A WORLD OF POSSIBILITIES



JAT HOLDINGS PLC

Annual Report 2024/25

JA+
TRANSFORMING SPACES™

A WORLD OF POSSIBILITIES

In the natural world, the kingfisher stands out for its precision, agility, and striking colors. Known for its sharp vision and swift movements, the bird embodies a rare balance between beauty and performance. Much like the kingfisher, our company continues to navigate a dynamic environment with clarity, purpose, and agility.

Incorporating the kingfisher into our Annual Report reflects not just a visual motif, but a deeper narrative of growth, resilience, and excellence; hallmarks of our performance in the year under review. Just as the kingfisher thrives by harmonising with its ecosystem, we too strive to create sustainable value through innovation, operational excellence, and meaningful stakeholder engagement.

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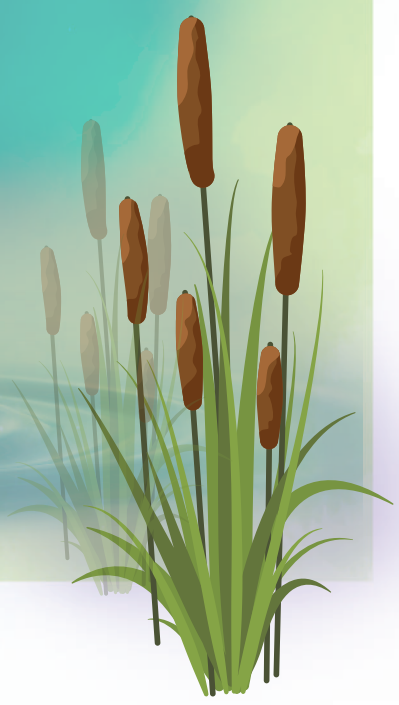
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OUR APPROACH TO REPORTING



Welcome to

JAT Holdings PLC's

Eighth Integrated Annual Report



REPORTING BOUNDARY

GRI 2-2, GRI 2-4

This Report covers the operations of JAT Holdings PLC (JAT or the Company) and its group companies (collectively referred to as the Group). Both the financial and non-financial information in the Report present a consolidated view of the Group, unless otherwise stated. The reporting boundary enhanced during the year, compared to the previous year, with the inclusion of sub-subsidiaries, JAT Australia PTY Ltd and SEAFORM Bangladesh (Pvt) Ltd, as well as the inclusion of joint ventures, SEAFORM Perth PTY Ltd and JAT Paints Africa Limited. No restatements have been made to the prior-period data.

REPORTING PERIOD

GRI 2-3

This Report follows an annual reporting cycle for both financial and sustainability reporting covering JAT's financial year from 1 April 2024 to 31 March 2025. It is a continuation of the Company's most recent report for the year ended 31 March 2024. Comparative information from this most recent reporting period is provided where applicable. Material events subsequent to the end reporting period, i.e. 31 March 2025 and up to the Board approval date of 30 May 2025 have also been included.

COMBINED ASSURANCE

GRI 2-5

The reliability and integrity of this Report are upheld through a comprehensive assurance model, which incorporates oversight from management, internal audit, and external auditors. Messrs. Ernst & Young have provided external assurance on our consolidated financial statements and conducted limited assurance on our Integrated Reporting practices and GRI Reporting.

REPORTING FRAMEWORKS

Our reporting practices extend beyond regulatory compliance and we have adopted international best practices into our reporting process, as we have done in prior years. Accordingly, our disclosures are guided by Sri Lanka Financial Reporting Standards (SLFRS), Listing Requirements of the Colombo Stock Exchange and globally recognised frameworks such as the International Integrated Reporting Framework, the Global Reporting Initiative (GRI) Standards, and the Sustainability Accounting Standards Board (SASB) Standards.

SLFRS Sustainability Standards—SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures), become mandatory for JAT Holdings PLC from the financial year commencing 01 April 2025. As we prepare ourselves for full adoption, we have taken steps in disclosing limited information which meet the disclosure requirements of the two standards.

A complete list of frameworks and guidelines adopted in this report is provided below.

Financial Statements and Related Disclosures	**Regulatory Frameworks** • Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka • Companies Act No. 7 of 2007 (as amended) • Listing Rules of Colombo Stock Exchange **Internal Assurance** • Internal Audit • Robust framework of internal controls • Reporting to the Board Audit Committee and Board of Directors **External Assurance** • Independent Auditors' Report by Messrs. Ernst & Young
Integrated and Sustainability Reporting	**Regulatory Frameworks** • SLFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures – limited scope early adoption **Internal Assurance** • Board Review • Assessment of non-financial information by the Corporate Sustainability function **External Assurance** • Independent Assurance on Integrated Reporting by Messrs. Ernst & Young • Independent Assurance on GRI Reporting by Messrs. Ernst & Young **Voluntary Frameworks** • Integrated Reporting Framework of the International Integrated Reporting Council • "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 • Global Reporting Initiative (GRI) Standards (2021) • Sustainability Accounting Standards Board (SASB) Standards – Chemicals • Gender Parity Reporting Framework of the Institute of Chartered Accountants of Sri Lanka • Guide on communicating sustainability issued by the Colombo Stock Exchange
Corporate Governance	**Regulatory Frameworks** • Listing Requirements of the Colombo Stock Exchange Voluntary Frameworks • Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2023) **Internal Assurance** • Robust governance frameworks

OUR APPROACH TO REPORTING

ELEVATING OUR REPORTING STANDARDS - ADDED MEASURES TAKEN IN THIS REPORT

We have taken conscious efforts in elevating our reporting and disclosures in this year's Annual Report for a more effective communication of how we deployed our capitals and generated sustainable outcomes and outputs. The improvements have been in response to the evolving external environment, shifting stakeholder expectations, JAT's ambitions of clear and effective corporate communication and feedback received from the CA Sri Lanka TAGS Awards Committee, on JAT's Annual Report 2023/24 themed Unbounded Horizons.

Listed below are such enhancements introduced.

- Strengthened qualitative disclosures on sustainability and climate related risks and opportunities with connectivity to the Business Model of the Company
- More comprehensive depiction of the Business Model capturing net impact on capital, contribution made to UN's Sustainability Development Goals, connectivity to stakeholders and direct results driven on the Company's core strategic pillars
- Increased linkages to strategic pillars, impact on stakeholders and capitals throughout the report



- Adoption of ESG pillars in presenting the Operational Highlights for the year, enabling a clear and concise depiction of the impact created across Environmental, Social, and Governance dimensions
- A more comprehensive analysis of the industry we function in with JAT's positioning within the industry
- Greater disclosures on diversity, equity and inclusivity at JAT
- Added disclosures on digitalisation and innovation – with discussion around these available under two strategic pillars as well as in capital reports
- Stronger disclosures on corporate governance with emphasis on cyber security

REPORT NAVIGATION MADE SIMPLE

THE NAVIGATION ICONS

To enhance clarity and coherence, we have incorporated the following navigation icons throughout this report. These icons help illustrate the connectivity of information, provide enhanced references, and reinforce the integrated relationships that drive our value creation process. By using these visual cues, we ensure a more concise and seamless reading experience, allowing stakeholders to navigate the report with ease.

Other icon references

Outlook and Way Forward

Page Reference

Six capitals

Financial Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social and Relationship Capital | Natural Capital

Our stakeholder universe

Shareholders | Customers | Employees | Suppliers and business partners | The Government and related entities | Community

Strategic priorities

Profitable growth | Digitalisation and Operational Excellence | Innovation | Nurturing talent | ESG considerations

FORWARD-LOOKING STATEMENTS

This report contains projections and expectations regarding the Group's future performance and outlook. While these reflect assessments made at the time of preparation, various external factors, uncertainties, and emerging risks beyond the Group's control may result in actual outcomes differing from these predictions. Additionally, these forward-looking statements have not been subject to review by the Group's auditor.

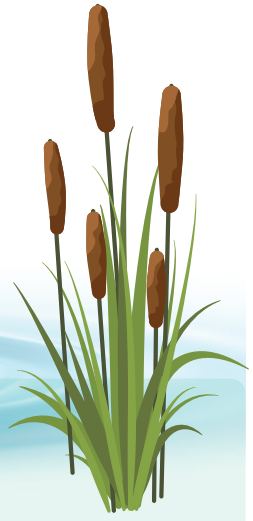
Key sections containing such forward looking statements under **"Outlook"** or **"Way Forward"**

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Chairman's Message	Managing Director's Review	Chief Executive Officer's Review	Way Forward

BOARD RESPONSIBILITY STATEMENT

The integrity of this Annual Report is ultimately up to the Board of Directors of JAT Holdings PLC. We reaffirm that the Annual Report for the financial year ended 31 March 2025 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
30 May 2025



FEEDBACK

GRI 2-3

We are committed to enhancing the quality and clarity of our Annual Report and highly appreciate your insights and suggestions. Please share your feedback with,

Rizna Dilshard
Finance Director
Email: rizna@jatholdings.com

OUR APPROACH TO REPORTING

A REPORTING JOURNEY BUILT ON THE ELEMENTS "TAGS"

As part of its commitment to advancing corporate reporting, CA Sri Lanka introduced the TAGS framework, emphasising Transparency, Accountability, Governance, and Sustainability, setting a benchmark for organisations aiming to elevate the quality and integrity of their reporting.

JAT's ethos aligns seamlessly with the TAGS philosophy, making its integration into our reporting both meaningful and natural. Each year, we enhance our efforts to present a transparent account of our accountability, governance, and sustainability practices, elements we believe are crucial for organisational success in a volatile, uncertain, complex, and ambiguous (VUCA) world.

Given below is a concise presentation of how we integrated TAGS in to our operations and reporting.

Transparency

Our ethos: Transparency is at the heart of our ethos, guiding our interactions with all stakeholders. We believe that by fostering clear and honest communication, we can build credibility and trust, empowering stakeholders to make informed decisions and actively participate in our value creation journey.

STAKEHOLDER RELATIONSHIP MANAGEMENT

We maintained dedicated communication channels to foster robust relationships with all stakeholders, ensuring that we understand their evolving needs and respond to them promptly.

PARTNER AND CUSTOMER TRANSPARENCY

Our interactions with dealers, supply chain partners, and customers are built on a foundation of integrity and openness. We ensure that all data and product-related information is shared accurately and transparently.

EMPLOYEE COMMUNICATION AND ENGAGEMENT

We kept our employees well-informed about company developments, strategic realignments, and performance outcomes. Additionally, we conducted an organisation-wide employee satisfaction survey and communicated both the results and subsequent corrective actions to all staff.

OUR REPORTING

- Transparency in our reporting was ensured through the meticulous adoption of best practice reporting frameworks such as Integrated Reporting, and Global Reporting Initiative framework and obtaining external assurance on such reporting.
- The Group also abided by all applicable regulatory reporting requirements which meet both regulator and shareholder information requirements.

Accountability

Our ethos: We believe that fostering a culture of accountability at all levels ensures that we remain responsible to our stakeholders, uphold ethical standards, and achieve our strategic objectives.

BOARD OF DIRECTORS ACCOUNTABILITY

The Board of Directors plays a pivotal role in overseeing the Group's governance and ensuring that strategic decisions align with the long-term interests of our stakeholders. Regular evaluations and performance reviews are conducted to ensure accountability at the highest level. The Board is ably supported by the Board appointed sub-committees such as the Related Party Transactions Review Committee and Audit and Risk Management Committee in advancing accountability.

STRONG RISK GOVERNANCE

We maintain a robust risk governance framework that holds management accountable for identifying, assessing, and mitigating risks. This framework ensures that all decisions are made with a clear understanding of potential risks, keeping the organisation on track and aligned with its goals.

ACCOUNTABILITY TOWARDS STAKEHOLDERS

Our commitment to accountability extends to all stakeholders, investors, employees, customers, investors, and communities. We consistently provide transparent updates on our performance, financials, and key decisions to ensure our stakeholders are well-informed and can trust the Company's direction and is linked to our Transparent conduct as elaborated above.

GOVERNANCE FRAMEWORK

Our governance framework is designed to promote accountability by establishing clear roles, responsibilities, and processes for decision-making. Regular audits, internal controls, and compliance checks ensure that we adhere to both regulatory requirements and industry best practices.

CODE OF ETHICS

JAT operates under a comprehensive code of ethics that sets clear expectations for employee behavior and corporate conduct. This code fosters an environment of integrity, ensuring that employees and leaders alike are accountable for their actions and decisions.

OUR REPORTING

A comprehensive Corporate Governance and Risk Management report presented in the Annual Report, prepared in accordance with mandatory and voluntary frameworks.

Governance

Our ethos: Our governance framework is designed to support strategic decision-making, mitigate risks, and align with both regulatory requirements and global best practices. Throughout the year, we have continued to strengthen our governance practices to ensure sustained growth, compliance, and long-term value creation.

RIGOROUS GOVERNANCE FRAMEWORK

As explained above, we maintain a comprehensive governance structure that includes robust policies, procedures, and systems, ensuring transparency and accountability at all levels of decision-making.

BOARD PERFORMANCE AND FITNESS ASSESSMENTS

Our Board of Directors undergoes regular assessments to evaluate their performance, fitness, and propriety, ensuring that they possess the skills and expertise required to guide the company effectively.

BOARD SUB-COMMITTEES AND MANDATES

The Board is supported by well-established sub-committees, each with clearly defined mandates. These committees help the Board efficiently discharge its responsibilities and ensure that critical areas like audit, risk, related party transactions, and remuneration are closely monitored.

ADHERENCE TO LAWS AND REGULATIONS

The JAT Group maintains full compliance with all applicable laws, regulations, and industry standards in both Sri Lanka and our overseas markets. This adherence ensures that we operate with integrity and are aligned with regulatory expectations.

STRONG RISK GOVERNANCE

Our governance framework includes a robust risk management system that identifies, assesses, and mitigates risks, including those related to climate change. This enables us to proactively address risks and seize opportunities, ensuring the Company's sustainability and resilience.

OUR REPORTING

A comprehensive Corporate Governance and Risk Management report presented in the Annual Report, prepared in accordance with mandatory and voluntary frameworks.

Sustainability

Our ethos: Sustainability is all-encompassing at JAT, integrating economic, environmental, social, and governance considerations into every facet of our operations. Below are the key pillars of our sustainability efforts this year:

ECONOMIC PERFORMANCE AND VALUE DISTRIBUTION

We achieved strong financial performance and ensured that the economic value generated was shared with all key stakeholders, including shareholders, employees, government, and suppliers.

ENVIRONMENTAL STEWARDSHIP

Our climate-conscious journey was further advanced under the Mihikathata Dayawen programme, where we made significant efforts to reduce resource consumption and emissions.

SOCIAL EMPOWERMENT

Social initiatives continued to thrive through JAT Pintharu Abhiman, with the introduction of a new programme designed to support individuals with special needs, enhancing community well-being.

GOVERNANCE AND ESG INTEGRATION

We established a comprehensive ESG policy in line with Colombo Stock Exchange Listing Rule requirements, reinforcing our commitment to transparency, accountability, and sustainable governance practices.

OUR REPORTING

Sustainability reporting made several advancements in this Report, where we presented our Operational Highlights based on ESG pillars together with comparative information from last year.

T A G S

OUR APPROACH TO REPORTING

EMBRACING THE ESSENCE OF INTEGRATED REPORTING

As an experienced preparer of integrated reports, we have dedicated significant effort to ensure that this report upholds the seven principles of integrated reporting, as prescribed by the International Integrated Reporting Council. Our approach goes beyond compliance, embedding these principles with enhanced meaning and relevance to provide stakeholders with a holistic, transparent, and value-driven perspective on our performance of the year gone-by and future outlook.



STRATEGIC FOCUS AND FUTURE ORIENTATION

JAT articulates its strategic objectives and future plans, detailing how these strategies are designed to create value over the short, medium, and long term. For instance, their expansion into regional markets and investment in research and development underscore a forward-looking approach aimed at sustaining growth and competitiveness.



CONNECTIVITY OF INFORMATION

The reports present a holistic view by interlinking various factors such as market trends, operational performance, and financial outcomes. This interconnected narrative helps stakeholders understand how different elements collectively influence JAT's ability to generate value. Furthermore, in terms of presenting information, we have made cross-referencing where possible, for a seamless and holistic view of the entire performance of the Group.



STAKEHOLDER RELATIONSHIPS

JAT emphasises the importance of its relationships with key stakeholders, including investors, customers, suppliers, employees, and the wider community, as well as the Government and regulatory authorities. The reports discuss initiatives undertaken to engage these groups, address their concerns, and incorporate their feedback into business operations, reflecting a commitment to transparent and responsive stakeholder communication.



MATERIALITY

The Group identifies and focuses on material issues that significantly impact its performance and value creation. By highlighting these critical matters, JAT ensures that stakeholders are informed about the most pertinent factors affecting the business.



CONCISENESS

While providing comprehensive information, JAT strives for brevity and clarity in its reporting. The use of summaries, bullet points, and visual aid like charts and graphs aid in conveying complex information succinctly, making the reports accessible and easy to navigate.



RELIABILITY AND COMPLETENESS

The Annual Report includes audited financial statements and transparent disclosures about the Company's performance, risks, and governance practices. This commitment to accuracy and completeness builds trust with stakeholders by providing a true and fair view of the Group's affairs.



CONSISTENCY AND COMPARABILITY

JAT maintains consistency in its reporting structure and metrics over the years, facilitating comparisons across different reporting periods. This approach enables stakeholders to track progress, identify trends, and assess the Company's performance relative to industry benchmarks.

READINESS FOR ADOPTION OF SLFRS S1 AND SLFRS S2

In alignment with the national roadmap for sustainability reporting, JAT is preparing for the mandatory adoption of SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures, effective for financial years commencing on or after 1 April 2025.

Recognising the strategic importance of sustainability-related financial reporting, we have already taken key steps to build internal capacity and integrate relevant processes to ensure a smooth transition. These include:

- **Gap assessment and benchmarking:** An internal review has been conducted to assess our current sustainability disclosures against SLFRS S1 and S2 requirements. This included benchmarking with regional and industry peers.

- **Capacity building and awareness:** Senior management and relevant functional teams have undergone preliminary awareness and training sessions on IFRS Sustainability Standards, with ongoing support from external advisors.

- **Data governance and systems:** Investments and process alignments are being made to enhance data collection and validation processes, particularly for climate-related metrics such as GHG emissions, energy consumption, and climate-related risk assessments.

- **Governance oversight:** Sustainability oversight has been strengthened with regular updates provided to the Board and Audit and Risk Management Committee to ensure proper integration into enterprise risk and strategy.

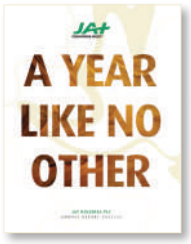
Looking ahead, JAT is committed to fully aligning with SLFRS S1 and S2 in the financial year 2025/26 and providing investors and stakeholders with consistent, comparable, and decision-useful sustainability information.

OUR APPROACH TO REPORTING

NAVIGATING RESILIENCE: JAT'S EVOLVING REPORTING JOURNEY

For many years, JAT has produced high-quality annual reports that embrace global reporting standards such as Integrated Reporting and GRI, with this being our eighth integrated annual report. Listing on the Colombo Stock Exchange in 2021 marked a milestone in our transformative growth journey, and since then, we have elevated our reporting to reflect both our stature and the responsibility we uphold as a publicly quoted company. In our reports, we vividly capture the evolution of Sri Lanka's economy and document JAT's remarkable growth against this backdrop. Our comprehensive reports from recent years detail how JAT successfully navigated the continuous challenges of the pandemic and economic crisis, while highlighting our role in supporting Sri Lanka's resilient and revitalising economy and generating sustainable value for all our stakeholders. The multiple accolades our reports have received further affirm our commitment to impactful and dynamic reporting.

FY 2021/22



Key reporting features/ enhancements

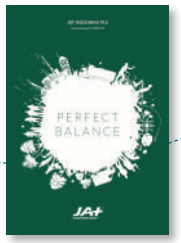
- Enhanced disclosures of the Group's strategic agenda
- Early adoption of the new GRI Standards (2021)
- Adoption of the Gender Parity Reporting Framework of CA Sri Lanka
- Increased use of connected performance drivers showcasing connectivity between financial and non-financial performance

Awards

TAGS Awards 2022 conducted by CA Sri Lanka

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

FY 2022/23



Key reporting features/ enhancements

- Strengthened sustainability reporting framework with independent external assurance
- Incorporated the Directors' Statement on Internal Controls, ensuring transparency in the Group's internal control framework

Awards

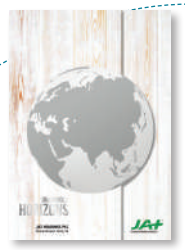
TAGS Awards 2023 conducted by CA Sri Lanka

- **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**

FY 2023/24



Key reporting features/ enhancements

- Adoption of the SASB – Chemicals sector standard in sustainability reporting
- Introduction of a "Way Forward" section under key discussions establishing the strategic outlook for the future
- Taking preliminary steps towards the adoption of IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate Related Disclosures

Awards

TAGS Awards 2024 conducted by CA Sri Lanka

- **Bronze award** winner – Manufacturing Sector Group turnover upto Rs. 20 bn)

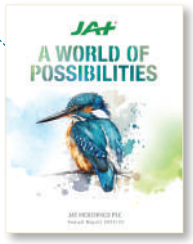
Excellence in Integrated Reporting Awards 2024 by CMA Sri Lanka

- **Gold award winner** – Trade and Commerce Sector
- 10 Best Integrated Reports

ACCA Sustainability Reporting Awards 2024

- **Runner up** – Retail and Trading Sector

FY 2024/25



Key reporting features/ enhancements

- Enhanced scope in sustainability reporting and disclosures
- Additional disclosures made on JAT's climate related risks and opportunities

ABOUT US

WELCOME TO JAT, WHERE WE ARE TRANSFORMING SPACES



Since its inception in 1993, JAT Holdings PLC has consistently strengthened its financial foundation, enhanced its corporate reputation, and bolstered its brand recognition, reaching significant milestones on its journey to become the leader in wood coatings in Sri Lanka. In 1993, JAT stepped into the finishing and furnishing sector, swiftly establishing itself as a prominent player across Sri Lanka and South Asia in wood coatings, decorative paints, paint brushes, ergonomic office furniture, and luxury kitchen segments. Through an unwavering commitment to innovation, superior product quality, and exceptional customer satisfaction, JAT has earned a distinguished reputation as a trusted provider of wood coating solutions, decorative paints, paint brushes, and related accessories. Central to this success is the dedication, drive, and expertise of our skilled workforce.

VISION

Where our long-term sights are set

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

JAT
TRANSFORMING SPACES™

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.

VALUES

What unites and guides us

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

ABOUT US

JAT GROUP STRUCTURE AND GLOBAL PRESENCE

GRI 2-6

JAT has distinguished itself by evolving into a dynamic and diversified entity across both related and unrelated sectors, in Sri Lanka and beyond. This strategic growth has propelled the JAT Group to expand its global footprint and diversify into specialty areas that drive and support our bold and ambitious growth agenda.

THE GROUP STRUCTURE

JAT HOLDINGS PLC

JAT Exports (Pvt) Ltd
Global exports: Engaging in the export of a diverse range of paints and related products to our target markets
100%
Sri Lanka

Worldwide Resins & Chemicals (Private) Limited
Industrial chemical solutions: Delivering innovative and tailored chemical solutions for diverse sectors, including oil & gas, plastics, personal care, and food & beverage
100%
Sri Lanka

Brush Master (Private) Limited
Exclusive paint brush manufacturing: Produces premium paint-related brushes under the Brush Master brand exclusively for JAT Holdings PLC
90.39%
Sri Lanka

JAT Global Private Limited
Market distribution: Importing, trading, and distributing JAT and Sherwin Williams products to Indian retail outlets, distributors, and industrial sectors
98.37%
India

JAT Exports DMCC
Global commodities operations: Engaging in diversified business activities aligned with the scope of the Dubai Multi Commodities Authority
100%
UAE

JAT Australia PTY Ltd
Strategic investments: Focusing on deploying capital in a diversified portfolio of companies to drive growth and create sustainable long-term value
100%
Australia

Asia Coatings (Pvt) Ltd
Wood coating manufacturing in Bangladesh: Strengthening JAT's footprint in South Asia by producing high-quality wood coatings, marking a significant step toward becoming a major regional brand
100%
Bangladesh

JAT Paints Africa Limited
Supplying the construction industry in Republic of Kenya: Importing and distributing paints, wood coatings, and related accessories to support the country's construction sector
60%
Kenya

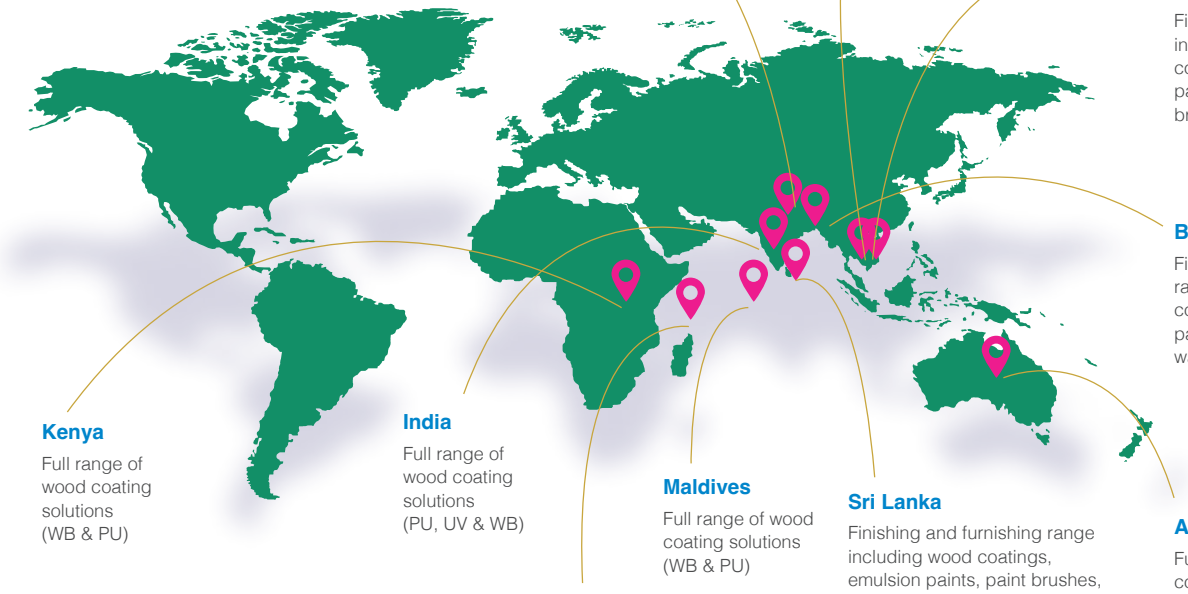
SEAFORM Bangladesh PVT. LTD
Comprehensive furniture solutions: Importing and supplying wooden, steel, and leather furniture, along with other related furnishings
73.29%
Bangladesh

SEAFORM Perth PTY Ltd
Premium kitchen & wardrobe solutions: Importing, marketing, selling, distributing, and installing SEA Kitchens and Wardrobes across Western Australia
50%
Australia

Located in | Shareholding percentage by the Parent Company

GEOGRAPHIC PRESENCE

JAT's strategic expansion across diverse international markets has strengthened its global footprint, broadened its customer base, and created a resilient platform for revenue diversification and risk mitigation.



Nepal
Full range of wood coating solutions (WB & PU)

Vietnam
Full range of wood coating solutions (WB & PU)

Cambodia
Finishing range including wood coatings, emulsion paints and paint brushes

Bangladesh
Finishing and furnishing range including wood coatings, emulsion paints, luxury kitchens, wardrobes and vanities

Kenya
Full range of wood coating solutions (WB & PU)

India
Full range of wood coating solutions (PU, UV & WB)

Maldives
Full range of wood coating solutions (WB & PU)

Seychelles
Full range of wood coating solutions (WB & PU)

Sri Lanka
Finishing and furnishing range including wood coatings, emulsion paints, paint brushes, luxury kitchens, wardrobes, vanities, ergonomic seating, office furniture, flooring and ceiling

Australia
Full range of wood coating solutions (WB & PU) and luxury kitchens, wardrobes and vanities

PRINCIPAL PRODUCT SEGMENTS

Wood coating solutions
Market share:

57%
Wood coatings (WB and PU)

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

SAYERLACK INNOVATIVE WOOD SOLUTIONS
BORMA WACHS
Masters
J CHEM
CoatEx YOUR COATING EXPERT

Decorative paints & other accessories
Market share:

9%
White emulsion

31%
Brushes and rollers

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

WHITE by JAT
Harris
Wallz
BrushMaster
Hydro+ PROFESSIONAL
KOLORZ by JAT

Furnishing solutions & projects

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

SEAFORM
HermanMiller
OPPEIN
LIFEWOOD
COLAN
BURG
HORMANN
dasso
schäfer
KNAUFCEILING Solutions

ABOUT US

CORPORATE MILESTONES

From its modest inception in 1993, JAT Holdings PLC has steadily evolved into Sri Lanka's leading provider of finishing and furnishing solutions, securing a dominant presence in wood coatings, paint brushes, and luxury kitchens. The Group's ability to swiftly adapt to shifting customer preferences, anticipate industry trends, and drive innovation through research and development has been key to its resilience and success, even in the face of challenging market conditions.

1993
Incorporation of JAT Holdings PLC (previously known as JAT Holdings (Private) Limited)

1995
Partnered with Sayerlack, the global leader in wood coatings

1996
First company to introduce PU wood coatings which revolutionised 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, and wood working industries. To date over 20,000 professionals in South Asia are trained

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 in the region, thereby transforming South Asia's wood coating industry

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

2005
Entered the Maldives market with Sayerlack & Borma Wachs

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



2011
Partnered 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

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

2019
Acquisition of Harris exclusive franchise

2020
Entered the African Market

Introduced the Experience Centre concept

2021
Launch of premium quality decorative paint, WHITE by JAT

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

Initiated JAT Pintharu Abhiman

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

Launch of cutting-edge Manufacturing Facility in Bangladesh

2024
Incorporation of alkyd resin manufacturing plant in Bangladesh

Incorporation of acrylic binder manufacturing plant in Sri Lanka

Opening of JAT Lifestyle Studio in Colombo

Opening of SEAFORM showroom in Australia

2025
Opening of JAT Tech Centre in Cambodia

This was a year of new beginnings, of entering new markets, launching breakthrough products, strengthening our regional footprint and investing in innovation and sustainability. Every decision, every action, was guided by vision and precision - hallmarks of the kingfisher in flight.

Our journey was not just about resilience; it was about reinvention. By listening to our customers, empowering our teams, and leveraging our strengths, we redefined what's possible.



THE YEAR IN REVIEW





Charting Bold Paths. Inspiring Brighter Horizons.
Like the kingfisher agile, precise, and
vibrant JAT embraced change with clarity and purpose.
In a year marked by shifting landscapes,
we moved swiftly and strategically,
identifying opportunity where others saw challenge.

A WINNING PROPOSITION



ACCOLADES

JAT has consistently been recognised for excellence across multiple facets of its operations, earning prestigious accolades that highlight its industry leadership and impact. These independent endorsements serve as a testament to the Group's commitment to innovation, quality, and sustainable growth, reinforcing its influence across diverse socio-economic spheres.

OVERALL EXCELLENCE

- **Bronze winner** in the Manufacturing Sector (Group turnover up to LKR 20 Bn) at TAGS Awards 2024 organised by the Institute of Chartered Accountants in Sri Lanka
- **Gold winner** in the Trade & Commerce Sector at the CMA Excellence in Integrated Reporting Awards 2024 organised by the Institute of Certified Management Accountants of Sri Lanka
- **10 best integrated reports of 2024** at the CMA Excellence in Integrated Reporting Awards 2024 organised by the Institute of Certified Management Accountants of Sri Lanka
- **Gold winner** in the Manufacturing Sector – Other category at the Best Management Practices Company Awards 2025 organised by the Institute of Chartered Professional Managers of Sri Lanka

EXCELLENCE IN MARKETING AND BRANDING

- **Bronze award** winner for Sayerlack (PU) in the Best B2B Brand of the Year at the SLIM brand Excellence Awards 2024 organised by Sri Lanka Institute of Marketing
- **Bronze award** winner for JAT Pintharu Abhiman in the Best CSR Brand of the Year at the SLIM brand Excellence Awards 2024 organised by Sri Lanka Institute of Marketing
- **Silver award winner** for JAT Pintharu Abhiman in the CSR, Purpose Driven Digital Marketing Campaign of the Year at the SLIM Digis 2.4 organised by Sri Lanka Institute of Marketing
- **Merit award winner** in social good: non-profit category at the Effie Awards 2024 organised by the Sri Lanka Institute of Marketing
- **Winner** of the Most innovative wood solutions provider in Sri Lanka at the International Business Magazine Awards 2024 organised by International Business (UAE)
- **Winner** for JAT Pintharu Abhiman in the Best CSR and Sustainability Project Award (Sri Lanka) at Best Awards organised by Global Brands UK
- **Winner of the Black Dragon Award** for WHITE by JAT in the Best Brand Building/Awareness Campaign at the Dragons of Asia (Malaysia, Pakistan & Sri Lanka) organised by Mike De Silva & Association

EXCELLENCE IN SUSTAINABILITY

- **Silver award** winner in Sound Chemical Management Category at the Green Industry Awards 2024 organised by Ministry of Industries/Industrial Development Board
- **Runner-up** in the Retail & Trading Sector at ACCA Sustainability Reporting Awards 2025 organised by the Association of Chartered Certified Accountants (ACCA)

CERTIFICATIONS AND RATINGS

- Reaffirmed as **AA(lka) with a stable outlook** at National Long Term Ratings organised by Fitch Ratings Lanka Limited
- Listed among the **Top 100 Corporate Entities** by LMD Ratings
- Listed among the **Most Respected Entities** by LMD Ratings
- Listed in the **LMD Corporate Happiness Index**
- Ranked among **LMD Readers Most Loved Home Finishing Brands** by LMD Ratings
- Ranked among the **Most Awarded Entities** by LMD Ratings
- **Membership** of the Institute of Supply and Materials Management

ACCREDITATIONS

Our commitment to excellence, sustainability, and responsible business practices is reinforced by a series of prestigious certifications and industry recognitions. These accreditations, obtained for our manufacturing facilities, reflect our adherence to the highest global standards in quality management, environmental responsibility, occupational health and safety, and sustainable manufacturing. They serve as a testament to our continuous efforts in driving innovation while ensuring compliance with regulatory and industry best practices.

Sri Lanka

JAT Holdings PLC

- ISO 9001:2015 Certification by Otabu Certification Private Limited
- ISO 14001:2015 Certification by Otabu Certification Private Limited
- ISO 45001:2018 Certification by Otabu Certification Private Limited
- Certificate of ECO Label Sri Lanka by National Cleaner Production Centre
- Authorised Responsible Care Logo by Lanka Responsible Care Council
- Green Seal Certification for 'WHITE by JAT interior' by Green Seal
- Green Seal Certification for 'WHITE by JAT exterior' by Green Seal
- Green Seal Certification for 'Master All in One Wood Coating' by Green Seal
- Environmental Protection License by Central Environmental Authority





























Brush Master (Pvt) Ltd

- ISO 9001:2015 QMS Certification by Otabu Certification Private Limited
- ISO 14001:2015 EMS Certification by Otabu Certification Private Limited
- ISO 45001:2018 OHSMS Certification by Otabu Certification Private Limited

Bangladesh

Asia Coatings (Pvt) Ltd

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

KEY EVENTS

2024 APR

JAT WASANTHA UDANAYA



To mark the Sinhala and Tamil New Year, we organised a vibrant celebration that brought together employees from across the organisation. The event served as a platform to foster cultural appreciation, allowing team members to engage with traditional customs and festivities. Beyond the celebration itself, it enhanced cultural awareness and understanding, while also strengthening team spirit and creating a deeper sense of community within the workplace.

2024 MAY

THANKS GIVING PROGRAMME FOR THE NON-EXECUTIVE STAFF IN BANGLADESH



In celebration of May Day, we organised a heartfelt Thanksgiving Program to honour and appreciate the hard work and dedication of our non-executive employees

On this special day, all team members from executive level and above, including HODs and senior management came together to prepare and serve tea to their colleagues. This symbolic gesture was a sincere expression of gratitude, aimed at recognising the efforts of our workforce.

2024 JUN

ACL SPORTS DAY



The team in Bangladesh organized an exciting Indoor Sports Day for all employees, filled with energy and fun from morning until evening. The main highlight of the day was the football competition, where teams from across the organization competed with great enthusiasm and teamwork. In addition to football, there were other activities like swimming, badminton, table tennis, and pool, offering something for everyone to enjoy. The event fostered a sense of camaraderie and healthy competition, allowing employees to unwind, stay active, and bond outside of the work environment. It was a day full of laughter, teamwork, and memorable moments that strengthened connections across the organisation

2024 APR

IFTAR WITH EMPLOYEES AND DEALERS IN BANGLADESH



In the spirit of togetherness and reflection during the holy month of Ramadan, we hosted Iftar gatherings to strengthen our bonds with both our external and internal stakeholders. On 2nd April, we welcomed a large gathering of our industrial customers, dealers, and distributors for a warm and engaging Iftar evening.

This was followed by an in-house Iftar on 4th April, held at our ACL Factory, where all ACL employees came together to share in the blessings of the season. These events not only celebrated the values of unity and gratitude but also reinforced our commitment to building lasting relationships across our network.



2024 JUN

OPENING OF THE ACRYLIC BINDER PLANT IN SRI LANKA



JAT proudly inaugurated its state-of-the-art Acrylic Binder Plant in Sri Lanka, where commercial production had commenced in March 2024. This milestone positions JAT among the few paint companies in South Asia producing both high-quality wood coating and emulsion paint binders. This strategic backwardvertical integration enhances cost efficiency and strengthens our competitive edge, ensuring superior products for distributors, retailers, and consumers. The Acrylic Binder Plant underscores JAT's commitment to innovation and industry leadership.

2024 JUL

JAT PREMIER LEAGUE



We organised an exciting cricket tournament as part of our employee engagement initiatives, bringing together teams from across the organisation. The event was more than just a game—it served as a platform to promote teamwork, a healthy lifestyle, and a spirit of friendly competition. Employees showcased their skills and sportsmanship, while building stronger connections outside of the usual work environment. The tournament not only energised the participants but also fostered company spirit and camaraderie, reinforcing a sense of unity and shared pride across the organisation.

2024 AUG

JAT EXCELLENCIA



This is the annual event dedicated to recognising and rewarding employee excellence and achievements across the organisation. This celebration served as a powerful reminder of the value we place on dedication, innovation, and outstanding performance.

By shining a spotlight on our top performers, the event boosted employee morale and motivation, while also reinforcing our commitment to a culture of high performance. It was a moment of pride and inspiration, encouraging all team members to continue striving for excellence in their respective roles.

2024 JUN

HARRIS INTERNATIONAL PAINTER TRAINING PROGRAMME SERIES



JAT Holdings, in partnership with Orkla House Care UK, conducted the Harris International Training Programme 2024, reinforcing our commitment to product excellence and industry leadership. Day 1 focused on equipping JAT employees with in-depth product knowledge, ensuring superior customer service. Day 2 provided professional painters with advanced skills and techniques to enhance efficiency and craftsmanship. Day 3 engaged over 60 dealer representatives in an interactive workshop on brush and roller applications, emphasising productivity, cost-effectiveness, and quality. Led by industry experts Mark Parr (International Market Manager, Orkla House Care UK, L.G. Harris & Co Ltd) and John Green (Training Consultant, John Green Decor), the programme underscores JAT's dedication to empowering stakeholders and elevating industry standards.

KEY EVENTS

2024 OCT

CHILDREN'S DAY CELEBRATIONS AT JAT



We dedicated a special day to celebrate the joy and spirit of children through a fun-filled Children's Day event. Packed with engaging activities, games, and treats, the event created memorable moments for the little ones and their families. More than just a day of fun, it had a positive impact on employee families by bringing them together in a cheerful and inclusive environment. The celebration reflected our commitment to family-friendly values and highlighted the importance we place on creating a supportive and caring workplace culture.

2024 OCT

COATEX PRODUCT LAUNCH IN BANGLADESH



CoatEx marks a significant milestone for ACL, JAT Holdings' Bangladesh-based subsidiary, as a locally developed PU wood coating brand tailored specifically for the value-driven, low to mid-tier market segment. With Bangladesh's growing demand for affordable yet high-quality polyurethane finishes, CoatEx addresses a clear market need by offering durable, reliable, and cost-effective wood coating solutions. Developed with a focus on accessibility and performance, CoatEx enables a wider spectrum of customers - from carpenters to furniture manufacturers - to experience the benefits of PU technology without compromising on quality.

2024 OCT

LAUNCH OF JAT FUTURE LEADERS PROGRAMME



JAT is proud to have launched the JAT Future Leaders Programme, reinforcing our commitment to talent development and innovation. Recognising the power of strong leadership, we aim to nurture the next generation of industry leaders.

Launched on 22 October 2024, the six-month pilot includes 24 high-performing employees. Through tailored workshops, coaching, and real-world learning, participants gain the skills to navigate complexity and drive growth. More than a training initiative, this programme is a strategic investment in JAT's future, fostering excellence, innovation, and leadership.

2024 OCT

KOLORZ BY JAT PRODUCT LAUNCH



Kolorz by JAT Emulsion is a premium-quality paint designed to enhance both interior and exterior walls with a flawless, long-lasting finish. Its subtle, elegant low-sheen texture creates a smooth, sophisticated look, elevating the aesthetics of any space. Available in a rich palette of vibrant shades, Kolorz by JAT transforms your home into a bright, inviting haven, adding warmth and personality to every corner.

2024 NOV

LAUNCH OF JAT LIFESTYLE STUDIO



JAT Holdings unveiled the JAT Lifestyle Studio, setting yet another benchmark of contemporary living. The JAT Lifestyle Studio is a first-of-its-kind showroom in Sri Lanka, offering a curated selection of leading global brands that embody modern elegance and functionality. Catering to the emerging market segment for bespoke luxury kitchens using international brands, the JAT Lifestyle Studio goes beyond a traditional showroom. It is the fruition of JAT's vision to bring global design excellence to Sri Lanka. The opening event hosted distinguished guests, including architects, interior designers and key figures from JAT Holdings PLC, MillerKnoll, SEAFORM, and OPPEIN.

2024 DEC

CHRISTMAS CELEBRATIONS



In the true spirit of Christmas, we chose to celebrate the season of giving by spending time with a group of children from a local children's home. The event was filled with joy, laughter, and heartfelt moments as we shared treats, gifts, and festive cheer with the little ones. It was a moment that brought smiles to their faces and reminded us of the importance of compassion and community. Through this initiative, we aimed to spread warmth and kindness, reflecting our values of social responsibility and care for those in need.

2024 DEC

SEAFORM KITCHEN & WARDROBE SHOWROOM IN AUSTRALIA



Stepping in to the Australian market, the Grand Opening of SEAFORM Kitchen & Wardrobe showrom in Perth, Western Australia, marked a spectacular celebration of innovation, design, and luxury living. The event unveiled SEAFORM's stunning range of luxury kitchens and wardrobes, showcasing exceptional craftsmanship, bespoke finishes, and cutting-edge technologies. Guests were immersed in an experience of unmatched elegance and functionality, with each design reflecting SEAFORM's commitment to excellence and timeless style

2024 DEC

JAT SISU WARUNA



On December 22nd, we hosted the second JAT Sisu Waruna programme, reinforcing our ongoing commitment to supporting painters, one of our key stakeholder groups. As a market leader in wood coatings, paintbrushes, and rollers, we recognise the crucial role painters play in our success.

Sisu Waruna is part of our long-term strategy to empower the next generation and strengthen our connection with those who bring our products to life.

2024 DEC

JAT LOYALTY PROGRAMME - REVAMPED



The revolutionised JAT Loyalty Programme was relaunched in December 2024. Tailored to support painters, many of whom are daily wage earners, the programme now goes beyond traditional rewards, offering an insurance scheme and benefits that extend to their families which also provides coverage in the event of loss of income due to critical illness.

KEY EVENTS

2024 DEC

J CHEM ONE-COAT PRODUCT LAUNCH



Recognising the unique needs of the Moratuwa market, JAT Holdings introduced J Chem One-Coat, a solvent-based wood coating solution. This launch strategically addressed the demand for a product that delivers high-quality performance at an accessible price point. J Chem One-Coat simplifies the application process through its one-coat usage formulation, offering both ease of use and cost-efficiency without compromising on finish or durability. It has been specially designed for interior wooden surfaces, making it an ideal choice for carpenters and manufacturers seeking practical, reliable, and aesthetically pleasing results.

