gain on disposal of property, plant, and equipment	32,705,967	2,567,637	32,705,967	2,567,637
	545,837,097	125,813,099	277,511,872	335,770,973

25 FINANCE COST

Year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Interest expenses on bank overdrafts	47,247,009	43,504,202	46,952,214	43,160,488
Interest expenses on import loans	102,744,987	123,785,032	77,748,211	113,495,272
Interest expenses on lease liabilities	10,284,651	6,398,821	5,632,809	2,256,976
Interest expenses on Bank loans	16,942,878	144,785,460	13,122,985	142,084,300
ECBA Loan interest	-	-	15,969,168	9,242,803
Bank Charges	2,315,228	147,734	-	-
Foreign exchange loss	71,741,381	255,232,264	27,620,690	132,879,336
	251,276,134	573,853,513	187,046,077	443,119,175

26 FINANCE INCOME

Year ended 31 March	Group		Company	
	2024	2023	2023	2023
	Rs.	Rs.	Rs.	Rs.
Interest income	105,548,522	84,423,948	134,328,896	102,013,564
Foreign exchange gain	929,196	44,003,935	-	-
	106,477,718	128,427,883	134,328,896	102,013,564

27 PROFIT BEFORE TAX

Year ended 31 March	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Include in cost of sales				
Employees benefits including the following				
- Defined contribution plan costs - EPF & ETF	9,743,717	8,995,379	7,351,000	8,287,402
- Other staff cost	173,168,395	164,529,819	125,600,343	148,400,619
Depreciation	60,464,666	43,811,865	49,889,431	45,444,108
Depreciation of right-of-use assets	14,818,286	-	-	-
Included in administrative expenses				
Employees benefits including the following				
- Defined contribution plan costs - EPF & ETF	23,925,838	17,770,861	19,238,523	16,298,888
- Other staff cost	334,149,294	254,474,814	221,736,524	184,547,757
Depreciation	53,347,209	50,147,430	52,841,475	66,242,956
Depreciation on Investment Property	7,018,162	-	2,188,235	-
Amortization of intangible assets	4,046,773	3,430,122	3,951,193	3,275,135
Auditors remuneration	11,220,522	4,985,302	1,380,000	960,000
Impairment of obsolete stocks	227,281,818	25,898,930	227,281,818	25,898,930
Donations	93,300	500	93,300	500
Included in selling & distribution expenses				
Employees benefits including the following				
- Defined benefit plan costs	23,015,171	17,401,179	22,421,275	16,926,524
- Defined contribution plan costs - EPF & ETF	19,850,138	16,790,331	18,566,346	16,790,331
- Other staff cost	338,996,000	335,744,594	256,096,013	327,729,046
Allowance for expected credit loss	(27,811,614)	60,712,678	(40,739,464)	56,435,492
Depreciation	20,421,272	30,966,281	20,421,272	47,736,013
Depreciation of right-of-use assets	27,537,428	34,946,760	13,765,505	16,769,733

28 INCOME TAX EXPENSE

Year ended 31 March	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Current income tax				
Current income tax charge (Note 28.1)	197,034,067	145,287,765	-	47,521,076
Income tax (over)/under provision in respect of previous years	770,988	(3,619,638)	770,988	(3,619,638)
Irrecoverable economic service charge	-	-	-	-
	197,805,055	141,668,127	770,988	43,901,438
Deferred tax expense				
Deferred taxation charge/(reversal) (Note 28.5)	(10,539,366)	43,414,564	482,845	40,585,673
	187,265,687	185,082,691	1,253,833	84,487,111

NOTES TO THE FINANCIAL STATEMENTS

28.1 A reconciliation between income tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows;

Year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Profit before taxation	1,210,509,552	1,486,003,791	628,638,115	1,368,812,074
Dividend income from group companies	155,355,508	210,830,315	-	-
	1,365,865,059	1,696,834,106	628,638,115	1,368,812,074
Add: Aggregate disallowed items	343,966,437	287,867,805	317,679,775	268,949,623
Less: Aggregate allowable items	(363,291,701)	(1,126,989,968)	(357,251,766)	(1,087,661,298)
Less: Tax exempt income	(261,110,599)	(211,961,716)	(196,075,360)	(211,913,064)
Less: Income not form a part of trade or business	(94,043,745)	(112,575,745)	(94,043,745)	(112,575,745)
Add: Other sources of income	-	3,114,003	-	3,114,003
Taxable profit	991,385,451	536,288,485	298,947,018	228,725,593
Income tax charged at:				
Income tax @ 14%	-	23,451,499	-	18,437,520
Income tax @ 15%	-	25,151	-	25,151
Income tax @ 24%	-	4,651,351	-	-
Income tax @ 27.5%	197,034,067	71,542,927	-	-
Income tax @ 30%	-	45,616,835	-	29,058,405
Current tax expense	197,034,067	145,287,765	-	47,521,076

28.2 General provisions

Corporate Income Taxes of companies resident in Sri Lanka have been computed in accordance with the Inland Revenue Act No. 24 of 2017 as amended.

Resident companies in the Group were liable to income tax during the year of assessment 2023/24 at the rate of 30% (Y/A 2022/23 -24% & 30%)

Corporate Taxes of non-resident companies in the Group have been computed in keeping with the domestic statutes in their respective countries.

28.3 Income tax rates

Overseas operations

Companies incorporated and operating outside Sri Lanka are liable for income tax in accordance with the provisions of the foreign jurisdictions applicable to the respective companies. Set out below are the Income tax rates applicable for the companies in the relevant foreign jurisdictions.

Company	Country	Income tax rate
Asia Coatings (Private) Limited	Bangladesh	27.5%
JAT Global (Private) Limited	India	25.17%

28.4 In determining the arm's length price, the Group has complied with the transfer pricing regulations prescribed in the Inland Revenue Act and amendment thereto and the Gazette notifications issued on transfer pricing.

28.5 Deferred tax expense /(reversal)

Year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Deferred tax arising from				
- Accelerated depreciation for tax purposes	(105,754,289)	39,669,573	104,119,369	34,970,887
- Investment properties (Building)	-	-	2,625,881	-
- Biological assets	3,892,411	3,697,077	(3,892,411)	3,697,077
- Retirement benefit obligation	9,424,607	(6,912,200)	(8,303,040)	-6,912,200
- Provision for doubtful debts	3,389,589	(29,523,349)	5,381,458	(27,910,065)
- Provision for obsolete and slow moving inventories	49,528,462	(29,520,199)	(49,528,462)	(29,520,199)
- Right-of-use assets	2,506,539	1,614,768	(2,367,902)	1,430,429
- Benefit arising from tax losses and others	47,552,047	64,388,894	(47,552,048)	64,829,745
Total deferred tax charge/(reversal)	10,539,366	43,414,564	482,845	40,585,673

28.6 Tax losses carried forward

Year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Tax losses brought forward	79,000,986	63,762,061	-	-
Tax loss for the year	10,442,561	15,238,925	-	-
Tax losses set off against taxable profit	-	-	-	-
Carried forward tax losses	89,443,547	79,000,986	-	-

NOTES TO THE FINANCIAL STATEMENTS

29 BASIC/DILUTED EARNINGS PER SHARE

Basic earnings/(loss) per share is calculated by dividing the net profit / (loss) for the year attributable to equity holders of the company, by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations

Year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Amounts used as the numerator :				
Net profit /(loss) attributable to equity holders of the company	**1,021,189,781**	1,305,266,578	**627,384,284**	1,284,324,964
Amounts used as the denominator :				
Weighted average number of ordinary shares in issue applicable to basic earnings/(loss) per share	**510,407,773**	510,407,773	**510,407,773**	510,407,773
Earnings per share (Rs.)	**2.00**	2.56	**1.23**	2.52

30 DIVIDENDS PER SHARE

Year ended 31 March	Group/Company			
	2024		2023	
	Dividend per share	Gross dividend	Dividend per share	Gross dividend
	Rs.	Rs.	Rs.	Rs.
Equity dividend on ordinary shares declared and paid during the year				
Final dividend (Previous years' final dividend paid in the current year)	**0.49**	**250,099,809**	0.38	193,954,954
First interim dividend declaration	**0.30**	**153,122,332**	0.45	229,683,498
Total	**0.79**	**403,222,141**	0.83	423,638,452

31 PRINCIPAL SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Financial information of Brush Master (Private) Limited that have material non-controlling interests is provided below.

As at 31 March	2024 Rs.	2023 Rs.
Non-controlling interest in %	21.6%	21.6%
Non-current assets	748,478	1,110,119
Current assets	38,287,182	75,459,048
Total assets	39,035,660	76,569,167
Non-current liabilities	2,084,232	1,979,893
Current liabilities	50,769,094	78,701,481
Total liabilities	52,853,326	80,681,374
Equity attributable to the owners of the company	(10,833,050)	(3,223,970)
Non-controlling interests	(2,984,616)	(888,237)
Year ended 31st March		
Revenue from contracts with customers	108,067,737	57,363,914
Profit/(loss) after tax	(9,409,952)	(17,813,695)
Profit attributable to the owners of the company	(7,377,402)	(12,024,614)
Profit/(Loss) attributable to the non-controlling interests	(2,032,550)	(5,789,080)
Total comprehensive income	(9,705,459)	(17,721,866)
Net cash inflow/(outflow) from operating activities	7,668,268	14,827,253
Net cash (outflow) from investing activities	(57,000)	(124,000)
Net cash inflow/(outflow) from financing activities	(8,322,125)	(13,142,100)
Total net cash inflow/(outflow)	(710,857)	1,561,153

32 COMMITMENTS AND CONTINGENCIES

32.1 Commitments

(a) Capital Commitments

The Company and Group do not have significant capital commitments as at the reporting date.

(b) Operating lease commitments

The future aggregate minimum lease payments under non cancellable operating leases are as follows:

	Group		Company	
As at 31 March	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Not later than 1 year	26,748,508	12,079,363	40,515,961	20,911,193
Later than 1 year and no later than 5 years	85,411,701	19,646,208	130,423,796	61,741,211
	112,160,209	31,725,571	170,939,757	82,652,404

NOTES TO THE FINANCIAL STATEMENTS

32.2 Contingencies

The Company/Group has given corporate guarantees to the following parties on behalf of the Group of Companies and other affiliates to obtain finance facilities. Directors do not expect Liabilities to arise from these guarantees.