2025 FEB

PINTHARU ABHIMAN CONVOCATION



The 5th JAT Pintharu Abhiman Convocation saw over 130 skilled painters receiving their NVQ Certification. The programme has supported over 700 painters to procure this certification and, going beyond recognition, we also prioritised the well-being of our valued painters by hosting our first-ever free medical camp, underscoring our commitment to providing continuous support to our key stakeholder group has context menu

2025 MAR

WOMEN'S DAY



In celebration of International Women's Day, we distributed gifts to honour the achievements of women within our organisation. The event highlighted the importance of gender equality, raising awareness about the ongoing efforts to create a more inclusive and equitable workplace. It was a moment to acknowledge and appreciate the invaluable contributions of our female employees, recognising their hard work, dedication, and leadership. Through this initiative, we reinforced our commitment to promoting gender equality and empowering women in all aspects of our work culture.

2025 JAN

JAT NATURE WALK



As part of our wellness and engagement initiatives, we organised a refreshing hike in a scenic natural setting. The experience offered employees a chance to step away from their daily routines, reconnect with nature, and focus on their physical well-being. Beyond promoting a healthy and active lifestyle, the hike also created a relaxed environment for team members to bond, communicate, and build stronger relationships outside the office. It was an experience that reinforced the importance of balance, teamwork, and holistic well-being.

2025 MAR

JAT TECH CENTRE - EXPANSION INTO CAMBODIA



JAT Holdings proudly expanded its footprint with the opening of the JAT Tech Centre in Cambodia. This strategic milestone reflects our commitment to innovation, excellence, and providing top-tier solutions across the region.By establishing this centre, we aim to enhance our capabilities, strengthen our expertise, and better serve our growing network.

2024 MAR

UNIQUELY ABLED PAINTER PROJECT



The JAT Sustainability Department, in collaboration with the JAT Technical Department, successfully concluded its pilot training programme for individuals with hearing impairments in March 2025. This initiative was carried out in partnership with the Sri Lanka Deaf Association, which supported us by inviting applications from individuals already engaged in, or interested in joining, the paint and wood coating industry.

The objective of the pilot was to assess the need and potential for providing technical training to marginalised communities in Sri Lanka. A total of 13 participants took part in the two-day programme, which ended on a high note, highlighting both the importance and the opportunity of equipping differently abled individuals with the professional skills required in the paint and wood coating industries.

2024 MAR

HYDRO+ PRODUCT LAUNCH



Identifying a critical market gap in Sri Lanka, JAT Holdings developed Hydro+, a high-performance waterproofing paint designed for the demands of tropical climates. Combining innovation and durability, Hydro+ offers superior protection, reinforcing JAT's commitment to delivering cutting-edge solutions tailored to regional needs.

PERFORMANCE HIGHLIGHTS

GRI 201-1

Financial Capital

	Metric	2024/25	2023/24	Y-o-y change (%)
Profitable Growth				
Revenue	Rs. Mn	11,625	11,556	1%
Gross Profits	Rs. Mn	4,012	3,389	18%
GP Margin	%	35%	29%	5%
Operating Profit	Rs. Mn	1,823	1,355	38%
Profit Before Tax	Rs. Mn	1,606	1,211	33%
Profit After Tax	Rs. Mn	1,779	1,023	74%
PAT Margin	%	15%	9%	6%
Economic Value Generated	Rs. Mn	11,914	12,208	-2%
Economic Value Distributed	Rs. Mn	10,563	11,457	-8%
Percentage of Revenue Earned in Foreign Currency	%	26%	35%	-9%
Return on Assets	%	11%	7%	4%
Return on Capital Employed	%	18%	14%	3%
Return on Equity	%	17%	11%	6%
Interest Cover	Times	6.01	7.83	-23%
Financial Stability				
Total Assets	Rs. Mn	16,021	14,449	11%
Total Liabilities	Rs. Mn	5,630	5,334	6%
Total Equity	Rs. Mn	10,391	9,115	14%
Shareholders' Funds	Rs. Mn	10,413	9,128	14%
Non-Controlling Interest	Rs. Mn	(22)	(13)	52%
Total Debt	Rs. Mn	3,348	2,789	20%
Net Debt	Rs. Mn	1,908	1,513	26%
Gearing Ratio	%	24%	23%	1%
Net Debt (Cash)/Equity	Times	0.18	0.17	8%
Debt/Total Assets	Times	0.21	0.19	10%
Working Capital Management				
Current Ratio	Times	2.02	1.89	7%
Liquidity Ratio	Times	1.24	1.25	-1%
Quick Asset Ratio	Times	1.50	1.32	-1%
Inventory Days	Days	138	154	-5%
Debtor Days	Days	130	116	19%
Creditor Days	Days	44	60	31%
Shareholder Information				
Earnings per Share	Rs.	3.50	2.00	74%
Dividends per Share	Rs.	0.80	0.79	1%
Net Assets per Share	Rs.	20.36	17.86	14%
No. of Shares in Issue	No.	510,407,773	510,407,773	0%
Closing Price	Rs.	26.90	17.30	55%
Market Capitalisation	Rs. Bn	13.73	8.83	55%
P/E Ratio	Times	7.71	8.65	-11%
Dividend Payout	%	23%	39%	-16%
Dividend Cover	Times	4.36	2.54	72%
Dividend Yield	%	3%	5%	-2%

Manufactured Capital

		2024/25	2023/24	Y-o-y change (%)
Property, Plant and Equipment	Rs. Mn	3,637	3,631	0%
Capital Expenditure	Rs. Mn	439	2,143	-80%
Efficiency Ratio	%	76%	75%	1%
Compliance with Safety Standards within the Factory	%	100%	100%	0%

Human Capital

		2024/25	2023/24	Y-o-y change (%)
Total Employees	No.	509	471	8%
Payments to Employees	Rs. Mn	1,059	941	13%
Female Representation	%	18%	21%	-3%
New Recruits During the Year	No.	158	78	103%
Attrition	%	24%	11%	13%
Employee Retention Rate	%	75%	89%	-14%
Promotions	No.	70	54	30%
Investment in Training	Rs. Mn	7	5	52%
Total Training Hours	Hours	7,016	4,664	50%
Average Training Hours per Employee	Hours	14	10	40%
Workplace Injuries	No.	5	6	-17%
Fatalities	No.	0	0	0%
Employee Hours Lost due to Injuries	No.	24	57	-58%

Intellectual Capital

		2024/25	2023/24	Y-o-y change (%)
Investment in R&D	Rs. Mn	55	45	22%
New Products Launched	No.	4	3	33%
Products in Pipeline	No.	6	4	50%
Strength of R&D Team	No.	9	7	29%
Brand Awards	No.	7	2	250%
Employees with Service Exceeding 10 Years	No.	93	71	31%
Awards Won	No.	13	12	8%
ISO Standards Sustained	No.	3	3	0%

Social and Relationship Capital

		2024/25	2023/24	Y-o-y change (%)
Payments to Suppliers	Rs. Mn	9,326	8,257	13%
Total Suppliers	No.	1,545	1,600	-3%
Total Distributors	No.	26	29	-10%
Loyalty Base	No.	171,352	157,700	9%
Qualified Painters under Pintharu Abhiman	No.	258	237	9%
Investment in CSR Initiatives	Rs. Mn	43	2	2343%
Long-term Community Empowerment Projects in Effect	No.	7	5	40%

Natural Capital

		2024/25	2023/24	Y-o-y change (%)
Energy Consumption	GJ	3,474	2,370	47%
Renewable Energy Generation	GJ	867	855	1%
Energy Intensity	MJ/Rs. Mn	0.32	0.30	4%
Water Consumption	m3	17,888	11,184	60%
Solid Waste Disposed	MT	203	137	48%
Carbon Footprint	tCO2e	2,172	1,866	16%
Effluent Discharged	m3	434	499	-13%
Emission Intensity	tCO2e/Rs. Mn	4.27	5.18	-18%

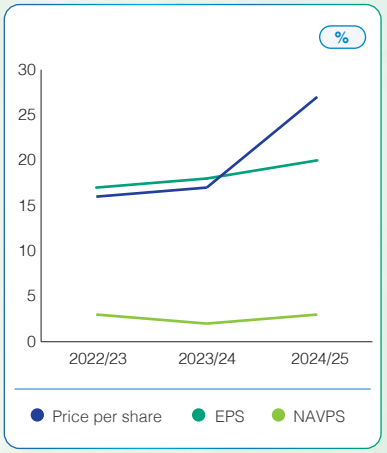
Governance

		2024/25	2023/24	Y-o-y change (%)
Board of Directors	No.	9	9	0%
Independent Directors	%	44%	44%	0%
Female Representation at the Board	%	22%	33%	-11%
Board Meetings Held	No.	9	9	0%
Total Board Sub-committees in Function	No.	5	5	0%
Voluntary Board Sub-committees in Function	No.	1	1	0%
Instances of Non-compliance on Environmental, Social or Economic Aspects	No.	0	0	0%

JAT HOLDINGS PLC: THE INVESTMENT CASE

1 CONSISTENT SHAREHOLDER RETURNS

JAT has delivered sound returns to its shareholders over the years. Even through the external shocks in the Sri Lankan economy, the Group generated sound returns. This has been on account of a clear growth oriented strategy, decisive leadership and a competent team and several other factors.



Share Information refer page 331

2 ROBUST GROWTH STRATEGY

The Group is driven by a robust growth strategy that has enabled it to strengthen its market share in key segments such as wood coating solutions, decorative paints, and related accessories. Key strategic initiatives, including backward and forward integration, as well as unrelated diversification, have helped the Group mitigate risks, enhance revenue stream diversity, and fuel business expansion. The agility and foresight inherent in the strategy have allowed the Group to swiftly adapt and recalibrate its growth actions in response to external challenges, regaining momentum as market conditions improve.

Strategy and Resource Allocation refer page 54

3 STRONG GOVERNANCE AND LEADERSHIP

The Group operates on a robust governance framework that has been consistently strengthened and refined over the years. While fully complying with regulatory governance requirements, JAT has gone beyond these standards, aligning itself with best practices in governance. Key aspects of JAT's governance include an independent Chairman, a Board composed of members with dynamic expertise and experience directly relevant to the business, and specialised Board sub-committees that provide focused oversight on critical matters to ensure sound governance. Additionally, the strong synergy between the corporate leadership team and the Board of Directors is a testament to the company's commitment to effective governance.

Corporate Governance refer page 146

4 PEOPLE-CENTRIC CULTURE

At JAT, our people-centric culture is a cornerstone of our long-term success. By prioritising employee empowerment, continuous learning, diversity, and well-being, we foster a productive and innovative workforce. We focus on leadership development and collaboration, ensuring that our employees are engaged, motivated, and aligned with our strategic goals. This commitment to nurturing talent drives operational excellence and contributes to sustainable growth and value creation, making us a strong, resilient investment.

Human capital refer page 97

5 DEEP COMMITMENT TO ESG

The Group has established structured programmes aimed at minimising its environmental impact while promoting social upliftment, titled Mihikathata Dayawen and JAT Pintharu Abhiman, alongside making a meaningful economic contribution. These initiatives align with and support the United Nations' Sustainable Development Goals. Our approach to value creation is comprehensive, focusing on key areas such as gender equality, fair labour practices, capacity building, social welfare, and sustainable manufacturing processes. We also uphold strong governance through well-defined policies and structures that ensure responsible decision-making, a balanced distribution of power, and a corporate culture rooted in transparency and integrity.



THE JAT FORCE: EMPOWERING A PROSPEROUS FUTURE FOR SRI LANKA

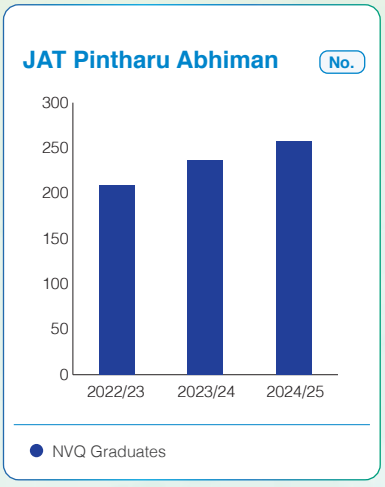
We take great pride in our role in supporting Sri Lanka's economic revival. While we continue to drive our own strategic growth, we ensure that our efforts align closely with the nation's economic, social, and environmental goals. The following illustration highlights our ongoing contributions towards this collective vision.

DRIVING EXPORTS REVENUE

JAT's total export revenue for the year marked a 26% from the total revenue supporting the foreign exchange inflow in to Sri Lanka.

EMPOWERING FELLOW SRI LANKANS

The JAT Pintharu Abhiman initiative, a collaboration between JAT and the National Apprenticeship and Industrial Training Authority (NAITA), is dedicated to enhancing the skills and livelihoods of wood craftsmen across Sri Lanka. This programme offers professional recognition, financial stability, and advanced training opportunities, empowering painters and carpenters to refine their craft and achieve formal certification. By aligning with national economic and social goals, JAT Pintharu Abhiman contributes significantly to the development of the wood coating and paint industry, fostering a community of skilled professionals who drive economic growth and prosperity.



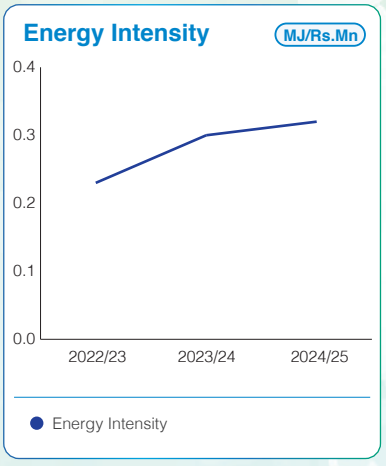
ADVANCING GENDER PARITY

At JAT, we are committed to promoting gender equality both within our organisation and in the broader community. We have created an inclusive work environment that empowers and supports our employees regardless of gender. Currently, 18% of our workforce, and 16% of the senior management positions consist of women.

We are dedicated to providing equal opportunities for women, offering training, mentorship, and career advancement programmes that allow them to break stereotypes and advance in their careers based on skills and potential, not gender.

GREENING THE ECONOMY

We made considerable advancements in our environmental conscious journey, Mihikathata Dayawen, with the focus this year on reducing our waste and emissions.



DRIVING INNOVATION

We drive innovation through our collaboration with the Sri Lanka Institute of Nanotechnology (SLINTEC), where we conduct advanced research and development in wood coatings and related products. This partnership enables JAT to explore cutting-edge technologies and formulations, enhancing product quality and performance. By investing in such R&D initiatives, we contribute to the development of Sri Lanka's manufacturing sector, fostering technological advancement and economic growth.

BUSINESS ENVIRONMENT AND STRATEGIC FOCUS



Precision in Every Stroke

Like the kingfisher that strikes with focus and clarity, our strategic decisions are sharp, timely, and informed by delivering value where it matters most.

VALUE CREATION MODEL

At JAT Holdings PLC, our value creation process is guided by the principles of the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework. This model offers a holistic view of how we transform the six capitals, financial, manufactured, intellectual, human, social & relationship, and natural into sustained value for our stakeholders.

We operate in a dynamic business environment, where innovation, customer-centricity, and sustainability drive our ability to generate long-term returns. Our value creation model illustrates the interconnectedness of our strategy, resources, stakeholder relationships, and external context, demonstrating how we deliver both financial and non-financial outcomes in a responsible and future-focused manner.

By aligning with the <IR> Framework, we ensure transparency, accountability, and strategic focus across all facets of our operations, and also our reporting, reinforcing our commitment to sustainable growth and resilience.

VALUE TRANSFORMATION PROCESS



Capital Inputs

FC

- Equity capital — Total equity capital - **Rs. 10,391 Mn**
- Borrowings — Short-term borrowings - **Rs. 3,265 Mn**; Long-term borrowing - **Rs. 83 Mn**

(Page 82)

MC

- Property, plant and equipment (PPE) — R&D strength **- 9**
- Our manufacturing plants, office premises, showrooms, both in Sri Lanka and in overseas markets. — Capital expenditure during the year **Rs. 439 Mn**

(Page 90)

HC

- Our team's collective expertise, extensive experience, and deep industry knowledge form the foundation of our exceptional product quality and operational excellence

Total employees **- 509**

New recruits during the year **- 158**

(Page 97)

IC

- The JAT brand, and the range of other brands offered by JAT both local and international
- Our internationally certified processes, automations
- R&D expertise
- Organisational tacit knowledge

Investments in R&D **Rs. 55 Mn**

Number of ISO standards maintained - **3**

Investments in new IT capabilities - **Rs. 11 Mn**

Average service of employees - **5 years**

(Page 110)

SRC

- Relationships we strike with our distributor, dealers, other value chain partners, ultimate consumers, the wider community we operate in

Customer base in our Loyalty Programme - **171,352**

Distributor network **- 26**

Dealer network - **6,900+**

(Page 120)

NC

- Essential natural resources that support and sustain our operations

Water usage - **17,888 m3**

Total energy consumption - **3,474 GJ**

(Page 132)

Value transformation

Key strategic priorities

- Profitable growth
- Digitalisation and Operational Excellence'
- Innovation
- Nurturing talent
- ESG considerations

Core processes

- Procurement of raw materials and selected finished goods
- Manufacturing operations
- Research and development
- Retail and industrial sales distribution

Key risks

- Operating environment related risks
- IT related risks
- Operational risks
- Financial risks

Key opportunities

- Employer branding
- Innovative products
- New business opportunities
- Investment opportunities

Shaped by

Operating Environment	Stakeholder Interactions	Corporate Governance
Uncertainty and volatility in our two key markets viz. Sri Lanka and Bangladesh during the year	Strengthened relationships with all key stakeholders groups, through curated initiatives	Strong governance mechanism and leadership at the top ensured the resilience of the business model even amidst external shocks
(Page 43)	(Page 36)	(Page 146)

Key outputs	Outcomes - Impact on capitals	Outcome - Impact on stakeholders

Key products



Wood coating solutions



Decorative paints and accessories



Furnishing solutions

Exceptionally high-quality paint products and accessories developed through rigorous R&D efforts, tailored to meet precise customer preferences and performance expectations

Waste and emissions generated in the process

2,172 tCO2e Total GHG emissions

203 MT Total waste generated

434 m3 Effluents discharged

FC

Rs. 1,606 Mn Pre-tax profit

Shareholders

Net asset value per share: **Rs. 20**

ROE - **17%**

MC

Rs. 3,637 Mn PPE

Rs. 229 Mn Depreciation and amortisation

Employees/ Customers

- Safe working spaces for our employees
- High-tech manufacturing capabilities leading to quality finished goods

HC

Rs. 1,059 Mn Expenses to employees

Rs. 7 Mn Investment on training and development

Employees

Average training hours per employee **- 14**

IC

No. 1 Market position in wood-based coating

13 awards won

S&D expenses **Rs. 1,352 Mn**

Customers

Excellent service experience enabled by robust processes, experienced and empathetic staff

Employees

The JAT culture in which our employees thrive

SRC

Rs. 140 Mn paid out under the customer loyalty programme

Rs. 54 Mn commissions paid to distributors and dealers

Rs. 43 Mn invested in CSR initiatives

Customers

High quality paint and related products, interior decorating products that elevate customer living spaces and quality of life

Distributors and dealers

Continued business opportunities and cash flows

Community

1250 beneficiaries of CSR initiative in FY 24/25 - JAT Pintharu Abhiman

NC

434 m3 Water recycled

241 MWh Renewable energy generated

16% Increase in total emissions

	Risk Management	ESG Priorities
	Sound and proactive risk management sharpened the Groups readiness to manage emerging risks.	ESG priorities continued to be at the center of our operations and performance
	(Page 201)	(Page 59)

STAKEHOLDER INTERACTIONS

STAKEHOLDER ENGAGEMENT MECHANISM

GRI 2-29

At JAT, we engage with a broad spectrum of stakeholders, recognising their integral role in our value creation journey. To ensure effective and meaningful engagement, we adopt a structured and methodical approach tailored to the unique needs of each stakeholder group. Given the complexities of maintaining consistent engagement across all parties, we employ a prioritisation model that assesses stakeholders based on two key dimensions: their level of interest in the Company's activities and their influence on our strategic direction, decision-making, and overall value creation process.

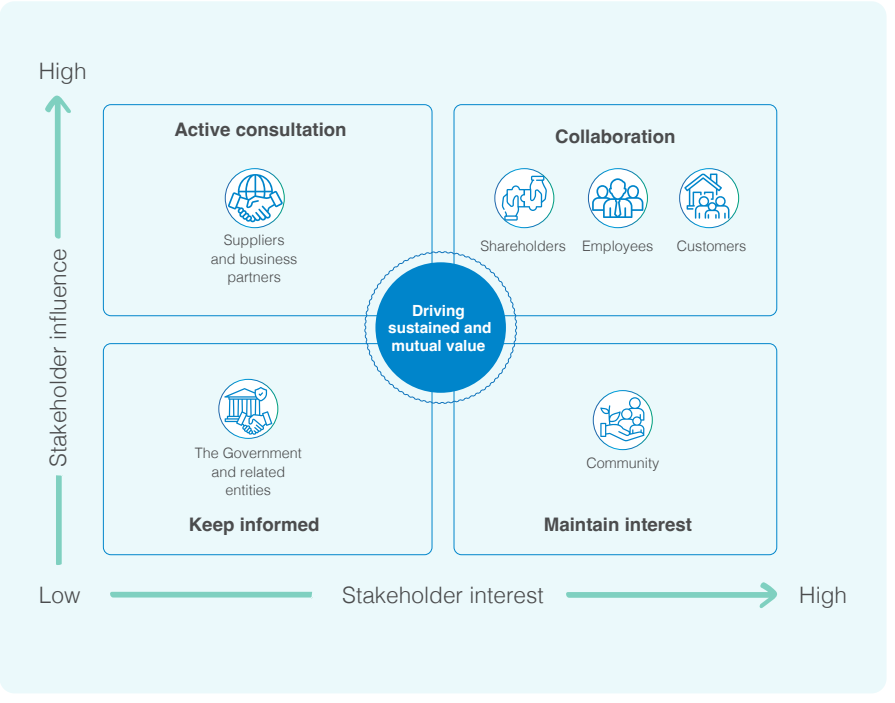




STAKEHOLDER RELATIONS GOVERNANCE

All stakeholder engagements at JAT are guided by robust internal processes that define the appropriate manner, frequency, and channels of communication for each stakeholder group. These frameworks are rooted in timeliness, accountability, and transparency, ensuring that every stakeholder receives relevant, accurate, and timely information aligned with their level of interest and influence.

Our approach is both prioritised and policy-driven, enabling us to maintain purposeful engagement that meets regulatory and ethical standards and fosters trust and long-term collaboration. Stakeholder feedback is actively sought, respectfully considered, and meaningfully integrated into our strategic planning and value creation processes.



Shareholders	Profile	4,507 shareholders	4.66% institutional shareholders	99.67% local shareholders
		Strength of the relationship: **Strong**	Mode of engagement: **Collaboration**	

Multi-modal engagement

Engagement modes	Relevant publications	Dedicated point of contact
• Annual General Meetings • Extraordinary General Meetings • Quarterly investor relations presentations • Quarterly financial results publications • Other one-on-one meetings	• Annual Reports • Quarterly financial statements • Announcements to the Colombo Stock Exchange • Disclosures made in the corporate website	• Company Secretary • Investor Relations Officer

Key concerns raised and connectivity to material matters

Key concerns raised	Response action	Corresponding material topics
• Profitability amidst macro-economic volatilities • Sustained revenue growth across key markets • Effectiveness of risk management frameworks amid geopolitical and operational uncertainties • Adequate shareholder returns through dividends and capital appreciation • Stability, vision, and continuity of the Board and senior leadership • Integration of ESG priorities into business strategy • Currency fluctuations and macroeconomic volatility in the countries the Group operates in • Supply chain resilience and cost efficiency • Expansion and market share growth in regional markets • Innovation and product development through R&D investments • Capital structure management and prudent gearing levels • Regulatory compliance across all jurisdictions that the Group has a presence in • Adoption and readiness of the Company towards IFRS S1 & S2 disclosures	The Group maintained a strong financial position through prudent capital allocation, market expansion efforts, and disciplined cost management across both Sri Lanka and Bangladesh, and other markets in which they are present. The Group strengthened its governance and leadership continuity while embedding ESG principles into its long-term strategy and operational practices. Proactive risk management and sustained investment in innovation further strengthened resilience against regional economic and geopolitical challenges.	• Market leadership • Corporate reputation • Managing financial performance • Macro-economic vulnerabilities • Compliance and good governance • Adequacy of production capabilities

Driving value and strategy

Value delivered	Link to Strategy
Pre-tax profits - **Rs. 1,606 Mn** ROE - **17%** Total equity - **Rs. 10,391 Mn**	**Profitable growth** **ESG considerations**

Way forward

The Group remains committed to strengthening shareholder value through sustainable growth, strategic market expansion within Sri Lanka and multiple offshore markets, and consistent financial returns. The Group will continue fostering transparent communication and aligning its strategic priorities with evolving shareholder expectations.

Read more information: Financial capital – page 82, Shareholder information– page 331

STAKEHOLDER INTERACTIONS

Customers	Profile	**171,352** customers in our JAT Loyalty Programme	**26** distributors	**6,900+** dealers	Serving customers across South and South East Asia, Australia and Africa
		Strength of the relationship: **Strong**	Mode of engagement: **Collaboration**		

Multi-modal engagement

Engagement modes	Relevant publications	Dedicated point of contact
Painters • Advertising via print, electronic and social media • JAT Loyalty Programme • After sales services • Sales team engagement • Entertainment events • Third-party satisfaction surveys and industry studies **Distributors and Dealers** • Periodic review meetings • Email and official circulars • Digital platforms/portals • On-site visits and inspections	• Product catalogues • Application and usage guides • Color charts and palettes • Brochures and promotional flyers	• Customer care hotline - +94117524150 • 2 Tech Centres • 2 Experience Centres • 1 Lifestyle Studio • 4 overseas showrooms • Customer service agents

Key concerns raised and connectivity to material matters

Key concerns raised	Response action	Corresponding material topics
• Product quality, durability, and performance consistency • Competitive pricing and value for money in stressed macro-economic conditions with reduced purchasing power of customers • Environmental friendliness and compliance with safety standards • Product availability, delivery timelines, and packaging convenience • Range, innovation, and customisation of product offerings • Customer support, technical guidance, and after-sales service • Rewards for loyalty	Proactively addressed customer concerns by enhancing product quality, expanding eco-friendly offerings, and introducing a range of products at economy level. The Group also strengthened its distribution network, improved technical support, and accelerated innovation to better meet customer expectations.	• Product responsibility • Product innovation • Customer satisfaction • Adequacy of production capabilities

Driving value and strategy

Value delivered	Link to Strategy
Rs. 140 Mn disbursed under JAT Loyalty Programme **4 new products** launched	**Innovation** **ESG considerations**

Way forward

JAT will continue to place customer-centricity at the heart of its strategy by remaining highly responsive to evolving needs around product quality, affordability, and sustainability. The Group will leverage its growing network of Tech Centres and Lifestyle Showrooms to strengthen direct engagement across all customer segments, offering personalised experiences, product education, and design inspiration. Additionally, continuous innovation driven by strategic investments in R&D will enable the development of cutting-edge, value-driven solutions that align with emerging trends and customer expectations.

Read more information: Social and relationship capital – page 120

Employees	Profile	509 employees	18% female representation
		Strength of the relationship: **Strong**	Mode of engagement: **Collaboration**

Multi-modal engagement

Engagement modes	Relevant publications	Dedicated point of contact
• Town hall meetings • Employee satisfaction survey • Induction programmes for all new recruits • Mid-year and full year performance appraisals • Staff Engagement initiatives conducted throughout the year • Staff training programmes	• Employment contract/ offer letter • Wide range of policies leading to a rewarding workplace for employees • Code of Conduct • Training resources • LMS • Intranet	• Immediate supervisor/s • Divisional Head • Head of HR • Chief Executive Officer • Managing Director

Key concerns raised and connectivity to material matters

Key concerns raised	Response action	Corresponding material topics
• Career growth opportunities and skill development • Fair compensation and performance-based rewards • Work-life balance and well-being • Job security and organisational stability • Inclusivity, diversity, and a respectful workplace culture • Clarity in communication and transparency from leadership	JAT strengthened its people agenda by enhancing learning and development initiatives during the year, introducing clear career progression pathways, and refining performance-based reward mechanisms. The Group promoted a healthy work-life balance through employee wellness programmes and fostered an inclusive, transparent workplace culture. Regular communication from leadership and structured feedback mechanisms ensured employee voices were heard and valued. Town hall meetings, clear communication of findings of the Employee Survey are some examples.	• Managing talent • Employee health and safety • Embracing technology • Compliance and good governance • Corporate reputation

Driving value and strategy

Value delivered	Link to Strategy
Rs. 1,059 Mn payments to employees **14 average** training hours per employee	Nurturing talent Digitalisation and Operational Excellence Profitable growth

Way forward

In the short term, JAT will focus on bridging immediate technical and soft skill gaps through targeted training and development initiatives. Over the medium term, the Group aims to digitise key HR functions, including the enhancement of the Learning Management System (LMS), to upgrade learning accessibility and performance tracking. In the long run, efforts will be directed toward building a strong leadership pipeline across all functions, strengthening the employer brand, and positioning JAT as a top destination for high-quality talent.

Read more information: Human capital – page 97

STAKEHOLDER INTERACTIONS

Suppliers and business partners	Profile	1,460 local suppliers	85 international suppliers/partners
		Strength of the relationship: **Strong**	Mode of engagement: **Consultation**

Multi-modal engagement

Engagement modes	Relevant publications	Dedicated point of contact
• Pre-contract supplier evaluations • Annual performance assessments • Periodic compliance audits • Regular feedback and improvement reviews	• Agreements and contracts executed	• JAT Procurement Unit for suppliers • Chief Executive Officer • Managing Director

Key concerns raised and connectivity to material matters

Key concerns raised	Response action	Corresponding material topics
• Pricing and payment terms • Order volumes and delivery schedules • Product availability and inventory planning • Clarity of contractual obligations and compliance requirements • Marketing support and promotional activities • Access to timely communication and decision-making channels	Strengthening supplier relationships and partnerships through transparent pricing structures, timely payments, and clear contractual frameworks. The Company enhanced inventory and logistics planning to ensure product availability and reliability. Additionally, JAT provided ongoing marketing support and streamlined communication channels to align all partners with brand and operational standards.	• Principal relationships • Ethical procurement practices

Driving value and strategy

Value delivered	Link to Strategy
Rs. 5,571 Mn payments to local suppliers **Rs. 3,665 Mn** payments to international suppliers	**Profitable growth**

Way forward

Foster strong, collaborative relationships with suppliers and business partners through transparent practices, timely engagement, and performance-based evaluations. The Company aims to digitise supply chain interactions, promote sustainability and compliance, and build mutual value through joint innovation and long-term alignment with its strategic goals.

Read more information: Social and relationship capital – page 120

Community	Profile	The wider community within which we operate	
		Strength of the relationship: **Good**	Mode of engagement: **Maintain interest**

Multi-modal engagement

Engagement modes	Relevant publications	Dedicated point of contact
• JAT Pintharu Abhiman programme • CSR projects • Public events • Corporate Website • Social media interactions • Press	• Annual reports • Corporate website • Social media publications	• Loyalty department • Sustainability department

Key concerns raised and connectivity to material matters

Key concerns raised	Response action	Corresponding material topics
• Environmental impact and sustainability of manufacturing processes • Waste management and disposal practices • Local employment opportunities and fair labour practices • Contribution to local economic development • Corporate social responsibility (CSR) initiatives focusing on marginalised communities • Transparency in environmental and social impact reporting	JAT focused on minimising environmental impact by adopting sustainable manufacturing practices and waste management systems. The Group prioritised local employment, fair labour practices, and contributed to economic development through various community initiatives. Through our JAT Pintharu Abhiman programme, we empower the painter community by providing recognised certification and promoting dignity within the profession, further enhancing our commitment to social responsibility and local empowerment.	• Community empowerment • Managing GHG emissions • Impact of climate change

Driving value and strategy

Value delivered	Link to Strategy
Rs. 43 Mn invested in community empowerment and environmental preservation initiatives **1,840 beneficiaries** of community empowerment projects **81 staff members** recruited outside the Western province	ESG considerations

Way forward

JAT will continue to reward and recognise painters through the JAT Pintharu Abhiman programme, expanding its impact to reach more underserved segments within the painter community. The Group aims to further develop painters as a professional category in Sri Lanka, providing training, certification, and career advancement opportunities. By doing so, JAT will help uplift their living standards and promote greater dignity and respect for the profession, creating long-term value for both the community and the industry.

Read more information: Social and Relationship capital – page 120

STAKEHOLDER INTERACTIONS

GRI 207-3

The Government and related entities	Profile	A number of state entities: CSE, SEC, SLSI, CAA, CEA, IRD, Dept. of Labour, Ministry of Industries etc.	
		Strength of the relationship: **Strong**	Mode of engagement: **Consultation**

Multi-modal engagement

Engagement modes	Relevant publications	Dedicated point of contact
• Periodic regulatory filings and disclosures • Statutory reporting and compliance submissions • On-site inspections and audits • Participation in industry consultations and forums • Licensing and permit applications • Formal correspondence and notifications • Digital reporting platforms and online submissions • Regulatory training and awareness sessions	Documentation with regards to Periodic regulatory filings and disclosures and statutory reporting and compliance submissions	• Chief Financial Officer • Head of HR • Legal Officer • Chief Executive Officer • Managing Director

Key concerns raised and connectivity to material matters

Key concerns raised	Response action	Corresponding material topics
• Compliance with environmental regulations and contributing to a low carbon economy • Adherence to labour laws • Product quality and safety standards • Contribution to local economic development • Export performance and foreign exchange earnings • Corporate tax compliance Transparency in business operations	JAT ensured full compliance with national regulations by adhering to environmental, labour, and safety standards, while proactively fulfilling tax and statutory obligations. The Group engaged in regular audits, continuous staff training on regulatory best practices, and close collaboration with relevant authorities, aligning its operations with national priorities and sectoral goals.	• Taxation • Managing GHG emissions • Impact of climate change

Driving value and strategy

Value delivered	Link to Strategy
Rs. 1,069 Mn Total taxes paid to the Government Timely renewed environmental certificates/permits	ESG considerations

Way forward

JAT will maintain strong compliance with regulations and actively engage with government bodies to support national goals. The Group will focus on transparency, sustainability, and alignment with government policies, including Sri Lanka's Nationally Determined Contributions (NDCs) that outline the country's climate action commitments under the Paris Agreement.

Read more information: All capital reports

OPERATING ENVIRONMENT REVIEW

JAT operates in a dynamic and evolving macroeconomic landscape, and we continuously monitor global and local developments to adapt our strategies and remain resilient. This section presents a comprehensive overview of the operating environment that influenced the Group's performance during the year. It includes a review of global economic trends as well as country-specific analyses for Sri Lanka and Bangladesh—our two key markets. In addition to examining macroeconomic factors such as inflation, interest rates, and sectoral growth, we also consider political developments, consumer sentiment shifts, climate change related trends and technology developments that directly affect our operating context and decision-making.



GLOBAL ECONOMIC PERFORMANCE

In 2024, the global economy demonstrated moderate but uneven growth, expanding by an estimated 3.1%, slightly below the historical average of 3.7%. While economic momentum remained robust in some regions, the year was marked by divergent country-level performance, persistent geopolitical tensions, and elevated policy uncertainty.

The United States outperformed expectations with strong consumption-led growth of 2.7% (YoY in Q3), whereas major Asian and European economies such as China, India, and Germany posted weaker-than-expected outcomes. China recorded 4.7% growth, hampered by sluggish consumption and property market concerns, while India saw a sharper-than-expected slowdown in industrial activity.

Inflation continued to decline globally, with headline inflation easing to 4.2% by the end of the year. However, progress on disinflation was uneven, with services inflation remaining sticky, especially in advanced economies. This led central banks to proceed cautiously with monetary easing, resulting in diverging monetary policy paths.

Global financial conditions were mostly accommodative, especially in advanced economies, where equities rallied on expectations of business-friendly policies. In contrast, emerging markets faced tighter financial conditions due to a stronger US dollar and subdued investor sentiment. Policy uncertainty, especially around trade and fiscal agendas, rose significantly following elections and geopolitical developments, particularly in parts of Asia, Europe, and the Middle East.

Despite these challenges, the global economy avoided a hard landing, with resilient labor markets, steady wage growth, and a rebound in consumption supporting overall activity. However, the outlook for 2025 remains cautious, with medium-term risks tilted to the downside and a continued need for structural reforms and multilateral cooperation.

IMPLICATIONS ON JAT

26% of JAT's income is sourced from off-shore markets, hence the global economic performance is of importance to JAT. The biggest impact on JAT's overall performance stemmed from the developments in the Bangladeshi market, which is discussed separately.

PERFORMANCE OF THE SRI LANKAN ECONOMY

Sri Lanka made significant progress in 2024/ 25, building on the recovery from its severe economic crisis in 2022. The country benefited from stabilising fiscal and monetary reforms, improved investor confidence, and continued support from the International Monetary Fund (IMF) under the Extended Fund Facility (EFF) programme.

Key developments during the year

- **Political Stabilisation:** Presidential and provincial elections were held during the year after which the volatility of the political environment decreased.

OPERATING ENVIRONMENT REVIEW

- **Macroeconomic Stabilisation:** Corrective fiscal and monetary measures since mid-2022 laid the groundwork for sustained economic recovery.
- **IMF Support:** The continuation of the IMF-EFF programme and ompletion of external debt restructuring boosted macroeconomic stability.
- **Investor Confidence:** Renewed optimism was reflected in improved credit ratings and increased foreign investment interest.

Economic Overview

Strong economic rebound

In 2024, Sri Lanka's economy recorded a robust real GDP growth of 5.0%, marking a firm turnaround after two consecutive years of contraction. This growth was consistent across all four quarters, a first since 2017. Industry was the main growth engine, supported by a resurgence in manufacturing and construction. Services contributed significantly, led by strong performances in accommodation and transport sectors. Agriculture also posted positive contributions, reinforcing the broad-based nature of the recovery. GDP per capita rose to Rs. 1.36 million (USD 4,516), up from Rs. 1.24 million (USD 3,801) in 2023.

Inflation and price stability

- Inflation saw a sharp disinflation trend due to tighter monetary and fiscal policy, and falling global and domestic energy prices.
- By September 2024, inflation turned negative, initiating a temporary phase of deflation which eased cost pressures on households and businesses.

Interest rates and credit conditions

- Accommodative monetary policy led to a broad-based decline in market interest rates.
- Credit growth rebounded in the second half of the year, with increased lending to the private sector for both consumption and investment.

External sector stability

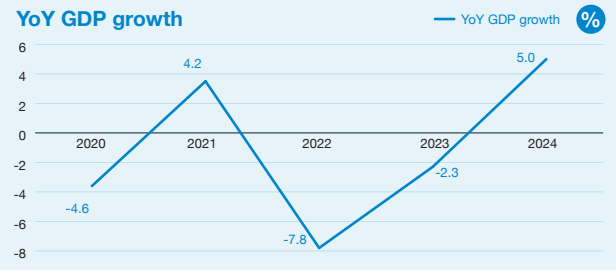
- Despite a widening trade deficit due to higher imports, a strong rebound in tourism earnings and worker remittances supported the balance of payments.
- The external current account recorded a surplus for the second consecutive year.
- The Central Bank purchased record levels of foreign exchange, boosting gross official reserves and contributing to a second year of currency appreciation.

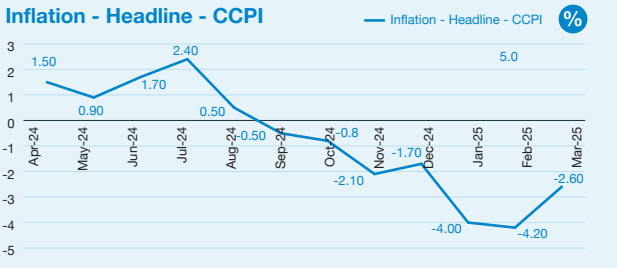
Fiscal Performance

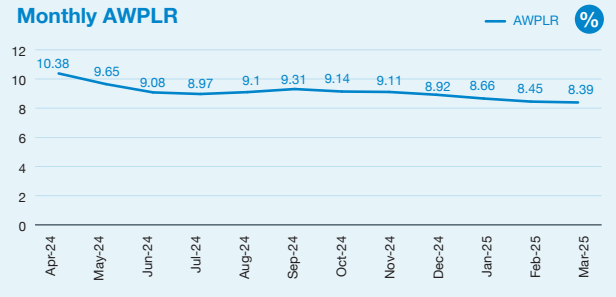
- Fiscal consolidation improved with stronger revenue collection and a positive primary balance in 2024.
- Progress in debt restructuring and fiscal discipline contributed to macroeconomic stability and encouraged credit rating upgrades.

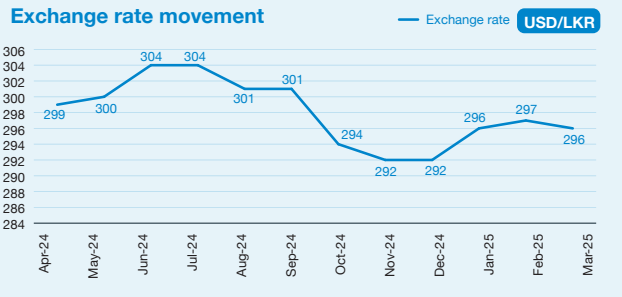
Construction sector performance

Construction activities improved in 2024, due to the gradual roll out of new construction projects, stimulated by the conducive economic environment, compared to the contraction recorded in the previous year. The sector reported a growth of 19.4% in 2024, compared to a contraction of 20.8% in 2023.









Impact on JAT Operations	Response of JAT
The macroeconomic rebound in 2024/25 had a positive influence on JAT's operating environment, creating both opportunities and challenges:	In response to the evolving economic landscape, JAT adopted proactive strategies to capitalise on growth opportunities while remaining sensitive to consumer realities:
• **Disinflation and deflation:** The marked disinflation trend, followed by a brief deflationary phase, eased pressure on input costs, particularly for raw materials and energy, contributing to better margin stability of our products. • **Exchange rate stability:** The continued appreciation of the Sri Lankan Rupee provided increased predictability in sourcing imported raw materials, supporting more reliable pricing strategies and improved cost planning. • **Declining interest rates:** The accommodative monetary policy environment translated into lower borrowing costs, helping business expansion and improve profitability. JAT continued to be resilient in this regard, with low gearing of its balance sheet. • **Revival in construction activity:** With the construction sector expanding by 19.4% in 2024, JAT benefited from increased demand across its core business segments, especially in wood coatings and decorative paints. The construction sector however is considerably less in activity compared to the pre-crisis performance levels. • **Improved consumer sentiment:** A modest revival in consumer confidence spurred a gradual increase in retail demand, although purchasing power remained uneven across all market segments.	• **Tiered product strategy:** Recognising continued price sensitivity among segments of the population, JAT realigned its product portfolio by shifting the price pyramid downward—introducing high-quality, lower-priced alternatives to meet the needs of budget-conscious consumers without compromising on product standards. • **Cost efficiency and R&D leverage:** Benefits from disinflation and operational efficiencies were passed on to customers where feasible, through more competitive pricing. R&D initiatives focused on cost-effective formulations to sustain margins while enhancing value. • **Exchange rate benefit sharing:** The appreciation of the rupee allowed JAT to offer more stable pricing to customers, reinforcing its value proposition and helping retain loyalty in a competitive market. • **Prudent financial management:** JAT continued to optimize its funding structure, focusing on lower-cost funding sources and working capital efficiency to cushion against volatility and sustain growth.

BANGLADESH: ECONOMIC AND POLITICAL OVERVIEW



Bangladesh's economy faced notable challenges in FY2024, with real GDP growth moderating to approximately 5.2%, down from 5.8% in the previous fiscal year. This slowdown was influenced by several factors:

- **Inflation and currency depreciation:** Elevated inflation rates persisted, and the Bangladeshi Taka depreciated against the US dollar, with the exchange rate reaching Taka 117 per USD by June 2024.
- **Foreign exchange reserves:** The country's foreign exchange reserves declined to USD 26.82 billion by mid-2024, compared to USD 31.20 billion the previous year.
- **Import restrictions:** To manage the balance of payments, authorities maintained restrictions on non-essential imports.