As at 31 March	Total		Subsidiaries		Affiliates	
	2024	2023	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Institution						
Commercial Bank of Ceylon PLC	155,000,000	186,950,000	155,000,000	186,950,000		
Hatton National Bank PLC	184,399,740	-	184,399,740	-		
Others	-	7,970,369	-	7,970,369		
	339,399,740	194,920,369	339,399,740	194,920,369		

33 EVENTS OCCURRING AFTER THE REPORTING DATE

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

34 FINANCIAL INSTRUMENTS

34.1 Financial assets and liabilities by categories in accordance with SLFRS 9 - Group

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

As at 31 March	Note	2024		2023	
		Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
		Rs.	Rs.	Rs.	Rs.
Financial assets					
Short term financial assets					
- Listed equity investments	10.3	-	77,495,664	-	59,489,052
Short term financial assets					
- Listed equity investments	16.1	28,810,395	-	28,913,092	-
- Investment in money market funds	16.2	320,565,162	-	589,304,217	-
- Investment in fixed deposits	16.3	-	702,019,701	-	268,986,151
Trade and other receivables	13	-	4,318,348,208	-	3,670,323,743
Amounts due from related parties	15.1	-	62,463,305	-	15,466,305
Cash and cash equivalents					
- Short term deposits	17.1	-	29,040,834	-	48,337,068
Total financial assets		349,375,557	5,189,367,712	618,217,309	4,062,602,319

34.1 Financial assets and liabilities by categories in accordance with SLFRS 9 - Group (Contd.)

As at 31 March	Note	2024		2023	
		Fair value through profit or loss	Other Financial liabilities	Fair value through profit or loss	Other Financial liabilities
		Rs.	Rs.	Rs.	Rs.
Financial liabilities					
Interest bearing loans and borrowings					
- Bank loans	19.1	-	1,949,558,731	-	1,182,544,312
- Lease liabilities	19.2	-	135,451,457	-	73,358,733
- Bank overdrafts	17.2	-	703,544,777	-	359,017,825
Trade and other payables	22	-	2,275,741,041	-	2,516,304,370
Amounts due to related parties	15.2	-	-	-	-
Income tax payable		-	120,528,210	-	116,976,344
Total financial liabilities		-	5,184,824,215	-	4,248,201,584

34.2 Financial assets and liabilities by categories in accordance with SLFRS 9 - Company

As at 31 March	Note	2024		2023	
		Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
		Rs.	Rs.	Rs.	Rs.
Financial assets					
Long term financial assets					
- Quoted debt instruments	10.3	-	77,495,664	-	59,489,052
Short term financial assets					
- Listed equity investments	16.1	28,810,395	-	28,913,092	-
- Investment in money market funds	16.2	320,565,162	-	589,304,217	-
- Investment in fixed deposits	16.3	-	425,000,000	-	-
Trade and other receivables	13	-	2,642,624,852	-	2,411,654,625
Amounts due from related parties	15.1	-	275,922,919	-	222,508,575
Cash and cash equivalents					
- Short term deposits	17.1	-	-	-	72,935
Total financial assets		349,375,557	3,421,043,435	618,217,309	2,693,725,187

As at 31 March	Note	2024		2023	
		Fair value through profit or loss	Other Financial liabilities	Fair value through profit or loss	Other Financial liabilities
		Rs.	Rs.	Rs.	Rs.
Financial liabilities					
Interest bearing loans and borrowings					
- Bank loans	19.1	-	1,656,117,335	-	1,043,302,642
- Lease liabilities	19.2	-	85,852,149	-	22,431,900
- Bank overdrafts	17.2	-	516,695,425	-	304,778,443
Trade and other payables	22	-	1,193,493,575	-	830,839,981
Amounts due to related parties	15.2	-	26,124,846	-	-
Income tax payable		-	-	-	31,854,509
Total financial liabilities		-	3,478,283,330	-	2,233,207,476

NOTES TO THE FINANCIAL STATEMENTS

Financial assets of which carrying values are reasonable approximates at their fair value

The management assessed that the fair values of cash and short-term deposits, trade and other receivables, amounts due from related approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value of quoted equity shares are based on market prices available in Colombo stock exchange at the reporting date.

Financial liabilities of which carrying values are reasonable approximates at their fair value

The management assessed that the fair values of trade and other payables and interest bearing loans and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long term loans and financial leases approximate their carrying amount as majority of the loan portfolio consist of loans obtained at variable interest rates.

35 FAIR VALUE MEASUREMENT

The Group held the following financial instruments carried at fair value in the statement of financial position:

35.1 Group/Company

Fair value measurement hierarchy for assets as at 31 March 2023 and 2024:

Assets measured at fair value:	Note	Date of valuation	Total	Fair value measurement using		
				Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			Rs.	(Level 1)	(Level 2)	(Level 3)
As at 31 March 2024						
Non-financial assets						
Consumable biological assets	11	31 March 2024	72,267,944	-	-	72,267,944
Non financial assets as at 31 March 2024			72,267,944	-	-	72,267,944
Financial assets						
Equity instruments designated at fair value through profit or loss						
Quoted equity shares	16.1	31 March 2024	28,810,395	28,810,395	-	-
Investment in money market funds	16.2	31 March 2024	320,565,162	-	320,565,162	-
Financial assets as at 31 March 2024			349,375,557	28,810,395	320,565,162	-

35.2 Group/Company

Assets measured at fair value:	Note	Date of valuation	Total	Fair value measurement using		
				Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			Rs.	(Level 1)	(Level 2)	(Level 3)
As at 31 March 2023						
Non-financial assets						
Consumable biological assets	11	31 March 2023	68,830,578	-	-	68,830,578
Non financial assets as at 31 March 2023			68,830,578	-	-	68,830,578
Financial assets						
Equity instruments designated at fair value through profit or loss						
Quoted equity shares	16.1	31 March 2023	28,913,092	28,913,092	-	-
Investment in money market funds	16.2	31 March 2023	589,304,217	-	589,304,217	-
Financial assets as at 31 March 2023			618,217,309	28,913,092	589,304,217	-

During the reporting period ended 31 March 2024 there were no transfers between Level 1 and Level 2 fair value measurements

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior management is supported by the Board of Directors (BOD) that advises on financial risks and the appropriate financial risk governance framework for the Group. BOD provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite. It is the Group's policy that all activities for risk management purposes are required to be approved by Board of Directors of JAT Holdings PLC.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

36.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and equity investments and investments designated under fair value through profit or loss.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance.

36.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with fixed interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to maintain an appropriate balance between fixed and variable rate borrowings.

36.1.2 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Year ended 31 March	Increase/decrease in percentage	Company Effect on profit before tax Rs.	Group Effect on profit before tax Rs.
2024	**+5%**	**(11,936,547)**	**(14,349,958)**
	-5%	**11,936,547**	**14,349,958**
2023	+5%	(14,424,299)	(15,131,978)
	-5%	14,424,299	15,131,978

The assumed movement in percentages for the interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

36.1.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the import of raw materials, finished goods and packing materials.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency risk as at 31st March 2023 and 2024, and sensitivity analysis to profit & loss and equity if exchange rate increased / (decrease) by 5%.

As at 31 March 2024	Change in rates		Group Effect on profit before tax		Company Effect on profit before tax	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
USD	+ 5%	- 5%	11,389,875	(11,389,875)	1,857,353	(1,857,353)
EURO	+ 5%	- 5%	9,417,956	(9,417,956)	(631,447)	631,447

As at 31 March 2023	Change in rates		Group Effect on profit before tax		Company Effect on profit before tax	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
USD	+ 5%	- 5%	36,929,411	(36,929,411)	23,152,080	(23,152,080)
EURO	+ 5%	- 5%	45,287,242	(45,287,242)	9,385,900	(9,385,900)

36.1.4 Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

All the listed equity instruments were measured based on the prices available as of 31 March 2024.

	2024		2023	
As at 31 March	Rs.	%	Rs.	%
Materials	955,000	3%	705,000	2%
Transpotation	11,537,180	40%	10,855,121	38%
Capital goods	8,203,967	28%	6,806,967	24%
Food beverage & tobacco	6,017,477	21%	8,347,504	29%
Diversified financials	1,435,770	5%	1,354,500	5%
Insurance	661,000	2%	844,000	3%
	28,810,394	100%	28,069,092	100%

36.2 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 Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Carrying amount of financial assets represents the maximum credit exposure of those assets. The Group's maximum exposure to credit risk at the reporting date were as follows;

		2024		2023	
As at 31 March	Note	Rs.	%	Rs.	%
Trade and other receivables	13	4,318,348,208	77%	3,670,323,743	76%
Amounts due from related parties	15.1	62,463,305	1%	15,466,305	0%
Short term financial assets					
- Investment in money market funds	16.2	320,565,162	6%	589,304,217	12%
- Investment in fixed deposits	16.3	702,019,701	12%	268,986,151	6%
Cash at bank and cash equivalents	17.1	224,206,247	4%	275,833,478	6%
		5,627,602,623	100%	4,819,913,894	100%

36.2.1 Trade receivables

Customer credit risk is managed by each company subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the established credit risk evaluation policy and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored.

Minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data.

Receivable balances are monitored on an ongoing basis to minimise bad debt risk and to ensure default rates are kept very low, whilst the improved operating environment resulted in improved collections during the financial year although there could be stresses in the ensuing year on account of the macroeconomic uncertainty and related impacts to our customers on account of elevated inflation and interest rates and the possible impact on consumer discretionary spend.

36.2.2 Cash and cash equivalents, money market, short term, and fixed deposits

Credit risk from balances with banks is managed in accordance with the Group treasury policy. Investments of surplus funds are made only with approved counterparties as per this policy.

The Group held cash in hand and at bank equivalents of Rs. 224 mn at 31 March 2024 (2023 - Rs. 276 mn) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks and other investment companies which group cash balances held are as follows;

Sampath Bank PLC : A(lka)

Commercial Bank of Ceylon PLC : A(lka)

Hatton National Bank PLC : A(lka)

People's Bank : A(lka)

National Development Bank PLC : A-(lka)

Seylan Bank PLC : A-(lka)

DFCC Bank PLC : A-(lka)

Standard Chartered Bank : AAA(lka)

Habib Bank Limited : A(lka)

National Savings Bank - AAA(lka)

Capital Alliance Investments LTD - BBf(lka)

First Capital Holdings PLC : (SL)A

NOTES TO THE FINANCIAL STATEMENTS

36.3 Liquidity risk

The Group monitors its risk to a shortage of funds by setting up a minimum liquidity level. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

36.3.1 Maturity analysis - Group

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2024 based on contractual undiscounted payments.