Despite these challenges, sectors such as agriculture and manufacturing continued to contribute positively to the economy.

Political Overview

The political landscape underwent significant shifts in 2024:

- **Government transition**: In August 2024, widespread student-led protests culminated in the resignation of Prime Minister Sheikh Hasina. Subsequently, Nobel laureate Muhammad Yunus was appointed to lead an interim government.

OPERATING ENVIRONMENT REVIEW

- **Constitutional reform:** The interim administration initiated efforts to draft a new constitution, aiming to address the governance vacuum and lay the foundation for future democratic processes.
- **Emergence of new political forces:** The National Citizens' Party (NCP), formed by leaders of the student movement, has gained momentum, particularly among the youth, advocating for systemic political reforms.
- **Religious and social tensions:** Islamist groups, notably Hefazat-e-Islam, have organised mass rallies opposing proposed legal reforms on women's rights, highlighting ongoing societal debates.

Outlook

Bangladesh stands at a pivotal juncture. Economically, while challenges persist, there is potential for stabilisation and growth with appropriate policy measures. Politically, the transition offers an opportunity to strengthen democratic institutions and address longstanding governance issues. The coming months will be critical in determining the nation's trajectory.

Impact on JAT Operations	Response of JAT
• Moderated economic growth and elevated inflation in Bangladesh impacted consumer purchasing power, leading to greater demand for cost-effective paint solutions, especially from retail customers and smaller-scale projects. • The construction sector remained active, albeit with softer growth, sustaining demand for decorative and wood coatings. • Despite cost pressures, competitors were reluctant to raise prices, limiting JAT's pricing flexibility and compressing margins. • The revised Income Tax Act and regulatory tightening increased the need for operational and fiscal compliance, particularly for foreign-affiliated companies.	• Focused on value-driven offerings, including affordable solvent-based paints that maintain quality but meet consumer price expectations. • Continued to rationalise costs and streamline operations to protect margins without compromising product performance. • Leveraged efficient resource planning and local sourcing where possible to remain competitive. • Maintained strict regulatory compliance and adapted pricing strategies to local market realities while working to expand volumes in high-potential urban and semi-urban areas. • Enhanced focus on sustainable and eco-conscious innovations, aligning with emerging consumer and regulatory expectations.



MALDIVES: ECONOMIC AND POLITICAL OVERVIEW

Economic Overview

- The Maldives' economy experienced moderate growth, with GDP expanding by approximately 4.5% in 2024 and projected to grow by 5% in 2025.
- Tourism remained a key driver, with over 2 million arrivals in 2024 and a target of 2.3 million for 2025.
- Public debt rose to 116.5% of GDP in early 2024, with foreign reserves declining to $443.9 million by August 2024, covering only 1.5 months of imports.
- Fiscal reforms were initiated, including the Foreign Currency Act effective from January 2025, mandating partial conversion of foreign currency earnings into local accounts.

Political Overview

- President Mohamed Muizzu's administration, favoring closer ties with China, secured a parliamentary majority in April 2024.
- Diplomatic tensions with India arose in early 2024 but were partially alleviated through financial support and agreements.
- The Sixth Amendment to the Constitution was enacted in November 2024, facing criticism from the public and NGOs.

Impact on JAT Operations	Response of JAT
• **Currency and financial risks:** The Foreign Currency Act's requirements may impact cash flow and necessitate adjustments in financial operations. • **Operational costs:** Increased taxes and fees, such as the Tourism Goods and Services Tax and departure taxes, could affect logistics and distribution expenses. • **Political dynamics:** Shifts in foreign relations may influence regulatory environments and business partnerships.	• **Financial strategy:** Implementing measures to comply with the Foreign Currency Act, including timely currency conversions and financial planning. • **Cost management:** Assessing the impact of increased operational costs and exploring efficiencies to mitigate financial pressures, while implementing payment set-off strategies with the Maldivian Distributor • **Stakeholder engagement:** Monitoring political developments to adapt strategies and maintain compliance with evolving regulations.

OTHER ASPECTS

Employees

The labour market across South Asia remained tight, with skilled talent in manufacturing, R&D, and IT functions in high demand. Rising living costs and migration trends added further pressure on talent retention.

Impact on JAT Operations	Response of JAT
• Recruitment of skilled technical staff was competitive • Employee expectations around pay, benefits, and flexibility increased • Retaining high performers in sales and field operations became more challenging	• Introduced targeted retention strategies and career development pathways • Strengthened the employer brand through recognition, training, and engagement (e.g., technician certification, upskilling programs) • Improved performance-linked incentives and internal mobility opportunities

Climate

Unpredictable weather patterns such as droughts in parts of Sri Lanka and flooding in Bangladesh disrupted construction cycles and logistics in key markets. Global climate concerns continued to influence consumer and regulatory expectations.

Impact on JAT Operations	Response of JAT
• Sales were temporarily impacted by seasonal disruptions in construction activities • Rising demand for eco-friendly, low-emission products from urban markets and projects with green certifications	• Adapted inventory planning and distribution models to weather-related demand fluctuations • Invested in R&D for more sustainable formulations, aligning with climate-conscious preferences • Communicated product durability and environmental credentials more prominently to consumers and partners

OPERATING ENVIRONMENT REVIEW

Information Technology

The acceleration of digital transformation continued across industries. Cybersecurity, AI adoption, and data-driven decision-making became mainstream expectations even in traditional sectors.

Impact on JAT Operations	Response of JAT
• Customers and distributors expected faster service, digital visibility, and integrated support • The need to secure internal systems and ensure business continuity became more pressing • Internal efficiencies required greater digitisation of processes	• Upgraded ERP and CRM systems to enable real-time tracking, improve service speed, and support better decision-making • Strengthened cybersecurity protocols and invested in IT infrastructure resilience • Enhanced customer engagement via digital platforms, including promotions, training, and support

MATERIAL MATTERS

GRI 2-14, GRI 3-1, GRI 3-2

DETERMINING MATERIAL TOPICS

JAT adopted a structured and inclusive process to determine its material topics, ensuring that its sustainability reporting reflects the most significant economic, environmental, and social impacts, as well as the concerns of its key stakeholders.

The process followed by the Company involved:

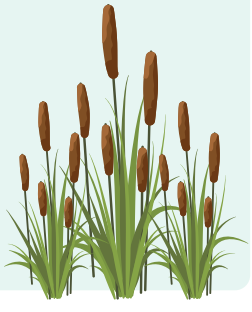
Identifying relevant topics through an internal review of industry trends, regulatory requirements, peer benchmarking, and strategic priorities

Engaging with stakeholders including employees, customers, suppliers, community representatives, and regulators, to understand their expectations and the impact JAT has on them

Prioritising topics based on two key dimensions: the significance of JAT's impact on the economy, environment, and people, and the influence of stakeholder interests on the Company's business strategy

Validating the final list of material topics through internal workshops with senior leadership and cross-functional teams to ensure alignment with the Group's long-term vision and strategic direction

Reviewing and updating material topics regularly to reflect changes in the business environment, stakeholder expectations, and regulatory developments



Embracing the concept of dual materiality

In strengthening its approach, JAT also aligned with the emerging principle of dual materiality, which considers both the impact of the company on the environment and society (impact materiality), and the influence of environmental, social, and governance (ESG) factors on the company's financial performance (financial materiality).

This approach supports more robust sustainability reporting, better risk management, and strategic decision-making that is responsive to both internal and external priorities.

This materiality determination approach enabled JAT to focus its reporting on areas that are most relevant to stakeholders and critical to delivering long-term sustainable value. A materiality matrix was also developed to visually represent the prioritised topics.

Material matters realigned

During the year, we re-assessed our material matters and arrived at seventeen revised material matters. For clarity of management and reporting, the seventeen material matters are classified under seven broader themes as depicted below.

MATERIAL MATTERS

	Material matter	Brief explanation about the material matter
	Material theme: Business performance and market position	
1	**Market leadership**	Maintaining market leadership is critical to sustaining competitive advantage and driving long-term business growth
2	**Managing financial performance**	Strong financial performance underpins JAT's ability to invest, expand, and deliver value to all stakeholders
3	**Macro-economic vulnerabilities**	Being responsive to macroeconomic challenges is vital to sustaining stability across diverse markets and geographies, in JAT's pursuit of cross-border expansions
4	**Adequacy of production capabilities**	The adequacy of JAT's production capabilities is crucial to meeting market demand, maintaining product quality, and ensuring operational efficiency across both local and international markets
5	**Corporate reputation**	Corporate reputation is a vital intangible asset for JAT influencing stakeholder trust and brand perception. A strong reputation enhances customer loyalty, attracts investors, and fosters positive relationships with employees and partners. In the competitive manufacturing sector, where product quality and ethical practices are paramount, maintaining a positive reputation is essential for sustaining market position and achieving strategic objectives.
	Material theme: Digital transformation	
6	**Embracing technology**	Leveraging technology enhances process and cost efficiency, agility, and competitiveness in a dynamic business landscape
	Material theme: Governance and compliance	
7	**Compliance and good governance**	Adhering to regulations and governance standards protects the Company's license to operate and reputation and also sharpens the long-term sustainability of business
	Material theme: People and workplace	
8	**Managing talent**	Attracting, developing, and retaining skilled talent is essential for operational excellence and future readiness
9	**Employee health and safety**	Protecting the health and safety of employees is fundamental to ensuring productivity and workforce wellbeing
	Material theme: Product and excellence innovation	
10	**Product responsibility**	Delivering safe, reliable, and high-quality products with responsibility towards the environment reinforces customer trust and brand reputation
11	**Product innovation**	Innovating continuously enables JAT to meet changing market demands, differentiate its offerings and stay relevant
	Material theme: Stakeholder relationship and responsibility	
12	**Principal relationships**	Nurturing key relationships with distributors, dealers and principals supports trust, collaboration, and resilient value chains
13	**Ethical procurement practices**	Upholding responsible procurement safeguards supply chain integrity and sustainability
14	**Customer satisfaction**	Meeting evolving customer expectations is central to securing loyalty and market relevance

	Material matter	Brief explanation about the material matter
15	**Taxation**	Fulfilling tax obligations contributes to national development and reflects responsible corporate citizenship
16	**Community empowerment**	Empowering communities through meaningful social initiatives enhances JAT's social license to operate while contributing to inclusive and sustainable development
	Material theme: Sustainability and climate action	
17	**Managing GHG emissions**	Reducing greenhouse gas emissions is key to mitigating environmental impact and aligning with global and national sustainability goals
18	**Impact of climate change**	Understanding and adapting to climate risks is crucial to ensuring business continuity and resilience

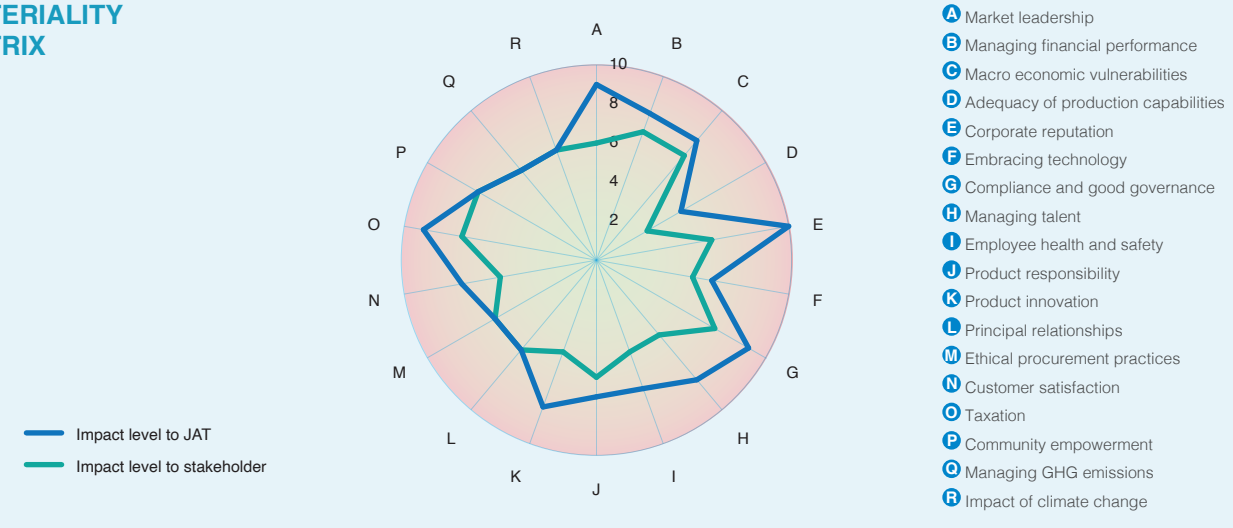
CHANGES TO MATERIAL MATTERS REPORTED IN 2023/24

Material matters reported in 2023/24	Changes introduced in 2024/25	Justification
Customer service	Scope enhanced	Customer Service is enhanced to Customer Satisfaction, to encompass the delivery of both product and service elements
Market reach	Omitted	Encapsulated under Market Leadership
Managing environmental impacts	Omitted	Encapsulated under Product Responsibility and Managing GHG Emissions
Efficient distributor network	Omitted	Encapsulated under Principal relationships

MATERIAL MATTERS NEWLY INTRODUCED IN 2024/25

Material matter	Adequacy of production capabilities	Managing GHG emissions	Impact of climate change	Community empowerment

MATERIALITY MATRIX



Score: 10-8: High impact, 7-5: Medium impact, < 5: Low impact

MATERIAL MATTERS

No	Material matter	Impact level to JAT	Impact level to stakeholder	Change in materiality compared to last year	Key stakeholders impacted
1	Market leadership	H	M	-	Shareholders
2	Managing financial performance	H	M	▲	Shareholders
3	Macro economic vulnerabilities	H	M	▲	Shareholders
4	Adequacy of production capabilities	M	L	-	Shareholders, Employees, Customers
5	Corporate Reputation	H	M	-	Shareholders, Employees
6	Embracing technology	M	M	▲	Employees
7	Compliance and good governance	H	M	▲	Shareholders, Employees
8	Managing talent	H	M	-	Employees
9	Employee health and safety	M	M	-	Employees
10	Product responsibility	M	M	-	Customers
11	Product innovation	H	M	-	Customers
12	Principal relationships	M	M	-	Suppliers and business partners
13	Ethical procurement practices	M	M	-	Suppliers and business partners
14	Customer satisfaction	M	M	-	Customers
15	Taxation	H	M	-	The Government and related entities
16	Community empowerment	M	M	▲	Community
17	Managing GHG emissions	M	M	-	Universal*
18	Impact of climate change	M	M	-	Universal*

GRI /SASB disclosure	Link to strategy	Reporting boundary	Value delivered through	Management of material topic
GRI 206: Anti-competitive behaviour GRI 417: Marketing and labelling	Profitable growth	External	Social and Relationship Capital	Page 117-118
GRI 201: Economic performance	Profitable growth	Internal	Financial Capital	Page 82-89
-	Profitable growth	External	Financial Capital; Intellectual Capital	Page 54-59
-	Profitable growth	Internal	Manufactured Capital	Page 90-96
-	Profitable growth	External	Intellectual Capital; Social and Relationship Capital	Page 120-131
-	Digitalisation and Operational Excellence'	Internal	Intellectual Capital	Page 111-113
GRI 205: Anti-corruption GRI 406: Non-discrimination GRI 413: Local communities GRI 415: Public policy	ESG considerations	Internal	Intellectual Capital	Page 146-200
GRI 401: Employment GRI 402: Labour management relations GRI 404: Training and education GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination GRI 407: Freedom of association and collective bargaining GRI 408: Child labour GRI 409: Forced or compulsory labour	Nurturing talent	Internal	Human Capital	Page 97-109
GRI 403: Occupational health and safety RT-CH-320a.1 RT-CH-320a.2	Nurturing talent	Internal	Human Capital	Page 104-105
GRI 416: Customer health and safety GRI 417: Marketing and labelling RT-CH-410b.2	ESG considerations	Internal	Social and Relationship Capital	Page 110-119
-	Innovation	Internal	Intellectual Capital	Page 110-119
GRI 203: Indirect economic impacts GRI 413: Local communities GRI 415: Public policy RT-CH-210a.1	Digitalisation and Operational Excellence'	External	Social and Relationship Capital	Page 120-131
GRI 204: Procurement practices	ESG considerations	External	Social and Relationship Capital	Page 120-131
GRI 418: Customer privacy	Innovation	Internal External	Social and Relationship Capital	Page 120-131
GRI 207: Tax	Profitable growth	Internal External	Financial Capital	Page 269-270
GRI 413: Local Communities	ESG considerations	External	Social and Relationship Capital	Page 120-131
GRI 305: Emissions RT-CH-110a.1 RT-CH-110a.2	ESG considerations	Internal External	Natural Capital	Page 139-140
GRI 302: Energy GRI 303: Water and Effluents GRI 306: Waste	ESG considerations	Internal External	Natural Capital	Page 207-211

STRATEGY AND RESOURCE ALLOCATION

JAT Holdings has carefully articulated a long term strategy titled 'North Star', guiding its growth trajectory through to 2027/28. During the year, the strategy was tactically recalibrated in response to emerging challenges, particularly in Bangladesh, which contributes to 23% of the Group's revenue. The strategy is anchored on five distinct strategic pillars, each designed to drive sustainable growth, resilience, and long-term value creation.

PESTEL FACTORS THAT AFFECTED THE EXECUTION OF THE STRATEGY DURING THE YEAR

Political

- Shifts in trade and import regulations in Sri Lanka and Bangladesh
- Political instability and street-level disruptions in Bangladesh
- Government support for local manufacturing
- Regulatory approvals and bureaucratic delays

Social

- Changing lifestyle trends and preferences in interior finishing
- Rising customer expectations for quality and affordability, particularly amidst an economic crisis
- Skilled labour migration and workforce availability
- Increasing demand for eco-conscious products
- Growing focus on professionalising the painter community

Environmental

- Heightened awareness of VOC emissions and eco-labelling
- Regulatory push for greener manufacturing practices
- Increased scrutiny on waste and water management
- Vulnerability to climate-induced disruptions
- Need for sustainable sourcing of raw materials
- Pressure to manage and reduce GHG emissions



Economic

- Currency depreciation in both Sri Lanka and Bangladesh
- Inflationary pressures affecting raw material and operational costs
- Volatility in interest rates and credit availability in Bangladesh and Maldives
- Fluctuating construction and real estate activity
- Reduction in consumer spending power
- Challenges in repatriation of funds across borders

Technological

- Advancements in coating and surface technologies
- Integration of digital tools in customer engagement and supply chain
- Rise of e-commerce platforms in B2C and B2B sales
- Investment in R&D for innovative product lines
- Automation in manufacturing processes
- Adoption of Learning Management Systems (LMS) for staff training

Legal

- Compliance with product safety and quality standards
- Import/export regulations in both operating markets
- Environmental protection laws and reporting obligations
- Labour law adherence and workplace safety norms
- Data protection and cyber compliance for digital operations
- Intellectual property and brand protection regulations

FACTORS ENSURING THE SUCCESS OF THE STRATEGY AND ITS EXECUTION



Strategic pillar:



Profitable growth

We focus on expanding revenue streams while safeguarding profit margins through cost efficiency, value-driven innovation, and market diversification. The Group aims to deepen its presence in existing markets such as Sri Lanka, Bangladesh, other parts of Asia, Africa and Australia, while exploring new regional opportunities to drive sustainable, long-term earnings.

Resource Allocation

- Investments in research and development
- Investments in expanding the business of JAT into overseas markets, thereby enhance dynamism and diversify risk
- Investments in diversifying the business

Key actions taken in 2024/25

- Localised production of raw materials as backward vertical integration initiatives in Sri Lanka and Bangladesh for water-based and solvent-based wood coatings to improve gross profit margins.
- Tactical shift in finished goods distribution, with JAT directly handling one-day radius deliveries in the Western Province (except selected locations), optimising costs and margins.
- Continued R&D investments to develop innovative products aligned with evolving market demands and defend market share.
- Diversification into the electric vehicle (EV) charger segment to broaden revenue streams and mitigate business risk.
- Expansion and upscaling of operations in several overseas markets.

Outputs

5% improvement in gross profit margin

Stakeholders impacted



Contribution to SDGs



Capital trade-offs

- (+) Intellectual capital
- (+) Manufactured capital
- (+) Social and relationship capital
- (−) Financial capital (In the near term)
- (+) Financial capital (In the medium to long term)

Financial capital – page 82

Risks

- Political and regulatory risks
- Currency and exchange rate risks
- Reliability of local and foreign partners, suppliers, employees
- Rising raw material costs
- Different legal frameworks in different countries
- Inability to deliver expected returns due to slower than expected customer adoption

Opportunities

- Larger and faster growing markets
- Reduction in the dependency on the domestic market
- Competitive advantage

Way forward

Short-term

- Focus on gross-profit margin improvements through improvements to production processes
- Swiftly catering to evolving market needs thereby defend and expand market share in each of the product categories

Medium-term

- Leaning production processes through deployment of technology to drive costs structures down
- Related and unrelated diversification of product portfolio for dynamism of revenue and resilience of profits
- Gradual global expansion of JAT's business

Long-term

- To be Sri Lanka's largest paint manufacturer, with a global presence

STRATEGY AND RESOURCE ALLOCATION

Strategic pillar:

Digitalisation and Operational Excellence'

This is a key strategic pillar driving JAT's commitment to efficiency, agility, and quality across all facets of the business. Through the digitisation of core processes where possible, continuous process optimisation, and adherence to international best practices, JAT aims to enhance productivity, reduce costs, and deliver consistent value to stakeholders.

Resource Allocation

- Continued investment in digital infrastructure and technology enhancements across production and core business processes
- Targeted training programmes to upskill employees and foster a culture that embraces digital transformation
- Strategic placement of IT-proficient talent to drive and support company-wide digital initiatives

Key actions taken in 2024/25

- Deployment of IoT (Internet of Things) technology in manufacturing to capture accurate "Cost per Litre" metrics and improve operational efficiency
- Establishment of a cross-functional Transformation Committee to identify digitisation opportunities, recommend initiatives to the CEO, and drive implementation through HR
- Automation of a number of initiatives in day to day operations, replacing paper-work, and reducing turn-around time to achieve high productivity and less environmental impacts
- Execution of organisation-wide change management initiatives to ensure employee alignment and support for evolving processes
- Regular progress reporting to the CEO, including updates on implementation milestones and any variances

Outputs

10+ number of processes automated during the year

Rs. 8 Mn of cost savings achieved

80+ training hours on operational excellence initiatives

Stakeholders impacted

Employees

Contribution to SDGs

Capital trade-offs

- Intellectual capital
- Human capital

Intellectual capital – page 110 Human capital – page 97

Risks

- Resistance to change
- Skill gaps
- System failures and downturns
- High dependency on external parties when obtaining services

Opportunities

- Cost savings through efficiency improvements
- More informed decision making
- Improved customer satisfaction
- Competitive advantage
- Sustainability gains

Way forward

Short-term

- Streamline and digitise key operational processes to improve efficiency and data accuracy
- Enhance employee capabilities through targeted training and digital awareness programmes
- Improve cost tracking mechanisms such as accurate "Cost per Litre" data collection

Medium-term

- Achieve full integration of digital systems across manufacturing, logistics, and support functions
- Foster a digitally fluent workforce through continuous learning and development
- Institutionalise the Transformation Committee's role in driving operational innovations

Long-term

- Establish a fully agile, data-driven operating model that supports scalability and competitiveness
- Maintain industry leadership in operational efficiency through advanced technologies like AI, automation, and IoT
- Build a resilient, adaptive culture that consistently delivers excellence and continuous improvement

Strategic pillar:

Innovation

Innovation powers JAT's ability to stay ahead of market trends and deliver superior products. With one of South Asia's most advanced paint R&D centres JAT continues to pioneer cutting-edge formulations, drive product enhancements, and respond swiftly to evolving customer needs. Innovation at JAT is not just about product development—it's a mindset embedded across the value chain, enabling sustained market leadership and differentiation.

Resource Allocation

- Funds allocated through dedicated R&D budget towards advanced testing facilities, product development, and innovation partnerships to maintain its competitive edge
- A specialised team of chemists, scientists, and cross-functional experts who drive innovative efforts, supported by knowledge-sharing with external partners and institutions

Key actions taken in 2024/25

- Continued research and development initiatives in driving value for money products with longevity, ensuring the superior quality and environmental consciousness
- Supported the development of new products like J Chem One-Coat and Hydro+ for Sri Lankan market and CoatEx for Bangladesh market, ensuring high product quality while making them affordable to customers amid ongoing economic challenges and reduced purchasing power

Outputs

4 new product launches

Rs. 273 Mn savings through R&D improvements

Stakeholders impacted

Customers

Contribution to SDGs

Capital trade-offs

- (−) Financial capital (immediate term)
- (+) Financial capital (long-term)
- (+) Intellectual capital
- (+) Social and relationship capital
- (+) Natural capital

Intellectual capital – page 110

Risks

- Market acceptance risk due to swiftly changing consumer needs/ demand
- Volatile market, economic and political conditions
- Intellectual property risks upon lack of protective measures

Opportunities

- High resilience
- Competitive advantage
- Increased efficiencies

Way forward

Short-term

- Tailor product formulations through R&D to meet emerging customer needs and climate specific requirements in Sri Lanka and targeted export markets, ensuring performance consistency

Medium-term

- Leverage R&D capabilities to align more products with European/ international standards, enabling deeper market penetration and regulatory compliance in multiple geographies across the world

Long-term

- Establish JAT as a global innovation hub for wood coatings, continuously developing climate-resilient, sustainable products that meet international benchmarks

STRATEGY AND RESOURCE ALLOCATION

Strategic pillar:

Nurturing talent

Nurturing talent is central to JAT's long-term success, as the Company recognises its people as the key enablers of innovation, operational excellence, and growth. With a focus on attracting, developing, and retaining high-calibre talent, JAT invests in continuous learning, leadership development, and fostering a culture of performance and inclusivity that empowers employees at every level. JAT is also committed to promoting gender balance, ensuring equal opportunities and a supportive environment.

Resource Allocation

Rs. 1,059 Mn in employee expenses

Rs. 7.2 Mn invested in training and development

Key actions taken in 2024/25

- Strategic focus on team development through curated training
- Continued efforts in employee engagement (which was the strategic focus area in 2023/24)
- Annual salary revisions conducted
- Employees engaged through employee survey, findings well analyzed, communicated and actioned as appropriate

Outputs

75% retention rate

14 training hours per employee

Rs. 3.1 Mn pre-tax profit per employee

Stakeholders impacted

Employees

Contribution to SDGs



Capital trade-offs

- (+) Human capital
- (–) Financial capital

Human capital – page 97

Risks

- Talent migration
- Skill gaps

Opportunities

- In-built knowledge pools
- Less-dependency on outsourced services

Way forward

Short-term

- Address immediate technical and soft skill gaps through targeted, curated training programmes to enhance workforce capability and agility

Medium-term

- Drive digitalisation across HR functions to enable more efficient, data-driven, and engaging people management practices
- Develop a strong second layer of leadership talent to ensure continuity, resilience, and sustainable organisational growth

Long-term

- Invest in long-term talent development through structured training initiatives, preparing employees to be future-ready and aligned with JAT's bold growth trajectory

Strategic pillar:
GRI 2-27

ESG considerations

ESG Considerations form a foundational pillar of JAT's strategy, guiding the Company's commitment to responsible business practices that balance environmental stewardship, social responsibility, and strong governance. By embedding ESG principles into decision-making and operations, JAT aims to create long-term value for all stakeholders while aligning with global sustainability standards and expectations.

Resource Allocation

Rs. 43 Mn Investment on community empowering initiatives

Key actions taken in 2024/25

Environment

- Continued efforts under environmental preservation initiative "Mihikathata Dayawen" and advancing efforts on our chemical conscious journey
- New installation in the production process in capturing volatile organic compounds (VOC) generated in thinner manufacturing

Society

- Community empowerment through JAT Pintharu Abhiman
- Empowering painters from diversified backgrounds to promote equity in the industries
- Sustainability leadership empowerment through programs for undergraduates

Governance

- Ensuring strong corporate governance and transparent operations
- Upholding ethics and integrity in all business dealings
- Adhering to laws, regulations, and industry best practices
- Engaging stakeholders to promote accountability and responsible conduct

Outputs

Environment

- **2,171.6 tCO2e** GHG emissions
- **17,888 m3** water
- **434 m3** effluents

Social

- **1,250** beneficiaries of JAT Pintharu Abhiman
- **Rs.140 Mn** disbursed as loyalty rewards to customers

Governance

- **100%** compliance in all applicable laws and regulations

Stakeholders impacted

Shareholders
Customers
Community
The Government and related entities

Contribution to SDGs



Capital trade-offs

- (+) Social and relationship capital
- (+) Natural capital
- (−) Financial capital

Social and relationship capital – page 120 Natural capital – page 132 Corporate governance – page 146

Risks

- Market acceptance risk due to swiftly changing consumer needs/ demand
- Volatile market, economic and political conditions
- Intellectual property risks upon lack of protective measures

Opportunities

- High resilience
- Competitive advantage
- Increased efficiencies

Way forward

Short-term

- Emphasis on initiatives addressing carbon footprint - Scope 3

Medium-term

- Reduce our carbon footprint by 30% by 2030 and 50% by 2035
- Focus on developing a sound chemical management culture in the country through awareness

Long-term

- Achieve net zero target by year 2050

This was a year of leading with
focus - decisive, agile, and
purpose - driven like the kingfisher
in flight. Our leadership turned
challenges into opportunities, guiding
strategy with clarity
and vision.

We empowered teams, embraced
Innovation, and built value across
Capitals and communities.
Every decision was grounded
In integrity, every step aligned
With long-term impact.

This reflects jat's leadership;
Precise, progressive,
and built to endure.

LEADERSHIP TEAM



Vision that Sees Ahead

With eyes that adjust and focus underwater,
the kingfisher sees opportunity beneath the surface.
Our long-term vision allows us to
anticipate trends and pioneer transformative change.

CHAIRMAN'S MESSAGE

GRI 2-22



Dear shareholders,

In a year marked by unforeseen macroeconomic shocks across our overseas markets such as Bangladesh and the Maldives, and considerable uncertainty in Sri Lanka due to two major elections, it is gratifying to see how the Company navigated these challenges with resilience. We withstood the turbulence and continued to create sustained value for all our stakeholders. It is my pleasure to present the Consolidated Financial Statements and Integrated Annual Report for the year ended 31 March 2025, a comprehensive reflection of this value journey.

A TEST OF AGILITY AND RESILIENCE

As a homegrown corporate with a global footprint, we faced another year of navigating uncertainty in Sri Lanka, particularly in the lead-up to the Presidential and Parliamentary elections held in September and November 2024. The pre-election period was marked by indecision among consumers and businesses alike, adopting a 'wait and see' approach that was not conducive to businesses pursuing accelerated growth. Encouragingly, political stability returned following a clear mandate given to the incumbent President and his party. On the economic front, we were heartened by the steady improvement in all major macroeconomic indicators.

The government articulated its economic agenda through the national budget, with a strong emphasis on transformative growth driven by infrastructure expansion, digital enablement, and targeted social spending, all underpinned by fiscal discipline.

Inflation dipped into negative territory, with core inflation (Colombo Consumer Price Index) recording -2.6% as at March 2025. Lending rates also remained attractive, with the Average Weighted Prime Lending Rate at 8.39% by March 2025. GDP rebounded with a 5.0% growth in 2024, reversing the contraction seen since 2022. The external sector stabilised as the Sri Lankan Rupee appreciated to Rs. 295.91 from Rs. 305.67 over the past year, while official foreign reserves improved to USD 6.4 billion. Amidst this recovery, JAT delivered solid results by adapting to evolving client needs and positioning itself to benefit from the improving macroeconomic climate.

In Bangladesh, unexpected political tensions and foreign currency shortages disrupted business activity, affecting import-reliant industries and eroding investor confidence. This economic instability led to weakened demand and logistical challenges across the value chain.

Similarly, in the Maldives, a sudden political realignment led to policy shifts that affected tourism flows and disrupted certain commercial agreements, creating economic ripple effects that were not foreseen.

These external disruptions were well beyond the scenarios we had factored into our usual risk assessments, a true test of our resilience. Yet, JAT demonstrated agility and foresight, swiftly recalibrating its operations in response to these emerging realities, enabled by skilled leadership and a deeply committed team.

BUILDING STRENGTH THROUGH STRATEGIC EXPANSION

Despite evolving market dynamics, JAT marked 2024/25 as a milestone in its growth journey, remaining firmly aligned with its strategic direction. We successfully commissioned our acrylic binder manufacturing plant in Sri Lanka, a significant move towards backward integration that will enhance gross profit margins in the years ahead.

In addition, we expanded our footprint across several new markets, including Australia and Cambodia. These strategic initiatives translated into robust financial performance, reinforcing our commitment to sustainable growth and long-term value creation.

The Group posted an impressive post-tax profit a year-on-year (YoY) growth of 74%. Return on equity stood at 17%, with earnings per share at Rs. 3.50.

As I mentioned in last year's message, 2023/24 was a year of investments, positioning us for accelerated growth in the years ahead. We are pleased to have stayed true to this commitment, delivering solid profitability for the year, despite the challenges, and ensuring strong returns for our shareholders.

STRENGTH IN GOVERNANCE: THE FOUNDATION OF OUR GROWTH

From our humble beginnings as a start-up to our current status as a publicly quoted entity, strong corporate governance has been central to our journey. As custodians of public funds, we take this responsibility seriously and operate under robust governance frameworks that go well beyond regulatory compliance. Discipline is embedded across all areas, Board oversight, financial stewardship, employee relations, stakeholder engagement, and our approach to environmental and community responsibilities.

As a company reliant on chemical-based processes, we remain acutely aware of the environmental footprint we may leave behind. Our structured commitment, the JAT Chemical Conscious Journey, ensures that sustainability is embedded in our day-to-day operations, rather than being limited to one-off initiatives.

Our governance practices are rooted in integrity and best practices, forming the bedrock that has enabled us to weather challenges and sustain long-term value creation.

During the year under review, the Board met 9 times, dedicating significant time to reviewing external challenges, steering strategic direction, protecting stakeholder interests, managing risk, and exploring growth opportunities. We also ensured full compliance with all new policy requirements under the revised Listing Rules of the Colombo Stock Exchange, implementing them not just in letter, but in spirit.

EMPOWERING PROGRESS ACROSS OUR STAKEHOLDER ECOSYSTEM

During the year, our efforts remained focused on delivering sustained value to every stakeholder group. Customers continued to shape our product strategy. In response to their evolving expectations around price and quality, we launched several new products, offering both affordability and uncompromised standards.

We also remained deeply committed to our people. A total of Rs. 7.3 Mn was invested in training and development to help employees stay ahead of the curve. I am particularly encouraged by the leadership development programme initiated by the management, which is geared to build a strong second tier of leadership to guide JAT into the future.

Our flagship community empowerment initiative, JAT Pintharu Abhiman entered its third year, offering professional painter certification from the National Apprentice and Industrial Training Authority (NAITA) to a cumulative total of 704 painters. The programme became more inclusive this year, extending opportunities to the uniquely abled as well. We believe that well-structured empowerment programmes that are closely aligned with our core business deliver deeper, more meaningful impact.

ELEVATING SUSTAINABILITY AND REPORTING PRACTICES

As a company reliant on chemical-based processes, we remain acutely aware of the environmental footprint we may leave behind. Our structured commitment, the JAT Chemical Conscious Journey, ensures that sustainability is embedded in our day-to-day operations, rather than being limited to one-off initiatives.

At the heart of this commitment is our strong Research and Development team, which continuously develops greener, more environmentally friendly products. The JAT team also addresses broader aspects of our environmental impact, including emissions, waste, and effluent management. Further insights into these efforts are detailed in the Managing Director's Review, the Chief Executive Officer's Review, and other sections of this Integrated Annual Report.

With the mandatory adoption of Sri Lanka Financial Reporting Standard S1: General Requirements for Disclosure of Sustainability-related Financial Information and Sri Lanka Financial Reporting Standard S2: Climate-related Disclosures becoming effective for JAT from the FY 25/26, we are proactively aligning our systems and processes to ensure timely, meaningful, and principle-based compliance. Our approach to adopting these standards is not merely regulatory, it is strategic, ensuring that our reporting framework authentically complements our sustainability journey.

APPRECIATION

I would like to extend my sincere appreciation to my fellow members of the Board for their unwavering engagement, insightful guidance, and close alignment throughout what has been yet another dynamic year. Their steadfast commitment has been instrumental in steering the Company with clarity and conviction.

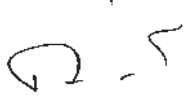
On behalf of the Board, I commend our Group Managing Director for his strategic foresight and long-term vision that continues to shape JAT's path. I also wish to recognise the Chief Executive Officer for his hands-on leadership and consistent engagement with our teams, which have been vital in driving performance and fostering unity across the organisation.

My heartfelt thanks go out to our exceptional employees across Sri Lanka and our international locations, whose dedication, resilience, and passion are at the heart of our success. I also wish to acknowledge our loyal customers and business partners for their continued confidence in JAT, and express deep gratitude to our shareholders for their enduring belief in our growth story and for walking this journey with us.

A WORLD OF POSSIBILITIES: THE WAY FORWARD

As our Report is aptly themed A World of Possibilities, it also reflects the bold, forward-thinking vision with which we are architecting JAT's future. We are forging ahead with ambition and discipline, exploring new frontiers, taking calculated risks, and strengthening the resilience of our business model to power the next phase of our journey in taking the JAT brand to the world.

Powered by our targets for growth, resilience, and excellence, we are confident of delivering sustained value to all our stakeholders, locally and globally. As a proudly homegrown enterprise, we remain committed to playing a meaningful role in national economic development, supporting industry advancement, employment generation, and innovation-led progress that benefits every Sri Lankan.



Dr. Sivakumar Selliah

Chairman

30 May 2025

MANAGING DIRECTOR'S REVIEW



We made strong headway during the year in advancing our strategic objective of increasing the Group's dollar-based revenue and expanding into international markets with high potential for both related and unrelated diversification.

Dear stakeholders,

It is with great satisfaction that I present a snapshot of JAT's performance for the financial year ended 31 March 2025. Our achievements this year are a testament to our unwavering commitment to sustainable growth, the disciplined execution of our ambitious expansion strategy, and our enduring dedication to contributing meaningfully to Sri Lanka's economic progress.

TWELVE MONTHS WELL SPENT: ROBUST FINANCIAL PERFORMANCE

As outlined in the Chairman's Message on pages 62 to 63, the year under review brought its own set of unique challenges. For a globally active company like JAT, the added strain of economic instability in two of our key markets, Bangladesh and the Maldives posed further complexities. Despite these headwinds, we delivered another year of solid profitability and continued to expand our balance sheet dynamically.

I am pleased to report that our post-tax profit for the year stood at Rs. 1.8 Bn, reflecting a healthy year-on-year (YoY) growth of 74%. Revenue grew modestly by 1% to Rs. 11.6 Bn, impacted by subdued demand in our key overseas markets due to reduced purchasing power. Our product and pricing strategies were recalibrated to focus on more affordable offerings in response to these dynamics, which also influenced overall revenue performance.

Despite the revenue constraints, our cost of sales declined by 7%, demonstrating the positive impact of our backward vertical integration initiatives. These included in-house production of alkyd resin for solvent-based paints in Bangladesh and acrylic binder for water-based paints in Sri Lanka. As a result, gross profit rose to Rs. 4.0 Bn, marking an 18% YoY increase.

We also achieved notable reductions in advertising and administrative expenses, where further details are provided in the Chief Executive Officer's Review on pages 67 to 69.

Our total asset base expanded by 11% to Rs. 16 Bn, underscoring the resilience and dynamism of our operations. Return on equity for the year stood at 17%, while the net asset value per share was Rs. 20, compared to a closing share price of Rs. 26.90 as at 31 March 2025. We remain committed to delivering sustained value to our shareholders through consistent and robust financial performance.

TAKING SRI LANKA'S JAT BRAND GLOBAL

We made strong headway during the year in advancing our strategic objective of increasing the Group's dollar-based revenue and expanding into international markets with high potential for both related and unrelated diversification.

Presented below is a concise overview of our progress across key overseas geographies:

Bangladesh: Despite the political and economic instability that challenged the Bangladeshi market, we successfully sustained our market share in the paint and wood coatings segment. Our ability to remain competitive was underpinned by our R&D strength, which enabled us to provide high-quality, affordable solutions tailored to evolving consumer needs. While market conditions and rising input costs discouraged price hikes, we strategically held our pricing in line with competitors. This was made viable by the operational efficiency of our local alkyd resin plant, which significantly reduced our cost of sales and preserved our margins.

Maldives: Amidst ongoing economic headwinds, we deepened our distributor relationships in the Maldives, maintaining a steady presence in both the paint and wood coating categories. We see sustained potential in this market

and are committed to growing our footprint through products specifically formulated for the island nation's unique environmental conditions.

Australia: Our international diversification effort gained momentum with the continuation of our flagship SEAFORM kitchen showroom in Australia and the first shipment of JAT's wood coating products to this new market. The early reception has been encouraging, and we are confident of building a strong, long-term presence by offering innovative, country-specific solutions.

Kenya: Our entry into the African continent is already yielding promising results. This market requires paint and coating products that can withstand the region's distinct climate conditions. Our advanced R&D centre plays a pivotal role in developing durable, climate-resilient products that meet these specific requirements, ensuring customer satisfaction and product longevity.

Cambodia: The latest addition to our global footprint is Cambodia, where we see considerable growth potential. We launched a flagship showroom during the year, showcasing the quality and innovation embedded in our paint and wood coating solutions. Initial customer response has been encouraging, and we look forward to scaling up our operations in this promising market.

DEEPENING OUR INNOVATION EDGE THROUGH R&D EXCELLENCE

In my message last year, I emphasised how JAT has revolutionised the local wood coatings industry, underpinned by our long-standing partnership with global giant Sayerlack from Sherwin Williams, and the pioneering innovations we have consistently introduced to elevate customer lifestyles in Sri Lanka.

Building on that legacy, we continued to strengthen our research and development capabilities during the year under review. Our R&D centre, equipped with state-of-the-art technology, cutting-edge equipment, and a team of highly skilled chemical engineers, remains a cornerstone of our innovation journey. What sets us apart is the centre's dual focus: while developing solutions suited to Sri Lanka's unique climate conditions, it also supports the product innovation needs of our overseas markets.

This capability has proven to be one of the defining factors behind our success. Our international expansion, particularly in paints and wood coating as previously discussed, is enabled and sustained by our R&D team's technical proficiency and their ability to engineer high-quality, durable, and climate-specific solutions. As we continue to grow our global footprint, R&D will remain central to our competitive advantage. We are firmly committed to investing further in these capabilities to ensure that JAT products are synonymous with quality, innovation, and performance, wherever they are offered.

DRIVING OUR ESG AGENDA

As we continue to expand into new markets, diversify our product portfolio, and pursue ambitious financial goals, we remain deeply committed to advancing our Environmental, Social, and Governance (ESG) agenda. At JAT, our ESG efforts are not peripheral initiatives, they are central to how we do business. By aligning our sustainability strategy with our business objectives, we ensure that the impact we create is both meaningful and enduring.

ENVIRONMENT

During the year, we made significant strides in enhancing the environmental sustainability of our operations. Key initiatives included the installation of a wet scrubber system in our production process to reduce volatile organic compound (VOC) emissions and the deployment of Internet of Things (IoT) technologies to improve energy efficiency at our manufacturing facilities.

SOCIAL

Our social responsibility efforts continued to focus on uplifting all stakeholders. Recognising the shifting consumption patterns of our customers in response to broader economic conditions, we remained committed to delivering high-quality, affordable products that meet evolving market needs.

We maintained strong, collaborative relationships with our suppliers, many of whom work closely with us in advancing sustainable practices across the value chain. Internally, we continued to invest in our people, offering continuous learning and development opportunities, competitive remuneration, and a workplace culture that supports both professional and personal growth.

Employee health and wellbeing remained a priority, with initiatives like "JAT Nature Walk" designed to promote fitness and mental wellness, offering every employee a Herman Miller Ergonomic task chair to sit in, providing a balanced lunch on a daily basis to all staff and maintaining a fully equipped gym, which reinforce our ambition to be among Sri Lanka's healthiest workplaces.

Our flagship community empowerment initiative, JAT Pintharu Abhiman, entered its third year with renewed vigour. Through this programme, 258 painters received the NVQ Level 3 certification during the year being considered, (awarded by the National Apprentice and Industrial Training Authority – NAITA), bringing the cumulative total of certified professionals to 704. This initiative continues to stand out as one of the most impactful social empowerment projects in the country.