As at 31 March 2024	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Financial liabilities						
Bank loans	-	1,285,102,897	664,513,217	-	-	1,949,616,114
Lease liabilities	-	9,342,677	31,839,950	133,173,796	-	174,356,423
Bank overdrafts	703,544,777		-	-	-	703,544,777
Trade and other payables	-	2,275,741,041	-	-	-	2,275,741,041
	703,544,777	3,570,186,615	696,353,167	133,173,796	-	5,103,258,355

As at 31 March 2023	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Financial liabilities					-	
Bank loans	-	631,500,713	551,043,599	-	-	1,182,544,312
Lease liabilities	-	3,323,962	17,609,409	61,741,211	-	82,674,582
Bank overdrafts	359,017,825	-	-	-	-	359,017,825
Trade and other payables	-	2,516,304,370	-	-	-	2,516,304,370
	359,017,825	3,151,129,045	568,653,008	61,741,211	-	4,140,541,089

36.3.2 Maturity analysis - Company

The table below summarises the maturity profile of the company's financial liabilities at 31 March 2024 based on contractual undiscounted payments.

As at 31 March 2024	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Financial liabilities						
Bank loans	-	1,221,528,266	434,589,069	-	-	1,656,117,335
Lease liabilities	-	5,972,633	21,442,541	88,161,701	-	115,576,875
Bank overdrafts	516,695,425		-	-	-	516,695,425
Amounts due to related parties	-	26,124,847	-	-	-	26,124,847
Trade and other payables	-	1,193,493,580	-	-	-	1,193,493,580
	516,695,425	2,447,119,326	456,031,610	88,161,701	-	3,508,008,062

As at 31 March 2023	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Financial liabilities						
Bank loans	-	574,655,548	468,647,094	-	-	1,043,302,642
Lease liabilities	-	1,938,371	10,163,169	19,646,208	-	31,747,748
Bank overdrafts	304,778,443		-	-	-	304,778,443
Trade and other payables	-	830,839,981	-	-	-	830,839,981
	304,778,443	1,407,433,900	478,810,263	19,646,208	-	2,210,668,814

36 CAPITAL MANAGEMENT

Capital includes ordinary shares. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

As at 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Debt / Equity	31%	19%	27%	17%

SHAREHOLDER INFORMATION

The issued ordinary shares of JAT Holdings PLC are listed with the Colombo Stock Exchange of Sri Lanka.
CSE stock symbol: JAT.N0000

STATED CAPITAL

As at 31 March		2024	2023
Stated Capital		2,395,221,320	2,395,221,320
Number of Ordinary Shares		510,407,773	510,407,773
Class of Shares	Ordinary Shares		
Voting Rights	One vote per ordinary share		

STOCK EXCHANGE LISTING

The issued ordinary shares of JAT Holdings PLC are listed with the Colombo Stock Exchange of Sri Lanka.

DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH 2024

From	To	No. of Shareholders	%	No. of Shares	%
1	1,000	2,026	46.56%	734,126	0.14%
1,001	10,000	1,587	36.47%	6,562,200	1.29%
10,001	100,000	608	13.97%	18,962,529	3.72%
100,001	1,000,000	106	2.44%	31,508,556	6.17%
Over 1,000,000		24	0.55%	452,640,362	88.68%
Total		4,351	100.00%	510,407,773	100.00%

CATEGORIES OF SHAREHOLDERS AS AT 31ST MARCH 2024

	No. of Shareholders	%	No. of Shares	%
Local Individuals	4,143	95.22%	425,074,981	83.28%
Local Institutions	195	4.48%	83,139,021	16.29%
Foreign Individuals	11	0.25%	562,650	0.11%
Local Institutions	2	0.05%	1,631,121	0.32%
Total	4,351	100.00%	510,407,773	100.00%

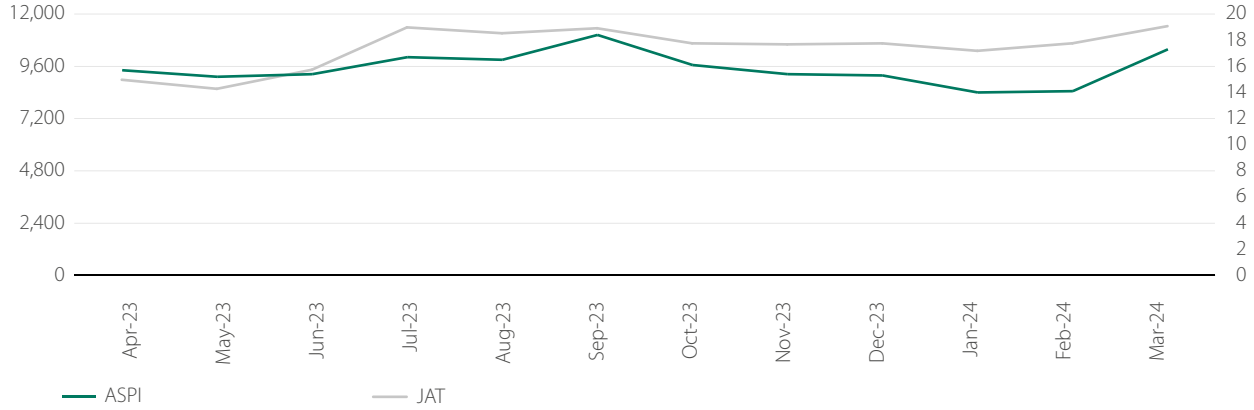
DIRECTORS' AND CEO'S SHAREHOLDING AS AT 31ST MARCH 2024

	Name of Director	No. of Shares
1	Dr. Sivakumar Selliah	1,320,000
2	Aelian Gunawardene	332,258,639
3	Nishal Ferdinando (CEO)	-
4	Hussain Akbarally	-
5	Devaka Cooray	550,000
6	Priyanthi Pieris	-
7	Joycelyn Gunawardene	9,145,221
8	Anika Williamson	13,717,832
9	Richard Gunawardene	13,717,832

MARKET INFORMATION OF THE ORDINARY SHARES OF THE COMPANY

12 months ended	Q1	Q2	Q3	Q4	2023/24	2022/23
Market price per share						
Highest during the year	16.50	18.80	18.30	17.80	**18.80**	18.50
Date/s highest price was recorded	21-Apr-2023	21-Sep-2023	2-Oct-2023	28-Mar-2024	**21-Sep-2023**	4-Apr-2022
Lowest during the year	14.50	15.20	14.60	13.50	**13.50**	9.20
Date/s lowest price was recorded	22-Jun-2023	4-Jul-2023	14-Dec-2023	29-Feb-2024	**29-Feb-2024**	27-Apr-2023
As at end of the period	15.40	18.40	15.30	17.30	**17.30**	16.00
Dividends paid per share (Rs.)					**0.30**	0.49
Trading Statistics						
Number of Transactions during the year	2,359	3,563	1,765	2,760	**10,448**	18,730
Number of shares traded during the year	9,928,649	10,504,585	3,541,721	5,447,832	**29,422,787**	49,276,113
Value of shares traded during the year (Rs.)	149,705,551	179,801,697.90	56,944,130.90	84,106,372	**470,557,752**	701,379,024.60
Average daily turnover (Rs.)	2,626,413	2,996,695	903,875.10	1,450,110	**7,977,093**	2,984,592
Percentage of total market turnover (%)	0.26%	0.11%	0.09%	0.10%	**0.13%**	0.14%
Market capitalisation (Rs.)	7,860,279,704	9,391,503,023	7,809,238,927	8,830,054,473	**8,830,054,473**	8,166,524,368
Percentage of total market capitalisation (%)	0.20%	0.21%	0.18%	0.19%	**0.19%**	0.21%

SHARE MOVEMENT AGAINST ASPI



PUBLIC HOLDING AS AT 31ST MARCH 2024

12 months ended	2024
The Public Holding Percentage	18.658%
Total number of shareholders who held public shares	4,338
Total No. of shareholders	4,351
The float adjusted market capitalisation (Rs.)	1,647,491,992.30

The float adjusted market capitalisation of the Company falls under Option 5 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has not complied with the minimum public holding requirement applicable under the said option.

SHAREHOLDER INFORMATION

TOP TWENTY SHAREHOLDERS LIST - DATED 31ST MARCH 2024

	NO. OF SHARES	%
MR A.W. GUNAWARDENE	332,258,639	65.10%
FALCON TRADING (PVT) LTD	27,077,498	5.31%
MR R.W. GUNAWARDENE	13,717,832	2.69%
MRS A.N. WILLIAMSON	13,717,832	2.69%
SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	11,032,733	2.16%
MRS J. GUNAWARDENE	9,145,221	1.79%
HATTON NATIONAL BANK PLC - CAPITAL ALLIANCE QUANTITATIVE EQUITY FUND	6,195,234	1.21%
MRS A. KAILASAPILLAI	4,240,000	0.83%
MRS A. SELLIAH	4,240,000	0.83%
ADAMJEE LUKMANJEE & SONS (PVT) LTD	3,398,999	0.67%
ARUNODHAYA (PRIVATE) LIMITED	3,385,000	0.66%
ARUNODHAYA INVESTMENTS (PRIVATE) LIMITED	3,360,000	0.66%
ARUNODHAYA INDUSTRIES (PRIVATE) LIMITED	3,360,000	0.66%
SDS SPICES (PVT) LTD	2,668,000	0.52%
ANDYSEL PRIVATE LIMITED	2,120,000	0.42%
MR M.A. LUKMANJEE	1,629,800	0.32%
SAMPATH BANK PLC/ DR.T.SENTHILVERL	1,611,299	0.32%
STANDARD CHARTERED BANK DIFC BRANCH S/A EFG HERMES UAE L.L.C	1,553,621	0.30%
BANSEI SECURITIES CAPITAL (PVT) LTD/I.S.P. PERERA	1,428,000	0.28%
HATTON NATIONAL BANK PLC/ARUMAPURAGE PETER LASANTHA FERNANDO	1,400,000	0.27%
	447,539,708	87.68%
OTHERS	62,868,065	12.32%
	510,407,773	100.00%

DIVIDENDS

Year ended 31 March	DPS (Rs.)	Dividends (Rs.)
2022	0.82	418,534,373.86
2023	0.49	250,099,808.77
2024	0.30	153,122,331.90

10 YEAR SUMMARY - GROUP

Year ended 31 March	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trading results										
Gross Turnover	11,556,354,523	10,167,326,936	8,896,808,118	5,359,510,190	6,295,513,667	6,547,228,876	5,446,689,000	5,782,965,328	4,904,771,722	3,546,165,115
Profit from operating activities	1,355,307,968	1,931,429,422	1,186,131,327	684,866,421	836,613,233	1,053,078,090	692,512,518	1,114,524,093	1,045,035,975	670,724,834
Net finance income/(cost)	-144,798,416	(445,425,630)	71,756,398	(40,374,552)	(133,105,173)	(111,816,410)	(106,198,342)	(83,023,258)	(40,110,597)	(30,818,974)
Profit before taxation	1,210,509,552	1,486,003,791	1,257,887,725	644,491,868	703,508,060	941,261,680	586,314,176	1,031,500,835	1,004,925,378	639,905,861
Tax expenses	(187,265,688)	(185,082,691)	(47,331,041)	(44,054,405)	(43,624,797)	(60,291,578)	48,463,543	(129,198,152)	(155,865,854)	(98,273,619)
Profit for the year	1,023,243,864	1,300,921,100	1,210,556,684	600,437,463	659,883,264	880,970,102	634,777,719	902,302,683	849,059,524	541,632,242
Statement of financial position										
Assets										
Property, plant and equipment	3,631,260,418	1,979,440,089	1,667,971,362	1,530,699,458	1,435,361,574	1,487,443,551	1,316,298,723	1,084,679,458	875,595,866	598,750,044
Intangible assets	160,517,690	18,941,870	17,627,288	22,480,109	24,156,939	23,873,057	20,344,464	80,529,287	58,492,610	1,550,552
Right-of-use assets	116,020,774	76,080,912	15,142,330	25,520,798	44,390,742	-	-	-	-	-
Investment properties	668,023,780	-	-	-	43,039,000	41,039,000	-	-	-	-
Consumable Biological Assets	72,267,944	68,830,578	68,577,048	58,120,344	49,241,160	33,822,114	26,368,238	16,217,483	7,893,750	7,500,000
Other Investments	77,495,664	59,489,052	-	-	2,467,248	19,684,448	14,588,000	14,588,000	-	-
Advance paid for investment properties	-	715,298,499	142,421,669	142,421,669	94,196,239	94,196,239	-	-	-	-
Net Investment in the lease	130,588,285	138,183,850								
Deferred tax asset	7,003,465	-	-	-	-	-	6,133,016	25,919,758	15,527,397	847,395
Current assets	9,585,893,691	9,952,817,133	9,632,304,036	5,278,549,174	5,463,814,488	5,293,241,644	4,851,821,885	4,471,071,098	3,367,120,429	2,478,369,884
Total assets	14,449,071,711	13,009,081,983	11,544,043,733	7,057,791,552	7,156,667,391	6,993,300,053	6,235,554,327	5,693,005,084	4,324,630,052	3,087,017,875
Equity and liabilities										
Share capital	2,395,221,320	2,395,221,320	2,395,221,320	918,770,013	918,770,013	918,770,013	918,770,013	918,770,013	628,770,000	628,770,000
Retained earnings	6,757,052,187	6,138,539,386	5,263,420,779	4,451,031,493	4,073,144,201	3,674,269,393	2,937,989,797	2,454,670,452	1,838,256,696	1,200,909,270
Non-controlling interest	(12,543,373)	(13,807,358)	(8,337,725)	(4,369,381)	(6,089,990)	(1,103,326)	(2,006,627)	3,252,293	(593,568)	-
Reserves	(24,447,762)	107,899,325	96,297,224	(24,866,702)	(23,849,583)	(24,298,241)	(24,189,450)	4,290,285	-	-
Retirement benefit obligation	92,978,812	74,142,249	63,888,296	57,308,540	46,338,309	36,306,416	33,556,928	24,328,246	24,257,631	23,019,385
Long term loans and borrowings	114,115,432	57,376,938	13,588,091	39,199,622	36,500,846	62,332,065	232,205,387	230,879,150	117,113,070	8,739,473
Deferred tax liability	55,986,311	58,885,477	14,334,396	-	19,182,904	19,170,797	-	-	-	4,644,867
Current liabilities	5,070,708,784	4,190,824,648	3,705,631,352	1,620,717,967	2,092,670,692	2,307,852,936	2,139,228,279	2,056,814,646	1,716,826,223	1,220,934,880
Total Equity and liabilities	14,449,071,711	13,009,081,983	11,544,043,733	7,057,791,552	7,156,667,391	6,993,300,053	6,235,554,327	5,693,005,084	4,324,630,052	3,087,017,875
Ratios										
NP Ratio (%)	9%	13%	14%	11%	11%	13%	12%	16%	17%	15%
Return On Equity (%)	11%	15%	16%	11%	14%	19%	17%	27%	34%	30%
Return on Total Assets (%)	7%	10%	10%	9%	10%	13%	10%	16%	20%	18%
Current Ratio (Times)	1.89	2.37	2.60	3.26	2.61	2.29	2.27	2.17	1.96	2.03
Quick Ratio (Times)	1.13	1.54	1.99	2.29	1.76	1.67	1.51	1.48	1.52	1.45
Annual Sales Growth (%)	14%	14%	66%	-15%	-4%	20%	-6%	18%	38%	18%

VERTICAL ANALYSIS

FOR THE LAST FIVE YEARS STATEMENT OF PROFIT OR LOSS

Group	31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)		31st March 2020 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue from contracts with customers	11,556,354,523	100.0%	10,167,326,936	100.0%	8,896,808,118	100.0%	5,359,510,190	100.0%	6,295,513,667	100.0%
Local Sales	7,252,918,823		6,838,857,124		6,545,406,235		4,554,151,275		3,527,766,806	
Export Sales	4,056,031,297		2,567,533,097		1,976,543,387		618,054,189		1,740,974,630	
Project Sales	247,404,403		760,936,715		374,858,496		187,304,726		1,026,772,231	
Cost of sales	(8,167,796,663)	70.7%	(6,743,495,940)	66.3%	(6,293,400,077)	70.7%	(3,715,213,356)	69.3%	(4,556,690,210)	72.4%
Gross profit	3,388,557,860	29.3%	3,423,830,996	33.7%	2,603,408,041	29.3%	1,644,296,834	30.7%	1,738,823,457	27.6%
Other income	545,837,097	4.7%	125,813,099	1.2%	66,948,815	0.8%	52,597,141	1.0%	75,230,888	1.2%
Selling and distribution expenses	(1,296,373,315)	11.2%	(856,928,928)	8.4%	(824,388,131)	9.3%	(710,914,449)	13.3%	(666,567,852)	10.6%
Administrative expenses	(1,282,713,674)	11.1%	(761,285,745)	7.5%	(659,837,398)	7.4%	(301,113,105)	5.6%	(310,873,260)	4.9%
Results from operating activities	1,355,307,968	11.7%	1,931,429,422	19.0%	1,186,131,327	13.3%	684,866,421	12.8%	836,613,233	13.3%
Net finance income/(cost)	(144,798,416)	1.3%	(445,425,630)	4.4%	71,756,398	0.8%	(40,374,552)	0.8%	(85,938,272)	1.4%
Profit before tax	1,210,509,552	10.5%	1,486,003,791	14.6%	1,257,887,725	14.1%	644,491,868	12.0%	750,674,961	11.9%
Profit for the year	1,023,243,864	8.9%	1,300,921,100	12.8%	1,210,556,684	13.6%	600,437,463	11.2%	707,050,164	11.2%

Company	31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)		31st March 2020 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue from contracts with customers	7,304,020,157	100.0%	7,161,896,306	100.0%	6,660,847,225	100.0%	4,512,726,994	100.0%	4,428,459,732	100.0%
Local Sales	6,998,810,599		6,347,781,145		6,285,988,730		4,325,422,268		3,401,634,827	
Export Sales	57,805,155		53,178,447		-		-		52,674	
Project Sales	247,404,403		760,936,714		374,858,495		187,304,726		1,026,772,231	
Cost of sales	(4,850,032,154)	66.4%	(4,330,928,805)	60.5%	(4,549,794,831)	68.3%	(3,064,492,333)	67.9%	(3,082,976,868)	69.6%
Gross profit	2,453,988,003	33.6%	2,830,967,501	39.5%	2,111,052,394	31.7%	1,448,234,661	32.1%	1,345,482,864	30.4%
Other income	277,511,872	3.8%	335,770,973	4.7%	245,070,416	3.7%	157,243,260	3.5%	290,145,451	6.6%
Selling and distribution expenses	(1,029,234,975)	14.1%	(831,215,001)	11.6%	(786,455,595)	11.8%	(626,542,152)	13.9%	(623,075,762)	14.1%
Administrative expenses	(1,020,909,601)	14.0%	(625,605,788)	8.7%	(542,891,889)	8.2%	(360,950,669)	8.0%	(330,639,254)	7.5%
Results from operating activities	681,355,299	9.3%	1,709,917,686	23.9%	1,026,775,327	15.4%	617,985,100	13.7%	681,913,299	15.4%
Net finance income/(cost)	(52,717,182)	0.7%	(341,105,611)	4.8%	(2,392,390)	0.0%	(52,482,964)	1.2%	(96,448,486)	2.2%
Profit before tax	628,638,117	8.6%	1,368,812,074	19.1%	1,024,382,938	15.4%	565,502,136	12.5%	585,464,813	13.2%
Profit for the year	627,384,284	8.6%	1,284,324,964	17.9%	997,714,093	15.0%	529,242,689	11.7%	575,926,621	13.0%

HORIZONTAL ANALYSIS

FOR THE LAST FIVE YEARS STATEMENT OF PROFIT OR LOSS

Group	31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)		31st March 2020 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue from contracts with customers	11,556,354,523	113.7%	10,167,326,936	114.3%	8,896,808,118	166.0%	5,359,510,190	85.1%	6,295,513,667	96.2%
Local Sales	7,252,918,823		6,838,857,124		6,545,406,235		4,554,151,275		3,527,766,806	
Export Sales	4,056,031,297		2,866,282,090		1,976,543,387		618,054,189		1,740,974,630	
Project Sales	247,404,403		760,936,715		374,858,496		187,304,726		1,026,772,231	
Cost of sales	(8,167,796,663)	121.1%	(6,743,495,940)	107.2%	(6,293,400,077)	169.4%	(3,715,213,356)	81.5%	(4,556,690,210)	98.7%
Gross profit	3,388,557,860	99.0%	3,423,830,996	131.5%	2,603,408,041	158.3%	1,644,296,834	94.6%	1,738,823,457	90.0%
Other income	545,837,097	433.8%	125,813,099	187.9%	66,948,815	127.3%	52,597,141	69.9%	75,230,888	398.0%
Selling and distribution expenses	(1,296,373,315)	151.3%	(856,928,928)	103.9%	(824,388,131)	116.0%	(710,914,449)	106.7%	(666,567,852)	112.6%
Administrative expenses	(1,282,713,674)	168.5%	(761,285,745)	115.4%	(659,837,398)	219.1%	(301,113,105)	96.9%	(310,873,260)	101.7%
Results from operating activities	1,355,307,968	70.2%	1,931,429,422	162.8%	1,186,131,327	173.2%	684,866,421	81.9%	836,613,233	79.4%
Net finance income/(cost)	(144,798,416)	-32.5%	(445,425,630)	620.7%	71,756,398	177.7%	(40,374,552)	47.0%	(85,938,272)	76.9%
Profit before tax	1,210,509,552	81.5%	1,486,003,791	118.1%	1,257,887,725	195.2%	644,491,868	85.9%	750,674,961	79.8%
Profit for the year	1,023,243,864	78.7%	1,300,921,100	107.5%	1,210,556,684	201.6%	600,437,463	84.9%	707,050,164	80.3%