GOVERNANCE

We also reinforced governance practices around environmental and social aspects during the year. The Board maintained active oversight of ESG-related matters, offering strategic guidance and ensuring that sustainability considerations were deeply embedded in decision-making processes.

MANAGING DIRECTOR'S REVIEW

Our corporate governance framework, built on transparency, accountability, and integrity, remained robust. We continued to uphold the highest standards of ethical conduct across all business operations and complied fully with the regulatory requirements introduced under the revised Listing Rules of the Colombo Stock Exchange. These measures ensure that we protect shareholder value and uphold our broader responsibilities to society and the planet.

ACKNOWLEDGEMENTS

I would like to extend my deepest appreciation to the Chairman and the Board of Directors for their steadfast guidance, strategic insight, and collaborative spirit that continue to shape the future of JAT. I am equally grateful to our Chief Executive Officer and the executive leadership team for their relentless drive and focused execution, which have been central to our resilience and progress.

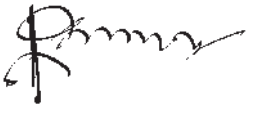
To our incredible employees, your dedication, innovation, and unending passion are the lifeblood of our success, and I am truly inspired by the energy you bring to work every day. I also thank our valued customers and business partners in Sri Lanka and our overseas markets for standing by us, placing their trust in our products and partnerships even in the face of adversity. Finally, to our shareholders and all other stakeholders, your belief in JAT's vision and support along this journey of transformation and growth is deeply appreciated.

A WORLD OF POSSIBILITIES: THE WAY FORWARD

As we navigate dynamic markets and evolving environments, we do so with clarity, purpose, and agility. Our ability to thrive is rooted in how we harmonise with our broader ecosystems, creating sustainable value through innovation, operational excellence, and meaningful stakeholder engagement. We have set our sights on a bold growth agenda, well-articulated, forward-thinking, and grounded in a clear understanding of risks and opportunities.

No matter how far we progress, we will continue to nurture the spirit of entrepreneurship that drives us to explore uncharted territories, discover new niches, and elevate the JAT brand to new heights through unmatched customer service. With our internal capabilities strengthening each day, the unwavering commitment of the JAT team, and the continued trust of our valued stakeholders, I am confident that even greater possibilities lie ahead.

Wishing you continued success and prosperity,



Aelian Gunawardene
Managing Director

30 May 2025

CHIEF EXECUTIVE OFFICER'S REVIEW



In spite of the challenging environment, we are pleased to report that we achieved our profitability targets. Our post-tax profit reached Rs. 1.8 Bn, reflecting a healthy year-on-year growth of 74%, bolstered by disciplined cost controls and proactive cost management initiatives.

Dear stakeholders,

As we reflect on a year marked by growth, resilience, and excellence at JAT Holdings PLC, I am pleased to share how we navigated challenges and delivered strong performance amidst turbulence.

EXTERNAL DYNAMICS AND THEIR IMPACT ON OUR PERFORMANCE

As outlined in the Chairman's Message on pages 62 to 63, the financial year ended 31 March 2025 presented several external challenges, particularly in two of our key markets, Bangladesh and the Maldives. In Sri Lanka, consumer demand remained subdued as the country continued to recover from the economic crisis, with spending power still under pressure.

Despite these headwinds, we recorded a revenue growth of 1% to Rs. 11.6 Bn, although this fell short of our internal projections. The main contributor to this shortfall was a 28% year-on-year decline in revenue from our Bangladeshi operations. This was primarily due to a considerable depreciation of the Bangladeshi Taka and a drop in sales volumes, compounded by three months of business disruption due to economic and political instability in the country.

However, this decline was partially offset by improved performance in our other markets. Revenue from Sri Lanka grew by 14%, while combined revenue from other international markets increased by 16%. Notably, the revenue contribution from Bangladesh, which typically accounts for over 30% in an average year, dropped to 23% in FY 2024/25.

In spite of the challenging environment, we are pleased to report that we achieved our profitability targets. Our post-tax profit reached Rs. 1.8 Bn, reflecting a healthy year-on-year growth of 74%, bolstered by disciplined cost controls and proactive cost management initiatives.

STRATEGIC COST MANAGEMENT AND OPERATIONAL EFFICIENCIES

Cost discipline has been a strategic priority for JAT over many years, and we continue to benefit from our longstanding commitment to managing expenditure effectively. Due to effective cost control, we increased gross profit margins and operational profit margins by 5% and 4% respectively.

In my message last year, I highlighted our decision to double marketing and advertising expenditure during 2023/24. This strategic amplification of the JAT brand significantly supported our positioning throughout 2024/25. Building on that momentum, our marketing spend during the year under review was strategically directed towards delivering unique value propositions through thematic campaigns, particularly for our flagship products, Sayerlack, White by JAT, Hydro+, JChem-One-Coat and CoatEx in response to evolving customer dynamics.

ADVANCING THROUGH AUTOMATION AND DIGITAL TRANSFORMATION

Enterprise-wide automation drive

We accelerated automation across both administrative functions and factory operations during the year, driven by our ongoing organisation-wide transformation initiative. This long-term journey aims to position JAT as a tech-driven, efficient entity. Key advancements were achieved across multiple operational areas, including:

- Procurement and cash flow management
- Budgeting and forecasting systems
- Warehouse management systems
- System-generated invoicing for customers and distributors, ensuring

CHIEF EXECUTIVE OFFICER'S REVIEW

accuracy in applying complex discount structures (including both cash discounts and free SKU allocations)

- Point-of-Sale (POS) system rollout to key distributors island-wide, enhancing sales visibility and transaction efficiency

SMART PRODUCTION TECHNOLOGIES

On the factory floor, we deployed advanced Internet of Things (IoT) technology to capture real-time production data. This included the use of Near Field Communication (NFC) technology for accurate tracking of human capital inputs, a critical factor in optimising productivity, workforce planning and most importantly enabling accurate costing of our products.

Driving efficient deliveries

To manage distribution costs more effectively, we introduced several delivery innovations. These included:

- Direct delivery to select retail outlets within the Western Province enabling faster service
- Integration with the 'Zip-and-Go' platform, which empowered our distribution staff to optimise delivery routes, thereby reducing fuel consumption and overall logistics costs

MANAGING CHANGE ACROSS THE ORGANISATION

It is important to note that such a transformation initiative requires robust change management. Throughout the year, we remained focused on aligning our entire workforce to this journey, ensuring staff across all levels were engaged, informed, and equipped to embrace the changes underway.

STRIKING DEEP CONNECTIVITY WITH OUR CUSTOMERS

At the heart of everything we do is our customer. Our product innovations, distribution reach, and service enhancements are all shaped by our mission of Transforming Spaces - JAT's brand promise. Over the year, we launched several key initiatives to deepen our engagement and provide superior experiences across our customer base.

A major milestone during the year was the launch of our flagship JAT Lifestyle Studio, located at No. 28, De Vos Avenue, Colombo 4, our largest investment for the year. Spanning four storeys, the JAT Lifestyle Studio brings together the best in world-class interior solutions under one roof. Each floor is curated around a theme; office, kitchen, vanities, and wardrobes, creating an immersive space where architects, interior designers, and discerning customers can explore globally renowned brands and draw inspiration for their dream spaces.

Our two tech centres, two experience centres and JAT Lifestyle Studio across Sri Lanka continued to support customers by offering product demonstrations, expert consultations, and personalised service experiences.

Overseas, our Seafoam Kitchen showrooms in Australia and Bangladesh strengthened customer access to premium kitchen solutions, while our Tech Centres in Maldives and Cambodia carried the excellence of Sri Lanka's JAT brand to international clients, further establishing our presence in these markets.

We also revamped the customer loyalty programme, offering cashback rewards to recognise and appreciate continued patronage. During the year, a total of Rs. 140 Mn was awarded to customers through this initiative, reinforcing our commitment to long-term customer relationships.

PRODUCT INNOVATION

As highlighted in the Reflections of the Chairman's Message and Managing Director's Review (pages 62 to 66), customer demand continued to shift toward novel, high-performance products during the year. Backed by the capabilities of our dedicated R&D Centre, we responded swiftly and strategically to these changing preferences with timely innovations that filled critical market gaps.

Hydro+: In response to increasing demand for durable exterior paints that could withstand Sri Lanka's tropical weather conditions, we launched Hydro+, a high-performance waterproofing paint. Developed specifically for the local climate, Hydro+ provides superior water resistance, offering homeowners and builders a reliable solution for long-lasting protection against rain and moisture.

J Chem One-Coat: Understanding the distinct requirements of the Moratuwa market, the hub of furniture making in Sri Lanka, we introduced J Chem One-Coat, a solvent-based wood coating solution formulated to deliver premium quality at an affordable price. Its one-coat application simplifies usage and reduces cost while maintaining exceptional finish and durability, making it a value-driven choice for a wide range of customers.

CoatEx: Marking a significant milestone for Asia Coatings (Pvt) Limited, our Bangladesh-based subsidiary, we introduced CoatEx — a locally developed polyurethane (PU) wood coating brand tailored for the low to mid-tier market. This product is a testament to our localisation strategy and ability to deliver high-quality solutions suited to the price-sensitive segments in overseas markets.

POWERED BY THE BEST

At JAT, we are proud to be powered by a dynamic team, one that reflects a healthy blend of professional expertise, age, and gender diversity. 18% of our employees were females whilst 36% of our employees had been with JAT for more than five years. Just as our brand holds strong appeal among consumers, we are equally committed to making JAT a sought-after employer that attracts and retains top talent. We have rolled out several initiatives to support this vision, including strategic partnerships with leading Sri Lankan universities to create talent pipelines and provide career opportunities for high-potential graduates. These efforts enhance our belief that empowered people are at the heart of sustainable success.

AWARDS

JAT was honoured with multiple accolades across key domains of excellence, affirming the Company's unwavering commitment to performance, innovation, and sustainability. These independent endorsements ranging from Overall Excellence to achievements in Marketing & Branding and Sustainability reflect the trust and recognition conferred by respected local and international institutions. The awards validate our consistent pursuit of operational excellence, market relevance, and responsible corporate citizenship.

They also reaffirm the strength of our strategy and execution and inspire us to raise the bar as we take the JAT brand to greater heights.

APPRECIATION

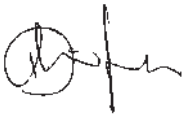
It is with great pleasure and gratitude that I extend my heartfelt thanks to all those who contributed to JAT's continued success. Our employees, particularly those based in Bangladesh have demonstrated exceptional resilience, adaptability, and innovation amidst a challenging external environment. Their commitment to excellence and their willingness to embrace transformation have been instrumental in sustaining our growth momentum. I am especially proud of how our teams have aligned with our values and strategic direction, enabling us to deliver value across every touchpoint. I also thank our Board of Directors and Managing Director for their steady leadership and guidance, which empowers us to perform with purpose. Our dealers, distributors, and customers remain central to our journey, and I am sincerely grateful for their continued trust. To our valued shareholders, thank you for your confidence in our vision and your support as we move forward together.

A WORLD OF POSSIBILITIES: THE WAY FORWARD

While our strategy sets the direction and our aspirations define the horizon, it is execution that ultimately delivers value, and that is where my focus as CEO remains. With a results-oriented culture embedded across the organisation, we are laser-focused on operationalising our strategic roadmap with discipline, agility, and accountability.

As we transition from recovery to long-term growth, we are accelerating execution in key areas: scaling our innovation pipeline, expanding into high-potential international markets, embedding digital across our value chain, and building future-ready capabilities across our teams. We are re-engineering how we work, through smarter processes, sharper data insights, and a mindset of continuous improvement.

Our presence in Sri Lanka and across our regional markets gives us both the grounding and the runway for sustainable growth. With clarity in our priorities, strong alignment between leadership and frontline teams, and a deep commitment to stakeholder value creation, I believe JAT is poised to convert a world of possibilities into measurable progress, consistently and confidently.



Nishal Ferdinando

Chief Executive Officer

30 May 2025

BOARD OF DIRECTORS

GRI 2-9





From left to right :

Richard Gunawardene Non-Executive Director/Non-Independent
Hussain Akbarally Non-Executive Director/Independent
Dr. Sivakumar Selliah Chairman – Non-Executive Director/Independent
Joycelyn Gunawardene Non-Executive Director/Non-Independent
Aelian Gunawardene Founder and Managing Director/Executive Director
Anika Williamson Non-Executive Director/Non-Independent
Nishal Ferdinando Executive Director/Chief Executive Officer
Devaka Cooray Non-Executive Director/Independent
Eng. Manju Haththotuwa Non-Executive Director/Independent

BOARD OF DIRECTORS



DR. SIVAKUMAR SELLIAH

Chairman – Non-Executive/ Independent

Dr. Selliah is the Chairman of the Board of Directors of JAT Holdings PLC. He has over two decades of diverse experience in serving on the Boards of companies in varied fields such as Manufacturing, Banking, Healthcare, Insurance, Logistics, Packaging, Renewable Power, Plantation, Retail etc. Dr. Selliah holds an MBBS degree and a master's degree (M.Phil).

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 serves as a Non-Executive Director on the following Company Boards; Commercial Bank of Ceylon PLC, Lanka Tiles PLC, Lanka Walltiles PLC, ACL Cables PLC, Swisstek (Ceylon) PLC, Arunodhaya Private ltd, and Arunodhaya Industries Pvt Ltd. He is also the Chairman of Cleanco Lanka Private Ltd, Vydexa Lanka Power Corporation Pvt Ltd and Andysel Private Ltd. He also is the Director of Arunodhaya Investments Pvt Ltd. He has also served on many other Listed and unlisted 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

Aelian Gunawardene is not just a leader—he is the architect of JAT Holdings' remarkable success story. With over three decades of pioneering leadership, he has transformed a visionary enterprise into a regional powerhouse, setting benchmarks in innovation, market conversion, brand excellence, team building and financial strength.

Since founding JAT Holdings in 1993, Aelian has been the driving force behind its ascent to market dominance—not just in Sri Lanka, but across international frontiers. A master strategist and seasoned marketing professional, his bold initiatives have redefined industry standards, earning JAT Holdings an unmatched reputation for quality, innovation, service and trust.

Under Aelian's stewardship, JAT Holdings has achieved historic milestones, including The first Company in Asia to introduce water-based wood coatings – continuous innovation, Sri Lanka's only private company to secure a Moody's ICRA "A+ Stable" rating for four consecutive years—a testament to unwavering financial resilience and a National Long-Term Fitch Rating of "AA (lka) Stable" following its successful listing on the Colombo Stock Exchange in 2021 and every year since, reinforcing investor confidence.

Aelian's visionary approach has earned him national and industry-wide acclaim, including Sri Lanka's Entrepreneur of the Year – Platinum award (2017)—celebrating his transformative impact and a permanent fixture in LMD's "Top 23 Businesspeople of the Year" and the prestigious LMD A-List since 2018, cementing his status as one of the nation's most influential corporate figures.

Beyond business, Aelian embodies leadership with purpose, shaping industries, mentoring future leaders, and steering JAT Holdings toward even greater horizons. His story is not just one of success, but of relentless entrepreneurship, ambition, integrity, and excellence.



NISHAL FERDINANDO

Chief Executive Officer/Executive Director

Nishal Ferdinando has served as the Group Chief Executive Officer of JAT Holdings PLC since 2017 and was appointed to its Board of Directors in 2021. With over 19 years of experience spanning in the construction, manufacturing, and trading sectors, he began his leadership journey when appointed as an Executive Director at Access Projects (Pvt) Ltd at the age of 27.

Currently, he serves as the Chairman of Asia Coatings (Pvt) Ltd in Bangladesh and holds directorships in Seaform Perth

PTY Ltd (Australia), JAT Paints (Africa), and Flexospan Steel Buildings (Pvt) Ltd.

Under his leadership, JAT Holdings successfully listed in the Colombo Stock exchange and witnessed a significant growth with the establishment of a state-of-the-art Research and Development facility, alkyd resin manufacturing plant in Bangladesh, and an acrylic binder manufacturing plant in Sri Lanka.

His direction has led to numerous accolades and awards for the company locally and internationally which resulted in the company being ranked in the top fifty Most Awarded Entities in Sri Lanka as well as the top three in the diversified sector. He was awarded the Most Resilient CEO in the year 2022.

He holds academic qualifications in Finance, Project Management, and Business Administration, and is an alumnus of the prestigious Harvard Business School.



DEVAKA COORAY

Non-Executive Director/ Independent

Devaka Cooray 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, U M L Property Developments Ltd, U M L Heavy Equipment Ltd, Unimo Enterprises Ltd, Dutch Lanka Trailer Manufacturers Ltd and Dutch Lanka Engineering (Pvt) Ltd. He is also the Managing Director of Management Systems (Pvt) Ltd.

He serves as Senior Independent Director of Hatton National Bank PLC, Independent Director of JAT Holdings PLC, HVA Foods PLC, Jetwing Symphony PLC, The Lighthouse Hotel PLC and George Steuart and Company

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.



ENG. MANJU HATHTHOTUWA

Non-Executive Director/Independent

Eng. Manju Haththotuwa has over 35 years of professional experience across private, public and development sectors. He has a proven track-record in successfully leading organisations, building high performance teams, and mobilising resources that deliver results across Europe, Asia, Africa, the Middle East, and USA.

In the Development Sector, Manju joined the World Bank as a practitioner and a thought leader in technology enabled innovation, infrastructure development, and private sector growth strategies. He has led a multi-billion-dollar portfolio of private sector development projects in Asia, Africa, and the Middle East regions, advising government leaders, ministers, Governors, Presidents & CEOs. His recent responsibilities include heading the private sector, financial sector, and innovation teams in the GCC group of countries based at the World Bank HQ in Washington, D.C.

In the Private Sector, Manju has held leadership positions as Chairperson to the Board of Directors/MD/CEO of 8 publicly listed companies & also 4 PE/VC investments, in verticals spanning finance, infrastructure, property development, agri-business, healthcare, education & ICT/deep tech including, Bio Carbon Fuels (USA), Ceylon Oxygen, Kotmale Holdings, Central Securities, e-Channelling, Kelsey Developments, Next Ventures, V-Capital, Sithro Garments, JAT holdings PLC. As Executive Director/COO, he set up and led global operations and corporate facilities of Millennium IT (USA, UK, India,

BOARD OF DIRECTORS

Singapore & Sri Lanka), including the conceptual design, construction and operation of its 16-acre tech campus.

In the Public Sector Manju was the founding Managing Director of the National ICT Agency of Sri Lanka and Country CIO, which pioneered the first national scale e-Transformation Program - e-Sri Lanka (e-SL) which digitised 600+ government services reached 14,000 villages, and reduced the 'cost of doing business' for 1000+ businesses. Manju also served as the Advisor to H.E. the President of Sri Lanka on Technology, Innovation, PPPs and Infrastructure.

Manju is a UK and Australia Chartered Professional Engineer, Associate of the City & Guilds, London, holds an MBA with a Distinction from the University of London and BSc (Hons) in Civil Engineering from Imperial College of Science & Technology, London. Manju is also an alumnus of the Harvard Kennedy School Leadership Program.



HUSSAIN AKBARALLY

Non-Executive Director/ Independent

Hussain Akbarally 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.



JOYCELYN GUNAWARDENE

Non-Executive Director/Non-Independent

Joycelyn Gunawardene is a dynamic force in the world of marketing, blending 18+ years of advertising brilliance with sharp business acumen. As a Non-Executive Director at JAT Holdings, she infuses the boardroom with fresh perspectives, strategic foresight, and a deep understanding of consumer psychology, which is key behind the company's sustained market leadership.

With a proven track record in brand building and promotional excellence, Joycelyn's expertise extends beyond traditional marketing. Her current role as Executive Director of Brush Master (Private) Limited showcases her ability to navigate competitive landscapes and unlock growth, making her an indispensable voice in JAT Holdings' strategic evolution since joining the Board in 2015.

Armed with a Bachelor of Science in Psychology (University of New South Wales, Australia), she deciphers consumer behaviour with precision, ensuring JAT Holdings stays ahead of market trends. Her dual strengths—academic rigour and hands-on industry experience—enable data-driven decisions that enhance shareholder value and long-term sustainability.

Joycelyn champions innovation with purpose, ensuring JAT Holdings doesn't just adapt to change but defines it.



ANIKA WILLIAMSON

Non-Executive Director/Non-Independent

Anika Williamson is a Non-Executive Director at JAT Holdings PLC, a leading Sri Lankan company specialising in wood coatings and diversified ventures. With over a decade of experience spanning banking, property development, import and export industries, she has been instrumental in shaping financial strategies and corporate governance within the organisation.

Anika holds a double degree in Accounting and Entrepreneurship from Curtin University, Australia, where she was a member of the prestigious Pro Vice Chancellor's Chapter. Her leadership extends across multiple key roles, including Executive Director of JAT Global (Private) Limited, Director and Company Secretary of JAT Exports DMCC, and Managing Director of Asia Coatings Enterprises (Pvt) Ltd. In 2020, she was appointed Finance Director of JAT Property Group (Private) Limited, further strengthening her expertise in financial management and strategic growth.

Beyond her corporate responsibilities, Anika is a strong advocate for gender-balanced leadership and plays an active role in fostering diversity and inclusion within JAT Holdings' Board of Directors.



RICHARD GUNAWARDENE

Non-Executive Director/Non-Independent

Richard Gunawardene brings over a decade of strategic leadership and entrepreneurial experience to the Board of JAT Holdings PLC. Having commenced his career within the family business, Richard has worked across all divisions of the company in multiple operational and leadership roles—rising through the ranks from a marketing and showroom executive to his current position on the Board. His deep, hands-on understanding of the business has been pivotal in shaping JAT Holdings into the industry leader it is today.

Richard's influence extends well beyond JAT Holdings. He is the Founder of JAT Property Group (PVT) Ltd, a real estate development firm; Gamma Extracts Pharmaceuticals (PVT) Ltd, focused on medicinal cannabis and wellness; James Global (PVT) Ltd, specialising in the separation and export of mineral sands; and Flexospan Steel Buildings (PVT) Ltd, which provides industrial construction solutions. His involvement across property, construction, paints, furnishing, medicinal cannabis, mining, and international trade reflects a broad strategic vision grounded in innovation and growth.

A founding member of the Entrepreneurs' Organisation (EO) Sri Lanka, Richard Gunawardene has been instrumental in shaping businesses that inspire a new era of growth, both locally and globally.

CORPORATE MANAGEMENT COMMITTEE AND SENIOR MANAGEMENT



Seated from left to right :

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



Standing from left to right :

Nadeesha Fernando – Interior Architect - Head of Project Design and Retail Operations
Dinusha Subasinghe – Senior Manager - R & D
Maithri Vithanage – General Manager - Franchise Outlets
Chaminda Gulawita – General Manager - Industrial Sales
Santha Geethadewa – Assistant General Manager - Credit Control
D. D. Rubasinghe – Head of Recovery and Investigations
Kasun Atapattu – Assistant General Manager - Cost Accounting
Isira Jayasuriya – Assistant General Manager - Finance
Janaka Hathurusinghe – Assistant General Manager - Production
Nuwan Gunasekara – Assistant General Manager - Retail Sales
Shalinda Rajapaksha – Head of IT & ERP
R. P. W. Kumara – Assistant General Manager - Warehouse
Ranga Lokugamage – Senior Manager - Field Sales & Activations
Yasas De Silva – Senior Manager - Business Development & Technical
Juanita Perera – Senior Manager - Legal
Nuwan Pinto – Senior Manager - Warehouse

Absent :

Rajesh Ariyaratne – Assistant General Manager - Technical
Eranda Dandeniya – Senior Manager - Technical
Lasantha Ranawaka – Senior Manager - Research & Development

CORPORATE MANAGEMENT COMMITTEE

AELIAN GUNAWARDENE

Founder & Managing Director

Please see under the profiles of the Board of Directors on page 72.

NISHAL FERDINANDO

Chief Executive Officer

Please see under the profiles of the Board of Directors on page 72.

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 waterbased 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 brings over 25 years of expertise as a senior finance professional. As a Fellow member (FCMA) of the Chartered Institute of Management Accountants (CIMA), she possesses extensive experience in Finance and Management, Manufacturing, Retail and Import/Export trade, and Corporate Governance. She oversees the group's finance operations, process excellence division, and corporate planning, including both local and foreign subsidiaries.

She has been recognised by the CIMA Institute of Sri Lanka as a prize winner for achieving the best results in the final examination. Her comprehensive knowledge in finance and management, combined with her substantial expertise and experience, provides effective direction to the company's financial strategy formulation, driving growth and profitability while promoting sustainable and socially responsible practices. Since 2016, she has served as the Finance Director of JAT Holdings PLC.

AJITH BANDARA

Director – Research and Development

Ajith was appointed as a General Manager at JAT Holdings in October 2019 with 19 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 recognised institutions such as universities, Coating Associations etc.

SHAMARA WANNIARACHCHI

Director I Country Head – Bangladesh

Shamara joined JAT Holdings in March 2019, bringing 13 years of experience in leading manufacturing and trading company. He has held key positions, including Head of Manufacturing, General Manager – Manufacturing, General Manager – Manufacturing and Supply Chain Management and Country Head – Bangladesh, before his promotion to Director | Country Head – Bangladesh. Shamara holds an MBA from the University of Colombo and a BSc. (Hons) in Engineering from the University of Moratuwa. He is an Associate Member of the Institute of Engineers, Sri Lanka, and JASTECA.

DILSHAN RODRIGO

Director – Marketing

Dilshan joined JAT Holdings in November 2019 and currently serves as Director – Marketing, bringing over 20 years of multi-disciplinary experience leading both global and local brands. He holds a degree in Computer Science and a Postgraduate Diploma in IT from Brunel University, UK, and an MBA from the Postgraduate Institute of Management (PIM), affiliated with the University of Sri Jayewardenepura. He is also an Associate Member of the Chartered Institute of Marketing (CIM), UK.

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 VAN DORT

Senior General Manager – Projects and Retail Furnishing

Gavin commenced work at JAT in February 2007 and has over 18 years of industry experience related to sales, marketing, implementation, and operations in the specialised 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.



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 21 years of experience in Supply Chain Management and foreign exposure in various fields and industries. She also develops procurement strategies to ensure the seamless supply of goods and services, optimising costs and maintaining quality standards. Well focused on strengthening supplier diversity, improving cost efficiencies and leveraging technology for smarter commercial decisions.

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.

This was a year of sharp focus and
Balanced flight much like a kingfisher.
We leveraged our financial capital
to drive strategic growth,
While investing in manufactured capital
To elevate quality and scale.
Our intellectual capital fueled
Innovation, design, and technical edge.

With our human capital, we nurtured
Agility, ownership, and skill.
Through strong ties and trust,
Our social and relationship capital
Created lasting value. By stewarding our
natural capital, we embedded sustainability
into every layer of impact.

At jat, every capital moved
In precision, like the kingfisher in
flight-creating value that's
lasting and true.

CAPITAL REPORTS



Brilliance Rooted in Purpose

The kingfisher's vivid plumage is more than beauty it's evolution at work. Our innovations in colour and coating technology serve not just aesthetics, but performance and sustainability.

FINANCIAL CAPITAL

Financial Capital



For us at JAT, Financial Capital is not merely a resource but a key enabler of long-term value creation. Our approach to managing financial capital is grounded in prudent financial discipline, effective capital allocation, and strategic investment to drive sustainable growth. During the year under review, we remained focused on strengthening our balance sheet, enhancing cash flow resilience, and delivering consistent returns to our shareholders, while ensuring adequate liquidity to support future expansion and innovation.

Key constituents of the capital	Equity funds	Borrowed funds/ debt
Initiatives that drove capital augmentation	Solid financial performance driven by strategic leadership, prudent risk identification, and agile adjustments to Group strategy in response to the challenges in our key markets, viz. Sri Lanka and Bangladesh. Efficient balance sheet management, with low gearing levels, enhanced our financial resilience amidst economic turbulence.	

CAPITAL RELATED RISKS AND OPPORTUNITIES

Risks

- Volatility in foreign exchange rates impacting cost of imports and margins
- Potential increase in interest rates driving cost of borrowing and reducing profitability
- Delayed customer payments affecting cash flow and working capital
- Limited access to affordable credit in tightening monetary environments
- Adverse movements in equity markets affecting investor confidence and valuations
- Geopolitical and economic instability affecting funding and investment decisions Foreign exchange related restrictions

Opportunities

- Access to low-cost funding through strategic banking partnerships
- Improved investor confidence enabling capital raising through equity or debt
- Efficient working capital management enhancing liquidity and returns
- Strong credit ratings supporting favourable lending terms
- Expansion into new markets attracting foreign direct investment
- Prudent treasury and investment strategies generating passive income

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

GRI 3-3

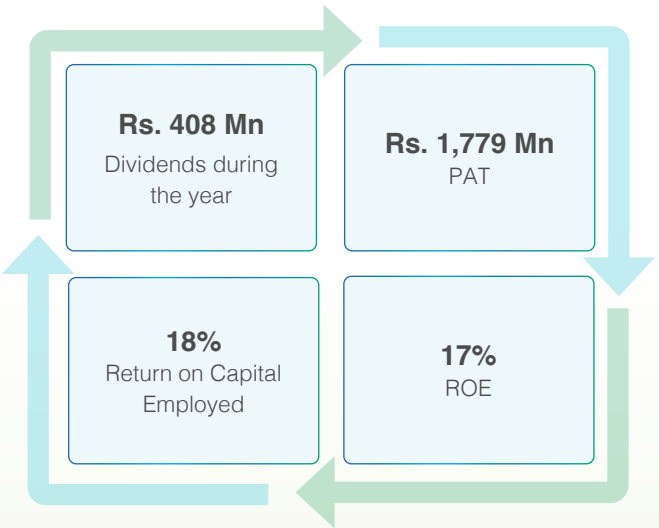
Shareholders

We manage financial capital with a focus on sustainable profitability, prudent cost control, and strategic reinvestment to ensure consistent shareholder returns. Transparent financial reporting, dividend policies, and long-term value creation strategies are central to maintaining investor confidence and attracting new capital.

VALUE ADVANCED

Employees

Financial capital enables us to attract, retain, and reward talent through performance-linked bonuses, annual salary increments, and welfare benefits. Effective financial capital management ensures that adequate resources are allocated for employee development, engagement, and recognition, reinforcing our commitment to a high-performance culture.



Contribution to UN SDGs

Link to our material matters

Managing financial performance

Taxation

Link to our strategy

Profitable growth

The following discussion and analysis should be read with the Audited Consolidated Financial Statements of the Group for the year ended 31st March 2025. The term "Group" refers to JAT Holdings PLC and its 5 subsidiaries and 3 sub-subsidiary and 2 joint ventures, while the term "Company" specifically refers to JAT Holdings PLC.

BASIS OF PREPARATION AND COMPARATIVE FIGURES

The Financial Statements have been prepared in accordance with the Sri Lankan Accounting Standards, namely,

- SLFRSs and LKASs issued by The Institute of Chartered Accountants of Sri Lanka
- 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

REVENUE, COSTS AND PROFITABILITY

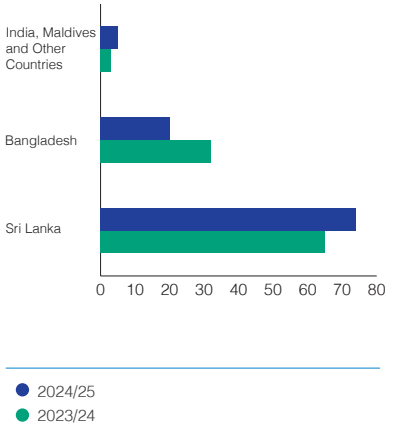
Rs. Mn	2025	2024	YoY change
Revenue from contracts with customers	11,625	11,556	1%
Cost of sales	(7,613)	(8,167)	-7%
Gross profit	**4,012**	**3,389**	**18%**
Other income	154	546	-72%
Selling and distribution expenses	(1,352)	(1,296)	4%
Administrative expenses	(991)	(1,283)	-23%
Results from operating activities	**1,822**	**1,296**	**41%**
Finance cost	(353)	(251)	41%
Finance income	159	166	-4%
Profit before tax	**1,606**	**1,210**	**33%**
Income tax expense	173	(187)	-193%
Profit for the year	**1,779**	**1,023**	**74%**

FINANCIAL CAPITAL

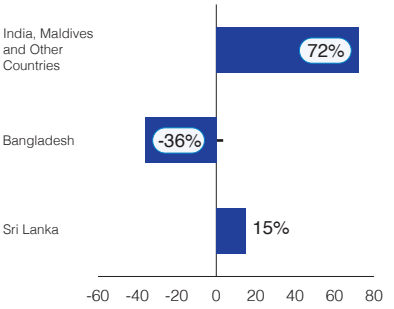
Revenue

During the year under review ending 31 March 2025, Group-level revenue growth moderated to 1% compared to the prior year (year-on-year/ YoY), reaching Rs. 11.6 Bn. The moderation was primarily due to the slowdown in revenue in the Bangladesh market and unfavorable exchange rate conversion from BDT to LKR, attributable to political and economic instability in the country. In contrast, Company-level revenue experienced an organic growth of 15%, amounting to Rs. 8.3 Bn. The Company successfully maintained its revenue in a competitive market, bolstered by strong performance in local retail and project markets. Company revenue made a 72% contribution to Group revenue. Exports were severely affected by the conditions in Bangladesh and Maldives where export revenue represented only 26% of total revenue (2023/24: 35%)

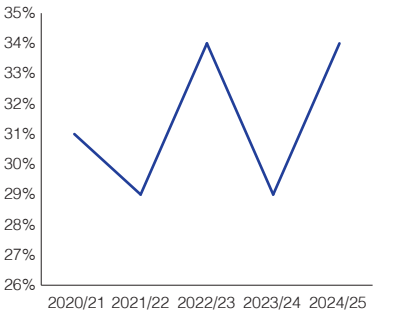
Revenue Composition based on Source Country



YoY Movement in Revenue per Source Country



Gross Profit Margin Behaviour



Cost of Sales and Gross Profit

The Group's cost of sales decreased to Rs. 7.6 Bn which is a 7% drop in the financial year 2024/25 against the prior year's cost of sales of Rs. 8.1 Bn.

The resultant total gross profit for the year was Rs. 4.0 Bn, up by an impressive 18%. The domestic sector demonstrated robust performance in terms of gross profit, attributed to cost reductions achieved through research and development investments and the efficiency achieved through backward vertical integration wherein the Company manufactures a key input material used in the production of water-based paint here in Sri Lanka. Accordingly, the local gross profit (GP) margin enhanced to 38% during 2024/25, and compared with the GP margin of 34% the prior year. Similarly, consolidated GP increased for the same reasons, rising from 29% of last year to 35% this year. However, the margin from the Bangladeshi operations declined due to revenue drops caused by aforementioned instabilities in the country, exacerbated by certain fixed overheads incurred despite the decrease in revenue.

Operating Expenses

Selling & Distribution expenses

The Group's expenditure on sales and distribution, specifically on advertising, promotions, and commissions, amounted to Rs. 1.4 Bn, representing 12% of the total revenue. The expenses were a marginal increase of 4% YoY, which is in line with the revenue growth of the year.

Administration expenses

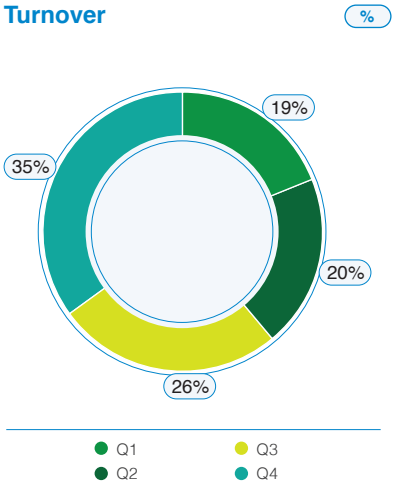
The Group reported a reduction of 23% in total administrative expenses despite increases in staff salaries and training expenses. Significant cost-rationalisation measures were implemented, along with the selling off of non-moving and slow-moving inventory which led to the reversal of provisions previously made. The Company's Transformation initiatives helped dive administration expenses down.

Group Wise Quarterly Performance

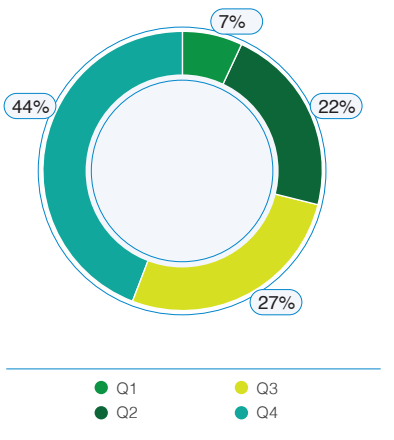
Despite the challenging and unprecedented circumstances brought about by the economic vulnerabilities across multiple countries, the Group's performance was commendable and consistent through the quarters. Our revenue and profitability performance trends through the quarters were closely

aligned to seasonal demand patterns, affirming the market reception and standing JAT maintained throughout the year, amidst severe competition from other products.

Turnover



Profit After Tax



Net Finance Cost

The Group's finance costs rose during the year under review despite reduction in market rates in Sri Lanka. This was mainly due to the increased borrowing levels which funded JAT's expansion in to new markets as well as the launch of new market-responsive products. There was considerable expansion of our Bangladeshi operations as well, compared to the prior financial year. Furthermore, funds borrowed and deployed towards high value investments of acrylic binder and alkyd resin plants in Sri Lanka and Bangladesh respectively also weighed down on interest costs.

Finance income for the year, derived from short-term financial asset investments, was Rs. 113.8 Mn, a 2% decline over the prior year. The Group also incurred an exchange loss of Rs. 32 Mn on dollar-denominated trade assets due to the appreciation of the Sri Lanka Rupee over the year.

Other Income

The Group's Other Income reached Rs. 154 Mn, comprising revenue derived from various sources, including the fluctuation in the fair value of financial assets, gains from the sale of Property, Plant, and Equipment, as well as the revaluation of investment property held within a subsidiary company.

Income Tax Expense

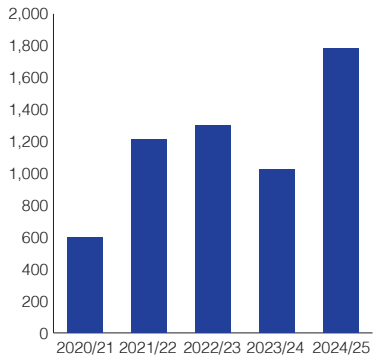
The Group incurred tax expense totaling Rs. 106 Mn for the fiscal year, while maintaining an effective tax rate of 25% for the period under review. Additionally, there was a deferred tax reversal, attributed to capital investments made in recent years.

Profit for the Period

The Group has demonstrated a consistent upward trend in profits over recent years, achieving the highest ever turnover and profit after tax (PAT) figures. The profit before tax for the Group was Rs. 1.6 Bn, compared to Rs. 1.2 Bn in the previous year – a YoY growth of 33%. Profit after tax amounted to Rs. 1.8 Bn for the year under review posting highest ever profitability. Investments made over the past twenty four months are expected to generate additional revenue and profitability in the coming years.

Line graph of last 5 years NPAT figures, with a dotted line extension for 24/25 number

Five year PAT movement

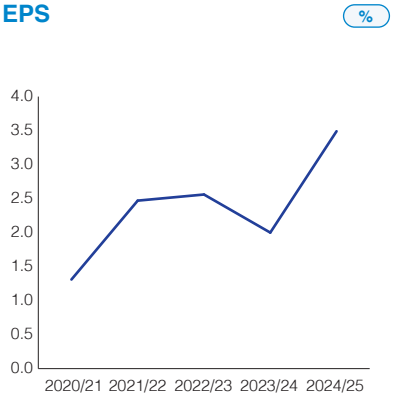


Over the years, the Group has experienced a gradual increase in profitability, showcasing its consistent growth.

Earnings Per Share

The Group's Earnings Per Share (EPS) for the financial year ended 31st March 2025 increased to Rs. 3.50, compared to the previous year's EPS of Rs. 2.00, an increase of Rs. 1.50. This growth is attributable to the factors outlined above.

EPS



FINANCIAL CAPITAL

Dividend

The JAT Group distributed a first interim dividend of Rs. 0.60 to its shareholders, for the financial year ending 31 March 2025 totaling Rs. 306 Mn. Additionally, the final dividend for the financial year 2023/24 was declared at Rs. 0.20 per share, totaling Rs. 102 million, which resulted in a distribution of Rs. 408 Mn as dividend during the year.

Notwithstanding the lingering macro-economic challenges in the country, JAT Group has maintained a consistent approach towards dividend distribution. The company adheres to a stable dividend policy, consistently declaring dividends in the range of 35% to 40%.

Solvency

Section 56 of the Companies Act No. 07 of 2007 requires a solvency test to be conducted prior to any dividend payments being made, thus the Board of Directors obtained a Certificate of Solvency from the external auditors Messers Ernst & Young prior to distributing both final and interim dividends.

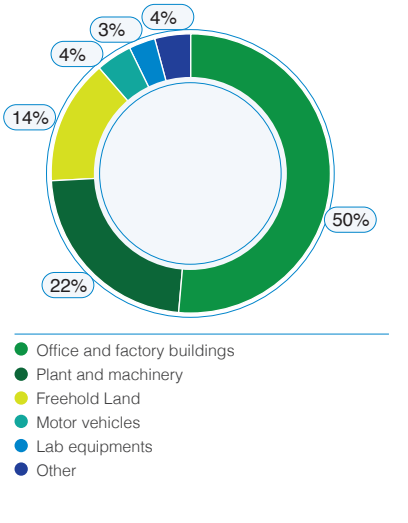
FINANCIAL POSITION

Assets

Year ended 31 March	2025	2024	YoY change
Assets	16,021	14,465	11%
Non-current assets	5,006	4,879	3%
Property, plant and equipment	3,637	3,631	0%
Other investments	1,369	1,248	10%
Current assets	11,015	9,586	15%
Inventories	2,866	2,885	-1%
Trade and other receivables	4,940	4,318	14%
Advance and prepayments	1,418	997	42%
Short-term financial assets	1,119	1,053	6%
Other	671	334	100%

As of 31 March 2025, the Group's total assets increased by 11% to Rs. 16 Bn, with fixed assets valued at a net book value of Rs. 3.6 Bn. Additionally, there was a 15% increase in current assets, highlighting prudent investments in working capital and short-term financial assets. Current assets accounts for 69% of the total assets, while non-current assets account for the remaining 31%. The Group's current ratio stood at indicating a robust financial position.

Composition of property, plant and equipment (%)



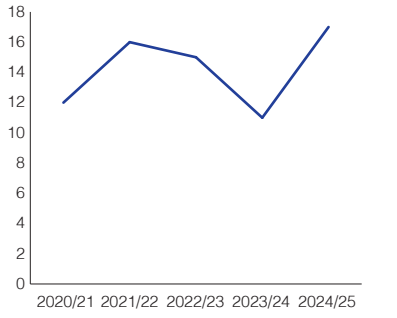
Equity

The Group continued to be well capitalised with 65% of the balance sheet funding coming from equity capital. The Group crossed the Rs. 10.0 Bn mark in total equity during the year to Rs. 10.4 Bn, a notable achievement in JAT's sustained growth journey.

Return on Equity

JAT Group's Return on Equity for the year under review was 17%, representing a significant increase from the previous year's reported figure of 11%. This notable growth can be attributed to a substantial improvement of Profit After Tax over the course of the year.

ROE (%)



Liabilities

The Group's liabilities are primarily composed of current liabilities, representing 97% of the total for the year. The Group's gearing ratio remained relatively low at 24%, compared to the accepted norm for corporates

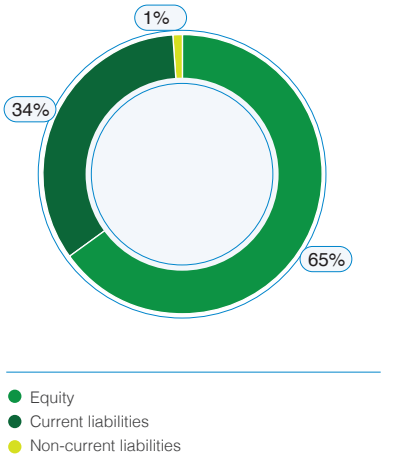
Year ended 31 March	2025	2024	YoY change
Liabilities	5,630	5,334	6%
Non-current liabilities	188	263	-28%
Interest bearing loans and borrowings	83	114	-28%
Other	106	149	-29%
Current liabilities	5,442	5,071	7%
Trade and other payables	2,060	2,276	-10%
Amounts due to related parties	8	-	100%
Interest bearing loans and borrowings	3,265	2,674	22%
Income tax payable	109	121	-9%

The Company currently maintains a debt level of Rs. 3.3 Bn, strategically deployed to finance substantial new investments. This has resulted in a moderate gearing ratio of 24%, reflecting a prudent and balanced approach to capital structure management. It underscores the Company's disciplined financial stewardship, efficient allocation of capital, and strong potential for long-term sustainability and value creation.