Company	31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)		31st March 2020 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue from contracts with customers	7,304,020,157	102.0%	7,161,896,306	107.5%	6,660,847,225	147.6%	4,512,726,994	101.9%	4,428,459,732	70.1%
Local Sales	6,998,810,599		6,347,781,145		6,285,988,730		4,325,422,268		3,401,634,827	
Export Sales	57,805,155		53,178,447		-		-		52,674	
Project Sales	247,404,403		760,936,714		374,858,495		187,304,726		1,026,772,231	
Cost of sales	(4,850,032,154)	112.0%	(4,330,928,805)	95.2%	(4,549,794,831)	148.5%	(3,064,492,333)	99.4%	(3,082,976,868)	69.4%
Gross profit	2,453,988,003	86.7%	2,830,967,501	134.1%	2,111,052,394	145.8%	1,448,234,661	107.6%	1,345,482,864	71.8%
Other income	277,511,872	82.6%	335,770,973	137.0%	245,070,416	155.9%	157,243,260	54.2%	290,145,451	737.5%
Selling and distribution expenses	(1,029,234,975)	123.8%	(831,215,001)	105.7%	(786,455,595)	125.5%	(626,542,152)	100.6%	(623,075,762)	108.2%
Administrative expenses	(1,020,909,601)	163.2%	(625,605,788)	115.2%	(542,891,889)	150.4%	(360,950,669)	109.2%	(330,639,254)	128.6%
Results from operating activities	681,355,299	39.8%	1,709,917,686	166.5%	1,026,775,327	166.1%	617,985,100	90.6%	681,913,299	63.2%
Net finance income/(cost)	(52,717,182)	15.5%	(341,105,612)	14257.9%	(2,392,390)	4.6%	(52,482,964)	54.4%	(96,448,486)	100.0%
Profit before tax	628,638,117	45.9%	1,368,812,074	133.6%	1,024,382,938	181.1%	565,502,136	96.6%	585,464,813	59.5%
Profit for the year	627,384,284	48.8%	1,284,324,964	128.7%	997,714,093	188.5%	529,242,689	91.9%	575,926,621	62.2%

VERTICAL ANALYSIS

FOR THE LAST FIVE YEARS STATEMENT OF FINANCIAL POSITION

Group	31st March 2024 Rs.	%	31st March 2023 Rs.	%	31st March 2022 Rs.	%	31st March 2021 Rs.	%	31st March 2020 Rs.	%
ASSETS										
Non-current assets										
Property, plant and equipment	3,631,260,418	25.1%	1,979,440,089	15.2%	1,667,971,362	14.4%	1,530,699,457	21.7%	1,435,361,574	20.1%
Right-of-use assets	116,020,774	0.8%	76,080,912	0.6%	15,142,330	0.1%	25,520,797	0.4%	44,390,742	0.6%
Investment properties	668,023,780	4.6%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Intangible assets	160,517,690	1.1%	18,941,870	0.1%	17,627,288	0.2%	22,480,109	0.3%	24,156,939	0.3%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other Investments	77,495,664	0.5%	59,489,052	0.5%	-	0.0%	-	0.0%	2,467,248	0.0%
Net Investment in the lease	130,588,285	0.9%	138,183,850	1.1%	-	0.0%	-	0.0%	-	0.0%
Consumable biological assets	72,267,944	0.5%	68,830,578	0.5%	68,577,048	0.6%	58,120,344	0.8%	49,241,160	0.7%
Advance paid for investment properties	-	0.0%	715,298,499	5.5%	142,421,669	1.2%	142,421,669	2.0%	137,235,239	1.9%
Deferred Tax Assets	7,003,465	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	4,863,178,020	33.7%	3,056,264,850	23.5%	1,911,739,697	16.6%	1,779,242,376	25.2%	1,692,852,902	23.7%
Current assets										
Inventories	2,884,443,016	20.0%	3,511,755,816	27.0%	2,253,759,798	19.5%	1,562,903,810	22.1%	1,782,316,767	24.9%
Income tax recoverable	46,476,961	0.3%	-	0.0%	-	0.0%	11,437,292	0.2%	51,228,687	0.7%
Trade and other receivables	4,318,348,208	29.9%	3,670,323,743	28.2%	4,784,543,338	41.4%	2,836,316,766	40.2%	2,989,366,864	41.8%
Advances and prepayments	996,844,095	6.9%	1,590,711,826	12.2%	787,270,868	6.8%	85,983,114	1.2%	83,937,410	1.2%
Net Investment in the lease	1,716,601	0.0%	1,522,505	0.0%	-	0.0%	-	0.0%	-	0.0%
Amounts due from related parties	62,463,305	0.4%	15,466,305	0.1%	61,400,571	0.5%	70,818,034	1.0%	59,585,255	0.8%
Short term financial assets	1,051,395,258	7.3%	887,203,460	6.8%	1,056,499,610	9.2%	216,806,589	3.1%	-	0.0%
Cash and cash equivalents	224,206,247	1.6%	275,833,478	2.1%	688,829,851	6.0%	494,283,570	7.0%	497,379,506	6.9%
	9,585,893,691	66.3%	9,952,817,133	76.5%	9,632,304,036	83.4%	5,278,549,174	74.8%	5,463,814,489	76.3%
Total assets	14,449,071,711	100.0%	13,009,081,983	100.0%	11,544,043,733	100.0%	7,057,791,551	100.0%	7,156,667,391	100.0%
EQUITY AND LIABILITIES										
Capital and reserves										
Stated capital	2,395,221,320	16.6%	2,395,221,320	18.4%	2,395,221,320	20.7%	918,770,013	13.0%	918,770,013	12.8%
Retained earnings	6,757,052,187	46.8%	6,138,539,386	47.2%	5,263,420,779	45.6%	4,451,031,491	63.1%	4,073,144,201	56.9%
Foreign currency translation reserve	(24,447,762)	-0.2%	107,899,325	0.8%	96,297,224	0.8%	(24,866,701)	0.4%	(23,849,583)	0.3%
Equity attributable to equity holders of the parent	9,127,825,745	63.2%	8,641,660,031	66.4%	7,754,939,323	67.2%	5,344,934,803	75.7%	4,968,064,631	69.4%
Non-controlling interest	(12,543,373)	-0.1%	(13,807,358)	0.1%	(8,337,725)	0.1%	(4,369,381)	0.1%	(6,089,990)	0.1%
Total equity	9,115,282,372	63.1%	8,627,852,673	66.3%	7,746,601,598	67.1%	5,340,565,422	75.7%	4,961,974,641	69.3%
Non-current liabilities										
Interest bearing loans and borrowings	114,115,432	0.8%	57,376,938	0.4%	13,588,091	0.1%	29,439,735	0.4%	36,500,846	0.5%
Retirement benefit obligation	92,978,812	0.6%	74,142,249	0.6%	63,888,296	0.6%	57,308,540	0.8%	46,338,309	0.6%
Deferred tax liability	55,986,311	0.4%	58,885,477	0.5%	14,334,396	0.1%	-	0.0%	19,182,904	0.3%
	263,080,555	1.8%	190,404,664	1.5%	91,810,782	0.8%	86,748,275	1.2%	102,022,059	1.4%
Current liabilities										
Trade and other payables	2,275,741,041	15.8%	2,516,304,370	19.3%	2,413,243,197	20.9%	1,127,339,229	16.0%	1,206,267,576	16.9%
Amounts due to related parties	-	0.0%	-	0.0%	4,607,375	0.0%	91,617	0.0%	50,795	0.0%
Interest bearing loans and borrowings	2,674,439,532	18.5%	1,557,543,932	12.0%	1,275,445,841	11.0%	503,047,009	7.1%	886,352,320	12.4%
Income tax payable	120,528,211	0.8%	116,976,344	0.9%	12,334,939	0.1%	-	0.0%	-	0.0%
	5,070,708,784	35.1%	4,190,824,646	32.2%	3,705,631,353	32.1%	1,630,477,855	23.1%	2,092,670,691	29.2%
Total equity and liabilities	14,449,071,711	100.0%	13,009,081,983	100.0%	11,544,043,733	100.0%	7,057,791,551	100.0%	7,156,667,391	100.0%