Leverage and Capital Structure

As of 31 March 2025, the Group's total asset base was valued at Rs. 16 Bn. The sources of funding for these assets are detailed below. The reserves are comprised of equity and reserves

Balance Sheet Funding %

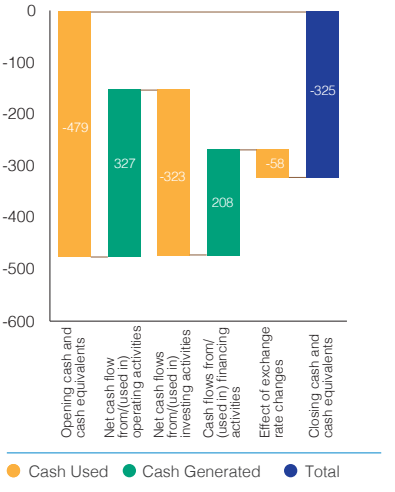


CASH FLOW

Key highlights

A net operating cash outflow amounted to Rs. 327 Mn compared to Rs. 204 the previous year mainly due to increased investment in working capital. The company also paid out a total dividend of Rs. 408 Mn for the year under review.

Cash Flow %



STATEMENT OF CHANGES IN EQUITY

As of 31 March 2025, the Group's overall equity reached an impressive Rs. 10 Bn, a significant increase from the previous year's Rs. 9 Bn after considering a healthy dividend payout of Rs. 408 Mn.

SHAREHOLDER VALUE CREATION

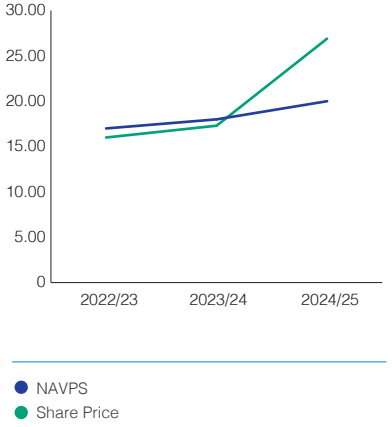
GRI 207-4

Despite challenges, the Group upheld its commitments to shareholders, leading to improved shareholder ratios.

Performance of key shareholder return metrics

	2025	2024
Earnings per share (Rs.)	3.50	2.00
ROE	17%	11%
Net assets value per share (Rs.)	20.35	17.86
Share price (Rs.)	26.90	17.30
Dividends per share (Rs.)	0.80	0.79
Total shareholder return	17%	13%

NAVPS vs Share Price %



FINANCIAL CAPITAL

Country-wise Profit

GRI 207-4

Country Rs. Mn.	Revenue / Sales	Capital Expenditure	Profit Before Tax	Income Tax Expense	Community Distribution
Sri Lanka	8,568	207	1,317	283	43
Bangladesh	2,380	232	429	(103)	-
Others	677	-	(144)	-	-
Total	**11,625**	**439**	**1,606**	**173**	**43**

As evident in the summary table above, and as was depicted graphically at the outset, 74% of Group revenue was generated by Sri Lankan operations, followed by Bangladesh and other countries consolidated at 20% and 6%. We also made considerable investments in both Sri Lanka and Bangladesh, netting Rs. 348 Mn, including manufacturing capabilities and IT systems. Pre-tax profitability was healthy within the Sri Lankan market at Rs. 283 Mn. The same at the Bangladeshi market was Rs. 429 Mn, less than its potential, due to the challenges faced in the market. Other markets generated a net pre-tax loss of Rs. 144 Mn, attributable to economic turmoil in Maldives, and startup costs in new entrant markets such as Australia and Cambodia, where such costs are high and the operations still performing in the pre-break even period.

STRATEGIC MANAGEMENT OF FINANCIAL CAPITAL FOSTERING ECONOMIC RECOVERY, GOVERNANCE REPORTING AND SUSTAINABILITY

We recognise the critical importance of managing financial capital in alignment with both governance principles and the goal of economic revival. Our commitment is to ensure that financial resources are allocated efficiently to maximise returns, while also adhering to international standards and local regulations. The following outlines the key strategies we employ to manage our financial capital and safeguard our assets, with a specific focus on economic recovery, governance, reporting frameworks, and sustainability.

Governance Principles and Economic Revival

We ensure that our financial capital is always managed in accordance with established governance principles, upholding the virtues of transparency, accountability, and ethical practices at all levels of decision-making. The objective is not only to uphold trust with our stakeholders but also to ensure the long-term economic revival of the company and the broader economy. Our strategic initiatives are designed to stimulate growth, generate jobs, and contribute to the resilience of the global economy.

Maximising Returns

A key focus of our financial capital management is to maximise returns for stakeholders. We achieve this by optimising our investment strategies, capital allocation, and operational efficiencies. This involves careful evaluation of market trends, investment opportunities, and cost structures. Additionally, we continuously assess and adjust our financial strategies to respond to market conditions, ensuring we take advantage of opportunities to deliver sustainable financial growth.

Global Reporting (GRI Standards)

We are committed to global transparency and accountability in our financial reporting. In line with the Global Reporting Initiative (GRI) standards, we provide comprehensive and standardised reports on our financial and non-financial performance. These reports cover a wide range of sustainability metrics, including social, environmental, and governance factors, offering stakeholders a clear picture of our operations. Our alignment with GRI ensures that we meet international expectations and demonstrate our dedication to responsible corporate practices.

Adhering to Domiciled Country Guidelines

As a responsible corporate entity, we strictly follow the regulatory guidelines of the countries where we are domiciled, including compliance with local regulations such as those set by the Central Bank (CB) and Colombo Stock Exchange (CSE). We ensure that all of our financial operations are in full compliance with the relevant national frameworks, maintaining a high standard of corporate governance, financial transparency, and operational integrity.

Safeguarding Company Assets

Protecting the assets of the company is of paramount importance. We have implemented a robust system designed to safeguard our financial, physical, and intellectual assets. This includes advanced risk management strategies, internal controls, and security protocols that mitigate financial and operational risks. We conduct regular audits and stress tests to ensure that our assets remain secure, and that we are prepared for potential market fluctuations or external disruptions.



Climate Reporting and Decarbonisation Efforts

In alignment with global sustainability goals, we are increasingly focusing on climate reporting and decarbonisation efforts. We track and report on our greenhouse gas emissions, energy usage, and efforts to reduce our carbon footprint. This is part of our broader commitment to sustainability, where we seek to reduce environmental impact, support the transition to a low-carbon economy, and enhance the resilience of our business to climate-related risks. Our climate reporting is integrated into our annual reports and reflects our ongoing dedication to meeting global sustainability standards.

Periodic reporting and sound investor relations

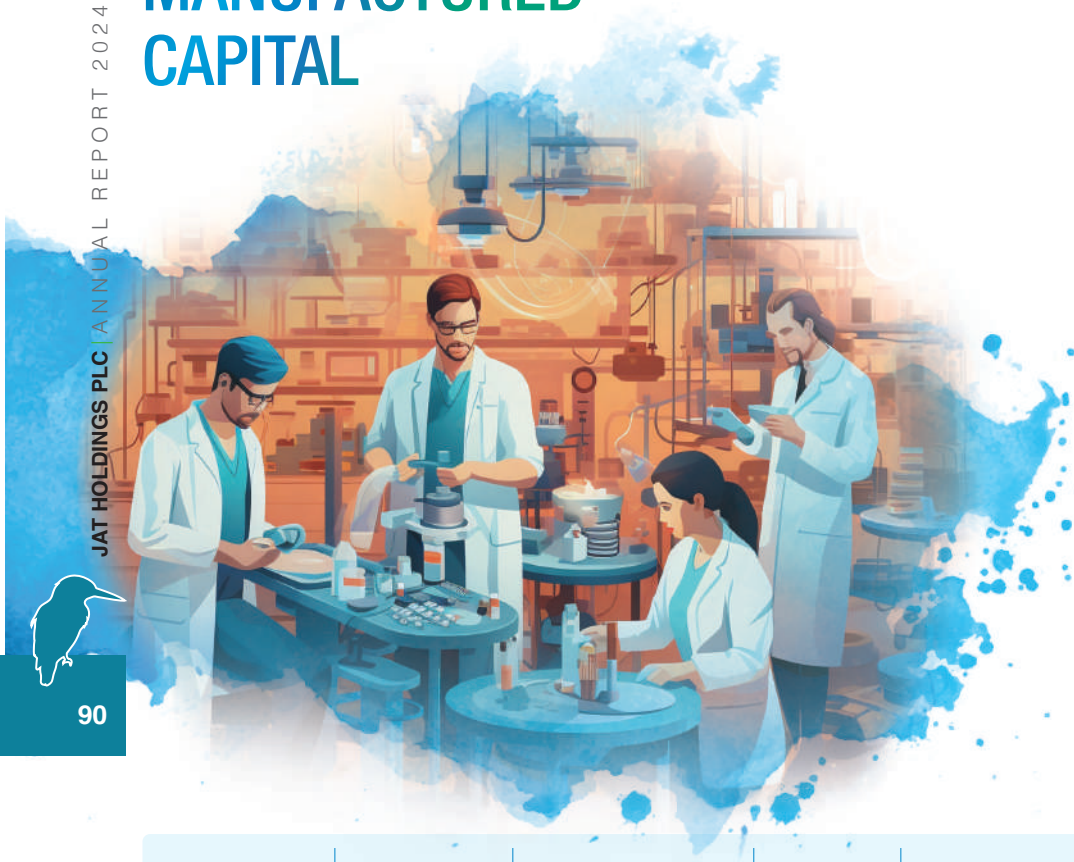
We provide comprehensive financial updates on a quarterly and annual basis to our stakeholders, ensuring that all financial capital activities are transparently reported. Our quarterly reports focus on short-term performance and trends, while our annual reports provide a detailed overview of the company's financial health, including long-term strategies, capital management, and risk mitigation efforts. The Annual reporting includes key performance indicators (KPIs), financial statements, and insights into how we are advancing our strategic objectives.

Through transparent quarterly and annual reporting, we remain accountable to our stakeholders, reinforcing our commitment to economic revival and long-term value creation.

Additionally we conduct quarterly investor relations gatherings for a target audience of our shareholders, and stock research analysts, enabling them access to the top management and affording them the platform to learn about our performance and plans in greater detail.

MANUFACTURED CAPITAL

Manufactured Capital



JAT's Manufactured Capital represents the physical infrastructure and production capabilities that are foundational to JAT's value creation journey. As Sri Lanka's premier paint manufacturer, JAT's state-of-the-art manufacturing facilities, technologically advanced R&D Centre, modern office premises, and owned showroom network collectively provide the operational strength and scalability required to support growth, innovation, and market leadership across Sri Lanka and beyond.

Key constituents of the capital	Modern manufacturing facilities in Sri Lanka and Bangladesh	R&D Centre with advanced capabilities at Sri Lanka Institute of Nanotechnology (SLINTEC)	State-of-the-art head office premises	Owned showrooms and retail spaces across strategic locations	Well-maintained distribution and logistics infrastructure	Digitally enabled production processes and machinery

Initiatives that drove capital augmentation	Upkeep of our premises and factories as per the highest standards	Total property, plant and equipment value **Rs. 3.6 Bn**
		Depreciation and amortisation during the year **Rs. 229 Mn**

CAPITAL RELATED RISKS AND OPPORTUNITIES

Risks

- Rising maintenance and operational costs
- Technological obsolescence of machinery
- Disruptions in production due to supply chain volatility, unavailability of repair materials, or limited access to technical support
- Regulatory changes affecting manufacturing standards
- Natural disasters or climate-related events impacting facilities
- Labour shortages or skill mismatches impacting production efficiency
- Currency fluctuations affecting import of machinery or raw materials

Opportunities

- Expansion of manufacturing capacity to meet growing demand
- Adoption of smart manufacturing technologies (e.g., IoT, automation)
- Enhancing energy efficiency to reduce costs and environmental impact
- Local production of key raw materials to reduce import dependency
- Leveraging facilities to enter new regional and global markets
- Upgrading facilities to comply with international green building standards
- Strengthening backward vertical integration to improve production control and margins

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

Employees

Operational expertise, adherence to safety protocols, and involvement in machinery maintenance are vital to ensuring efficiency, reliability, and long-term asset performance. Related employees are consistently trained on these aspects.

Suppliers and business partners

Suppliers and business partners play a critical role in manufactured capital by providing high-quality machinery, reliable after-sales and maintenance support, and raw materials that enhance the longevity and operational efficiency of production assets.

VALUE ADVANCED

Rs. 316 Mn savings generated through overall efficiencies

Lost man hours due to machine defects **< 5 man days**

Overall efficiency in Sri Lanka **89%**

Overall efficiency in Bangladesh **90%**

Contribution to UN SDGs

Link to our material matters

Product responsibility
Product innovation

Link to our strategy

Profitable growth

Innovation

The stature of JAT Manufactured Capital as of 31.03.2024	3 Production facilities	4 Tech centres and Experience centres	3 Warehouses	1 R&D Centre
New additions during the year	**1** Production facility (Acrylic binder manufacturing plant) in Horana	**1** Lifestyle Studio in Duplication Road, Colombo 4	**1** Showroom in Cambodia	**1** Showroom in Australia

Production Facilities



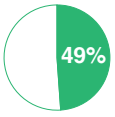
Manufacturing Plant in Kahathuduwa, Sri Lanka

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

Year established: 2003 **Book value:** Rs. 384 Mn

Plant extent: 38,000 sq ft **Production capacity:** 800,000 Liters per month, 150,000 brushes and rollers per month

Capacity utilisation:



Wood coatings and emulsion paints



Paint brushes and rollers

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

MANUFACTURED CAPITAL

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

Paint brushes

- Ordinary paint brushes
- Roller paint brushes

Fully automated production of brush heads with required machinery imported from Harris Brushes, with enhanced operational efficiency as well as reduced risk of attrition in specialised and skilled labour required for brush manufacturing

HIGHLIGHT FROM 2024/25

Strengthening backward vertical integration through local production production of previously imported raw material in both Sri Lanka and Bangladesh

Production Facilities



Acrylic Binder Manufacturing Plant in Horana, Sri Lanka

In 2024/25, JAT achieved a significant milestone in its profitable growth journey by opening its acrylic binder manufacturing plant in Horana. This state-of-the-art facility plays a pivotal role in the local production of key inputs for water-based wood coatings and emulsions, marking a major step in the backward vertical integration of JAT's manufacturing process and enhancing supply chain resilience and cost efficiency.

Core operations: Manufacture of acrylic binder which is the main raw material of producing water-based paints

Year established: 2024

Book value: Rs. 1.6 Bn

Plant extent: 31,037 sq ft

Production capacity: 75,000 Liters per month

Capacity utilisation:



67%

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

Key products manufactured:

Acrylic binder, which is the main building block and film-forming component in water-based wood coatings. It is a specially designed self-crosslinking polymer emulsion that provides higher durability, particularly for exterior wood coating applications

Production Facilities



Wood Coating Manufacturing Plant in Bangladesh

Core operations: Manufacture of wood coating products

Year established: In 2022

Book value: Rs. 308 Mn

Plant extent: 7,321 sq ft

Production capacity: 225,000 Liters per month

Capacity utilisation:



80%

Capabilities: ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018

Key products manufactured

- PU, UV and water-based coatings that meet international standards under the renowned Sayerlack and JChem brands

Production Facilities



Alkyd Resin Manufacturing Plant in Bangladesh

Core operations: Manufacture of alkyd resin

Year established: In 2024

Book value: Rs. 142 Mn

Plant extent: 910 sq ft

Production capacity: 90,000 kg per month

Capacity utilisation:



42%

Capabilities: ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018

Key products manufactured

- Resin alkaline used as the primary ingredient in the manufacturing of solvent based wood coating products which comprise approximately 80% of Bangladeshi paint market.

Research and Development Centre 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. 154 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

MANUFACTURED CAPITAL

JAT Experience Centres and Tech Centres



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 of Tech Centers: Moratuwa, Colpetty

Locations of Experience Centers: Thalawathugoda, Nawala

Consolidated book value: Rs. 32 Mn

Consolidated extent: 6700 sq ft

Staff strength: 11

Overseas showrooms: Cambodia, Australia, Maldives, Bangladesh

Highlight from 2024/25
Newest Lifestyle Studio opened in Colombo 04



In November 2024, JAT launched its flagship Lifestyle Studio at No. 28, De Vos Avenue, Colombo 04, a four-story, state-of-the-art space dedicated to premium office furniture, kitchens, wardrobes, and vanities. The studio brings together globally acclaimed brands such as Herman Miller, SEAFORM, OPPEIN, Colan, Dasso, Lifewood and Hormann offering customers a truly immersive experience.

Designed as a collaborative hub, it welcomes architects, interior designers, and homeowners to co-create beautiful, functional spaces. With the support of expert staff equipped with precise product knowledge, the JAT Lifestyle Studio blends innovation and elegance, redefining contemporary living in Sri Lanka.

Location: Colombo 04

Consolidated book value: Rs. 36 Mn

Consolidated extent: 12,087 sq ft

Staff strength: 10

JAT Head Office Premises



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

Year established: In 1993

Located at: No. 351, Pannipitiya Road, Thalawathugoda

Book value: Rs. 1.2 Bn

Total building extent: 63,246 sq ft

Total land extent: 44,875 sq ft

Warehousing Facilities – Sri Lanka



Core operations: Distribution points with secure storage facilities

Year established: 2003 **Book value:** Rs. 54 Mn

Consolidated capacity: 6,851 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, packing materials and finished goods

Kaduwela – non-paint items

Note: one finished good warehouse in Siyambalape which is outsourced from a third party

Warehousing Facilities – Bangladesh



Core operations: Distribution points with secure storage facilities

Year established: 2024 **Book Value:** Rs. 80 Mn

Consolidated capacity: 8,869 m3

Structure of warehousing facilities; Two Go-Downs namely (01 and 02) designated for storing raw materials and packing materials, ensuring the smooth transit of materials required for manufacturing at the Dhaka plant. Additionally, a finished goods warehouse is in place to store products and facilitate efficient distribution. Moreover, a dedicated area within the production floor is equipped with racking systems to temporarily store raw and packing materials, supporting quick and seamless manufacturing operations.

HOW OUR MANUFACTURING CAPABILITIES RE-ALIGNED TO PERFORM IN RESPONSE TO THE EMERGING MACRO-ENVIRONMENT

In response to dynamic economic and environmental conditions in Sri Lanka, JAT Holdings strategically recalibrated its manufacturing processes to remain agile, efficient, and aligned with national priorities.

Key initiatives included

Sri Lanka

- Automation of production lines (both semi- and fully automated) to reduce dependency on manual labour amid a tightening labour market
- Integration of lean methodologies, including 5S and Kaizen, to drive operational efficiencies, reinforced through performance-linked KPIs for relevant staff
- Implementation of ABC stock classification for raw and maintenance materials to ensure continuous operations without supply disruptions
- Introduction of JChem-One-Coat and Hydro+ considering prevailing economic conditions and consumer affordability

Bangladesh

In light of heightened market volatility in Bangladesh, JAT introduced an economy-range product; CoatEx to suit shifting consumer affordability. This move was strategically supported by in-house production of alkyd resin, enabling cost efficiencies and helping sustain gross profit margins despite stagnant finished goods prices.

MANUFACTURED CAPITAL



PRIORITISING SAFETY AT JAT'S MANUFACTURING AND WAREHOUSE PREMISES

At JAT, safety is a core operational priority, especially within our factory and warehouse environments. We are committed to fostering a culture of safety and ensuring maximum adherence to stringent internal safety protocols and national standards.

Our Safety Committee plays a central role in overseeing all aspects of workplace safety - including adherence to standards, identifying variances, and recommending remedial measures. During the year under review, several targeted initiatives were undertaken to strengthen our safety framework:

- Kaizen-based safety focus: We implemented the Kaizen methodology aligned to the SQDCM framework, with added emphasis on safety as a continuous improvement pillar.
- Workforce preparedness: Comprehensive training programmes were conducted to equip staff with first-aid skills and emergency response readiness.
- Fire safety readiness: The annual fire training and drill was conducted for JAT head office, all manufacturing sites. Employees representing all JAT operational facilities were given fire training during the year to enhance emergency preparedness. In addition, the critical fire safety infrastructure at our Kahathuduwa and acrylic binder manufacturing plants was regularly maintained to ensure optimal functionality.
- Proactive safety monitoring: Tiered observation walks were carried out by our EHS Officer, designated zone leaders, and factory management, promoting vigilance and early risk detection.
- Performance-linked safety metrics: Safety criteria have been formally embedded in the KPIs of factory management, reinforcing accountability and aligning safety outcomes with leadership performance.
- Advanced chemical safety measures: Special focus was placed on chemical storage areas, with the installation of an extensive secondary spill containment system and continuous temperature monitoring within areas containing raw materials with low flashing points. In the event of temperature breaches, an automated siren system triggers alerts, enabling immediate action.

ISO certifications in place

ISO 9001:2015 QMS

ISO 14001:2015 EMS

ISO 45001:2018 OHSMS

DRIVING OPERATIONAL EXCELLENCE THROUGH LEAN THINKING



Our manufacturing, engineering, R&D, and technical teams work in unison to drive operational efficiency through the adoption of lean practices and continuous improvement strategies with the support and consultation of the Company process excellence division. We have a strong pool of 15 employees trained under the Green Belt – Lean Practitioner Certificate Course, aimed at building internal expertise in waste minimisation and capacity enhancement.

These trained professionals contributed through two main avenues:

- Project Implementations:
  - **Large projects:** Focused on major investments, ensuring alignment with efficiency goals and delivering measurable cost savings.
  - **Kaizen Projects:** Smaller, low-cost or no-cost initiatives implemented across operations
- Knowledge Sharing:

Structured training programmes and internal capacity building efforts ensured that lean practices were cascaded across teams, amplifying impact and embedding a culture of operational excellence company wide.

HUMAN CAPITAL

Human Capital



At JAT, Human Capital is regarded as a core driver of sustainable value creation, reflecting the competencies, capabilities, experience, and motivation of our people. We understand human capital as encompassing the individual and collective knowledge, skills, innovation capacity, and personal well-being of our employees, as well as their alignment with our organisational values, ethics, and culture.

We continue to invest in enhancing employee potential through structured training, performance-based development, and inclusive workplace practices. Our efforts to foster a motivated, skilled, and future-ready workforce are key to maintaining our leadership in the wood coatings and paint industry, while also supporting our broader strategic ambitions and sustainability goals.

Key constituents of the capital	Employees skills and competencies	Training and development	Talent attraction and retention	Leadership and management capability	Organisational culture and values
Initiatives that drove capital augmentation	Focus placed on employee development, whilst continuing the employee engagement initiatives that were formalised in the prior financial year				

CAPITAL RELATED RISKS AND OPPORTUNITIES

Risks

- Brain drain and migration of trained professionals
- Talent retention challenges in a competitive manufacturing and retail environment
- High dependency on skilled labor for customer-facing technical services
- Safety and health risks in manufacturing and onsite operations
- Resistance to cultural or technological change during transformation initiatives
- Rising HR costs impacting margins if not managed strategically
- Risk of low employee engagement or morale due to economic volatility

Opportunities

- Enhancing employer brand by promoting dignity in skilled trades
- Leveraging digital tools for HR management and training delivery
- Creating value through inclusive and diverse workforce policies
- Building a loyal workforce through structured career paths and recognition programmes
- Driving innovation through employee empowerment and idea-sharing platforms
- Improving productivity through health, safety, and well-being programmes
- Positioning JAT as a sector leader in human capital development

HUMAN CAPITAL

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

GRI 3-3

Employees

Employees, as the key stakeholder group linked to human capital, are managed by JAT through structured talent development, inclusive engagement, and performance-driven recognition. The company invests in continuous upskilling, particularly for technical roles, while fostering a culture of respect and dignity. Open communication, safety measures, and career progression pathways ensure sustained motivation and alignment with corporate goals. The company is also committed to promoting gender balance across its workforce.

VALUE ADVANCED

Rs. 3.5 Mn
pre-tax profit per employee

Rs. 1,059 Mn
paid as expenses to employees

70
promotions to the staff during the year

Rs. 7.3 Mn
invested in training and development

Contribution to UN SDGs

Link to our material matters

Managing talent
Employee health and safety
Corporate reputation
Adequacy of production capabilities
Compliance and good governance

Link to our strategy

Nurturing talent

Profitable growth

MANAGEMENT APPROACH

At JAT the management of human capital is guided by a clearly defined HR Philosophy, grounded in the company's core values of deep business knowledge, leadership at every level, customer-centricity, and a commitment to continuous improvement and innovation. The Human Resources function operates as a strategic business partner, playing a central role in aligning people capabilities with the company's vision and mission.

This philosophy is built upon three core pillars:

- Talent empowerment – enabling individuals to lead from every level through knowledge sharing, skills development, and recognition.
- Customer-centric capability building – ensuring that employees are equipped to deliver superior customer satisfaction through targeted training and performance management.
- Innovation-driven culture – fostering an environment that promotes continuous learning, process improvement, and creative problem-solving.

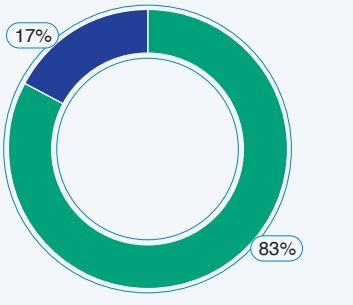
The HR function maintains a full set of HR policies and procedures that comply with ISO 9001:2015 standards and are aligned with industry best practices. These policies promote inclusive employment and create an environment that values dignity, mutual respect, and employee well-being.

THE JAT POWER – TEAM PROFILE

GRI 2-7, GRI 405-1

The JAT Team is powered by 509 dynamic individuals who represent the company's greatest strength. As an equal opportunity employer, JAT is committed to a merit-based culture that upholds fairness and inclusivity across all dimensions, gender, age, religion, ethnicity, and more, ensuring a respectful and supportive work environment for all.

Employment Type %



All employees are recruited through formal appointment contracts, underscoring the voluntary nature of employment and JAT's zero tolerance for coercion or forced labour.

Even outsourced personnel, such as security staff are sourced from reputable agencies that guarantee ethical conduct

and role-specific awareness. JAT also ensures full legal compliance in all employment practices, with every team member authorised to work under the applicable regulatory framework.

Employees by Gender, Contract and Region

Region	Gender Representation		Employment Type	
	Male	Female	Permanent	Contract & Trainee
Western	258	86	279	65
Southern	14	1	11	4
North Western	16	0	16	0
Central	15	0	13	2
Sabaragamuwa	15	1	10	6
Northern	2	0	2	0
Eastern	3	0	3	0
North Central	5	0	1	4
Uva	6	0	5	1
Bangladesh	83	4	81	6
Total	**417**	**92**	**421**	**88**

- All our employees are engaged on a full-time basis.
- 83 % of our employees are engaged on a permanent basis while the remainder is engaged on a contract or trainee basis for sales and non-critical functions.
- We promote regional economic empowerment by making every effort to recruit employees from the communities surrounding our operational bases.
- 52% of staff based in Sri Lanka are recruited from areas outside of Colombo thereby promoting regional development and employment opportunities across the country.

Employees by Contract and Gender

Employment Type	Male	Female
Permanent	348	73
Contract & trainee	69	19
Total	**417**	**92**

Employees by Staff Category, Age and Gender

Staff Category	18-30 years		31-55 years		55 years above		Total			
	Male	Female	Male	Female	Male	Female	Male	%	Female	%
Senior Management & above	0	1	26	4	1	0	27	84	5	16
Management	8	5	79	14	1	0	88	82	19	18
Executive	85	34	84	13	1	0	170	78	47	22
Non-executive	58	6	68	14	6	1	132	86	21	14
Total	**151**	**46**	**257**	**45**	**9**	**1**	**417**	**82**	**92**	**18**

TALENT ATTRACTION, RETENTION AND TURNOVER

GRI 401-1

JAT's recruitment policy is geared towards attracting individuals with the right skills, expertise, and mindset through a fair and transparent selection process that promotes equal opportunity. While we prioritise internal candidates to support career advancement and internal mobility, new talent is also brought in as needed to strengthen our capabilities and drive innovation.

Like many in the industry, we experienced challenges in employee retention during the year, influenced by broader labour market and migration trends. To address this, we enhanced our talent acquisition and retention strategies, focusing on employer branding, meaningful career development, and a positive work culture. As a result, we successfully met our workforce requirements while offering employees roles that are both impactful and rewarding.

HUMAN CAPITAL

Workers who are not employees

GRI 2-8

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. Furthermore, the Company engages workers on a temporary basis via manpower companies. Given the relatively short tenure of service of these employees, and as they do not form a part of the permanent employee cadre of the Company, information pertaining these workers are also not tracked.

Team movement snapshot

Resignations	119
Recruitments	158
Promotions	70
Staff redeployments	02
Attrition rate	24%
Retention rate	75%



Integrated Talent and Culture Strategy

Aligned individual career aspirations with organisational goals and objectives

Fostered a distinct corporate culture by enhancing employee engagement and involvement

Assessed employee competencies and provided tailored training to meet specific development needs

Adjusted remuneration and benefits packages to remain competitive with current market trends

RECRUITMENTS AND TURNOVER

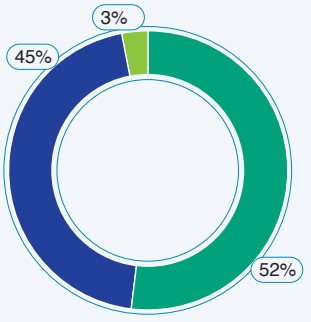


Region	Recruitment	Turnover
1 Western	77	63
2 Southern	11	8
3 North Western	13	5
4 Central	10	14
5 Sabaragamuwa	8	6
6 Northern	3	4
7 Eastern	3	3
8 North Central	5	1
9 Uva	5	3
Bangladesh	23	13
Total	**158**	**120**

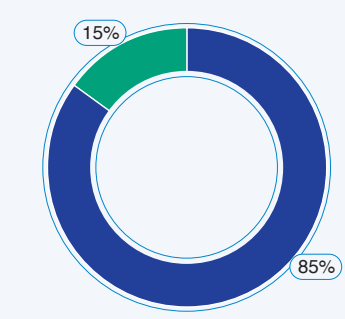
Recruitment by Age and Gender

Age Category	Male	Female
Under 30 years	71	15
Between 30-55 years	62	9
Over 55 years	1	0
Total	**134**	**24**

Recruitment by Age



Recruitment by Gender

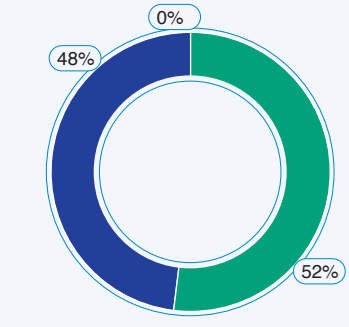


Turnover by Age and Gender

Age Category	Male	Female
Under 30 years	46	17
Between 30-55 years	44	13
Over 55 years	0	0
Total	**90**	**30**

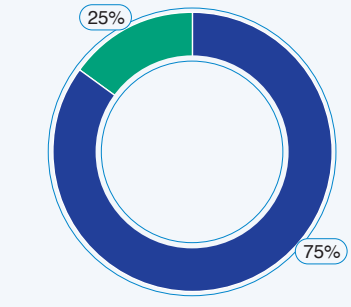
Turnover by Age

%



Turnover by Gender

%



EMPLOYEE BRAND BUILDING

During the year, JAT Holdings strengthened its employer brand through strategic engagement with the next generation of professionals. In partnership with NSBM University, we conducted an employee brand-building initiative that reached 50 undergraduates. Through interactive sessions focused on real-world corporate insights and managerial best practices, we inspired students to become future-ready professionals. This initiative positioned JAT as a preferred employer among academically qualified individuals preparing to enter the workforce.

In addition, JAT actively participated in career fairs hosted by leading universities across the country, enabling us to connect with high-potential talent and expand our future talent pipeline.





STRENGTHENING REMUNERATION AND REWARDS

GRI 3-3, GRI 401-2

JAT offers a transparent, fair, and performance-driven remuneration framework designed to attract, retain, and motivate top talent. Compensation is benchmarked against industry best practices and is free from gender bias, with a 1:1 basic salary ratio between men and women. All permanent employees receive a fixed salary along with a variable pay component linked to performance, while a comprehensive range of statutory and additional benefits further supports employee well-being and engagement.

HIGHLIGHTS

During the year all employees' salaries were increased to align with the current market conditions

Total employee expenses for the year 2024/25 – Rs. 1,059 Mn

Full list of rewards and benefits offered

Guaranteed Pay and Allowance
- Salary

Variable Pay
- Overtime

Sales incentives
- Performance based bonuses

Reimbursable expenses
- Fuel
- Vehicle allowances
- Food and accommodation

Welfare benefits
- Death donation
- Medical insurance (Enhanced covers for additional illneses introduced during 2024/25)
- Wedding gift
- Paternity Leave

Retirement benefits
- EPF
- ETF
- Gratuity

HUMAN CAPITAL



PERFORMANCE MANAGEMENT

GRI 404-3

JAT fosters a high-performance culture where employees are evaluated and rewarded based on clearly defined expectations and outcomes. All eligible employees undergo annual performance appraisals aligned with pre-established Key Performance Indicators (KPIs), fostering a fair and objective assessment process that supports recognition, motivation, and development.

Developments introduced during the year

In 2024/25, the performance management process was significantly enhanced through the integration of a Human Resource Information System (HRIS), which enabled greater efficiency, consistency, and transparency across the system. For the first time, individual performance was formally evaluated through a digital platform as a distinct component, marking a key milestone in strengthening accountability and ownership at all levels.

Under the new structure, performance-based rewards for executive staff are determined through a holistic framework that considers company-wide performance, divisional outcomes, and individual contributions. For non-executive staff, incentives are linked to the achievement of overall company targets, reflecting their level of influence in strategic decision-making. This differentiated approach ensures fairness while aligning performance rewards with the philosophy of role-based impact within the organisation.

JAT performance management cycle



Percentage of Staff Receiving Regular Performance Appraisals

Staff Category	Male	Female
Senior management & above	100%	100%
Management	100%	100%
Executive	100%	100%
Non-executive	100%	100%

STRENGTHENING TRAINING AND DEVELOPMENT SECURITY

GRI 404-1, GRI 404-2

JAT's learning and development strategy is centred on equipping employees with the capabilities needed to fulfil the JAT promise, while supporting individual growth and strategic business needs. Skill and knowledge gaps are identified through structured dialogues between employees and supervisors, particularly during the annual performance appraisal cycle.

In 2024/25, training and development initiatives were significantly enhanced, focusing on three key areas:

Customised soft skills training:
Department-specific programmes were curated to swiftly address unique skill gaps and enhance role effectiveness.

- Team development trainings for departments like finance, marketing, R&D, administration and HR
- Executive development training programmes focusing on executive grade employees



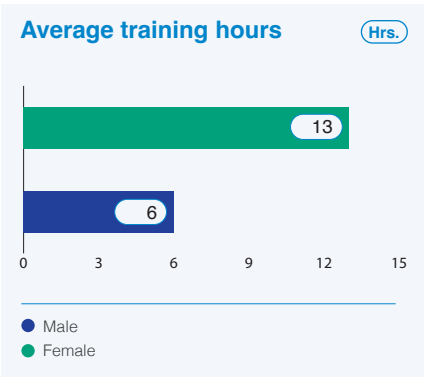


Technical training: Organisation-wide programmes ensured consistency in quality, addressing technical competency gaps critical to operations and product delivery.

- Harris international painter training programme for employees
- 20 trainings for newly joined employees in technical, showroom and sales departments

Future leaders programme:
A flagship leadership initiative that identified 25 high-potential employees across various levels, selected on merit through a rigorous process involving the CEO and departmental leadership. Participants underwent 12 structured leadership interventions, including coaching and sessions led by internal and external experts.

Average training hours

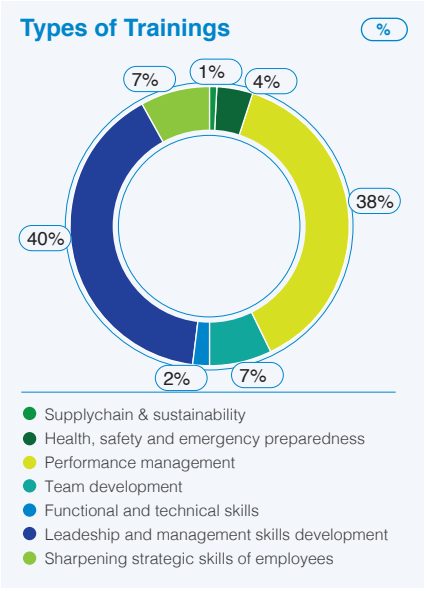


Average training hours per category

Staff Category	No. of Employees	Average training hours per employee
Senior management & above	32	13
Management	107	8
Executive	217	7
Non-Executive	153	7

HUMAN CAPITAL

Time spent on types of training areas



Type of training	Total hours	Time spent as a percentage
Supply chain & sustainability	80	1%
Health, safety and emergency preparedness	306	4%
Performance management	2645	38%
Team development	501	7%
Functional and technical skills	135	2%
Leadership and management skills	2773	40%
Sharpening strategic skills of employees	576	8%

EMPLOYEE HEALTH AND SAFETY

GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10

At JAT the safety and wellbeing of our employees form the foundation of our operational philosophy. Aligned with our theme of promoting a healthy workforce, our approach to occupational health and safety is systematic, proactive, and aligned with global best practices. Our Occupational Health and Safety Management System (OHSMS), which adheres to ISO 45001:2018, covers all employees across our operations in Sri Lanka and Bangladesh. These initiatives also help us assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks.



1 Strong governance and policy framework

We maintain a comprehensive Occupational Health and Safety Policy, integrated within our ESG policy and made accessible to all employees via the company intranet. Oversight is provided by a dedicated Safety Committee, chaired by the Assistant General Manager – Manufacturing, and advised by the Company EHS Officer. The committee includes HR managers, factory supervisors, and departmental heads, and reports quarterly to the General Manager – HR. Employees are encouraged to bring up their concerns through the EHS officer or the divisional supervisors.

All major accidents are to be escalated to the CEO and Managing Director, ensuring leadership accountability and transparency. During the year, there haven't been any major accidents.

2 Risk management and compliance

In FY 2024/25, the focus was placed on accident minimisation, with routine safety risk assessments conducted to proactively identify and address hazards. Key initiatives and outcomes included:

- Compliance with ISO 45001:2018 standards
- Reporting of 5 minor accidents and 1 moderate accident, with no fatalities
- Revised and visually enhanced safety signage across all premises in Sinhala and English both

- Enhanced visitor safety guidelines
- Improved kitchen hygiene standards

Additionally, location security is outsourced to reputed agencies, ensuring professional oversight without any reported human rights violations.

3 Training and capacity building

Health and safety training remains central to our employee development agenda:

- EHS induction is a mandatory component for all new recruits
- Continuous first-aid training and fire drills are conducted, supported by a well-trained internal response team
- An Emergency Preparedness and Response Manual is available to all employees
- Ongoing capacity building for emergency response strengthens readiness at all levels





4 Workplace wellbeing and preventive care

We actively promote a safe and healthy working environment through:

- Timely provision and proper usage of personal protective equipment (PPE)
- Structured committee meetings to identify and address emerging risks
- Duly renewed fire safety certifications
- Efforts to build employee resilience and coping capabilities through workplace wellness initiatives
- Annual medical check-ups for factory employees focused on lung function and audiometric testing and continuous monitoring on individual employees
- Regular updating of emergency preparedness and response plan, keeping it simple for the better understanding of employees at all levels which highlights the approach of preventing and minimising safety and health impacts due to company operations as well as natural disasters



5 A culture of safety

At JAT, safety is not just a compliance requirement—it is part of our culture. Major accidents are formally reported to the CEO and Managing Director, underscoring the seriousness with which we treat safety matters. With well-defined roles, regular oversight, and a focus on education and preparedness, we continue to strengthen our safety culture, ensuring every employee returns home safely each day.

Regardless of the positions held by employees or the type of employment, the company is committed to providing a safe work environment for those who are working in our business operation. During the year the Company's manpower workers who are not employees, but work is controlled by the company have been covered through the occupational health and safety management system of the company.



FY	No. of health and safety incidents	Lost working hours
2020/21	10	103
2021/22	10	391
2022/23	4	12
2023/24	8	57
2024/25	5	24

Through the annual medical check-ups company monitors employees regarding the occupational ill health. During the year no cases were reported.

EMPLOYEE ENGAGEMENT AND WELL-BEING

At JAT, we believe that a motivated, connected, and cared-for workforce is central to sustaining high performance and nurturing a strong organisational culture. Throughout the year, we implemented a variety of employee engagement initiatives designed to foster camaraderie, boost morale, and enhance overall well-being.

Erabadu Wasanthaya: The Avurudu Celebration



HUMAN CAPITAL

The JAT Erabadu Wasanthaya 2024 celebration was a vibrant showcase of heritage and camaraderie. All employees participated in traditional games and events, dressed in the customary Sarong/Lungi, truly embodying the spirit of the Sinhala and Tamil New Year.

JAT Kids Fest

JAT successfully celebrated Children's Day 2024, honouring the children of its dedicated employees. Held at the head office, the event fostered a warm sense of community as personalised gift bags, tailored to different age groups, were presented to parents. The initiative aimed to make each child feel valued, combining educational and entertaining items. The event was well-received, with smiles and gratitude reflecting its success. JAT takes pride in having created lasting memories and remains committed to continuing this tradition in the years ahead.



JAT Fitfinity - Pekoe Trail (Deltota to Lulkandura): Strength, Resilience & Team Spirit in Action

At JAT, we believe that a strong workforce begins with a healthy body and a strong mind. Through our JAT Fitfinity initiative, we are committed to fostering fitness, wellness, and teamwork - helping our employees push their limits while building stronger bonds. This time, our team took on Stage 2 of the Pekoe Trail (Deltota to Lulkandura), navigating breathtaking landscapes while embracing the power of collective strength. Every step reinforced the values we stand for - perseverance, collaboration, and well-being.



Kahoot - a series of quizzes

As part of our employee engagement and development initiatives, we organised a series of four interactive Kahoot sessions. These were designed to enhance learning, foster team spirit and create an enjoyable, interactive atmosphere among employees. Covering a range of topics relevant to both professional and personal growth, the winners were recognised and rewarded, reinforcing our commitment to building a motivated and high-performing workforce.



Business commencement day

Welcoming the new year with renewed determination and ambition, our annual business commencement ceremony was held on January 2025. The event commenced with an inspiring address note by our Founder and Managing Director, Aelian Gunawardene who set the tone for the year ahead. The ceremony consisted of a traditional Sri Lankan brunch, fostering camaraderie and shared enthusiasm among colleagues.



JAT Christmas celebrations

JAT marked 2024 festive season with a series of meaningful celebrations. The festivities began with a spirited office decor competition, fostering camaraderie and creativity. Emphasising the spirit of giving, employees visited a children's home, sharing gifts and creating joyful memories. The celebrations concluded with a vibrant employee gathering, bringing the team together for an evening of music, food, and festive cheer.



EMPLOYEE RECOGNITION

JAT Excellencia 2024: A Night of Celebration and Recognition

JAT hosted its annual Excellencia event, celebrating outstanding employee performance and contributions to the Company's success. Attended by over 400 team members, management, and special guests, the event featured inspiring recognition moments and vibrant entertainment, including performances by both staff and renowned artists. Excellencia continues to serve as a powerful motivator, reinforcing a culture of excellence and aspiration.



LISTENING TO OUR EMPLOYEES

As part of our ongoing commitment to employee engagement, JAT conducted a comprehensive Happiness Survey during the year. The survey covered key areas such as job satisfaction, workplace culture, communication, and career development. We were pleased with an impressive participation rate of 75%, reflecting the strong trust and engagement of our team.

The transparency of the survey process was a key focus, and the findings were shared openly with all employees. The CEO addressed the entire company during a town hall meeting, where the survey outcomes were presented, and clear action plans for future improvements were outlined. This initiative provided valuable insights into employee sentiment and reinforced our commitment to continuous dialogue and a positive work environment.

DRIVING STRENGTH IN DIVERSITY AND INCLUSION

GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 406-1, GRI 408-1, GRI 409-1

At JAT, we are committed to fostering a diverse and inclusive workplace, where all employees are valued and treated equitably. Our policies and practices are designed to ensure fair employment and compensation based solely on merit, irrespective of gender, race, religion, or other characteristics. We actively promote a culture that eliminates any form of discrimination.

To further this commitment, JAT has implemented proactive measures that support women's career advancement and work-life balance. Throughout the year, we carried out several initiatives aimed at empowering women, including special programs in commemoration of International Women's Day. We continue to offer equal opportunities for all employees, regardless of gender, at every level of decision-making.

Key initiatives include:

- Merit-based career progression: All career development programs are designed around meritocracy, where gender is never a barrier to career advancement.
- Policies supporting gender parity: Clear and well-implemented policies guide gender equality, ensuring fairness throughout the employee lifecycle.
- Expanding opportunities for women: We have actively opened traditionally male-dominated roles to women, promoting a more diverse and inclusive workforce.
- Flexibility for mothers: We offer additional flexibility for pregnant employees and new mothers, fostering an environment of support.

In 2024/25, we are proud to report that there were no incidents of discrimination, reinforcing our ongoing commitment to a respectful and inclusive workplace culture.

Policy support driving gender diversity

Anti-harassment Policy	This policy ensures that employees are treated fairly in an environment free of intimidation and harassment. All complaints of harassment including any unwanted, uninvited behaviour of a sexual nature 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.
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

HUMAN CAPITAL

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. The 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 labour during the reporting period. Eventually, this policy aims to eliminate discrimination, bias, and prejudice thereby promoting an environment of equal opportunity and diversity.
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.

Gender representation by grade

Staff Category	Male (%)	Female (%)
Senior Management	84	16
Management	82	18
Executive	78	22
Non-Executive	86	14

Promotions by gender

Gender	%
Male	80
Female	20

BASIC SALARY BETWEEN WOMEN AND MEN

GRI 405-2



PARENTAL LEAVE

GRI 401-3

company's maternity and paternity leave policy enables the maternity and paternity rights under National legislations.

	Male	Female
Employees entitled to parental leave	3	2
Employees that took parental leave	3	2
Number of employees that returned to work in the reporting period after parental leave ended	3	2
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	3	2

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.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI 2-30, GRI 402-1, GRI 407-1

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 a notice period ranging from 4 weeks to 12 weeks regarding any significant operational changes, based on the magnitude of the change. Moreover, all employees are being updated on all major operational changes through investor relations presentations which are updated to the Company website on a quarterly basis.

EMPLOYEE RESILIENCE AND COPING

At JAT, we prioritise 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.

EMPLOYEE SHARE OPTION SCHEME

The JAT ESOP rewards and retains key employees by offering ownership in the company, aligning their interests with organisational goals. It incentivises performance, provides potential financial gains through share value appreciation, and enhances long-term commitment. The plan fosters a sense of ownership, motivation, and participation in the company's success.

INTELLECTUAL CAPITAL

Intellectual Capital



At JAT, Intellectual Capital forms the backbone of our competitive advantage and long-term growth. It encompasses the strength of, among other things, our brand equity, organisational know-how, tacit knowledge, technical expertise, and the deep R&D capabilities that have positioned us as a market leader in the region. Collectively, this intellectual capital powers our strategic pillars, from innovation and digitalisation & operational excellence to profitable growth, enabling us to deliver consistent value across stakeholders.

Key constituents of the capital	Brand value	Brands portfolio	Market leadership	Research and Development	Systems and processes powered by digital capabilities	Certifications	Organisational tacit knowledge	Awards
Initiatives that drove capital augmentation	Leveraged our strong brand reputation around JAT, exceptional product and service standards, and operational know-how to deliver a complete solution to our customer needs. Continued process improvements, quality certifications, and innovation through R&D, enabling us to remain the market leader in quality							

CAPITAL RELATED RISKS AND OPPORTUNITIES

Risks

- Loss of market leadership if competitors innovate faster or offer more cost-effective alternatives
- Dilution of brand value due to subpar customer experience or failure to adapt branding to evolving market needs
- Product cannibalisation or poor brand portfolio management weakening overall market share
- R&D capability gaps due to talent attrition or lack of funding for advanced research
- Obsolete systems and processes that slow down decision-making and operational efficiency
- Digital capability lags in areas like automation, data analytics, or cybersecurity, weakening competitiveness
- Knowledge drain due to employee turnover, leading to loss of valuable tacit know-how and best practices

Opportunities

- Strengthening brand value by expanding into international markets with high brand recognition
- Optimising brand portfolio to meet specific customer segments with tailored product lines
- Enhancing market leadership through sustained innovation and customer-centric solutions
- Maximising R&D capabilities to create premium, sustainable products meeting international standards
- System modernisation for greater operational agility and improved cross-functional collaboration
- Leveraging digital tools like RPA, AI and data systems to boost productivity and customer engagement
- Institutionalising tacit knowledge via structured training, documentation, and internal knowledge-sharing platforms

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

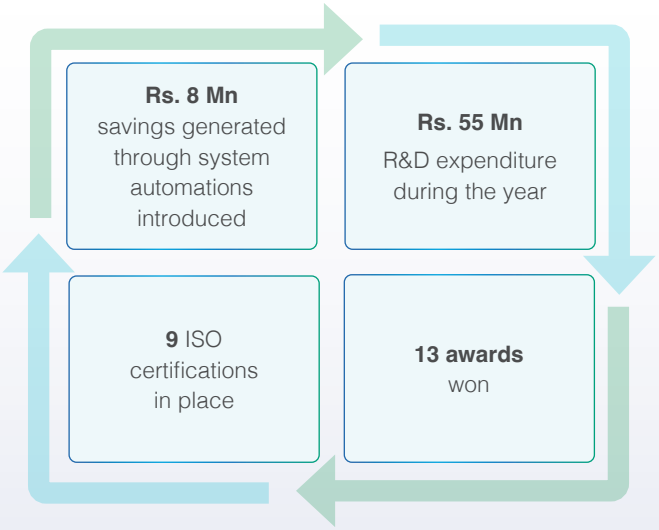
Customers

We enhance customer experience by delivering superior products, trusted brands, and innovative solutions, and is managed through continuous investment in R&D, brand stewardship, digital systems, and knowledge retention across the organisation.

Employees

We empower our employees through access to robust systems, structured processes, and organisational knowledge, and they are managed by fostering a learning culture, providing ongoing training, and encouraging innovation and knowledge sharing.

VALUE ADVANCED



Contribution to UN SDGs



Link to our material matters

Market leadership
Embracing technology
Compliance and good governance
Product innovation
Corporate Reputation

Link to our strategy

Innovation

Digitalisation & Operational Excellence

Profitable growth

BRAND VALUE AND BRANDS PORTFOLIO

GRI 2-6

JAT's brand strength is rooted in its ability to deliver high-quality products, exceptional customer service, and continuous innovation, earning widespread recognition both locally and globally. With a diverse portfolio of over 18 trusted brands across wood coatings, decorative paints, accessories, and furnishing products, JAT has established itself as a transformative force in the industry, known for enhancing spaces and setting benchmarks in quality and reliability.

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 three distinct price points under the sub brands, Harris Classic, Harris Budget, Harris Ultimate. Harris, recognised as the leading paint brush manufacturer in the UK, has a brand heritage that span over 90 years and was awarded the Royal Warrant by Her Majesty Queen Elizabeth II. Effective 1st September 2018 JAT has been appointed by Orkla House UK as its exclusive manufacturer, distributor, and marketer for Harris in Sri Lanka.

INTELLECTUAL CAPITAL

Paints, coatings and accessories	
BORMA WACHS	Reputed as a specialist in wood care, offering a range of products including wood putties and 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.
J CHEM	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 and its manufactured locally to cater the mid-tier segment and industrial market in Sri Lanka to deliver high quality products at a lower price.
BrushMaster බ්‍රුෂ් මාස්ටර්	One of the top paintbrush and roller brands available in Sri Lanka, that provides wide array of products 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 products feature flawless strokes, and the synthetic filaments are appropriately tipped to release paint evenly and smooth onto surfaces.
Masters	MASTERS 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 has further strengthened its market position in Sri Lanka.
Wallz	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.
KOLORZ by JAT	Kolorz by JAT Emulsion is a premium-quality paint designed to enhance both interior and exterior walls with a flawless, long-lasting finish. Its subtle, elegant low-sheen texture creates a smooth, sophisticated look, elevating the aesthetics of any space. Available in a rich palette of vibrant shades, Kolorz by JAT transforms your home into a bright, inviting haven, adding warmth and personality to every corner.
JAT Hydro+ PROFESSIONAL	Hydro+ Waterproofing Paint sets a new benchmark in exterior protection with its revolutionary UV-cross-linking Acrylic-PUD Technology. Engineered for superior performance, Hydro+ forms an advanced protective barrier against water, sun exposure, algae, and fungus—safeguarding exterior surfaces from the harshest elements. Its flexible film bridges hairline cracks to prevent water seepage, while its cutting-edge technology ensures outstanding dirt pickup resistance, keeping your walls cleaner for longer. Whether it's rain, heat, or humidity, Hydro+ delivers long-lasting, high-performance waterproofing like no other.
CoatEx YOUR COATING EXPERT	A locally developed PU wood coating brand tailored specifically for the value-driven, low to mid-tier market segment. CoatEx addresses a clear market need by offering durable, reliable, and cost-effective wood coating solutions.

Furnishing	
HermanMiller	An internationally renowned brand represented by JAT and recognised as the pinnacle of prestige in seating and office desking around the world. The offer of 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.
SEAFORM	A century-old brand known for unique modular kitchens and wardrobe designs, customisable offerings, and exclusive designs made to the highest quality German standards. A SEAFORM product integrates into the overall interior design through its highly customisable products, exclusive designs and handpicked materials while keeping the product quality and longevity in mind
OPPEIN	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 customisation, 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.
KNAUF CEILING Solutions	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 fibre, fiberglass, perforated metal, and perforated wood.
LIFEWOOD	The brand 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
HÖRMANN	The brand's specialised 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 carbonise the bamboo, removing all of the starch and sugar, and then restructuring the bamboo, reinforcing its natural strength and characteristics
colan	Colan offers luxury furniture to design interior projects at workplaces or at homes
BURG	German-made high-quality electric appliances for your luxury kitchens
schäfer Trennwandsysteme	The brand offers cubicle systems for partitioning in endless shapes and a range of colours

INTELLECTUAL CAPITAL

DRIVING OUR BRAND

During the year, we executed a wide range of brand-building initiatives and advertising campaigns tailored to evolving demographic trends. While the previous financial year saw significant marketing expenditure, efforts during the year under review were strategically moderated to capitalise on the returns of past investments. We also observed a shift in the consumer price pyramid, with high-value discretionary spending tapering off and a growing demand for value-for-money, economically priced paint products across all consumer segments. Our product innovation teams responded swiftly to this trend, developing relevant offerings, while our brand-driving efforts effectively positioned these products in the market through impactful and targeted campaigns. Examples include;



- Sayerlack initiated a comprehensive 360° awareness campaign to educate consumers, homeowners, painters, and retailers on the value of choosing the correct, high-quality wood coatings over cheaper, inferior alternatives that can lead to long-term problems.

The campaign also highlighted the 70 years of trusted assurance of Sayerlack and the creditability of the claim 'Prashna nathi ekama Wood Coating' (The only wood coating without problems) was further validated by the CATAS certification which Sayerlack have obtained for its water base coating systems attesting to its superior quality, durability, and ability to protect the wood.

- In addition to a comprehensive ATL strategy, the brand also drove BTL visibility through the branding of 110 dealer points across western province, which provides the largest sales base for the portfolio. Driven by these initiatives, the market share of waterbase wood coating rose significantly from 51% in November 2024 to 56% by March 2025.

- In line with the launch of J Chem One-Coat, a solvent-based wood coating solution which strategically addressed the demand for a product that delivers high-quality performance at an accessible price point, the brand initiated a trade activation targeting the Moratuwa market a key demographic for the new product. The initiative led to a sales value of LKR 10.7 Million, within 4 weeks.



- Following the 2023 launch of Harris Ultimate, featuring the revitalised global brand logo, consumer insights revealed a need to reinforce brand familiarity. In response, the brand launched the "Kauda Bole Me Harris" campaign, not only clarifying that all variants are from the same trusted brand, but also positioning Harris Ultimate as the hero product through a vibrant music video that included Classic and Budget. Embodying Harris Ultimate's modern and playful personality, the jingle was brought to life by the Gypsies, in an energetic rendition of their iconic hit "Kauda Bole Me Alice." This campaign strengthened brand recognition, ensuring a seamless transition to the refreshed identity while maintaining consumer confidence.





Leveraging the growing popularity of Black Friday Sales amongst the local market, WHITE by JAT launched a campaign targeting urban consumers seeking value-for-money solutions. Offering unmatched discounts, the four-day digital blitz leveraged owned media channels to drive traffic to our digital purchasing platform, maximising reach and engagement. This strategic initiative reinforced WHITE by JAT's commitment to delivering exceptional value and convenience to its growing customer base. The promotional period resulted in a sales volume valued at LKR 10 Million, with a return on ad spend of 16.6%.



To mark three decades of the legendary Aeron chair which is a global symbol of ergonomic excellence, the brand launched a special anniversary campaign offering an unprecedented price, with massive discounts, on the stalwart of design excellence.

The limited-time offer, which ran until 31 October 2024, was more than just a promotion but an invitation to experience the legacy of Herman Miller at an accessible price point. Through targeted communicate on, customers were encouraged to pre-order and secure the product which boasts of a legacy of comfort and performance that has defined the Aeron for 30 years. A total of 96 chairs were sold within just 4 weeks as a result and 70% of the lead generation could be attributed to this campaign.

Launch of Kolorz by JAT, a premium-quality paint designed to enhance both interior and exterior walls with a flawless, long-lasting finish. Its subtle, elegant low-sheen texture creates a smooth, sophisticated look, elevating the aesthetics of any space.





Identifying need base in the market, Hydro+ was launched to meet the demand for a high-quality weatherproofing product. Engineered with revolutionary UV-cross-linking Acrylic-PUD Technology for superior performance, Hydro+ forms an advanced protective barrier against water, sun exposure, algae, and fungus, safeguarding your surfaces from the harshest elements.



Launch of CoatEx, the new range of Polyurethane (PU) wood coatings designed to protect, enhance, and elevate wooden surfaces with an exceptional finish, for the Bangladesh market. CoatEx wood coatings are formulated for durability, ease of use, and long-lasting beauty, offering an elegant and robust protective layer for all types of wood, whether for residential or commercial applications. It includes PU Clear Basecoat, PU Clear Topcoat, PU Hardener, and Solvent-Based Stain.

INTELLECTUAL CAPITAL

BRAND BUILDING ACTIVITIES

Launch of JAT Lifestyle Studio



JAT marked a new milestone in Sri Lanka's design industry with the grand opening of its innovative JAT Lifestyle Studio at No. 28, De Vos Avenue, Colombo 04. A special ceremony was held to mark the official launch of the JAT Lifestyle Studio on the 29 November 2024.

Catering to the emerging premium ergonomic office furniture and branded bespoke luxury kitchens segment, JAT continues to set new standards in the industry, offering Sri Lankans unparalleled access to world-class interiors. The JAT Lifestyle Studio is a first-of-its-kind showroom in Sri Lanka, offering a curated selection of leading global brands that embody modern elegance and functionality.

Catering to the emerging market segment for bespoke luxury kitchens using international brands, the JAT Lifestyle Studio goes beyond a traditional showroom; it is the fruition of JAT's vision to bring global design excellence to Sri Lanka. Having exclusively partnered with internationally acclaimed brands like Herman Miller, SEAFORM, and OPPEIN, JAT is creating a space where functionality meets artistry – where customers can envision their interiors and make the right choices.

Harris International Painter Training Programme Series



Demonstrating our commitment to excellence beyond products, JAT launched the Harris International Painter Training Programme 2024 in collaboration with Orkla House Care UK and Harris. This comprehensive three-day initiative equipped key stakeholder groups including JAT employees, professional painters, and dealer network representatives, with advanced knowledge and practical skills in painting tools and techniques. Expertly led by Mark Parr (International Market Manager – Orkla House Care UK, L G Harris & Co Ltd) and John Green (Training Consultant – John Green Decor), the programme focused on product education, efficiency, and proper tool usage. With over 190 participants including internal staff, retailers and painters, the training reinforced our dedication to empowering our partners and delivering superior value to customers across the board.

Pintharu Abhiman 4th and 5th Convocations

The 4th and 5th JAT Pintharu Abhiman Convocations saw over 260 skilled painters receiving their NVQ Certifications. The programme has supported over 700 painters to procure this certification and, going beyond recognition, at the 5th Convocation we also prioritised the well-being of our valued painters by hosting our first-ever free medical camp, underscoring our commitment to providing continuous support to our key stakeholder group.

Pintharu Abhiman Workshops

JAT successfully conducted the first workshop of the second phase of JAT Pintharu Abhiman 2024 in Divulapitiya, Gampaha, with 125 skilled woodcraftsmen participating. This initiative enhances professionalism and technical expertise through practical training, reinforcing our commitment to empowering the painting community and elevating industry standards. Following this inaugural event the programme went on to conduct 7 more workshops in Kandy, Tangalle, Polonaruwa, Batticalo, Nuwara Eliya, Galle, and Colombo engaging over 1000 individuals.





JAT Loyalty Programme – Relaunch

The revolutionised JAT Loyalty Programme was relaunched in December 2024. Tailored to support painters, many of whom are daily wage earners, the programme now goes beyond traditional rewards, offering an insurance scheme and benefits that extend to their families which also provides coverage in the event of loss of income due to critical illness. Further to this, in recognition of the importance of education, the programme now offers the Sisu Waruna cash prize for children who excel in scholarship exams and the Sarasavai Athwela grant for those entering local universities. This initiative reinforces JAT's commitment to uplifting key stakeholders and strengthening long-term partnerships within the industry.





PRESENCE ON SOCIAL MEDIA

JAT maintains a dynamic and engaging presence across key social media platforms, including Facebook, Instagram, LinkedIn, and YouTube, to connect with a wide spectrum of audiences—from homeowners and painters to architects and designers. These platforms serve as powerful tools to reinforce brand visibility, showcase new products, share educational content, and drive customer engagement through targeted campaigns, ultimately strengthening JAT's brand positioning in the digital space.



Facebook	80.4K
YouTube	3.98K
Instagram	4.5K
Tiktok	1.7K
LinkedIn	41.8K







MARKET LEADERSHIP

JAT has established and sustained its market leadership by consistently delivering superior quality products, underpinned by rigorous quality standards and a commitment to innovation. Its strong affiliations with globally renowned brands have further elevated its credibility, allowing JAT to dominate niche segments within the coatings and furnishings industry, both locally and regionally.

SAYERLACK
INNOVATIVE WOOD SOLUTIONS

Sustained market leadership for over 20 years in wood care.
Sri Lanka's number 1 brand in Water Based Wood Coatings with a market share of 57%

Harris

BrushMaster
බ්‍රුෂ් මාස්ටර්

JAT is currently the market leader in the Brushes and Roller Industry in Sri Lanka, with a market share of 31%

INTELLECTUAL CAPITAL

WHITE by JAT and WALLZ in combination hold 9% market share within the White Paint segment

SEAFORM

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

RESEARCH AND DEVELOPMENT

As part of its commitment to innovation and a key objective of its Initial Public Offering (IPO), JAT invested in transforming its R&D capabilities by establishing a fully-fledged, state-of-the-art Research and Development Centre at the Sri Lanka Institute of Nanotechnology (SLINTEC) in 2022. Today, it stands as South Asia's leading R&D facility for paint-related innovation, enabling the production of European-quality coatings within Sri Lanka.

Equipped with cutting-edge technology and staffed by a team of eight highly qualified chemists and chemical engineers, the Centre focuses on:

- Polymer Processing
- Water-borne and Solvent-borne Wood Coatings
- Decorative Coatings
- Reverse Engineering
- Colour development

Further reinforcing its credibility, tests and evaluations are validated by globally recognised institutions such as CATAS, CALPOLY etc.

R&D Centre contribution to JAT's vision

- Support for product pipeline: The R&D Centre is driving a comprehensive new product roadmap, approved by top management, for wood coatings and emulsions over the next two years
- Product benchmarking: A structured, time-bound benchmarking plan is in place to compare JAT's offerings with competitor products, ensuring continuous improvement and market relevance
- Value engineering: Focused initiatives are being implemented to improve gross profit margins through smarter formulations and manufacturing efficiencies
- Raw material independence: Efforts are underway to reduce reliance on imported or third-party raw materials by developing alternative in-house solutions

Key initiatives conducted during the year

- Enhanced product quality focus: Dedicated efforts to elevate the quality of JAT's end products across key segments
- Advanced polymer characterisation: Introduced cutting-edge analysis techniques to optimise polymer manufacturing processes
- Improved binder performance: Conducted particle size analysis and minimum film-forming temperature (MFFT) testing to enhance binder quality and overall product performance
- Investment in specialised equipment: Acquired new machinery for advanced polymer characterisation to support in-depth research
- Wood coating innovation: Procured specialised lab equipment to support the development of superior wood coating solutions
- Emulsion paint advancements: Continued formulation improvements for both interior and exterior emulsions to meet evolving market needs

Investments in R&D

Rs. 55 Mn in operational expenses

Staff strength – 8 qualified chemists

New products enabled by JAT R&D during the year

- CoatEx polyurethane coating for Bangladesh
- Hydro+ water-proofing emulsion
- J Chem One-Coat wood coating for Sri Lanka
- Kolorz by JAT

SYSTEMS AND PROCESSES POWERED BY DIGITAL CAPABILITIES

JAT continues to uphold strong systems and processes that ensure seamless operations, high production standards, and a safe working environment. These systems are governed by clearly defined policies and manuals aligned with international standards, including ISO frameworks.

During the year, the IT team led several key initiatives under the ongoing Transformation Project, supported by a dedicated cross-functional team. These efforts aim to sharpen operational efficiency through digitisation:

- Enhanced data capture through Internet of Things (IoT) to track "Cost per Litre" and identify areas for efficiency improvement
- Deployment of a smart forecasting tool to improve inventory and production planning
- Seamless integration of the ERP system with warehouse management for accurate inventory records
- Automation of petty cash management, reducing manual handling and improving system integration
- Continued use of digital visiting cards, reinforcing paperless operations
- Workflow-based automation of the procurement process to streamline approvals
- System-generated customer and distributor invoicing with automated discount application for enhanced accuracy
- Full IT support for the new "Scratch and Win" loyalty programme, ensuring efficient customer data management and automated reward processing

These initiatives mark significant progress in embedding digital intelligence across the value chain, further driving operational excellence.

CERTIFICATIONS

The wide array of accreditations earned by JAT reflects our unwavering commitment to both product quality and the excellence of our processes. These certifications underscore the strength of our knowledge base and the rigour of our systems and practices. As a vital component of our intellectual capital, they enhance our credibility, support market expansion, and sustain our competitive edge. For the complete list of certifications covering our operations, please refer to page 21.

ORGANISATIONAL TACIT KNOWLEDGE

Tenure of service of the JAT team

Over 36% of our employees have been with JAT for more than five years, and around 18% have served for over a decade. This wealth of cumulative experience and institutional knowledge has been instrumental in sustaining our competitive advantage and contributing meaningfully to the broader growth of the industry.

Organisational structure

Since its inception, JAT's organisational structure has evolved sustainably, supporting strategic entry into related diversified sectors and new geographies across multiple continents. This expansion has enabled the Company to diversify its revenue streams and reduce dependency on any single product category or market. The agility of this dynamic structure (see page 14) proved particularly valuable during Sri Lanka's economic crisis, allowing the Company to maintain strong revenue generation through its international operations.

The JAT culture

JAT Holdings fosters a vibrant culture built on the pillars of innovation, collaboration, and empowerment, underpinned by an unwavering commitment to excellence and sustainability. At its core lies a spirit of bold thinking and a drive to challenge norms, encouraging every team member to explore new ideas and pioneer transformative solutions. Collaboration fuels our progress, as diverse teams unite to co-create value through shared insights and collective strength. Transparency and integrity form the foundation of our operations, cultivating trust and accountability across all levels. We champion a learning-oriented environment, offering continuous opportunities for personal and professional growth, equipping our people to navigate an ever-evolving landscape. Embracing diversity and inclusion, we value the richness that varied experiences and perspectives bring. At JAT Holdings, every voice matters, every contribution counts, and every individual is empowered to thrive.

Leadership and governance

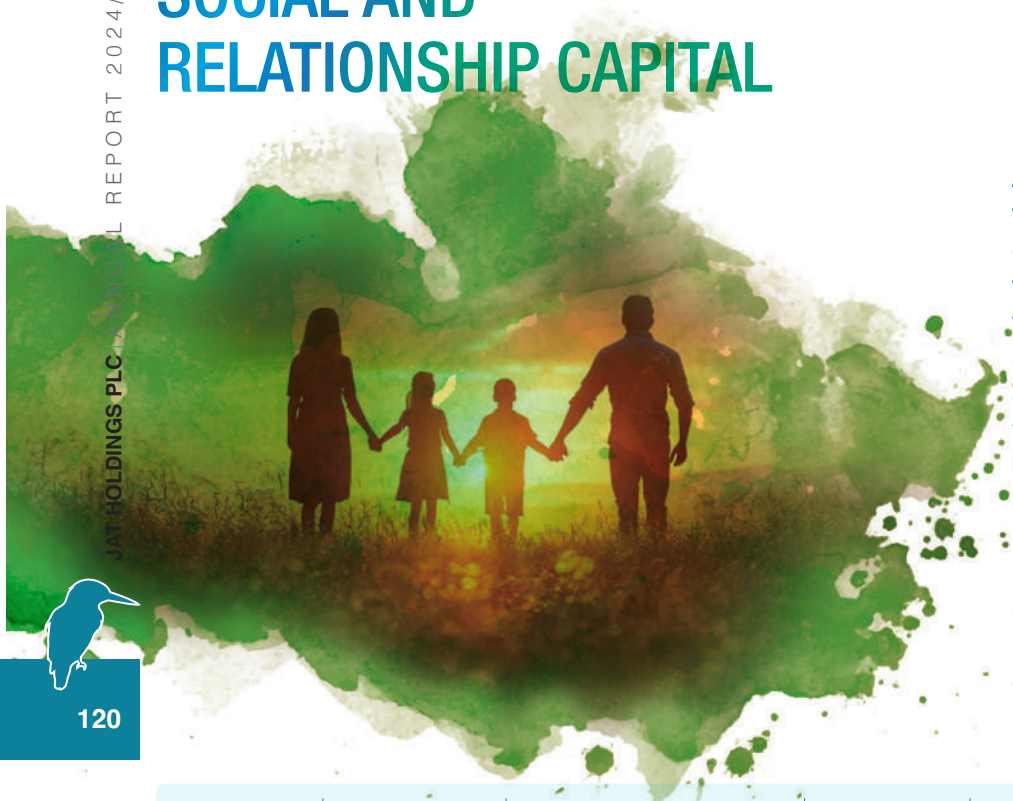
JAT's sustainable growth has been driven by the visionary leadership, collective expertise, and deep experience of our Board of Directors and senior management team, who operate with unwavering commitment to the highest standards of corporate governance and ethics. The Company's resilience in navigating recent macroeconomic challenges stands as a testament to the strength and foresight of this leadership.

AWARDS

Over the years, JAT has proudly received numerous awards across diverse performance areas, reflecting the balanced excellence we strive to uphold (page 20). These accolades have inspired our team to continually raise the bar, while significantly strengthening our brand's visibility, credibility, and appeal among a wide range of stakeholders. The recognitions earned during the year are a testament to the effectiveness of our strategic direction and further reinforce our standing in the market.

SOCIAL AND RELATIONSHIP CAPITAL

Social and Relationship Capital



At JAT, Social and Relationship Capital reflects the strength of our trusted partnerships with customers, suppliers, distributors, dealers, and the broader community. These relationships form the backbone of our business success and are built on mutual respect, reliability, and shared value creation. We continuously engage with our stakeholders to understand their evolving needs, foster long-term loyalty, and deliver meaningful impact-both commercially and socially. Our commitment to ethical business practices, transparent communication, and community upliftment helps reinforce JAT's reputation as a responsible and dependable corporate citizen.

Key constituents of the capital	Customers both retail and industrial	Value chain partners comprising dealers and distributors	Principals	Suppliers	Industry collaborations	The community we operate in

Initiatives that drove capital augmentation	We were very responsive to the emerging needs of our customers at our key geographies, and developed new products to meet such needs. We elevated our impact made through the JAT Pintharu Abhiman progamme, this year targeting the differently-abled painters

CAPITAL RELATED RISKS AND OPPORTUNITIES

Risks

- Shifting customer preferences – Risk of losing market share if evolving customer requirements are not met with timely innovation
- Reputational damage – Any environmental, product & service quality, ethical or social issues can impact trust among stakeholders
- Geopolitical and trade tensions – Operations in countries like Bangladesh, Africa, or Australia may face instability due to import/ export restrictions or political changes
- Supply chain disruptions – Delays or breakdowns in sourcing raw materials or distribution can weaken relationships with suppliers and customers
- Compliance with regulations – Failing to meet legal or social standards in different markets may lead to penalties and strained stakeholder relationships
- Loss of distributor/dealer loyalty – Without continuous engagement, exclusive support from long-standing partners may wane.

Opportunities

- Strengthening brand loyalty – Investing in customer experience and consistent product quality can build long-term consumer trust.
- Expanding through local partnerships – Collaborating with local distributors and retailers enhances market access and credibility in new regions.
- Driving sustainability and community goodwill – Active CSR and environmental efforts can enhance brand image and build stronger community ties.
- Dealer and influencer networks – Empowering and training dealers or industry influencers can broaden reach and reinforce product visibility.
- Innovating with customer insights – Leveraging customer feedback to develop products tailored to local needs increases relevance.
- Digital customer engagement – Using digital tools for communication, support, and marketing boosts relationship depth and responsiveness.
- Reputation as a responsible business – Being known for ethical business practices and stakeholder respect attracts new customers and partners.

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

GRI 3-3

Customers

JAT builds enduring customer relationships by consistently delivering high-quality, innovative products tailored to evolving needs. The Company invests in brand communication, after-sales service, customer loyalty programmes and digital engagement to enhance satisfaction and loyalty. Feedback mechanisms and market research are used to anticipate preferences and guide product development.

Suppliers and business partners

Strong supplier and dealer relationships are nurtured through fair procurement practices, long-term partnerships, and mutual growth opportunities. JAT ensures transparency, reliability, and ethical conduct in all dealings, supported by formal agreements and regular performance reviews. Capacity-building initiatives and joint marketing efforts further strengthen these partnerships.

Community

JAT's engagement with communities is anchored in its flagship initiative, JAT Pintharu Abhiman, which is dedicated to empowering the painter community together with their families and uplifting painting as a respected profession. Through skills certification, training, and recognition, the programme enhances the livelihood and dignity of painters while building a professional ecosystem.

Contribution to UN SDGs



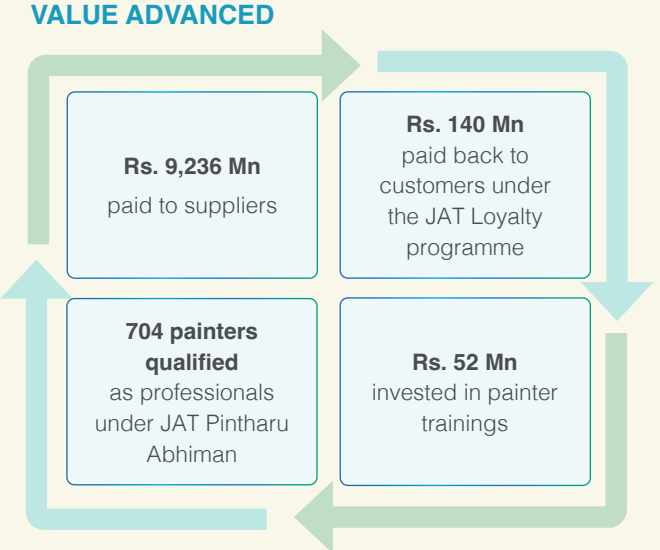
Link to our material matters

Market leadership	Ethical procurement practices
Product responsibility	Community empowerment
Principal relationships	Customer satisfaction
Corporate reputation	Compliance and good governance
Taxation	Product innovation
Managing GHG emissions	Impact of climate change

Link to our strategy

Profitable growth | **ESG considerations** | **Innovation**

VALUE ADVANCED



CUSTOMERS

Our customer profile

Homeowners
- Do-it-yourself (DIY)
- Delegation to professionals

Project owners
- Residential
- Commercial

Intermediaries
- Painters
- Distributors
- Dealers

SOCIAL AND RELATIONSHIP CAPITAL

POWERING OUR CUSTOMERS WITH INNOVATIVE AND MARKET RESPONSIVE PRODUCTS

GRI 2-6

In a year marked by significant market shifts and subdued consumer sentiment, JAT navigated a challenging environment shaped by declining consumer spending and stagnant construction activity. Demand across the industry softened, pressing the entire price pyramid downward, particularly impacting value and premium segments, as consumers gravitated towards more affordable options.

Recognising these dynamics, we undertook a tactical shift in our product and market strategy. While we have traditionally positioned ourselves as a premium brand, we adapted by introducing innovative, cost-effective product solutions that met evolving customer expectations without compromising on quality. This approach enabled us to remain relevant and responsive, empowering our customers even amidst difficult market conditions.

New product launches during the year

J Chem One-Coat

Recognising the unique needs of the industrial & retail furniture manufacturers, JAT introduced J-Chem One Coat, a solvent-based wood coating solution. This launch strategically addressed the demand for a product that delivers high-quality performance at a competitive price point. J-Chem One Coat simplifies the application process through its one-coat usage formulation, offering both ease of use and cost-efficiency without compromising on finish or durability. It has been specially designed for interior wooden surfaces, making it an ideal choice for carpenters and manufacturers seeking practical, reliable, and aesthetically pleasing results.



Hydro+

Identifying a critical market gap in Sri Lanka, JAT developed Hydro+, a high-performance waterproofing paint designed for the demands of tropical climates. Combining innovation and durability, Hydro+ offers superior protection for the exterior walls against damages that can cause due to extreme weather conditions, reinforcing JAT's commitment to delivering cutting-edge solutions tailored to regional needs.



Kolorz by JAT

A premium-quality paint designed to enhance both interior and exterior walls with a flawless, long-lasting finish. Its subtle, elegant low-sheen texture creates a smooth, sophisticated look, elevating the aesthetics of any space. Available in a rich palette of vibrant shades, Kolorz by JAT transforms your home into a bright, inviting haven, adding warmth and personality to every corner.



CoatEx in Bangladesh

A locally developed PU wood coating brand by Asia Coatings (Pvt) Limited (ACL), JAT's Bangladesh-based subsidiary, caters to the growing demand for affordable, high-quality polyurethane finishes in the low to mid-tier market. Offering durable and cost-effective solutions, CoatEx meets the needs of a wide range of customers, from carpenters to furniture manufacturers, delivering performance and accessibility without compromising on quality.



FURTHER SHARPENING OUR PRODUCT OFFERINGS

GRI 2-6

JAT entered into a Non-Disclosure Agreement (NDA) with the Sabaragamuwa University of Sri Lanka to collaborate on conducting a Life Cycle Analysis (LCA) aimed at standardising and benchmarking product life cycles in the Sri Lankan paint industry. This strategic partnership is expected to strengthen our commitment to environmental responsibility by enabling data-driven improvements in product sustainability and industry best practices.

DRIVING OUR BRAND AMONG OUR CUSTOMERS

GRI 2-6

We remained closely engaged with our customers through impactful campaigns, ensuring consistent brand visibility and offering products tailored to their evolving needs.

Kedella Construction Expo 2025

The wood coatings, paints, and brushes & roller categories participated in this event, which served as a valuable platform to showcase our innovative range of high-performance coatings and solutions while engaging with industry professionals, builders, and homeowners. Our presence at the expo reflected our continued dedication to quality, durability, and sustainable building practices across Sri Lanka's evolving construction landscape and cemented our role as a trusted partner in the construction and finishing solutions space.



Kedella Art of Living 2024

JAT marked a strong presence at the Kedella Art of Living 2024 exhibition, reinforcing our commitment to engaging directly with consumers through immersive brand experiences. As a platform that brings design, lifestyle, and innovation together, Kedella provided the ideal setting for JAT to showcase its premium product portfolio while fostering meaningful connections with customers. Our participation underscored the brand's continued focus on inspiring living spaces and driving customer-centric engagement.



Sayerlack Visibility Drive Retail

As part of our continued efforts to strengthen brand presence and drive top-of-mind awareness, JAT executed a focused visibility initiative for Sayerlack's 'Prashnanathi ekama wood coating' campaign. This strategic campaign identified 110 retail outlets across key locations, which were subsequently branded with Sayerlack's campaign identity. The initiative not only enhanced brand visibility at the point of sale but also reinforced Sayerlack's positioning as a premium wood coating solution in the minds of consumers and channel partners alike.



Bangladesh Wood Expo

Accelerating the JAT presence in Bangladesh , JAT ACL was prominently featured at the 8th Bangladesh Wood International Expo in Dhaka, showcasing its innovative wood coating solutions to a global audience. The event, which brought together over 100 international exhibitors, served as a key platform for networking, knowledge-sharing, and industry collaboration. As a leader in wood coating solutions, JAT ACL highlighted its cutting-edge, sustainable products, reinforcing its commitment to quality and innovation. Participation in this event further strengthened JAT's position as a key player in the region's wood coatings sector.



EXPANDING OUR PRESENCE; SERVING CUSTOMERS ACROSS SRI LANKA AND THE GLOBE WITH A PERSONAL TOUCH

GRI 2-6

Launch of JAT Lifestyle studio

JAT launched the JAT Lifestyle Studio in Colombo, marking a new era in contemporary living. This unique showroom showcases a curated selection of world-renowned global brands, focusing on modern, functional design. Specialising in bespoke luxury kitchens, wardrobes, and vanities, along with premium ergonomic office furniture, the studio is a first-of-its-kind in Sri Lanka. It reflects JAT's commitment to bringing global design excellence to the local market. The opening event was attended by prominent figures from JAT , MillerKnoll, SEAFORM, OPPEIN, and the architecture and interior

SOCIAL AND RELATIONSHIP CAPITAL

design communities, underscoring JAT's dedication to elevating modern living with innovative, high-quality solutions.



JAT Tech Centre in Cambodia

JAT proudly expanded its global footprint with the opening of the JAT Tech Centre in Cambodia. This strategic milestone reflects our commitment to innovation, excellence, and providing top-tier solutions across the region. By establishing this centre, we aim to enhance our capabilities, strengthen our expertise, and better serve our growing network.



Launch of SEAFORM showroom in Australia

SEAFORM proudly marked its entry into Australia with the Grand Opening of its Kitchen & Wardrobe Showroom in Perth, Western Australia — a spectacular celebration of innovation, design, and luxury living.

The event unveiled SEAFORM's exquisite range of luxury kitchens and wardrobes, highlighting exceptional craftsmanship, bespoke finishes, and cutting-edge technologies. Guests were immersed in an experience of unparalleled elegance and functionality, with each design showcasing SEAFORM's unwavering commitment to excellence and timeless style.



Asia Coatings (Pvt) Limited Official Website Launch

In a significant step towards enhancing its digital footprint and customer accessibility, JAT ACL officially launched its corporate website. This milestone marks a new chapter in brand visibility, stakeholder engagement, and market reach. The new website serves as a comprehensive platform to showcase JAT ACL's growing portfolio of wood coating solutions, highlight key achievements, and provide timely information for partners, distributors, and consumers across the region.



JAT Loyalty Programme – Revamped

In December 2024, JAT relaunched its Loyalty Programme to empower painters, many of whom are daily wage earners, by offering more than just traditional rewards. The newly designed programme introduces a tiered insurance scheme (Gold, Silver, and Bronze), rewarding painters based on their engagement and loyalty.

This revamped programme goes beyond incentives, providing not only financial protection through insurance that covers income loss due to critical illness but also supporting professional growth and family welfare. Additionally, JAT is reinforcing the value of education with the introduction of the SISU Waruna cash prize for children excelling in scholarship exams and the Sarasavai Athwela grant for those entering local universities.

By enhancing the lives of painters and their families, JAT remains committed to uplifting this vital community, fostering stronger partnerships within the paint and coating industry.



Active beneficiaries of JAT Loyalty Programme	21,000+
Cumulative points redeemed by beneficiaries	Rs. 140 Mn

ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

GRI 416-1

JAT places the highest importance on the health and safety impacts of its products throughout their lifecycle. All major product categories, including wood coatings, decorative paints, and adhesives, are subject to rigorous health and safety assessments during the product development, formulation, manufacturing, and end-use stages.

Our significant water-based product categories are evaluated for health and safety impacts to ensure compliance with local and international safety regulations, with the intention of providing the best possible products for our employees. These assessments cover aspects such as chemical composition, emissions, user safety, application methods, and disposal guidelines.

Where risks are identified, appropriate reformulations and labelling updates are carried out. Our continuous R&D investments also focus on reducing harmful substances (e.g., lowering VOCs), improving user safety, and enhancing environmental friendliness. Safety data sheets (SDS), technical data sheets, and proper usage training are provided to both industrial users and retail customers, ensuring responsible product use.

These efforts reflect JAT's commitment to product stewardship and responsible manufacturing, while strengthening customer trust and brand equity across domestic and international markets.

CUSTOMER HEALTH AND SAFETY

GRI 416-2

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

GRI 418-1

Given our customer loyalty programme and access to confidential data, JAT places strong emphasis on data privacy. We implement robust security protocols, including encryption and access controls, and ensure transparent communication and explicit customer consent for data usage, offering them full control over their personal information, with adherence to the statutory requirements and customer rights under the Personal Data Protection Act, 2022. 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.

RESPONSIBLE MARKETING PRACTICES

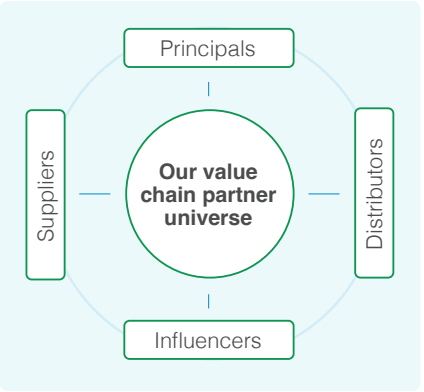
GRI 417-1, GRI 417-2, GRI 417-3

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.

VALUE CHAIN PARTNERS

GRI 2-6



Principals

JAT has established strong partnerships with over 15 globally reputed principals, representing some of the most advanced and design-forward brands in the world. These collaborations have significantly enhanced the Group's intellectual capital and expanded its product portfolio, enabling the introduction of cutting-edge solutions to Sri Lanka and other key regional markets. As the exclusive agent for the distribution of Sayerlack products across South Asia and select African territories, JAT has also earned the distinction of being the No. 1 global partner of the Sherwin-Williams Company—the world's largest paint manufacturer by revenue—for its wood coating brand, Sayerlack (2021). In addition, JAT serves as the exclusive agent for other prestigious global brands, including SEAFORM Kitchen Solutions, Herman Miller office furniture, Knauf ceiling systems, and Lifewood flooring, further strengthening its reputation as a gateway for world-class innovations in the region.

Distributors

Expansive and efficient distribution network

JAT has cultivated a robust and efficient multi-channel distribution network that ensures seamless connectivity between its diverse product portfolio and key market segments—ranging

SOCIAL AND RELATIONSHIP CAPITAL

from homeowners and retail customers to large-scale institutions. This well-integrated network plays a pivotal role in delivering JAT's trusted brands to customers both in Sri Lanka and across international markets.

Nationwide reach through local distributors

In Sri Lanka, JAT's distribution network is anchored by over 6,900 customer touchpoints, including hardware outlets and general trade stores strategically located across the country. These distributors ensure widespread product availability and accessibility, even in remote locations. Their familiarity with local market dynamics enhances responsiveness and helps JAT maintain high service standards across all regions.

Global presence through trusted partners

JAT's global distribution extends to 10 countries, enabling the Company to bring its world-class coatings and furnishing solutions to a broad international audience. These overseas distributors are highly efficient and uphold JAT's standards of quality and service, reinforcing the brand's presence and credibility in global markets. Their role is integral in positioning JAT as a trusted and recognisable name beyond Sri Lanka.