Company	31st March 2024 Rs.	%	31st March 2023 Rs.	%	31st March 2022 Rs.	%	31st March 2021 Rs.	%	31st March 2020 Rs.	%
ASSETS										
Non-current assets										
Property, plant and equipment	3,343,337,028	27.7%	1,872,397,657	17.7%	1,663,832,775	16.5%	1,528,228,246	23.0%	1,426,621,941	21.9%
Right-of-use assets	81,693,669	0.7%	23,620,842	0.2%	15,142,330	0.2%	25,520,797	0.4%	44,390,742	0.7%
Investment properties	216,635,216	1.8%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Intangible assets	152,829,001	1.3%	11,157,602	0.1%	9,688,032	0.1%	14,504,680	0.2%	15,865,240	0.2%
Investments in subsidiaries	1,013,620,803	8.4%	633,275,240	6.0%	333,818,740	3.3%	333,818,740	5.0%	333,818,740	5.1%
Other Investments	72,267,944	0.6%	59,489,052	0.6%	-	0.0%		0.0%	2,467,248	0.0%
Net Investment in the lease	130,588,285	1.1%	138,183,850	1.3%	-	0.0%		0.0%	-	0.0%
Consumable biological assets	77,495,664	0.6%	68,830,578	0.7%	68,577,048	0.7%	58,120,344	0.9%	49,241,160	0.8%
Advance paid for investment properties	-	0.0%	218,823,451	2.1%	142,421,669	1.4%	142,421,669	2.1%	137,235,239	2.1%
	5,088,467,610	42.1%	3,025,778,272	28.6%	2,233,480,594	22.2%	2,102,614,476	31.6%	2,009,640,310	30.8%
Current assets										
Inventories	2,270,292,871	18.8%	2,681,493,784	25.3%	2,146,186,902	21.3%	1,461,999,666	22.0%	1,669,106,489	25.6%
Income tax recoverable	42,739,408	0.4%	-	0.0%	6,212,097	0.1%	18,788,089	0.3%	74,085,127	1.1%
Trade and other receivables	2,642,624,852	21.9%	2,411,654,625	22.8%	3,145,299,054	31.3%	2,315,246,921	34.8%	2,102,542,315	32.2%
Advances and prepayments	889,168,349	7.4%	1,508,332,929	14.3%	744,554,705	7.4%	75,934,260	1.1%	52,190,829	0.8%
Net Investment in the lease	1,716,601	0.0%	1,522,505	0.0%	-	0.0%	-	0.0%	-	0.0%
Amounts due from related parties	275,922,920	2.3%	222,508,575	2.1%	367,231,598	3.7%	246,056,188	3.7%	233,886,036	3.6%
Short term financial assets	774,375,557	6.4%	618,217,309	5.8%	868,684,706	8.6%	216,806,589	3.3%	-	0.0%
Cash and cash equivalents	88,338,022	0.7%	115,240,932	1.1%	547,892,271	5.4%	216,355,313	3.3%	378,198,499	5.8%
	6,985,178,580	57.9%	7,558,970,659	71.4%	7,826,061,333	77.8%	4,551,187,026	68.4%	4,510,009,295	69.2%
Total assets	12,073,646,190	100.0%	10,584,748,931	100.0%	10,059,541,927	100.0%	6,653,801,502	100.0%	6,519,649,605	100.0%
EQUITY AND LIABILITIES										
Capital and reserves										
Stated capital	2,395,221,320	19.8%	2,395,221,320	22.6%	2,395,221,320	23.8%	918,770,013	13.8%	918,770,013	14.1%
Retained earnings	6,053,260,642	50.1%	5,828,321,631	55.1%	4,966,747,147	49.4%	4,372,129,973	65.7%	4,063,668,240	62.3%
Foreign currency translation reserve	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Equity attributable to equity holders of the parent	8,448,481,962	70.0%	8,223,542,951	77.7%	7,361,968,467	73.2%	5,290,899,986	79.5%	4,982,438,253	76.4%
Non-controlling interest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total equity	8,448,481,962	70.0%	8,223,542,951	77.7%	7,361,968,467	73.2%	5,290,899,986	79.5%	4,982,438,253	76.4%
Non-current liabilities										
Interest bearing loans and borrowings	72,450,294	0.6%	14,616,309	0.1%	2,265,966	0.0%	10,292,086	0.2%	29,178,971	0.4%
Retirement benefit obligation	90,894,582	0.8%	72,827,983	0.7%	62,913,258	0.6%	56,079,631	0.8%	45,624,470	0.7%
Deferred tax liability	55,986,310	0.5%	55,170,522	0.5%	14,334,396	0.1%	-	0.0%	19,182,904	0.3%
	219,331,186	1.8%	142,614,814	1.3%	79,513,620	0.8%	66,371,717	1.0%	93,986,345	1.4%
Current liabilities										
Trade and other payables	1,193,493,580	9.9%	830,839,981	7.8%	1,401,216,873	13.9%	820,994,171	12.3%	595,085,804	9.1%
Amounts due to related parties	26,124,847	0.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Interest bearing loans and borrowings	2,186,214,616	18.1%	1,355,896,675	12.8%	1,216,842,967	12.1%	475,535,629	7.1%	848,139,203	13.0%
Income tax payable	-	0.0%	31,854,509	0.3%	-	0.0%	-	0.0%	-	0.0%
	3,405,833,042	28.2%	2,218,591,165	21.0%	2,618,059,840	26.0%	1,296,529,799	19.5%	1,443,225,007	22.1%
Total equity and liabilities	12,073,646,190	100.0%	10,584,748,931	100.0%	10,059,541,927	100.0%	6,653,801,502	100.0%	6,519,649,605	100.0%

HORIZONTAL ANALYSIS

FOR THE LAST FIVE YEARS STATEMENT OF FINANCIAL POSITION

Group	31st March 2024		31st March 2023		31st March 2022		31st March 2021		31st March 2020	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
ASSETS										
Non-current assets										
Property, plant and equipment	3,631,260,418	183.4%	1,979,440,089	118.7%	1,667,971,362	109.0%	1,530,699,457	106.6%	1,435,361,574	96.5%
Right-of-use assets	116,020,774	152.5%	76,080,912	502.4%	15,142,330	59.3%	25,520,797	57.5%	44,390,742	0.0%
Investment properties	668,023,780	100.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Intangible assets	160,517,690	847.4%	18,941,870	107.5%	17,627,288	78.4%	22,480,109	93.1%	24,156,939	101.2%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other Investments	77,495,664	130.3%	59,489,052	100.0%	-	0.0%	-	0.0%	2,467,248	12.5%
Net Investment in the lease	130,588,285	94.5%	138,183,850	100.0%	-	0.0%	-	0.0%	-	0.0%
Consumable biological assets	72,267,944	105.0%	68,830,578	100.4%	68,577,048	118.0%	58,120,344	118.0%	49,241,160	145.6%
Advance paid for investment properties	-	0.0%	715,298,499	502.2%	142,421,669	100.0%	142,421,669	103.8%	137,235,239	101.5%
Deferred Tax Assets	7,003,465	100.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	4,863,178,020	159.1%	3,056,264,850	159.9%	1,911,739,697	107.4%	1,779,242,376	105.1%	1,692,852,902	99.6%
Current assets										
Inventories	2,884,443,016	82.1%	3,511,755,816	155.8%	2,253,759,798	144.2%	1,562,903,810	87.7%	1,782,316,767	124.3%
Income tax recoverable	46,476,961	100.0%	-	0.0%	-	0.0%	11,437,292	22.3%	51,228,687	74.6%
Trade and other receivables	4,318,348,208	117.7%	3,670,323,743	76.7%	4,784,543,338	168.7%	2,836,316,766	94.9%	2,989,366,864	97.6%
Advances and prepayments	996,844,095	62.7%	1,590,711,826	202.1%	787,270,868	915.6%	85,983,114	102.4%	83,937,410	23.0%
Net Investment in the lease	1,716,601	112.7%	1,522,505	100.0%	-	0.0%	-	0.0%	-	0.0%
Amounts due from related parties	62,463,305	403.9%	15,466,305	25.2%	61,400,571	86.7%	70,818,034	118.9%	59,585,255	126.5%
Short term financial assets	1,051,395,258	118.5%	887,203,460	84.0%	1,056,499,610	487.3%	216,806,589	100.0%	-	100.0%
Cash and cash equivalents	224,206,247	81.3%	275,833,478	40.0%	688,829,851	139.4%	494,283,570	99.4%	497,379,506	157.1%
	9,585,893,691	96.3%	9,952,817,133	103.3%	9,632,304,036	182.5%	5,278,549,174	96.6%	5,463,814,489	103.2%
Total assets	14,449,071,711	111.1%	13,009,081,983	112.7%	11,544,043,733	163.6%	7,057,791,551	98.6%	7,156,667,391	102.3%
EQUITY AND LIABILITIES										
Capital and reserves										
Stated capital	2,395,221,320	100.0%	2,395,221,320	100.0%	2,395,221,320	260.7%	918,770,013	100.0%	918,770,013	100.0%
Retained earnings	6,757,052,187	110.1%	6,138,539,386	116.6%	5,263,420,779	118.3%	4,451,031,491	109.3%	4,073,144,201	110.9%
Foreign currency translation reserve	(24,447,762)	-22.7%	107,899,325	112.0%	96,297,224	387.3%	(24,866,701)	104.3%	(23,849,583)	98.2%
Equity attributable to equity holders of the parent	9,127,825,745	105.6%	8,641,660,031	111.4%	7,754,939,323	145.1%	5,344,934,803	107.6%	4,968,064,631	108.7%
Non-controlling interest	(12,543,373)	90.8%	(13,807,358)	165.6%	(8,337,725)	190.8%	(4,369,381)	71.7%	(6,089,990)	552.0%
Total equity	9,115,282,372	105.6%	8,627,852,673	111.4%	7,746,601,598	145.1%	5,340,565,422	107.6%	4,961,974,641	108.6%
Non-current liabilities										
Interest bearing loans and borrowings	114,115,432	198.9%	57,376,938	422.3%	13,588,091	46.2%	29,439,735	80.7%	36,500,846	58.6%
Retirement benefit obligation	92,978,812	125.4%	74,142,249	116.0%	63,888,296	111.5%	57,308,540	123.7%	46,338,309	127.6%
Deferred tax liability	55,986,311	95.1%	58,885,477	410.8%	14,334,396	100.0%	-	0.0%	19,182,904	100.1%
	263,080,555	138.2%	190,404,664	207.4%	91,810,782	105.8%	86,748,275	85.0%	102,022,059	86.6%
Current liabilities										
Trade and other payables	2,275,741,041	90.4%	2,516,304,370	104.3%	2,413,243,197	214.1%	1,127,339,229	93.5%	1,206,267,576	125.4%
Amounts due to related parties	-	0.0%	-	0.0%	4,607,375	5028.9%	91,617	180.4%	50,795	4.8%
Interest bearing loans and borrowings	2,674,439,532	171.7%	1,557,543,932	122.1%	1,275,445,841	253.5%	503,047,009	56.8%	886,352,320	65.9%
Income tax payable	120,528,211	103.0%	116,976,344	948.3%	12,334,939	100.0%	-	0.0%	-	0.0%
	5,070,708,784	121.0%	4,190,824,646	113.1%	3,705,631,353	227.3%	1,630,477,855	77.9%	2,092,670,691	90.7%
Total equity and liabilities	14,449,071,711	111.1%	13,009,081,983	112.7%	11,544,043,733	163.6%	7,057,791,551	98.6%	7,156,667,391	102.3%