Collaborative and mutually rewarding relationships

JAT adopts a partnership-driven approach with all its distributors—local and international—providing them with structured support to strengthen their operations. This includes continuous training, marketing assistance, and promotional initiatives. Importantly, attractive commercial terms and competitive margins are offered, empowering distributors to enhance profitability while contributing to JAT's market penetration.

Influencers

JAT has responsibly cultivated partnerships with influential figures—including social media personalities, industry leaders, and public icons—whose values align with the brand. These collaborations have been instrumental in building brand visibility, credibility, and trust among diverse audiences.

Suppliers

Strong, strategic supplier relationships

JAT nurtures long-standing, trust-based relationships with a diverse network of suppliers—both local and international—who provide everything from essential raw materials like chemicals to office equipment and support services. These partnerships are guided by mutual reliability and transparency, enabling the Group to maintain continuity of supply, even during volatile periods marked by currency fluctuations or import restrictions.

Total supplier base	1,545
international suppliers	85%
New suppliers added	45

Shared commitment to quality and sustainability

Suppliers are selected not only for their ability to meet commercial requirements but also for their alignment with JAT's values around quality, sustainability, and ethical practices. As a responsible manufacturer with a significant environmental footprint, JAT engages suppliers who can support the Company's dual goals of ensuring product excellence and reducing environmental and social impacts.

Supporting and empowering local suppliers

GRI 204-1

While JAT benefits from global sourcing relationships, there is a growing emphasis on expanding local supplier partnerships. This shift enables the Group to reduce dependency on imports, empower domestic industries, and build a more agile and resilient supply chain—all while strengthening socio-economic value creation within Sri Lanka.

Payments made to local suppliers	Rs. 5,571 Mn
Payments made to local suppliers, as a proportion of total payments to suppliers	60%
Local supplier base	1,460

Transparent, collaborative engagement

Supplier engagement is managed through a well-defined procurement process that emphasises fairness, transparency, and strategic collaboration. A dedicated procurement team ensures the timely delivery of the right materials, with negotiations focused on bulk discounts, quality assurance, and favorable terms. Regular engagement and adherence to ethical procurement guidelines further reinforce supplier trust and alignment with JAT's long-term objectives.

OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK

GRI 407-1

We recognise the right to freedom of association and collective bargaining as a fundamental human right and a core aspect of decent work, in alignment

with the ILO Conventions and our own Code of Conduct. We are committed to upholding these rights across all our operations and within our extended supply chain.

During the reporting year 2024/25, no operations within JAT were identified as posing a significant risk to the right of workers to freely associate or engage in collective bargaining. Our manufacturing and operational sites in Sri Lanka operate in a legal and cultural environment that supports these rights, and we maintain open channels for dialogue with our employees at all levels.

In relation to our supply chain, we conducted a risk assessment of our key raw material suppliers, particularly those operating in jurisdictions where freedom of association may not be fully guaranteed by law. Through this review, we identified zero suppliers where such rights are legally restricted or not consistently enforced.

PARTNERING FOR COMMUNITY PROGRESS

GRI 203-1, GRI 203-2 GRI 413-1, GRI 413-2

What drives our community engagements

Demonstrating its commitment to being a compassionate and responsible corporate citizen, JAT adopts a well-defined approach to its corporate social responsibility (CSR) efforts. The Company maintains a strong focus on creating shared value for people, planet, and profit. Its CSR strategy is anchored around three key pillars: Empowering Communities, Inspiring Minds, and Sustaining the Planet.

Projects under each pillar are selected based on the needs of the community, available resources, and access to relevant expertise, ensuring meaningful impact and strategic alignment. A culture of volunteerism is actively promoted, with employees encouraged to contribute their time and skills to further strengthen community ties.

The three - pronged approach to powering our communities

1

Transforming Communities

Livelihood Development

Developing livelihood of Sri Lankans all around the country

Carpenter Training Programmes, Pintharu Abhiman

Culture

The conservation and restoration of cultural property including artworks, architecture, archaeology, and museum collections

Infrastructure Development of religious locations, Awareness Programmes

Health & Wellness

Uplifting health & wellness of Sri Lankan community

Medical Camps, Infrastructure Development

2

Transforming Minds

Education

Uplifting education and nurture future leaders

JAT Shuttle *– Career Guidance and Knowledge sharing*

JAT Sisu Waruna *– School Supplies Donation, Infrastructure Development*

3

Transforming Planet

Environment

Developing partnerships and initiating environment projects aligning with compliance

Mihikathata Dayawen *– Environment Projects, Conservation and Awareness Programmes, Biodiversity Enhancement*

SOCIAL AND RELATIONSHIP CAPITAL

As evident in the depiction above, and the detailed discussions that follow, JAT's CSR efforts make significant indirect economic impact. The discussions below, where possible have quantified the number of beneficiaries that have been impacted from these initiatives, thereby establishing the scale of our efforts. There is no monetary value assigned to the indirect economic value generated. As these efforts are confined to Sri Lanka, the extent of impact is at a local level. We are quite pleased to say that all these initiatives have made positive impact on the beneficiaries, enabling sustainable growth in their lives. There are no negative impacts we have created through these initiatives.

TRANSFORMING COMMUNITIES

Livelihood Development

JAT Pintharu Abhiman – Our flagship initiative in transforming our communities

What it is about

JAT Pintharu Abhiman is JAT's flagship community empowerment initiative dedicated to uplifting Sri Lanka's painter community by enhancing professional dignity, recognition, and economic opportunity. Launched with the aim of transforming painting into a skilled and respected profession, the programme delivers structured technical training, practical knowledge, and pathways to nationally recognised NVQ Level 3 certification. With workshops held across diverse regions and a growing number of certified painters, JAT Pintharu Abhiman not only nurtures individual growth but also contributes to raising industry standards. Strategic collaborations, such as the partnership with the Ministry of Labour and Foreign Employment, further strengthen the programme's impact and sustainability.

Collaborating partner:

Sirasa News 1st

Cumulative impact created

704 painters qualified as NVQ Level 3 certificate holders since programme inception

Continually revitalising our impact

(1) JAT Pintharu Abhiman workshop 2024 –Island wide workshops

JAT successfully conducted the first workshop of the second phase of JAT Pintharu Abhiman 2024 in Divulapitiya, Gampaha, with 125 skilled woodcraftsmen. participating. This initiative enhances professionalism and technical expertise through practical training, reinforcing our commitment to empowering the painting community and elevating industry standards. Following this inaugural event the programme went on to conduct 7 more workshops in Kandy, Tangalle, Polonaruwa, Batticalo, Nuwara Eliya, Galle, and Colombo engaging over 1000 individuals.



(2) JAT Pintharu Abhiman - 4th and 5th Convocations 2024

JAT proudly celebrated the 4th and 5th Pintharu Abhiman Convocation,surpassing the milestone of 700 NVQ-certified professionals. To mark this achievement, the 500th graduate was honoured with a special memento.

A new partnership with Durdans Hospital was also announced, offering discounted medical check-ups for certified painters. The event was graced by Dr. N.D. Ruwanpathirana, General Manager/CEO of the State Timber Corporation, who shared valuable insights into the wood coating industry.



(3) Empowering the uniquely abled

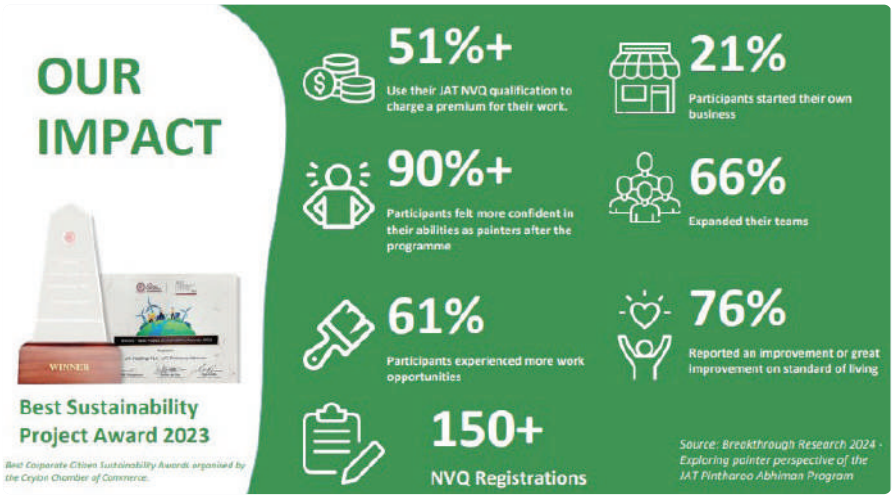
JAT Sustainability Department in collaboration with the JAT Technical Department successfully completed its pilot project for uniquely-abled painter training on the 20th & 21st March 2025. We collaborated with the Sri Lanka Deaf Association who were instrumental in connecting us with individuals within the community who had an interest in expanding their skill set in this area. 13 individuals joined the 2-day programme which gave specilised training, with the support of a sign language interpreter, proving the importance and opportunity for creating inclusion in the woodcoating and painting industries



(4) 2nd female painter workshop Was completed with collaboration with Timber Concept, a long term industrial partner of JAT in November 2024. 24 number of female painters participated the training and 5 faced the assessment for NVQ and obtained the qualification



In our commitment to ensuring that the JAT Pintharu Abhiman programme delivers meaningful impact, we commissioned a dedicated study titled "Exploring Painter Perspectives of the JAT Pintharu Abhiman Programme." The findings revealed valuable insights into the programme's effectiveness in uplifting the painter community. We are truly encouraged by the positive outcomes and remain steadfast in our mission to further empower painters across the country—elevating their status and recognition as skilled professionals within Sri Lanka's construction and finishing industries.



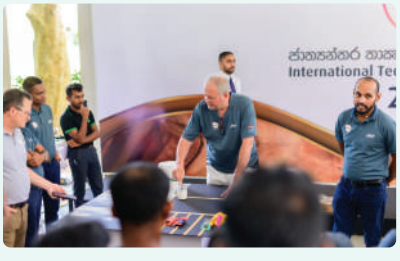
TRANSFORMING COMMUNITIES

Livelihood Development

Harris International Painter Training Programme Series - for the internal staff

Launching Day 1 of the Harris International Training Programme 2024, JAT employees were trained by the experts from Orkla House Care UK. The training programme equipped the employees with technical knowledge on the best tools and techniques, ensuring our customers get the best quality and service all the time.

Total participants: **50 employees**



TRANSFORMING COMMUNITIES

Livelihood Development

Harris International Painter Training Programme Series - for the Professional Painters

JAT Harris International Training Programme 2024 equipped professional painters with the latest skills and knowledge from Orkla House Care UK and Harris enabling them to leverage the best tools and techniques to deliver exceptional results for our customers.

Total participants: **80 painters**



SOCIAL AND RELATIONSHIP CAPITAL

TRANSFORMING COMMUNITIES

Livelihood Development

Harris International Painter Training Programme Series - for the Dealer network

The third day of the programme focused on enhancing the knowledge base of our retailer network, with representatives from our network – shop owners and shop assistants alike – attending the interactive workshop.

The session focused on the theory and practical applications of using brushes and rollers. Expert trainers from Orkla House UK and Harris International shared valuable insights on how selecting the right painting tools can lead to increased productivity, cost-effectiveness, and a more enjoyable painting experience.

Total participants: **65 Retailers**



TRANSFORMING COMMUNITIES

Health & Wellness

Sponsorship for Blood Donation Campaign

JAT organised a blood donation campaign in Kahathuduwa, strengthening relationships with the community surrounding our factory. The initiative saw the participation of 156 individuals, resulting in the donation of 103 pints of blood to the National Blood Transfusion Service (NBTS) Sri Lanka.



TRANSFORMING MINDS

Education

Shaping future sustainability leaders

Our Sustainability & Process Excellence Department hosted a workshop for final-year Business Administration students at the University of Sri Jayewardenepura. We equipped 220 aspiring professionals with essential “sustainability leadership” skills, covering lean manufacturing and integrating sustainability principles into industry practices.



TRANSFORMING MINDS

Education

Powering national sports

- JAT entered in to a five-year strategic partnership with Sugathadasa Stadium, reinforcing its commitment to strengthening communities, supporting youth development, and enhancing national sports infrastructure. This partnership highlights JAT’s dedication to fostering Sri Lanka’s athletic future through the stadium’s role in hosting local and international events.



- JAT proudly sponsored the Sri Lions Sports Club, reflecting its commitment to nurturing local talent and promoting global success. The partnership underscores the Company’s belief in the value of sports in building discipline, teamwork, and resilience—qualities essential for both athletic and professional growth. This initiative supports JAT’s broader goal of investing in communities and championing excellence.



Powering school sports

- JAT proudly sponsored the 75th Battle of the Golds, 40th Limited Over Encounter, and 3rd T20 Encounter between Prince of Wales College and St. Sebastian's College. This strategic partnership highlights our commitment to fostering strong relationships within the heart of Sri Lanka's wood coating industry by supporting the children and future of our valued stakeholders.



- With Moratuwa being a key hub for the wood coatings market, JAT continues its long-term sponsorship of Prince of Wales College sports activities. Established in FY 2023/24 for a five-year period, this partnership reflects our commitment to nurturing talent, fostering community engagement, and reinforcing our presence in this strategic region.



INDUSTRY COLLABORATIONS

GRI 2-28

We actively collaborate with key industry stakeholders to support the growth and advancement of the sector. As part of this commitment, JAT maintains membership in several industry associations, enabling us to share knowledge, strengthen partnerships, and contribute to the collective progress of the industry. Our memberships during the year included the following:

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

Industrial Symposium on Green Practices

The Sustainability & Process Excellence Team submitted JAT's success stories on Resource Efficient and Cleaner Production practices and Chemical Management Practices at the Industrial Symposium for Green Practices organised by the Industry Development Board (IDB), where our team members presented the success stories to industry participants and the ministry officials on the 20th & 21st June at BMICH. This participation showcased JAT's commitment to sustainable manufacturing and positioned the Company as a thought leader driving industry-wide adoption of green practices.

Developing Resilient and Sustainable Supply Chain Management in the Manufacturing Industry

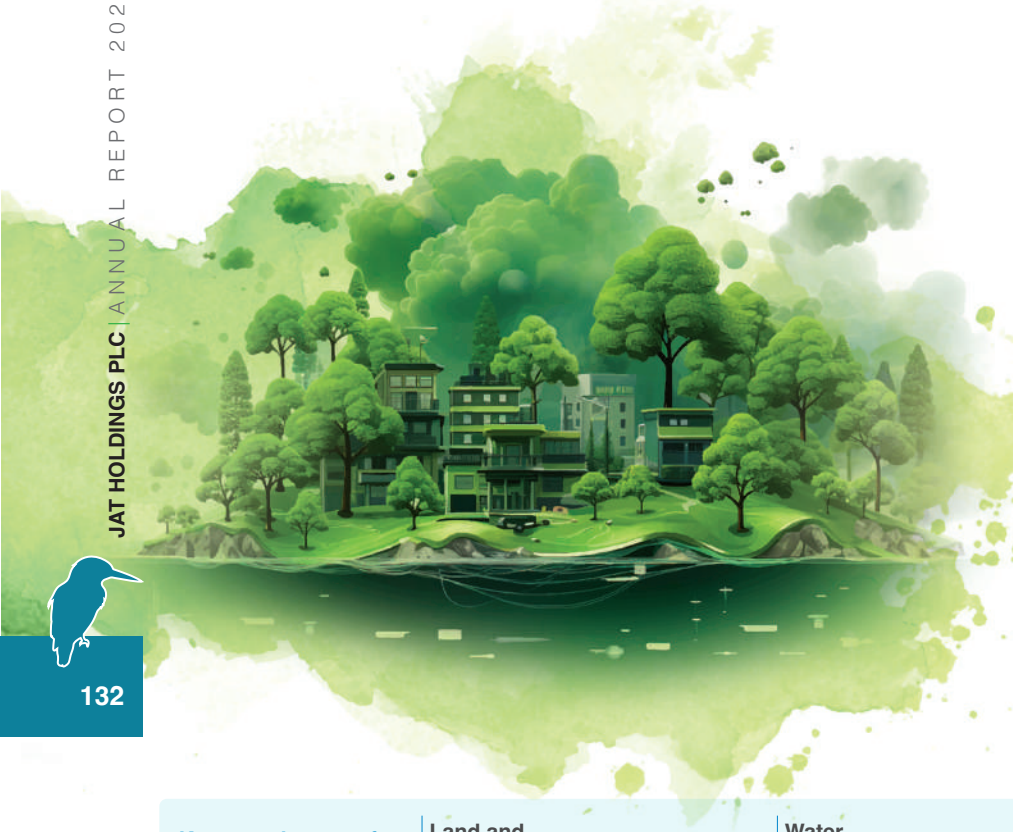
A dedicated team from JAT representing Commercial, Warehouse, Sustainability & Process Excellence Departments, successfully completed a 6-month workshop series focused on "Developing Resilient and Sustainable Supply Chain Management among Manufacturing Industries in Sri Lanka."

Organised by the Institute of Supply & Materials Management (ISMM) in collaboration with the Ministry of Industries, this comprehensive program equipped our team with the knowledge and tools to identify critical supply chain challenges and implement innovative solutions.

As a testament to their hard work and dedication, our team was the only one selected to present their success story to a panel of dignitaries from the Ministry of Industries and ISMM. We're proud to be part of a movement driving positive change in Sri Lanka's manufacturing industry.

NATURAL CAPITAL

Natural Capital



At JAT, Natural Capital - comprising the renewable and non-renewable environmental resources we rely on - is integral to our value creation process. Our operations depend on responsible sourcing of raw materials, sustainable energy use, water conservation, and effective waste management. Guided by a commitment to environmental stewardship, we proactively manage our natural capital through eco-innovative products, efficient manufacturing practices, and initiatives that minimise our ecological footprint. By embedding sustainability into every aspect of our operations, we seek to unlock long-term value for all stakeholders while preserving the natural environment for future generations.

Key constituents of the capital	**Land and atmosphere**	**Water**	**Energy**
Initiatives that drove capital augmentation	Integrated sustainable practices across operations by focusing on core themes of optimising energy and water use, managing emissions and effluents responsibly, and minimising waste through effective processes - under the programme “Mihikathata Dayawen”.		

Risks

- Scarcity of sustainably sourced raw materials (e.g., timber, solvents, chemicals)
- Rising regulatory pressures on emissions, waste disposal, and chemical usage
- Volatility in energy costs affecting manufacturing operations
- Adverse environmental impacts from operations (e.g., waste, emissions, water usage)
- Reputational risk incase of non-compliance with environmental standards
- Climate change-related disruptions to supply chains

Opportunities

- Expansion of eco-friendly and low-VOC (volatile organic compound) product lines
- Strengthening market positioning through sustainable and certified sourcing practices
- Cost savings through energy efficiency Brand differentiation through strong environmental credentials and certifications
- Enhancing stakeholder trust through transparent environmental reporting
- Innovation in sustainable packaging and circular economy models
- Increasing consumer preference for environmentally conscious, products

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

GRI 3-3

Customers

JAT connects with customers on natural capital by offering , sustainable products that meet rising environmental expectations. Through continuous innovation in low-VOC paints, sustainable coatings, and responsible manufacturing practices, JAT ensures its product portfolio supports greener living. Customer education campaigns and transparent product labeling further promote awareness of JAT’s commitment to sustainable consumption of natural resources.

Employees

Employees are engaged through training on environmental management practices, workplace sustainability initiatives, and safe handling of raw materials and waste. JAT fosters a culture of environmental responsibility by integrating natural capital considerations into daily operations and employee-led green projects. This approach empowers employees to become champions of sustainability, contributing to reduced environmental footprints across the business.

Community

JAT manages its relationship with the broader community by supporting environmentally conscious and sustainable initiatives. The company actively collaborates with local communities to promote environmental awareness, and create long-term social value through natural capital stewardship. By embedding environmental sustainability into its community engagements, JAT strengthens its social license to operate and nurtures a healthier environment for all.

Contribution to UN SDGs



Link to our material matters

Managing GHG emissions

Impact of climate change

Link to our strategy

Profitable growth

Digitalisation & Operational Excellence

ESG considerations

VALUE ADVANCED

241 MWh
Renewable energy generated

91%
Waste recovered, recycled and reused

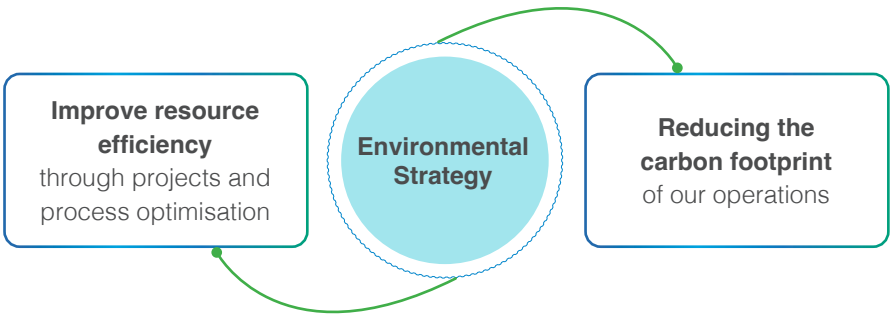
Rs. 13 Mn
Spent on environmental impact minimising improvements

18%
Reduction in emission intensity per employee

MANAGEMENT APPROACH AND GOVERNANCE

At JAT, we are deeply committed to minimising our environmental impact, recognising the urgent global challenges posed by climate change and ecosystem degradation. Our environmental stewardship is guided by the JAT Sustainability Framework, which provides a structured approach to identifying, managing, and monitoring our key environmental focus areas.

Central to our environmental strategy are two main goals:



NATURAL CAPITAL

Environmental sustainability is embedded into our business operations through the leadership of the Sustainability and Process Excellence Department, which works closely with all business units to drive company-wide integration of best practices, policies, and performance monitoring.

During the reporting period, we are pleased to report that there were no incidents of non-compliance with environmental laws and regulations — a testament to our strong governance practices, robust compliance systems, and proactive management of environmental risks.

ENVIRONMENTAL SUSTAINABILITY GOVERNANCE AT JAT

JAT maintains a formal governance structure for environmental sustainability, anchored by a clearly defined JAT Sustainability Framework. Ultimate accountability rest with the Board of Directors, which provides strategic leadership and oversight for sustainability objectives. The Board-approved policy framework explicitly includes sustainability and environmental management as key strategic areas. Operational management of the sustainability agenda is carried out by a dedicated Sustainability and Process Excellence Department, ensuring that sustainability initiatives are implemented, monitored, and continuously improved.

- Board of Directors: Holds ultimate accountability for sustainability governance, sets the Group's strategic vision, and approves key policies including company ESG policy JAT Sustainability Framework: A formal framework directing the Group's ESG approach, which fosters an "environment-conscious culture" across operations.
- Sustainability & Process Excellence Department: A specialised unit responsible for executing the sustainability strategy, driving process re-engineering, ensuring environmental compliance with international standards, and integrating sustainable practices into daily operations

Through this multi-tiered governance approach, JAT aligns board-level oversight with dedicated operational leadership, reinforcing a culture of sustainability and ensuring accountability at all levels.

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 Sustainability Framework

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 and chemical management

Process excellence to enhance resource efficiency

Eco innovation

Preserving biodiversity

KEY INITIATIVES ROLLED OUT DURING 2024/25 IN ACCELERATING OUR ENVIRONMENTAL HANDPRINT

- Energy conscious journey where initiatives were rolled out to achieve energy efficiency
  - Using Internet of Things (IoT) in identifying means to make processes more energy efficient
  - Organisation-wide energy conscious transformation journey
- Collaborations with UNIDO and National Cleaner Production Centre in energy efficiency journey
- Acceleration of 'JAT Chemical Conscious Journey' that was launched in 2022
- Continued compliance with Green Seal Certification of USA for 3 products
- Continued consideration of SRROs and CRROs in enterprise risk management process

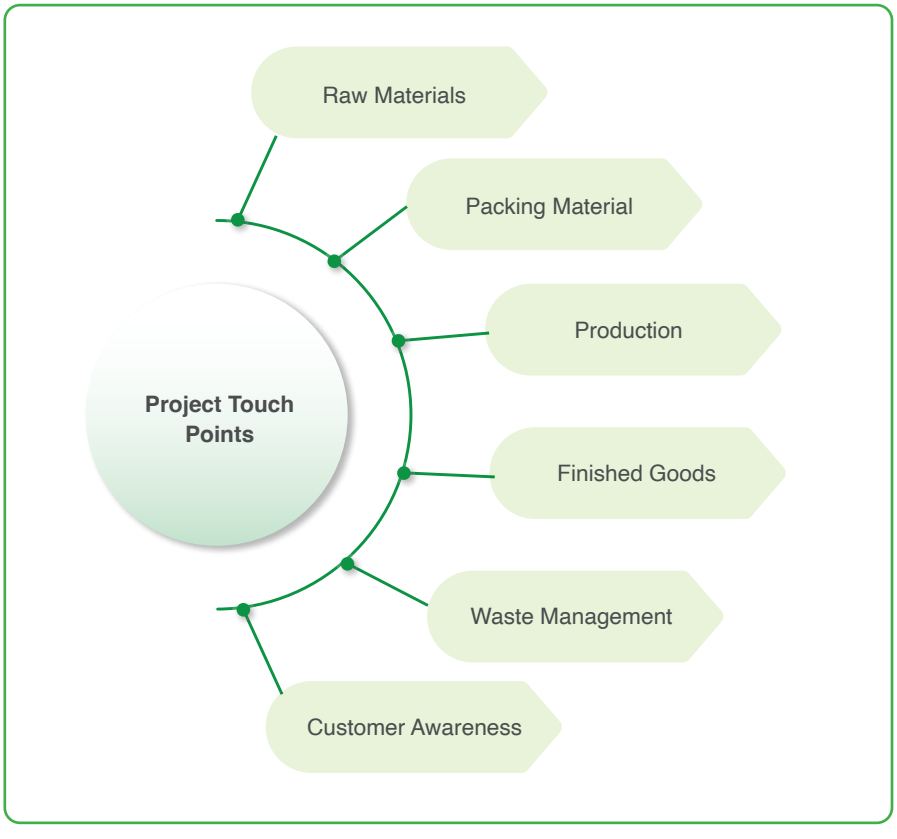


Acceleration of JAT Chemical Conscious Journey

JAT Chemical Conscious Journey, launched in 2022 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. With the Green Seal Certification obtained last year, 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 impacts reported during the year.



NATURAL CAPITAL

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.

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.

Performance of Green

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.

WHITE by JAT interior emulsion	WHITE by JAT Exterior emulsion	Master's All-in-One wood coating

How Green Seal certified products contribute in preserving nature

Protect human health	Preserve the climate	Ensure clean water	Minimise waste

GREEN SEAL CERTIFIED®
greenseal.org

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.

Environmental Safety Protocols

- National laws and regulations
- ISO standards
- Eco label certification
- Responsible care certification
- Green Seal certification

National laws and regulations

The Company has obtained a Hazardous Waste Management License and Environmental Protection License (EPL) from the 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 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 increases 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.

Responsible Care Certification



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.

Powering Future Leaders with Environmental Consciousness

Demonstrating its commitment to fostering environmentally responsible leadership, JAT Holdings PLC collaborated with the University of Sri Jayewardenepura to conduct an interactive awareness session for students of the Department of Business Administration, Faculty of Management Studies and Commerce. The session engaged over 250 students, offering valuable insights into how future corporate leaders can champion environmental stewardship in business. Through this initiative, JAT aimed to inspire the next generation to integrate sustainable practices at the heart of corporate decision-making.



WATER MANAGEMENT

GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

Water consumption at JAT is guided by a comprehensive Water Management Policy. As operations are relatively water-intensive, all water requirements are met through the National Water Supply and Drainage Board, with careful measures in place to ensure that no ground or surface water bodies are adversely impacted by water withdrawal. Additionally, the Company's Head Office and Factory premises are equipped with a rainwater harvesting system with a storage capacity of 5,000 litres, enabling the use of collected rainwater for gardening and cleaning activities, thereby promoting responsible water stewardship.

Water footprint calculation

JAT calculates the water footprint of its full range of emulsion paints, covering both interior and exterior products. It remains the only company in Sri Lanka's paint industry to disclose the water footprint of its emulsion paints, with a clearly defined scope covering the gate-to-gate lifecycle stage.

Water Footprint for a liter of emulsion paint is 0.98.

NATURAL CAPITAL

Water withdrawal and consumption

In m3	FY 2024/25	FY 2023/24	YoY change (%)
Total water withdrawn	17,888	11,184	60%
Total water consumed	17,888	11,184	60%
Industrial Usage	1,665	2,735	-39%
Domestic Use	16,223	8,449	92%

All consumption except Industrial Usage of Kahathuduwa & Acrylic Binder Plant considered Domestic usage. Water consumption has increased due to the expansion of the organization throughout the year.

Environmental impact – Effluents discharged

In m3	FY 2024/25	FY 2023/24	YoY change (%)
Total effluents discharge	434	499	-13%

Waste water disposal

The Company has an in-house automated wastewater treatment plants at each manufacturing location with a total of 15,000 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 at Kahathuduwa manufacturing facility 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 optimisation and efficiency gains.

There were no incidents of non-compliance associated with water quality permits, standards and regulations that occurred during the year.

ENERGY MANAGEMENT

GRI 302-1, GRI 302-3, GRI 302-4

Energy management was a core emphasis of JAT's Mihikathata Dayawen environmental conscious journey during the year. The Company's energy management is guided by a dedicated energy management policy which was revised during the year, with an extension of the focus on ISO 50001. 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 466 kW solar systems are installed at the Head Office and both factory premises in Sri Lanka. This initiative enabled the Company to generate around 241 MWh throughout the year, which meets approximately 28% of its electricity needs.

ENERGY UTILISATION PLAN

Our factory operations follow a scheduled energy utilisation 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 cost of electricity consumption

ELECTRICITY ANALYSERS

Company has invested in electricity analysers to source data on its building energy utilisation. Data gathered is used in devising optimum solutions for hot spots identified in terms of energy utilisation.

TRAINING AND AWARENESS

Company continually enlighten its internal stakeholders on latest initiatives available in greening the industry and how they can be replicated within JAT

Energy consumption by source

Source	FY 2024/25	FY 2023/24	YoY change (%)
Electricity (GJ)	3143	2219	42%
Diesel (GJ)	331	152	118%
Energy Consumption (GJ) *	3474	2370	47%

**Energy consumption has been increased due to the expansion of the organisation throughout the year.*

Renewable energy generation

	FY 2024/25	FY 2023/24	YoY change (%)
Renewable energy generation (kWh)	240,950	237,590	1%
Percentage grid electricity (%)	72%	61%	
Percentage renewable energy (%)	28%	39%	
Total self-generated energy (GJ)	867	855	1%

**The renewable energy generation has been increased due to the installation of the solar system at the acrylic binder plant premises during the last quarter of the year.*

Energy intensity

	FY 2024/25	FY 2023/24	YoY change (%)
Energy intensity (GJ/Rs. Mn)	0.32	0.30	4%

Towards Net Zero

As per the commitment made in 2024/25 the company established its net zero target to be achieved by 2050. This journey is supported by a robust and progressive plan in reducing emissions over the years, reduce our carbon footprint by 30% by 2030 and 50% by 2035 and reaching net zero status by 2050.

Measuring our carbon footprint – Progress made during the year

Scope expansion for GHG quantification, to include

- Bangladeshi operations
- Acrylic binder manufacturing operation
- JAT Lifestyle Studio

MANAGING OUR CARBON FOOTPRINT

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5

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.

NATURAL CAPITAL

Environmental impact – Emissions

(tCO2e)	FY 2024/25	FY 2023/24	YoY change (%)
Direct (scope 1) GHG emissions	262.55	146.79	79%
Indirect (scope 2) GHG emissions	277.84	162.02	71%
Indirect (scope 3) GHG emissions	1,631.22	1,556.84	5%
Total carbon footprint	2,171.61	1,865.65	16%

The carbon footprint has been increased due to the expansion of the organisation throughout the year

Emissions intensity

In tCO2e	FY 2024/25	FY 2023/24	YoY change (%)
Per product Carbon footprint tCO2e per Liter	0.00046	0.00044	5%
Per Employee Carbon footprint tCO2e	4.27	5.18	-18%

WASTE MANAGEMENT

GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

Waste generated

In kg	FY 2024/25	FY 2023/24	YoY change (%)
Non-hazardous waste	51,610	30,405	70%
Hazardous waste	151,365	106,669	42%
Total waste generated	202,975	137,074	48%

Waste generated has been increased due to the expansion of the organisation throughout the year

91% of hazardous waste generated was recycled during the year.

Waste directed to disposal and diverted from disposal

In kg		FY 2024/25
Non-hazardous	Land Filling	5,155
	Recycled	46,455
Hazardous	Recycled	137,275
	Incinerated	14,090
Total measured waste		202,975

MANAGEMENT APPROACH IN SUSTAINABLE WASTE MANAGEMENT PRACTICES

At JAT, we are committed to minimising our environmental footprint as a core aspect of our sustainability agenda. We have implemented robust waste management procedures to ensure the responsible disposal of waste and to mitigate adverse environmental impacts. During the year, overall waste generation increased, primarily due to higher production volumes, expansion in operational scope, and the introduction of enhanced data capturing systems and monitoring points.

SIGNIFICANT WASTE IMPACTS & MITIGATION

Landfill Disposal: All food waste are directed to landfills which contributes to space depletion and potential methane emissions. To reduce this, we have created a system to communicate daily lunch requirement through a WhatsApp channel to minimise food waste drastically.

Incineration: Sludge, our main hazardous residue, is incinerated under strict environmental controls, potentially impacting air quality.

Resource Use: Increased waste reflects higher resource consumption. We prioritise reduction, reuse, and recycling. Our re-purposing efforts of cardboard, plastic cans, metal containers and other reusable material mitigate this.

Contamination Risk: Raw Material Warehouse facility was improved by installing a spill containment tank system, a permanent solution to mitigate contamination risks, managed through strict protocols.

Managing emissions and advancing sustainable practices at JAT

At JAT, we are committed to continuously improving our environmental performance, particularly in managing emissions from our manufacturing processes. One of the challenges we face is the release of Volatile Organic Compounds (VOCs) during the production of thinner, which can negatively impact air quality. To mitigate this, we implemented a key improvement in our production process by introducing a wet scrubber. This system efficiently captures the VOCs by mixing them with water, preventing their release into the atmosphere and significantly reducing our environmental footprint.

Looking ahead, we are focused on enhancing the sustainability of this process by finding innovative ways to reuse the water that captures the VOCs. By exploring potential recycling solutions, we aim to further minimise waste and increase resource efficiency, aligning with our commitment to environmental stewardship and continuous improvement in our operations.

KEY WASTE BY TYPES



Hazardous solid waste

JAT has obtained the Scheduled Waste Management License from the Central Environmental Authority, affirming its commitment to responsible hazardous waste management. The Company has established agreements with licensed hazardous waste collectors for the safe handling and disposal of chemical contaminated solid waste. This ensures that all hazardous waste is managed in strict compliance with the highest environmental and safety standards, mitigating potential risks to both the environment and public health.

Non-hazardous solid waste

We collaborate with certified waste management partners to repurpose, recycle, and reuse general waste generated from our operations. Through these partnerships, we ensure that waste is handled responsibly, supporting circular economic practices and minimising contributions to landfill waste.

E-waste

During the financial year, the Company continued collection of e-waste through the IT department. As adequate e-waste was not generated during the year, the proper disposal will be conducted in the following financial year.

WAY FORWARD

Having delivered strong results during the financial year 2024/25, JAT is well-positioned to navigate the future with confidence. Our strategic priorities are anchored in prudent business expansion, with a clear focus on building resilience against potential macroeconomic volatilities and external shocks, especially given our growing footprint across diverse overseas markets. As we look ahead, we remain firmly aligned with our long-term vision of taking Sri Lankan-born JAT to the world and cementing our position as a trusted homegrown multinational.

Long-Term Goals
(Beyond 5 years)

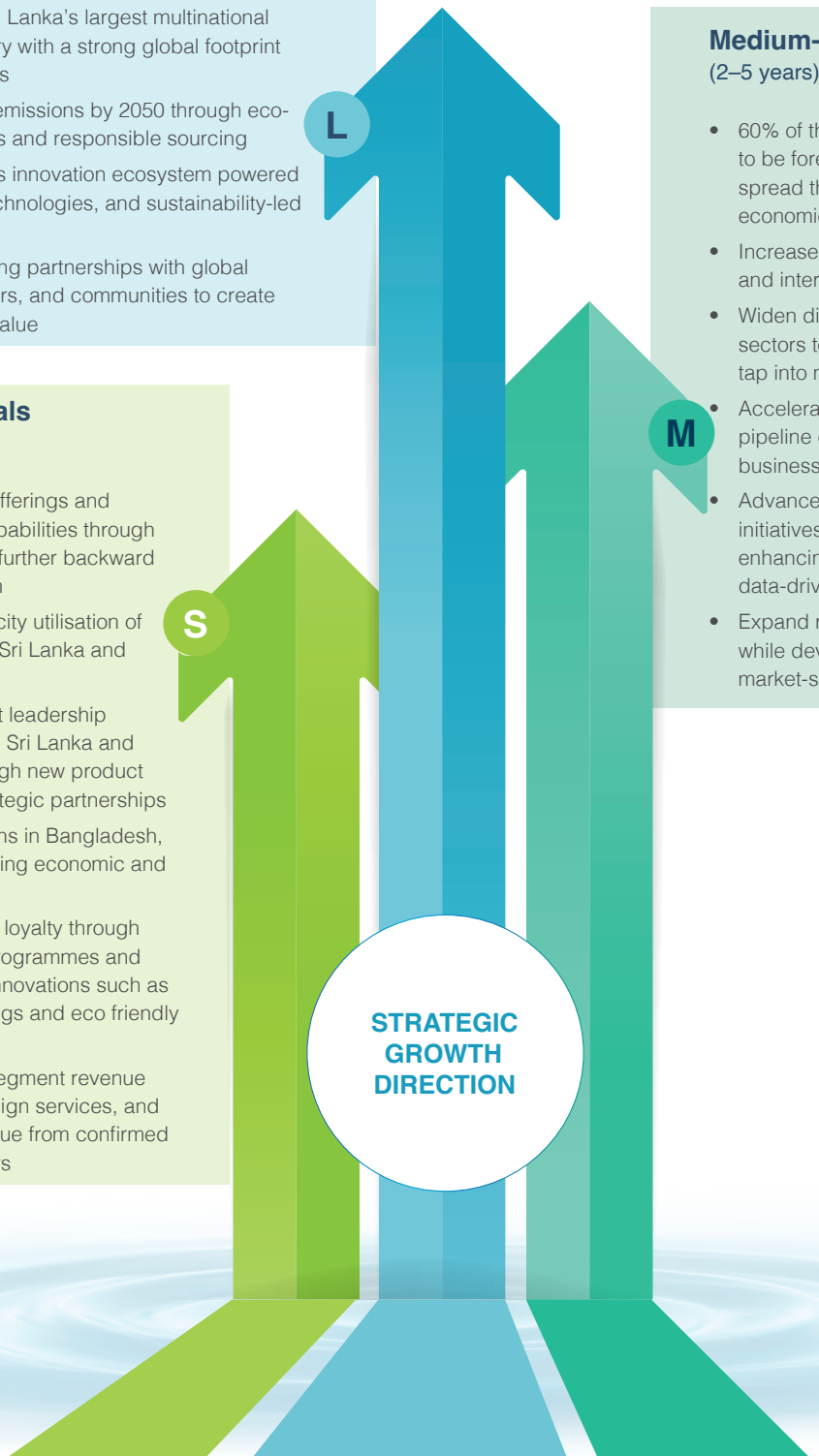
- Position JAT as Sri Lanka's largest multinational in the paint industry with a strong global footprint across key markets
- Achieve net-zero emissions by 2050 through eco-efficient operations and responsible sourcing
- Build a world-class innovation ecosystem powered by R&D, digital technologies, and sustainability-led thinking
- Foster long-standing partnerships with global principals, suppliers, and communities to create enduring shared value

Medium-Term Goals
(2–5 years)

- 60% of the total group revenue to be foreign currency based to spread the exchange rate risk and economic risk
- Increase brand equity both locally and internationally
- Widen diversification into related sectors to spread business risk and tap into new growth avenues
- Accelerate leadership and talent pipeline development across all core business functions
- Advance digital transformation initiatives across operations and HR, enhancing process efficiency and data-driven decision-making
- Expand regional market presence while developing export-ready, market-specific products

Short-Term Goals
(Next 24 months)

- Expand product offerings and manufacturing capabilities through R&D efficiencies, further backward vertical integration
- ncrease the capacity utilisation of the plants in both Sri Lanka and Bangladesh
- Strengthen market leadership and penetration in Sri Lanka and Bangladesh through new product launches and strategic partnerships
- Scale up operations in Bangladesh, leveraging improving economic and political stability
- Deepen customer loyalty through targeted loyalty programmes and tailored product innovations such as specialised coatings and eco friendly products
- Grow furnishing segment revenue by expanding design services, and recognising revenue from confirmed international orders



ADVANCING FUTURE VALUE THROUGH OUR CAPITALS

Financial capital

Over the years, we have upheld a strong culture of financial discipline, a stance we are committed to maintaining in 2025/26 and beyond. Given the potential for global macroeconomic volatility, particularly in light of geopolitical developments such as those stemming from the Trump administration in the USA, we remain cautious of these events as well as interest rate fluctuations of the scale experienced in Sri Lanka during 2022–2023. Our approach will continue to focus on preserving resilience through an optimal balance of equity and debt financing.

We will deploy our financial capital in generating continually enhancing value to our shareholders.

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.

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

- invest in new products, an outcome of the R&D Centre and maximum utilisation of investments made on new plant investments
- penetration to South East Asian markets, that would enable the Group to sustain the upward trend in generating profits
- Market expansion in the Australian and African regions

Manufactured capital

JAT's machinery, equipment, and infrastructure are relatively new and continue to deliver value through the production of world-class paints and brushes under our leading brands.

Sri Lankan operations

As we continue to grow, the need for a more spacious facility may emerge, a consideration the management will address as required, in line with the natural progression of business growth. In this context, the Group aims to leverage the available space at the Kahathuduwa factory to drive manufacturing operations efficiently. We also plan to enhance the productivity of our existing machinery by adopting technologies such as the Internet of Things (IoT) and harnessing the expertise of our Lean Six Sigma-trained team. Deploying Robotic Process Automation (RPA) based on return on investment (ROI) evaluations, once current system efficiencies are fully optimised, will also be pursued at the optimum time.

Bangladeshi operations

Our future focus will firmly be on optimising production in alignment with evolving market demand and economic conditions in Bangladesh, particularly in view of the upcoming elections. We will adopt a cautious approach by deferring major expansion or investment plans until greater market stability is observed.

Human capital

Over the past two years, we have strengthened our human capital with a focused approach on employee engagement development, performance and welfare. With these foundations firmly in place, we remain committed to nurturing our people under the philosophy that taking care of our team ensures they take care of JAT's business. We will focus on addressing immediate technical and soft skill gaps through targeted training and development programmes, ensuring operational excellence and continuity. The HR function is also transitioning core processes to the HCM platform to enhance service delivery and management information. This drive in the digital transformation of HR functions, including performance management, engagement, and communication, will be based on the primary goal of securing employee acceptance and alignment with these digital platforms, fostering a more connected and responsive workforce.

Building a future-ready organisation by establishing a robust second line of leadership for every key position, ensuring continuity and sustained growth will also be priority as we step in to the future. Efforts will also be geared towards reinforcing JAT's employer brand to attract and retain top-tier talent capable of driving the Group's strategic ambitions.

Additionally, we are committed to employee wellness, with a bold ambition to become the healthiest workforce in Sri Lanka's corporate sector.

Intellectual capital

JAT is committed to strengthening its intellectual capital through a multifaceted approach that integrates brand development, research and development (R&D), digital transformation, and sustainability. Central to this strategy is the enhancement of brand equity, both locally and internationally, through focused marketing and advertising initiatives. A notable example is the

WAY FORWARD

'WHITE by JAT' brand, which has garnered recognition for its innovative use of technology in marketing.

JAT aims to improve knowledge management systems to effectively capture and leverage tacit knowledge. This initiative is supported by the Group's dedicated Transformation Team, which is driving the adoption of transformative IT solutions to enhance operations.

Looking ahead, the Group is focused on enhancing its R&D capabilities to support product development tailored for regional and international markets.

In the long term, JAT is dedicated to embedding a culture of innovation and learning across the organisation, ensuring long-term agility and intellectual growth. This commitment is reflected in the Group's adherence to global standards, maintaining certifications such as ISO and Green Seal to ensure world-class quality across its processes.