Company	31st March 2024		31st March 2023		31st March 2022		31st March 2021		31st March 2020	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
ASSETS										
Non-current assets										
Property, plant and equipment	3,343,337,028	178.6%	1,872,397,657	112.5%	1,663,832,775	108.9%	1,528,228,246	107.1%	1,426,621,941	96.8%
Right-of-use assets	81,693,669	345.9%	23,620,842	156.0%	15,142,330	59.3%	25,520,797	57.5%	44,390,742	100.0%
Investment properties	216,635,216	100.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Intangible assets	152,829,001	1369.7%	11,157,602	115.2%	9,688,032	66.8%	14,504,680	91.4%	15,865,240	99.2%
Investments in subsidiaries	1,013,620,803	160.1%	633,275,240	189.7%	333,818,740	100.0%	333,818,740	100.0%	333,818,740	149.7%
Other Investments	72,267,944	121.5%	59,489,052	100.0%	-	0.0%	-	0.0%	2,467,248	12.5%
Net Investment in the lease	130,588,285	94.5%	138,183,850	100.0%	-	0.0%	-	0.0%	-	0.0%
Consumable biological assets	77,495,664	112.6%	68,830,578	100.4%	68,577,048	118.0%	58,120,344	118.0%	49,241,160	145.6%
Advance paid for investment properties	-	0.0%	218,823,451	153.6%	142,421,669	100.0%	142,421,669	103.8%	137,235,239	101.5%
Deferred Tax Assets	-									
	5,088,467,610	168.2%	3,025,778,272	135.5%	2,233,480,594	106.2%	2,102,614,476	104.6%	2,009,640,310	105.6%
Current assets										
Inventories	2,270,292,871	84.7%	2,681,493,784	124.9%	2,146,186,902	146.8%	1,461,999,666	87.6%	1,669,106,489	129.1%
Income tax recoverable	42,739,408	100.0%	-	0.0%	6,212,097	33.1%	18,788,089	25.4%	74,085,127	105.8%
Trade and other receivables	2,642,624,852	109.6%	2,411,654,625	76.7%	3,145,299,054	135.9%	2,315,246,921	110.1%	2,102,542,315	71.4%
Advances and prepayments	889,168,349	59.0%	1,508,332,929	202.6%	744,554,705	980.5%	75,934,260	145.5%	52,190,829	15.2%
Net Investment in the lease	1,716,601	112.7%	1,522,505	100.0%	-	0.0%	-	0.0%	-	0.0%
Amounts due from related parties	275,922,920	124.0%	222,508,575	60.6%	367,231,598	149.2%	246,056,188	105.2%	233,886,036	253.6%
Short term financial assets	774,375,557	125.3%	618,217,309	71.2%	868,684,706	400.7%	216,806,589	100.0%	-	0.0%
Cash and cash equivalents	88,338,022	76.7%	115,240,932	21.0%	547,892,271	253.2%	216,355,313	57.2%	378,198,499	123.2%
	6,985,178,580	92.4%	7,558,970,659	96.6%	7,826,061,333	172.0%	4,551,187,026	100.9%	4,510,009,295	89.3%
Total assets	**12,073,646,190**	**114.1%**	**10,584,748,931**	**105.2%**	**10,059,541,927**	**151.2%**	**6,653,801,502**	**102.1%**	**6,519,649,605**	**93.8%**
EQUITY AND LIABILITIES										
Capital and reserves										
Stated capital	2,395,221,320	100.0%	2,395,221,320	100.0%	2,395,221,320	260.7%	918,770,013	100.0%	918,770,013	100.0%
Retained earnings	6,053,260,642	103.9%	5,828,321,631	117.3%	4,966,747,147	113.6%	4,372,129,973	107.6%	4,063,668,240	106.9%
Foreign currency translation reserve	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Equity attributable to equity holders of the parent	8,448,481,962	102.7%	8,223,542,951	111.7%	7,361,968,467	139.1%	5,290,899,986	106.2%	4,982,438,253	105.6%
Non-controlling interest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total equity	**8,448,481,962**	**102.7%**	**8,223,542,951**	**111.7%**	**7,361,968,467**	**139.1%**	**5,290,899,986**	**106.2%**	**4,982,438,253**	**105.6%**
Non-current liabilities										
Interest bearing loans and borrowings	72,450,294	495.7%	14,616,309	645.0%	2,265,966	22.0%	10,292,086	35.3%	29,178,971	46.8%
Retirement benefit obligation	90,894,582	124.8%	72,827,983	115.8%	62,913,258	112.2%	56,079,631	122.9%	45,624,470	128.1%
Deferred tax liability	55,986,310	101.5%	55,170,522	384.9%	14,334,396	100.0%	-	0.0%	19,182,904	100.1%
	219,331,186	153.8%	142,614,814	179.4%	79,513,620	119.8%	66,371,717	70.6%	93,986,345	80.3%
Current liabilities										
Trade and other payables	1,193,493,580	143.6%	830,839,981	59.3%	1,401,216,873	170.7%	820,994,171	138.0%	595,085,804	71.1%
Amounts due to related parties	26,124,847	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Interest bearing loans and borrowings	2,186,214,616	161.2%	1,355,896,675	111.4%	1,216,842,967	255.9%	475,535,629	56.1%	848,139,203	66.3%
Income tax payable	-	0.0%	31,854,509	100.0%	-	0.0%	-	0.0%	-	0.0%
	3,405,833,043	153.5%	2,218,591,165	84.7%	2,618,059,840	201.9%	1,296,529,799	89.8%	1,443,225,007	68.2%
Total equity and liabilities	**12,073,646,190**	**114.1%**	**10,584,748,931**	**105.2%**	**10,059,541,927**	**151.2%**	**6,653,801,502**	**102.1%**	**6,519,649,605**	**93.8%**

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GRI INDEX

GRI 1 used		GRI 1: Foundation 2021				
Statement of use		JAT Holdings PLC has reported in accordance with the GRI Standards for the period starting from 1st April 2023 to 31st March 2024				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 202	2-1 Organisational details	4, 8-10, Corporate Informatiion	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organisation's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4,7				
	2-4 Restatements of information	4				
	2-5 External assurance	5, 104-107				
	2-6 Activities, value chain and other business relationships	8-11, 90				
	2-7 Employees	69-70				
	2-8 Workers who are not employees	70				
	2-9 Governance structure and composition	32-35, 111, 114-115				
	2-10 Nomination and selection of the highest governance body	138-139, 170-171				
	2-11 Chair of the highest governance body	34,119				
	2-12 Role of the highest governance body in overseeing the management of impacts	125-126				
	2-13 Delegation of responsibility for managing impacts	94, 111-114, 125-126				
	2-14 Role of the highest governance body in sustainability reporting	94, 125-126				
	2-15 Conflicts of interest	118 , 165-166				
	2-16 Communication of critical concerns	-				No incidents were reported during the year
	2-17 Collective knowledge of the highest governance body	115				
	2-18 Evaluation of the performance of the highest governance body	116-117				
	2-19 Remuneration policies	124				
	2-20 Process to determine remuneration	124				
	2-21 Annual total compensation ratio	-	2- 21	Confidentiality constraints	Compensation ratio will not be disclosed due to confidentiality concerns of the company.	
	2-22 Statement on sustainable development strategy	26-27, 159				
	2-23 Policy commitments	113, 120-123				
	2-24 Embedding policy commitments	113, 120-123				
	2-25 Processes to remediate negative impacts	77, 120-124				
	2-26 Mechanisms for seeking advice and raising concerns	77, 120-121				

GRI INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-27 Compliance with laws and regulations	-				No incidents were reported during the year
	2-28 Membership associations	92				
	2-29 Approach to stakeholder engagement	48-51				
	2-30 Collective bargaining agreements	75				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	53, 56	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	54-55				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103, 194-195				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	-	201-1	Confidentiality constraints	Economic value generated is not disclosed due to confidenciality	
	201-2 Financial implications and other risks and opportunities due to climate change	102-103				
	201-3 Defined benefit plan obligations and other retirement plans	194-195, 197				
	201-4 Financial assistance received from government	-				No assistance was received
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	59				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	90-92				
	203-2 Significant indirect economic impacts	-				No significant impact reported during the year
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	90				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	90				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	121				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	-	205-1	Confidentiality constraints	Operations assessed will not be disclosed due to confidentiality concerns of the company.	
	205-2 Communication and training about anti-corruption policies and procedures	121				
	205-3 Confirmed incidents of corruption and actions taken	-				No such incident was reported during the year
Anti-competitive behaviour						
GRI 3: Material Topics 2021	3-3 Management of material topics	121				
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	-				No such incident was reported during the year
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	195, 197				
GRI 207: Tax 2019	207-1 Approach to tax	195, 197				
	207-2 Tax governance, control, and risk management	195, 197				
	207-3 Stakeholder engagement and management of concerns related to tax	-				No such incident was reported during the year
	207-4 Country-by-country reporting	63				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	94				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	97-98				
	302-2 Energy consumption outside of the organisation	-	302-2	Information unavailable/ incomplete	Company is in the process of implementing mechanism to collect data.	
	302-3 Energy intensity	98				
	302-4 Reduction of energy consumption	97-98				
	302-5 Reductions in energy requirements of products and services	-	302-5	Information unavailable/ incomplete	Company is in the process of implementing mechanism to collect data.	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	94				

GRI INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	97				
	303-2 Management of water discharge-related impacts	97				
	303-3 Water withdrawal	97				
	303-4 Water discharge	97				
	303-5 Water consumption	97				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	94				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	98				
	305-2 Energy indirect (Scope 2) GHG emissions	98				
	305-3 Other indirect (Scope 3) GHG emissions	98				
	305-4 GHG emissions intensity	98				
	305-5 Reduction of GHG emissions	98				
	305-6 Emissions of ozone-depleting substances (ODS)	-	305-6	Not applicable	Company products do not emit these as substances	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	305-7	Not applicable	Company products do not emit these as substances	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	94				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	98-99				
	306-2 Management of significant waste-related impacts	98-99				
	306-3 Waste generated	98-99				
	306-4 Waste diverted from disposal	98-99				
	306-5 Waste directed to disposal	98-99				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	90				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	90				
	308-2 Negative environmental impacts in the supply chain and actions taken	-				No negative impact reported
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	70-71				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	71				
	401-3 Parental leave	78				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Labour/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	70				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	74				
	403-2 Hazard identification, risk assessment, and incident investigation	74-75				
	403-3 Occupational health services	74-75				
	403-4 Worker participation, consultation, and communication on occupational health and safety	74-75				
	403-5 Worker training on occupational health and safety	74-75				
	403-6 Promotion of worker health	74-75				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	74-75				
	403-8 Workers covered by an occupational health and safety management system	74				
	403-9 Work-related injuries	75				
	403-10 Work-related ill health	-				No such incident was reported during the year
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	73				
	404-2 Programs for upgrading employee skills and transition assistance programs	72-73				
	404-3 Percentage of employees receiving regular performance and career development reviews	73				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	69, 114				
	405-2 Ratio of basic salary and remuneration of women to men	78				

GRI INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	76				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	75				
Child labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	69				
Forced or compulsory labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	69				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	75				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	69				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	90-92				
	413-2 Operations with significant actual and potential negative impacts on local communities	92				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	90				
	414-2 Negative social impacts in the supply chain and actions taken	-				No such incident was reported during the year

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	121				
GRI 415: Public Policy 2016	415-1 Political contributions	121				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	88-89				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	88				
Marketing and labelling						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	88				
	417-2 Incidents of non-compliance concerning product and service information and labelling	88				
	417-3 Incidents of non-compliance concerning marketing communications	88				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	88				

SASB INDEX

CHEMICALS - SUSTAINABILITY ACCOUNTING STANDARD

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO RELATED DISCLOSURE
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions- limiting regulations	Quantitative	Metric tonnes (t) CO_2-e, Percentage (%)	RT-CH-110a.1	Page 98
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	RT-CH-110a.2	Page 98
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O) (2) SOX (3) volatile organic compounds (VOCs) (4) hazardous air pollutants (HAPs)	Quantitative	Metric tonnes (t)	RT-CH-120a.1	Page 96
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable (4) total self-generated energy[1]	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CH-130a.1	Page 97-98
	(1) Total water withdrawn (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	RT-CH-140a.1	(1) Page 97 (2) N/A
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	RT-CH-140a.2	Nil
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RT-CH-140a.3	Pages 97 and 102 Furthermore, in order to preserve water efficiency of the Company, a number of Kaizen projects have been implemented such as water pressure controlling. It is estimated that these will lead to a monetary saving of approximately Rs. 250,000/- per year due to reduced water consumption.
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	RT-CH-150a.1	Page 98-99
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	n/a	RT-CH-210a.1	Page 87-92
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-CH-320a.1	Page 75
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and Analysis	n/a	RT-CH-320a.2	Page 74
Product Design for Use-phase Efficiency	Revenue from products designed for use- phase resource efficiency	Quantitative	Presentation currency	RT-CH-410a.1	N/A

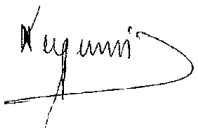
TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO RELATED DISCLOSURE
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Quantitative	Percentage (%) by revenue, Percentage (%)	RT-CH-410b.1	Page 89 The Company have initiated designing its labels according to the Global Harmonized System disclosing its environment and health hazards. Currently 80% of the paint and coating product categories are fully complied with GHS labelling.
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	Discussion and Analysis	N/A	RT-CH-410b.2	Page 96 Through JAT's Chemical Conscious Journey project, JAT introduced "JAT Material Evaluation Index" which is designed based on the "Global Priority Substance List". It guarantees the environmental consciousness of all the materials the Company purchases, by meeting the most stringent VOC limits whilst also prohibiting triclosan, formaldehyde, alkylphenol ethoxylates, lead, and heavy metals.
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	RT-CH-410c.1	N/A
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	N/A	RT-CH-530a.1	Page 95
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)[2]	Quantitative	Number, Rate	RT-CH-540a.1	N/A
	Number of transport incidents[3]	Quantitative	Number	RT-CH-540a.2	Nil

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Eleventh (11th) Annual General Meeting of JAT HOLDINGS PLC will be held as a virtual meeting centered the "Board Room" of the Company at No. 351, Pannipitiya Road, Thalawathugoda, Sri Lanka on 24th June 2024 at 10.00 a.m. for the following purposes;

1. To receive the Annual Report of the Board of Directors on the affairs of the Company and its Subsidiaries, the Financial Statements for the year ended 31st March 2024, and the report of the Auditors thereon.
2. To re-elect Mr. Hussain Akbarally as a Director, in terms of Articles 88(i) and 89 of the Articles of Association of the Company.
3. To re-elect Mrs. Joycelyn Gunawardene as a Director, in terms of Articles 88(i) and 89 of the Articles of Association of the Company.
4. To re-appoint M/S Ernst and Young Chartered Accountants as the Company's Auditors for the ensuing year and to authorize the Directors to determine their remuneration.
5. To authorize the Board of Directors to determine donations for the year ending 31st March 2025 and up to the next Annual General Meeting.

By order of the Board
JAT HOLDINGS PLC



N.I.D. Corporate Services (Pvt) Ltd
Company Secretaries

Date: 29th May 2024

Notes:

1. A Shareholder entitled to attend and to vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.
2. A proxy need not be a Shareholder of the Company.
3. A form of proxy is enclosed for this purpose.
4. The completed form of proxy must be deposited at the registered office of the Company, No. 351, Pannipitiya Road, Thalawathugoda, Sri Lanka or must be emailed to sujeeva@jatholdings.com/sh@jatholdings.com or facsimile on +94 11-2773793 not less than 36 hours before the time appointed for holding the Meeting.

FORM OF PROXY

I/We* (in block letters) ……
of …… being a Shareholder/
Shareholders of JAT HOLDINGS PLC, hereby appoint ……
…… of ……
…… whom failing
DR. SIVAKUMAR SELLIAH whom failing MR. AELIAN WINSTON GUNAWARDENE whom failing MR. NISHAL FERDINANDO whom failing MR. HUSSAIN AKBARALLY whom failing MR. MUTUTANTRIGE PARAKRAMA DEVAKA COORAY whom failing MRS. DAYANGANI PRIYANTHI PIERIS whom failing MRS. JOYCELYN GUNAWARDENE whom failing MRS. ANIKA NIRANJALIE WILLIAMSON NEE GUNAWARDENE whom failing MR. RICHARD WINSTON GUNAWARDENE* as my/our proxy to represent me/us and to vote on my/our behalf at the ELEVENTH (11TH) ANNUAL GENERAL MEETING of the Company to be held on 24th June 2024 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

	In favour	Against
1. To re-elect Mr. Hussain Akbarally as a Director, in terms of Articles 88(i) and 89 of the Articles of Association of the Company,		
2. To re-elect Mrs. Joycelyn Gunawardene as a Director, in terms of Articles 88(i) and 89 of the Articles of Association of the Company.		
3. To re-appoint M/S Ernst and Young Chartered Accountants as the Company's Auditors for the ensuing year and to authorize the Directors to determine their remuneration.		
4. To authorize the Board of Directors to determine donations for the year ending 31st March 2025 and up to the date of the next Annual General Meeting.		

Signed this …….. day of ……. 2024.

……..
Signature of Shareholder

Notes:
(i) Please delete the inappropriate words.
(ii) A proxy need not be a Shareholder of the Company.
(iii) Instructions as to completion appear on the reverse of this form.

INSTRUCTIONS AS TO COMPLETION OF PROXY

The instrument appointing a proxy shall in the case of an individual be signed by the appointor or by his/her attorney.

In the case of a Company/Corporation, the proxy must be completed in the manner prescribed by its Articles of Association.

In the case of a proxy signed by an Attorney, the Power of Attorney must be deposited at the Registered Office for registration, if such Power of Attorney has not been registered with the Company.

The full name and address of the proxy and of the shareholder appointing the proxy should be entered legibly in the Form of Proxy.

Please indicate with an "X" in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit.

To be valid this Form of Proxy must be deposited at the registered office of the Company No. 351, Pannipitiya Road, Thalawathugoda or must be emailed to sujeeva@jatholdings.com/sh@jatholdings.com or facsimile on +94 11-2773793 not less than 36 hours before the time appointed for holding the Meeting.

SHAREHOLDER FEEDBACK FORM

It is the endeavour of the JAT Holdings PLC to ensure maximum satisfaction of its shareholders. In order to enable us to continually improve upon the quality of services provided, we try to seek your feedback on the level of satisfaction derived by you on the basis of your interaction with us. Your feedback will help us in further improvement of our services to match your expectations.

Please direct all feedback to the Company Secretary by filling this form.

Company Secretaries,
N. I. D. Corporate Services (Pvt) Ltd,
No. 18/49A, ½, Circular Road B. Muhandiram E. D. Dabare Mawatha, Colombo 5

Kindly rate our services on various parameters by ticking any one box in each row:

Timely receipt of

	Outstanding	Very Good	Good	Poor
Annual Reports				
Dividend				
Other documents/Correspondence				

Quality and Contents of Annual Report

	Outstanding	Very Good	Good	Poor
Report on Corporate Governance				
Management Discussion and Analysis				
Balance Sheet, Profit and Loss Account and other financial statements.				

Quality and Contents of Annual Report

	Outstanding	Very Good	Good	Poor
Through shareholder communication				
Through Annual Reports				
Through newspapers/ Press				
Through our website www.jatholdings.com				
Through e – mails (If we have your email)				

Quality and Contents of Annual Report

	Outstanding	Very Good	Good	Poor
Overall Quality				

Comments/Suggestions/Remarks

CORPORATE INFORMATION

COMPANY NAME
JAT HOLDINGS PLC

LEGAL FORM
A Public Limited Liability Company incorporated in Sri Lanka on 1st July 1993 under the Companies Act No. 17 of 1982 and reregistered under the Companies Act No. 7 of 2007. The Company was listed on the Colombo Stock Exchange on 12th August 2021.

COMPANY REGISTRATION NUMBER
PQ00237072

ACCOUNTING YEAR END
31st March

REGISTERED OFFICE
No. 351, Pannipitiya Road, Thalawathugoda, Sri Lanka
Tel: +94 11 - 4407700
Fax: +94 11 - 2773793
Email: info@jatholdings.com
Website: www.jatholdings.com

BANKERS
1. The Commercial Bank of Ceylon PLC
2. Hatton National Bank PLC
3. DFCC Bank PLC
4. National Development Bank PLC
5. Standard Chartered Bank
6. Peoples' Bank
7. National Savings Bank
8. Seylan Bank PLC
9. Sampath Bank PLC
10. Habib Bank Ltd

AUDITORS
Ernst & Young Chartered Accountants, Sri Lanka
201, De Saram Place, Colombo 10

SECRETARIES
N.I.D. Corporate Services (Pvt) Ltd
No. 18/49A,1/2, Circular Road B, Muhandiram E. D. Dabare Mawatha, Colombo 5

REGISTRARS
Central Depository Systems (Pvt) Ltd,
No. 04-01, West Block, World Trade Centre, Echelon Square, Colombo 01

INVESTOR RELATIONS
JAT Holdings PLC
No. 351, Pannipitiya Road, Thalawathugoda, Sri Lanka
Tel: +94 11 - 4407700
Email: sh@jatholdings.com

BOARD OF DIRECTORS
1.Dr. Sivakumar Selliah – Chairman
2. Aelian Gunawardene – Managing Director
3. Nishal Ferdinando – Chief Executive Officer
4. Hussain Akbarally
5. Devaka Cooray
6. Priyanthi Pieris
7. Joycelyn Gunawardene
8. Anika Williamson
9. Richard Gunawardene

AUDIT & RISK MANAGEMENT COMMITTEE
1. Devaka Cooray – Chairman
2. Dr. Sivakumar Selliah
3. Hussain Akbarally

HR & REMUNERATION COMMITTEE
1. Dr. Sivakumar Selliah – Chairman
2. Priyanthi Pieris
3. Hussain Akbarally

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
1. Dr. Sivakumar Selliah – Chairman
2. Devaka Cooray
3. Hussain Akbarally

INVESTMENT COMMITTEE
1. Devaka Cooray - Chairman
2. Hussain Akbarally
3. Anika Williamson

NOMINATIONS AND GOVERNANCE COMMITTEE
1. Dr. Sivakumar Selliah – Chairman
2. Devaka Cooray
3. Priyanthi Pieris

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