Social and relationship capital

Looking ahead, we will continue to strengthen our Social and Relationship Capital by deepening engagement across our stakeholder network. Our customer loyalty programme will be a key focus, supported by continuous product innovation to meet evolving needs and preferences. We will enhance collaboration with our principals, such as Sherwin-Williams, to ensure global standards are embedded across our offerings. Strong ties with suppliers and distributors will be maintained through shared growth, transparency, and operational efficiency. Importantly, we remain committed to uplifting the painter community by promoting professional recognition and dignified career pathways through JAT Pintharu Abhiman.



Natural capital

We remain firmly committed to responsible environmental stewardship and the sustainable use of natural resources. JAT has set a clear ambition to achieve net-zero emissions by 2050, aligning with global sustainability goals. In pursuit of this target, we will exercise stringent caution in managing our emissions and implement robust protocols to reduce our environmental footprint across operations. We have established a medium-term goal of reducing our carbon footprint by 30% by 2030, followed by a goal of a 50% reduction by 2035, all leading to our long-term objective of achieving net-zero. We will continue to embed eco-efficiency in our production processes, enhance waste management practices, and prioritise resource efficiency and cleaner production. These efforts reflect our dedication to protecting the environment while delivering long-term value to stakeholders.

GOVERNANCE AND RISK



A Legacy of Precision and Impact
Each dive of the kingfisher is measured and impactful much like our robust governance, which combines heritage with forward-thinking execution.

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 highly qualified personnel representing the Board. These committees play a pivotal role in ensuring the smooth regulation of our operations, highlighting JAT as a highly committed entity towards corporate governance. Skills of the Board members are well-balanced, and each provide an immense guidance to drive the Company towards achieving its strategic objectives by utilising their industrial expertise and educational qualifications to the fullest extent.

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. Each and every employee is well aware of the whistleblowing policy, which enables us to actively promote transparency, accountability and ethical conduct within our organisational culture.

Our achievements relevant to corporate governance and reporting 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, securing the highest ranking in the "Materials" sector and awards we have won at TAGS and CMA Excellence in Integrared Reporting are solid evidence that portray our commitment towards embracing corporate best practices, thereby enhancing 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 that was gradually recovering from the economic downturn that had affected Sri Lanka and the South Asian region during the previous financial year. Notably, the Group closely monitored the political and economic turmoil in Bangladesh, which impacted significantly to the regional slowdown, while other foreign markets remained relatively stable.

The Group proactively tracked developments in the broader macroeconomic landscape and took conscious efforts to evaluate 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, particularly regarding imports.

Taking into account both the local and global conditions that prevailed last year, and with the ongoing challenges in the Bangladesh and Maldives markets experienced this year, special actions were taken to ensure the Group was correctly positioned to achieve its long-term strategic objectives, mainly focusing on strengthening its footprint in foreign markets where evolving opportunities exist.

Contingency plans were developed and successfully implemented to cope with these adverse market conditions, ultimately driving the Company toward its predefined targets. Adherence to corporate governance best practices was a key factor in successfully implementing and achieving these initiatives.

COMPLIANCE

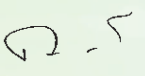
The Company's conformity with the Section 9 of the Listing Rules of Colombo Stock Exchange and Code of Best Practices on Corporate Governance published by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in 2023 is set forth in this report. I hereby assert that I am not aware of any 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 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 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

A Non-Executive Independent Director retired and the position was replaced	Member composition of 4 sub-committees were changed	**9** Board Meetings held	**11** Sub-Committee meetings held

AREAS OF FOCUS

- Operational efficiencies through backward vertical integration
- Overseas operations to maximise the dollarised revenue
- Product developments and innovations that alligns with the current
- Proactively monitoring performance to allign with the long-term goals of the Group
- Commitment towards ESG
- Monitoring the fluctuations of macro-economic factors in the operational countries and implement strategies accordingly

OUR APPROACH TO CORPORATE GOVERNANCE

GRI 3-3

The Group's corporate governance philosophy underpins the achievement of ethical and stewardship obligations while driving the creation of long-term stakeholder value.

By adopting an integrated approach to governance, considering both the social and environmental implications of its operations, we are focusing on building strong relationships with the community and customers while striving for sustainable development. By establishing policies and procedures to ensure that suppliers and outsourced providers comply with the social and environmental governance norms, the Group adheres to sustainability principles, including health and safety, pollution prevention, climate change mitigation, and sustainable resource use, which are embedded in its operations. In addition, the internal control systems which are well-managed and controlled ensures effective decision making and risk management. Moreover, the balance in the Board together with the five sub-committees strengthen the governance framework and structure of the Group, by adhering to a comprehensive and integrated strategy that engages with key stakeholders, ensuring sustainable growth and strong relationships across all levels of our business model.

CORPORATE GOVERNANCE

STEERING INSTRUMENTS OF THE GROUP'S GOVERNANCE FRAMEWORK

External Instruments

- Companies Act No. 07 of 2007
- Listing rules of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued by the Chartered Accountants of Sri Lanka in December 2023
- 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
- Organisational 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

3 Internal Mechanisms

- Strategic planning
- Financial budgeting
- Gap Analysis on operations compared to plan and actual
- Stakeholder engagement
- HR and people management
- Sustainability
- Risk management
- IT and cyber security governance
- Investor relations

4 Governance Principles

- Structures and delegation
- Strategic leadership
- Responsible corporate citizenship
- Controls and assurance
- Accountability
- Transparency
- Risk Management
- Impartiality

Key Internal Policies

GRI 2-23, GRI 2-24

Governance and Board Oversight

- Policy on matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and Re-election
- Policy on Corporate Disclosures
- Policy on Whistleblowing
- Policy on Anti-Bribery and Corruption
- Policy on Relations with Shareholders and Investors
- Policy on Control and Management of Company Assets and Shareholder Investments

Governance and Board Oversight

- Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- Code of conduct (including policies on gifts, entertainment, facilitation payments, proprietary and confidential information)
- Policy on communications and ethical advertising

Risk, Compliance, and Internal Controls

- Policy on Risk Management and Internal Controls
- Policy on Bidding for Contracts (including Government contracts)
- IT policies and procedures, including data protection, classification and security
- Group accounting procedures and policies

Human Resources and Workplace Practices

- Recruitment and Selection Policies
- Learning and Development Policies
- Policy on Employee Performance Management
- Rewards and Recognition Policy
- Disciplinary Procedure
- Policy on Grievance Handling
- Policy on Remuneration

Inclusion, Equity, and Wellbeing

- Policies on Equal Opportunities, Non-Discrimination, Career Management and Promotions
- Policies on Diversity, Equity, and Inclusion (including Gender Policy)
- Policy Against Sexual Harassment
- Policies on Forced, Compulsory, and Child Labour and Child Protection

Sustainability and ESG

- Policy on Environmental, Social and Governance (ESG) Sustainability
- Group Sustainability, Environmental, and Economic Policies
- Policies on Products and Services

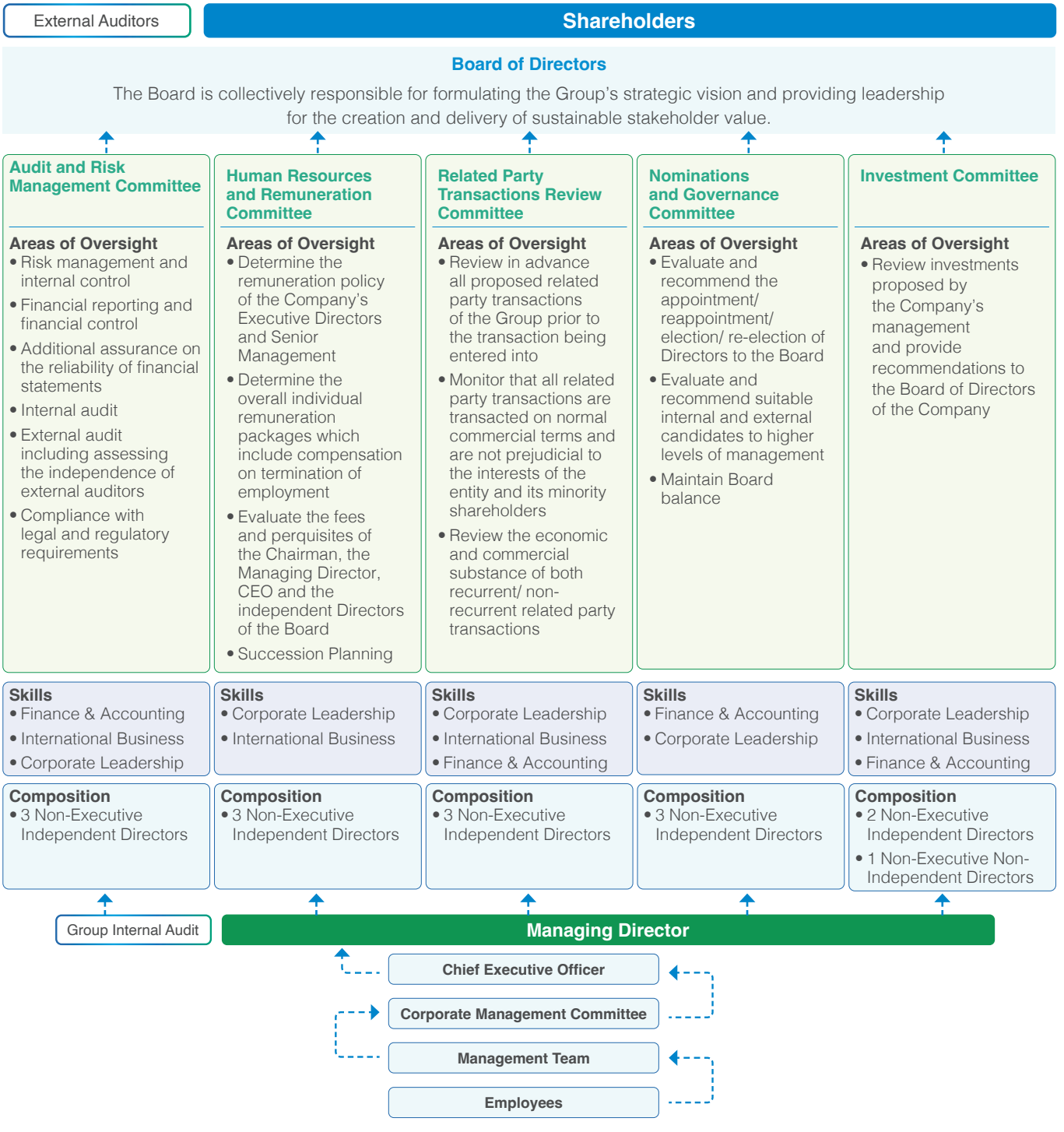
CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

GRI 2-9

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 pages 222 to 236 of this Report for further information.

The Governance Structure is graphically illustrated below:



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

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

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

The Chairman meets with the Non-Executive Directors without the presence of Executive Director's whenever necessary.

Meeting Attendance

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.

	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	-	1/1
Aelian Gunawardene	9/9	-	-	-	-	-
Nishal Ferdinando	9/9	-	-	-	-	-
Hussain Akbarally	7/9	4/4	1/1	4/4	1/1	-
Devaka Cooray	7/9	4/4	-	3/4	1/1	1/1
Priyanthi Pieris Retired w.e.f. 31.12.2024	5/6	-	1/1	-	-	1/1
Eng. Manju Haththotuwa Appointed w.e.f. 01.02.2025	2/2	-	-	-	-	-
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 under the 'Key internal policies' on page 149 above.

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

CORPORATE GOVERNANCE

- Tax governance
- Stakeholder management and effective communications
- Sustainability and product quality governance

EFFECTIVE LEADERSHIP

GRI 2-12, GRI 2-13

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. Comprising of senior professionals who are luminaries in their respective fields, the Board also plays a vital role in shaping organisational culture and driving accountability, transparency, and integrity across the organisation. This generates and delivers sustainable stakeholder value, which is the ultimate enforcer of the Group's corporate Governance Standards.

The Board collectively and Directors individually, recognise their duty to ensure 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 outlines the procedure to be followed in obtaining independent professional advice.

Moreover, the 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.

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 organisation, 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. The Board of Directors also appoints the chairman and the managing director.
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 and publishing quarterly and the Annual Report on time. It ensures that the Company's financial resources are used effectively and that appropriate financial controls are in place. Examining and approving large acquisitions above pre-agreed threshold, depositions, and capital expenditure 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.
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.
IT Governance and Strategy	The Board ensures the ICT roadmap aligns with business strategy and monitor implementation via ICT dashboard

BOARD COMPOSITION

As of the end of March 2025, the Board comprises 9 Directors including 2 Executive and 7 Non-Executive Directors of whom 4 are Independent. 4 of the Non–Executive Directors, which is the majority, are independent in terms of the criteria defined by CSE rule 9.18.2 on Corporate Governance, fulfils the minimum guidelines prescribed by the Code. The Board evaluates the independence yearly using annual declarations submitted by the Directors according to the CSE rule 9.18.3. 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.

The Board is diverse in its expertise, skills, experience, and demographics, which aligns with the current and future needs of the Company. The Board brings rich perspectives to the Board, enhancing the depth of discussions and quality of decision-making. Please refer pages 72 to 75 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.

Board Meeting Attendance	Date of Appointment	21/05/2024	18/06/2024	16/07/2024	18/09/2024	23/10/2024	25/11/2024	28/01/2025	25/02/2025	25/03/2025
Dr. Sivakumar Selliah	01.02.2014	√	√	√	√	√	√	√	√	√
Aelian Gunawardene	01.07.1993	√	√	√	√	√	√	√	√	√
Nishal Ferdinando	26.10.2021	√	√	√	√	√	√	√	√	√
Hussain Akbarally	19.06.2016	√	√	√	√	√	√	√	√	√
Devaka Cooray	01.01.2021	√	x	√	√	√	√	x	√	√
Priyanthi Pieris Retired w.e.f. 31.12.2024	01.01.2021	x	√	√	√	√	√	-	-	-
Eng. Manju Haththotuwa Appointed w.e.f. 01.02.2025	01.02.2025	-	-	-	-	-	-	-	√	√
Joycelyn Gunawardene	08.06.2015	√	√	√	√	√	√	√	√	√
Anika Williamson	08.07.2020	√	√	√	√	√	√	√	√	√
Richard Gunawardene	08.07.2020	√	√	√	√	√	√	√	√	√

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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 any additional information or clarifications needed in order to prepare for the meetings.

The Board papers include

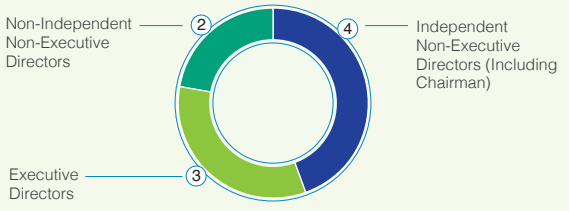
- Financial and operational information including progress on agreed Key Performance Indicators and information on the external operating environment
- Operational and financial compliance statements confirming regulatory compliance and other matters considered necessary in accordance with the policies 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
- Environmental, social, and governance (ESG) related risks and opportunities (if any) during the period
- Cyber security-related risks, mitigative measures and a security breach report (if any) during the period
- Resolutions on other matters referred to the Board
- Market share performance.
- Company asset utilisation. (Inventory, debtor, funding levels)

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.

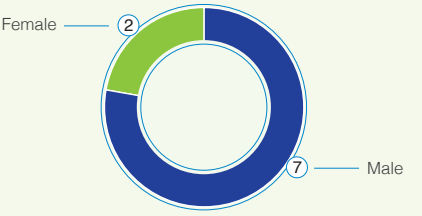
BOARD DIVERSITY

GRI 2-9, GRI 405-1

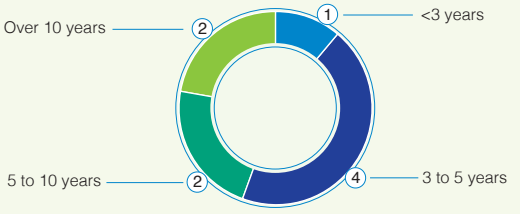
Board Composition



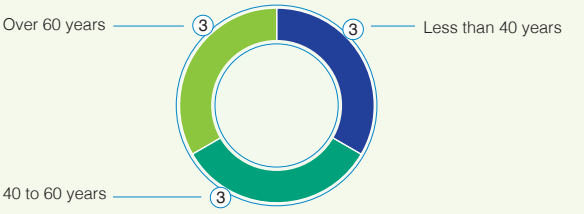
Gender Diversity



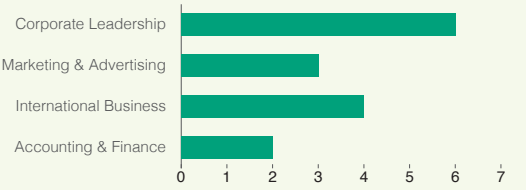
Composition by Tenure



Composition by Age



Skill Profile



Induction and Training

GRI 2-17

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. They are given the opportunity to have sufficient exposure and expertise in their relevant areas to fulfil their duties and responsibilities owing to the Board. Every Director receives 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. Moreover, as members of professional organisations, Directors also attend continuous development programmes of these organisations

Directors have access to the management team through regular updates and reporting to the Board.

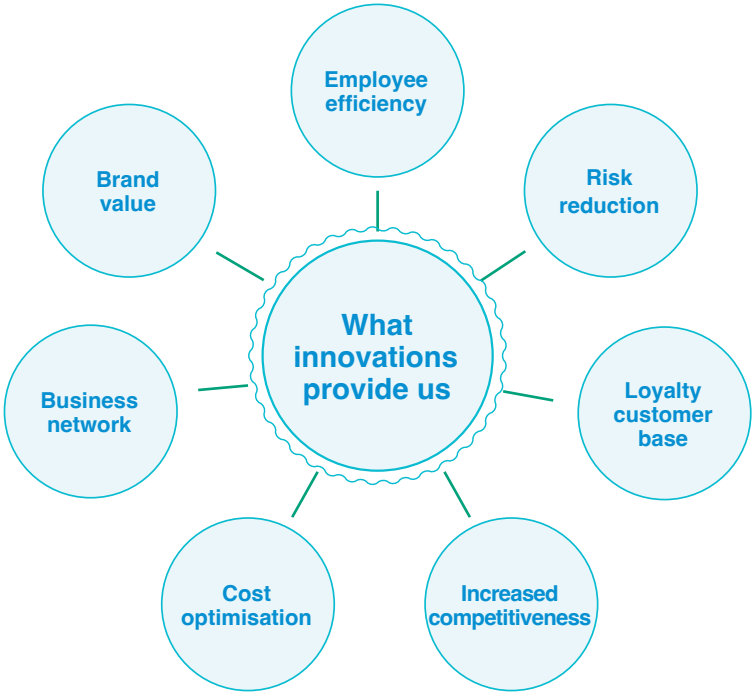
Induction Programme Covers

- 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 innovative 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. Long-term development of the Group, Operational excellence, organisational effectiveness and customer satisfaction are the major perspectives on innovation.



Refreshments of the Board and Success

GRI 2-17

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 the 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.

Board Independence

Stakeholders, stock exchanges, and regulatory organisations around the world are placing a greater emphasis on independence of the Board. 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 realised through multiple checks and balances, while not jeopardising 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

CORPORATE GOVERNANCE

review processes, and independent director-led participation. To that aim, JAT will continue to prioritise 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

GRI 2-18

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. Executive directors evaluate non-executive directors and vice versa. 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. In addition, the Board also periodically considers 360-degree appraisals for Executive Directors and Key Management personnel to further strengthen governance.

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 training • Compensation philosophy • Succession planning done by the company • Performance of the CEO • Compliance & latest developments in the 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

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 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 the 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 Non-Executive Directors, Chairman and the Managing Director assess the performance of the CEO through the set targets/Key Performance Indicators (KPIs) and the actual performance.

Board Evaluation Process

Assessment Questionnaires
- Strategies developed and implemented
- Observnce and laws and regulations
- Meeting participation quality
- System and process effectiveness

Review of Responses
- Strategies developed Review of responses by the chairman
- Report feedback to the Board of Directors

Formulation of Response
- Implementation of mitigation measures for improvement

Evaluation of the Executive Directors

When evaluating the Executive Directors both financial and non-financial targets are being considered, which are being set at the beginning of the year through the annual corporate plan. The final outcome of the evaluation serves as a basis for enhancements in governance and strategic decision making.

STRUCTURES, BALANCE OF POWER AND RESPONSIBILITIES

GRI 2-11

Role of Chairman, Managing Director and CEO

The Chairman, MD and the CEO of the Company are different persons with clearly defined and separated power and authority.

Segregation of duties

Chairman

- 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

Managing Director

- Provides assurance to the Board related to identification, assessment of risk and adequacy of Internal Audit
- Ensure alignment between Board of Directors and management
- Conceptualisaing 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

Chief Executive Officer

- 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 on the performance to the Board

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 conceptualising 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.

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 organisation's 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.

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Moreover, The Board of Directors has taken proactive measures to familiarise 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 commitment to legal compliance and regulatory adherence within the organisation.

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

GRI 205-2

Based on the Board-approved Code of Conduct, all the aspects like conflict of interest, bribery and corruption, money laundering, entertainments and gifts, accurate accounting and record keeping, fair and transparent procurement practices, Corporate opportunities, confidentiality, fair dealing, protection and proper use of Company assets, sexual harassment, discrimination and abuse, compliance of laws, rules and regulations, and encouraging the reporting of any illegal, fraudulent or unethical behaviour which is whistleblowing are covered and , the Board sets the tone from the top to instill the correct behaviors among the Company's personnel. These rules and procedures are intended to instill appropriate behaviors 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. The Board ensures the compliance with the Code and non-compliance may reasons to go for disciplinary action. There were no instances of non-compliance with the Code of Ethics by Directors or employees.

Directors' remuneration

GRI 2-19, GRI 2-20

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.

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 organisational 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 Chartered Accountants	Internal Auditors' Reports and the Audit and Risk Management Committee assurance of the Board	Independent assurance on Integrated Reporting, and GRI compliance by Ernst & Young Chartered Accountants, ESG Statement and relevant standards on SASB	Independent audit and certifications on Quality Management System, Environmental Management System, Occupational Health and Safety Management System

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 optimises 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

GRI 2-15

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 with 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 ensures the company's compliance with legal and regulatory requirements. They act as a liaison between the company and regulatory authorities, maintain statutory records, and advise the board on governance matters. They also play a role in ensuring board decisions are implemented and documented.

Key Responsibilities

- **Compliance:**

  Ensuring the company adheres to the Companies Act and other relevant regulations, including filing annual returns, maintaining statutory registers, and notifying the Registrar of Companies of changes.

- **Governance:**

  Advising the board on governance matters, ensuring compliance with corporate governance codes, and facilitating effective communication between the board and stakeholders.

- **Secretarial Duties:**

  Preparing and maintaining minutes of board meetings, organising meetings, and ensuring proper documentation of resolutions.

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- **Record Keeping:**

  Maintaining statutory registers, such as registers of members, directors, and those with significant control, and ensuring accurate records are kept.

- **Stakeholder Liaison:**

  Acting as a bridge between the company and its stakeholders, including shareholders, regulators, and government authorities.

Beyond the Basics:

- The role of Company Secretary has evolved to include providing legal and regulatory insights, assisting in strategic planning, and supporting risk management initiatives.
- The Company Secretary is also involved in registering charges created by companies, certifying annual returns, and authenticating annual reports.
- The Company Secretary ensures the company's compliance with all relevant laws and regulations, including the Companies Act.
- The Company Secretary plays a crucial role in ensuring that the decisions of the board of directors are properly implemented and documented.

In essence, the Company Secretary is a key officer who ensures efficient and compliant administration of the company, while also playing a vital role in its governance and communication with stakeholders.

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.

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

Role of Company Secretary at Board Meetings

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

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 minute books in an appropriate manner.

Post Board meeting

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

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

Independence is determined against the criteria set out in rule 9.8.3 of the Code of Best Practice on Corporate Governance (2023). The Director should be independent in character and judgement and be free of any relationships or circumstances which could affect independent judgement.

Assessment

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.

Results

4 out of 9 Directors (including the Chairman) were deemed independent by the Board.

GOVERNANCE CONTRIBUTION TO VALUE CREATION IN 2025

GRI 2-25, GRI 2-26, GRI 205-2



Drive strategy and performance

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



Culture and ethics

Setting the right tone at the top and shaping organisational culture in line with the Group's Corporate Values



Effective control and risk management

Ensure the robustness, prudency and effectiveness of the risk management practices and internal controls in place



Sustainability and stakeholder relationships

Ensuring that business is conducted in a sustainable manner, with commercial, social and environment factors given due consideration

OVERSIGHT OF STRATEGY AND PERFORMANCE

GRI 3-3

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, Senior Management and the Board of Directors. In addition, whoever represents the Company and is authorised 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 is prohibited which could be deemed as a method of bribing
- Engagement in social media is not recommended within the office working hours

Whistleblowing Policy

The Board-approved Whistleblowing Policy provides a secure, confidential, and structured mechanism for employees and stakeholders to report suspected misconduct, unethical practices, fraud, or legal violations. Reports can be made directly to the Chairman, Managing Director, Audit Committee, or designated whistleblowing channels, with the assurance that anonymity will be preserved wherever possible. Two-way communication is maintained throughout the process, enabling follow-up and ensuring that concerns are addressed transparently. The policy strictly protects whistleblowers from any form of retaliation, including demotion or penalisation, for raising concerns in good faith.

In parallel, the Company maintains a zero-tolerance policy against bribery, corruption, and workplace harassment. Strict disciplinary actions are enforced against employees involved in offering or accepting bribes, facilitation payments, or unacceptable gifts. The

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Anti-Bribery and Anti-Corruption Policy is communicated to all employees through induction programs, the employee handbook, and ongoing training.

The Company has set clear reporting processes for situations where gifts, hospitality, or expenses exceed defined thresholds. Employees are required to inform their immediate supervisors or designated authorities and, in certain cases, obtain prior approval. Non-compliance with these requirements leads to disciplinary consequences, reinforcing the importance of responsible conduct and adherence to the Company's ethical standards.

Furthermore, the Company prohibits any political contributions, whether financial or material, to political parties, causes, or candidates.

To uphold fair market practices, the Group has implemented strong measures against anti-competitive behavior. These include:

- Ensuring the Group operates independently in its pricing decisions
- Avoiding participation in cartels or prohibited competitive activities within the paint segment
- Basing pricing solely on cost escalations, market supply, and demand dynamics

Anti-Corruption and Anti-Bribery Policy

The policy outlines the Group's robust framework to prevent bribery and corruption across all its operations. Key aspects include:

- A strict zero-tolerance stance on bribery, kickbacks, facilitation payments, and improper gifts or hospitality
- Clear compliance requirements and internal controls covering all employees, Directors, contractors, agents, and third parties acting on the Group's behalf
- Regular training and awareness programs to ensure all parties understand and uphold the policy's principles
- Rigorous due diligence, accurate recordkeeping, and risk assessments to prevent and detect misconduct
- A strong emphasis on safe reporting mechanisms, ensuring whistleblowers are protected from retaliation

All Group stakeholders, including business partners and third parties, are required to adhere to the standards set out in the Group's Anti-Bribery and Anti-Corruption Policy.

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 organisational 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.

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

Global economic turmoils	**Political and policy uncertainty**	**Cybersecurity & data privacy risks**	**Supply chain disruptions**	**Evolving ESG and regulatory expectations**	**Changing consumer patterns**	

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 specialised 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 212 to 221 of this Report contains the declarations prescribed by the Code
- The Statement of Directors' Responsibility is given on page 239 of this Report
- Chief Executive Officer's and Chief Financial Officer's Responsibility Statement is given on page 238 of this Report

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 pages 222 to 225.

MINIMUM PUBLIC HOLDING

The Company had 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 7.13.1 of the CSE Listing Rules. Consequent to the transfer to the Second Board, the Company evaluated all possible proposals to take remedial action in order to comply with the minimum public holding requirement.

As per the said rule, the Company complies with the minimum public holding requirement as of 31st March 2025, where the float adjusted market capitalisation surpassed 2.5 Bn and the public holding percentage was 18.628%. Consequently, the Company was transferred back to the Main Board w.e.f. 9th May 2025 by CSE.

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.

CORPORATE GOVERNANCE

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
Customer Privacy	The IT infrastructure is aligned accordingly to safeguard confidential customer-related information. IT policies and procedures are in place including data protection, classification and security, with adherence to the statutory requirements and customer rights under the Personal Data Protection Act, 2022.
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 optimise 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.

Assessment of IT an cybersecurity vulnerabilities

Organisation-wide analysis of risk exposures

Risk asessment on an ongoing basis

Addressing risks through emediation

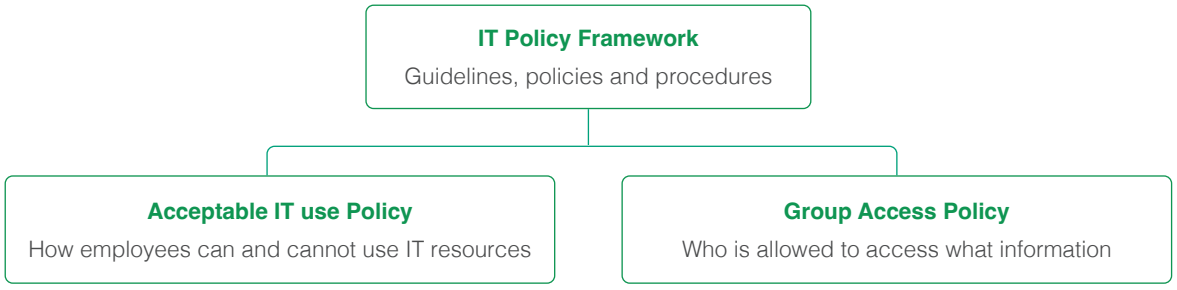
Managing IT and Cyber-Security

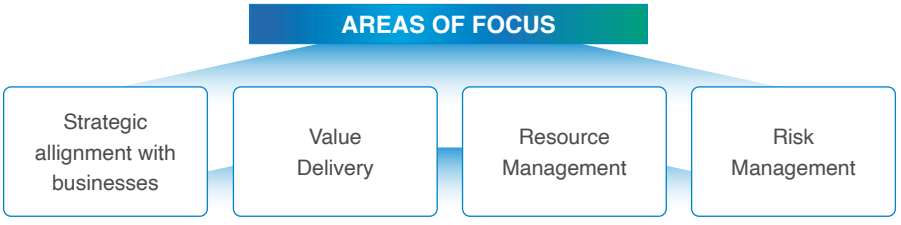
The Group is aware of its heightened exposure to IT and cybersecurity threats as a result of the push for digitalisation. A framework of strong IT policies, a clear division of responsibilities via the three lines of defense governance model, and a highly experienced IT workforce ensure that IT risks and vulnerabilities are addressed holistically and consistently. Head of IT and ERP continuously monitor and review the security requirements of the Company's information system. Discussion on cyber risk management is a regular agenda item of the risk management discussion of the Board and have given due attention and periodic reviews are carried out by the external auditors and consultants and observations are submitted to the Board for review and actions. IT Risk assessments are carried out at least annually to identify the risks in 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.

IT Governance



IT framework





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 into a publicly listed company, measures were taken to strengthen the Investor Relations function. JAT also identifies significant stakeholders and determines material matters relevant to them. This process enables us to effectively address the concerns and expectations of our key stakeholders, fostering strong relationships and aligning our strategies with their priorities.

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. 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.

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

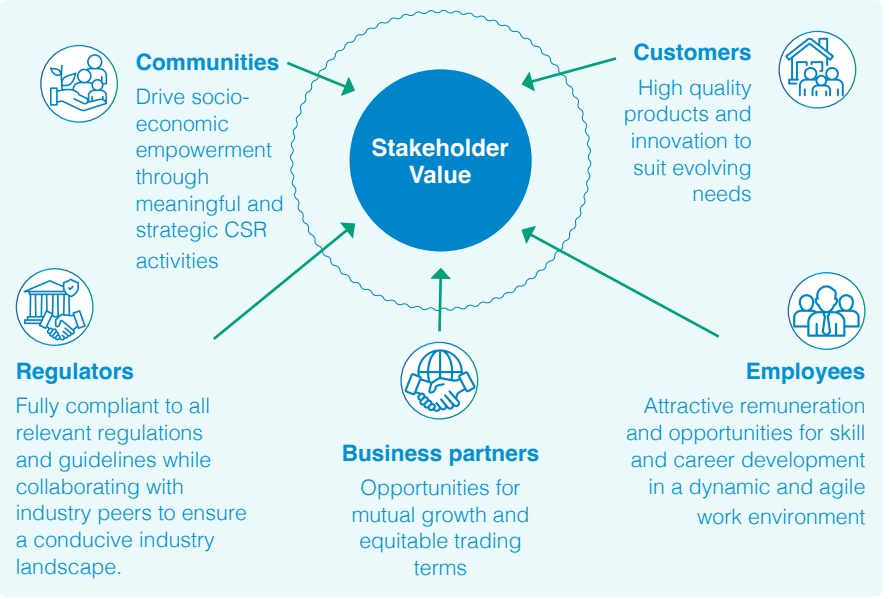
A dedicated Investor Relations page on the Group's website ensures that shareholders are kept aware of emerging developments. Investor Relations Officer is available to communicate with

CORPORATE GOVERNANCE

shareholders if necessary. Investors and shareholders can directly communicate and share their views, and it will be communicated to the Board for necessary actions.

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 36 of this Report. The value propositions we offer to our stakeholders are presented:



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 authorises quarterly financial statements on the recommendation of the audit committee 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.

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 utilise 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.

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.

REMUNERATION REVIEW

GRI 2-19, GRI 2-20

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 the industry's 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 Remuneration Committee and activities of the Committee during the year are set out on pages 231 to 233 of this Report.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The responsibility of the Directors for 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.

CORPORATE GOVERNANCE

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 Audit and Risk Management Committee and Nominations and Governance Committee have 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

GRI 2-9, GRI 2-12, GRI 2-13

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 Environmental, Social and Governance Policy outlines our social, and environmental sustainability goals, with oversight for implementation resting with the Board. We have incorporated them into our business model and 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, while disclosing sufficient information in the Annual Report as well.

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 prioritise 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 organisation. 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 to help the Company demonstrate its commitment to sustainability.

Accountability creation and proper expression
We incorporate sustainability performance directly into our annual company goals, and it is a key component of our staff performance assessments and reward systems.

Governance structure and business models are in sync
Our sustainability governance systems are designed to align with and complement our existing business models to ensure success by avoiding redundant or competing frameworks.

Sustainability programme
We've embraced the flexibility to adapt and expand our sustainability program across all business units and geographies, which has been instrumental in advancing our sustainability agenda.

Transparency in ESG Reporting

GRI 2-14

At JAT, we recognise that environmental, social, and governance (ESG) considerations are integral to our ability to execute our business strategy and create long-term value. Even though many ESG factors are categorised as non-financial, we have identified their significance in our financial performances and as a result, we have embedded them into our business model, strategic planning, governance, and risk management framework. We are committed to transparency and accountability in our ESG disclosures, ensuring compliance with both mandatory and voluntary corporate governance codes. JAT considers sustainability and ESG reporting as key Board responsibilities, aimed at providing a credible account of our economic, social, and environmental impacts. We are committed to integrating sustainability reporting into our overall reporting process, ensuring it occurs on a regular basis and aligns closely with our strategic objectives.

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 emphasising stakeholder satisfaction and delivery of sustainable value.

Greater Employee Participation in Governance

While it is thought that all relevant compliance and assurance frameworks are in place, JAT recognises 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.



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Prioritise organisational 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.



Strategise for global partnerships, mobilise, 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 organisational 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 organisation'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 organisation'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. In addition, the Group is committed in adopting IFRS S1 and S2 Standards, where the relevant disclosures on early adoption and readiness are duly reported. 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.

CORPORATE GOVERNANCE

Statement of Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023

VOLUNTARY PROVISIONS - FULLY COMPLIANT

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A	**Directors**		
A.1	**The Board**	Yes	The Company is headed by an effective Board of Directors who are responsible and accountable for the stewardship function of the Company. The Copmany recognises the key resources deployed in the business and financial and non-financial measures are established and 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	Refer page 153 of Corporate Governance
A.1.2	Role and Responsibilities of the Board	Yes	Refer page 152 of Corporate Governance
A.1.3	Act in accordance with laws of the Country and obtain independent professional advice	Yes	Refer page 57 of Corporate Governance
A.1.4	Access to advice and services of the Company Secretary	Yes	Refer page 159 of Corporate Governance
A.1.5	Bring independent judgment on various business issues and standard of business conduct	Yes	Refer page 151 of Corporate Governance
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	Yes	Refer page 153 of Corporate Governance
A.1.7	One third of directors can call for a resolution to be presented to the board where they feel it is in best interest to the company to do so	Yes	Company Secretaries possess the records of the resolutions which were signed by majority most of the time all the Directors
A.1.8	Board induction and Training	Yes	Refer page 155 of Corporate Governance
A.2	**Chairman, Managing Director and CEO**	Yes	The positions are held by 3 different individuals
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 a wide range of experience to the Board and the ability to exercise independence and judgement when taking informed decisions.
A.5.1	The Board should include sufficient number of NEDs	Yes	Refer page 153 of Corporate Governance
A.5.2	If the Board includes only 3 NEDs, they should be independent	N/A	

CORPORATE GOVERNANCE

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A.5.3	Independence of Directors	Yes	Refer page 153 of Corporate Governance
A.5.4	Annual declaration of independence of NEDs	Yes	Refer page 153 of Corporate Governance
A.5.5	Annual determination of independence of NEDs	Yes	Refer page 153 of Corporate Governance
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	Refer page 159 of Corporate Governance
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 four days prior to the meeting.
A.7	**Appointments to the Board and Re-election** GRI 2-10	Yes	Appointment of Directors are done in line with the recommendations of the Nominations and Governance Committee.
A.7.1	Establishing a Nominations and Governance Committee, Chairman, membership requirements and Terms of Reference.	Yes	Refer Nominations and Governance Committee Report.
A.7.2	Annual assessment of Board composition	Yes	Refer Nominations and Governance Committee Report.
A.7.3	Succession planning and development	Yes	Refer Nominations and Governance Committee Report.
A.7.4	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'.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A.7.5	Nomination Committee Disclosure in Annual Report	Yes	Refer Nominations and Governance Committee Report.
A.8	**Directors to submit themselves for re-election**	Yes	The Directors are subject to re-election on the basis of longest in office and newly appointed Directors at the AGM as provided in Articles of Association.
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	Refer Nominations and Governance Committee Report
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 CEO 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 the Chairman on self-appraisal basis. The Board annually appraises its own performance to ensure that it is discharging its responsibilities satisfactorily.
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.
A.9.2	The Board should also undertake an annual self-evaluation of its own performance and that of its Committees, chairman, non- executive directors and executive directors.	Yes	Refer page 156 of Corporate Governance
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	Refer Nominations and Governance Committee Report

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
A.9.4	The Board should state how such performance evaluations have been conducted, in the Annual Report	Yes	Refer page 156 of Corporate Governance
A.10	**Annual Report to disclose specified information regarding Directors**	Yes	Profiles of the Board 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 153 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 153.
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	Refer page 157 of Corporate Governance
A.11.2	Evaluation of the performance of the CEO	Yes	Refer page 157 of Corporate Governance
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.2	**Level and make-up of remuneration**	Yes	The Board together with the Remuneration Committee aims to attract retain and motivate high calibre individuals for top Executive positions.
B.2.1	The board should establish a remuneration committee to recommend the pay framework for the CEO, executive, and non-executive directors, and ensure fair, transparent procedures for senior management's remuneration, including post-employment and terminal benefits.	Yes	Refer HR and Remuneration Committee Report
B.2.2	Remuneration committee should consist exclusively of non-executive directors with a minimum of three nonexecutive directors of whom the majority should be independent. The chairman should be an independent non-executive director and should be appointed by the board.	Yes	Refer HR and Remuneration Committee Report
B.2.3	The remuneration committee should consult the chairman or CEO on executive and senior management pay proposals and seek professional advice as needed.	Yes	Refer HR and Remuneration Committee Report
B.2.4	The remuneration committee should offer competitive packages to attract and retain top executives while avoiding excessive pay and ensure similar structuring for senior management compensation	Yes	Refer HR and Remuneration Committee Report

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
B.2.5	Executive directors' remuneration should be designed to promote the short medium and long-term performance of the company.	Yes	Refer HR and Remuneration Committee Report
B.2.6	The remuneration committee should assess the company's pay levels relative to peers, consider performance, and use comparisons cautiously to avoid unnecessary pay increases without performance improvements.	Yes	Refer HR and Remuneration Committee Report
B.2.7	The remuneration committee should consider overall company or group pay and employment conditions, especially when deciding on annual salary increases	Yes	Refer HR and Remuneration Committee Report
B.2.8	The remuneration committee should ensure that performance-related pay for the CEO and executive directors aligns with company and stakeholder interests, offering clear, challenging, and rigorously applied incentives. It should review performance against approved targets annually and recommend adjustments to pay and benefits. The committee must also ensure that fair and transparent evaluation guidelines for senior management are followed	Yes	Refer HR and Remuneration Committee Report
B.2.9	Executive share options should not be offered below market price, except as allowed by Stock Exchange rules. Options should be exercisable only after three years, and the remuneration committee should consider requiring directors to hold a minimum number of shares and retain them post-vesting or exercise.	Yes	There was no Executive share options scheme offered to any Director
B.2.10	Performance-related remuneration schemes should follow Schedule G provisions, including terms for recovering or withholding payments and specifying conditions under which recovery is not permitted.	Yes	Performance-related Remuneration is designed by the Remuneration Committee based on the provisions set out.
B.2.11	The remuneration committee should evaluate compensation commitments, including pensions, for early termination in executive contracts and consider including these terms in initial contracts, except for misconduct.	Yes	Refer HR and Remuneration Committee Report

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
B.2.12	If initial contracts lack explicit compensation terms, the remuneration committee should handle early termination cases fairly and within legal limits, aiming to avoid rewarding poor performance while fairly managing non-performance-related departures	Yes	In cases where initial employment contracts do not clearly define termination compensation, the Company relies on the Remuneration Committee to ensure a fair, transparent, and legally compliant approach to managing early departures. The Committee evaluates each case based on its specific circumstances, taking care to avoid outcomes that could be perceived as rewarding underperformance. At the same time, the Company is committed to treating individuals fairly, particularly in cases where termination is due to non-performance-related factors
B.2.13	The board or shareholders should set non-executive directors' remuneration, including that of the remuneration committee members. The board may delegate this to a sub-committee, which could include the CEO.	Yes	This is a key responsibility of HR & Remuneration Committee. Refer HR & Remunation Committee Report
B.2.14	Non-executive directors' remuneration should reflect their role's time commitment and responsibilities, considering market practices and reviewed periodically. It should usually exclude share options; if granted, shareholder approval is needed, and shares must be held for at least a year after leaving the board. Holding share options may affect a director's independence	Yes	Refer HR and Remuneration Committee Report
B.2.15	The chairman and members of the remuneration committee should be listed in the annual report each year.	Yes	Refer HR and Remuneration Committee Report
B.3	**Disclosures related to remuneration in Annual Repor**t	Yes	The 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 contains a statement of Remuneration Policy, composition of the HR & Remuneration Committee and the aggregate Board remuneration paid
B.3.2	The annual report should include the number and total remuneration of senior management reporting to the CEO, including the CEO if they are not an executive director.	Yes	The CEO is an Executive Director Total remuneration of senior management is Rs. 153 Mn.

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 Chairman 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, utilising multiple channels of communication.

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
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.
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. The responding persons are Company Secreteries, Registrars of the Company and Investor Relationship Officer
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.3.3	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.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
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 239 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 in page 238.
D.1.4	Directors' declarations and responsibilities in the Annual Report	Yes	The Annual Report of the Board of Directors on the affairs of the Company is included in the 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 The directors ensure that the annual report and financial statements are fair, balanced, and understandable, providing all necessary information for shareholders. We fully comply with this practice and provide explanations if any declarations cannot be made
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, corporate and enterprise 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.

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
D.1.7	Summoning an Extraordinary General Meeting (EGM) to notify serious loss of capital	Yes	As per the audited financial statements, 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 25 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	Risk Management Framework and Delegation of Responsibilities	Yes	The Board has adopted and actively practices a comprehensive risk management framework. Moreover, JAT has established clear processes and delegated responsibilities to identify, assess, monitor, and manage risks, ensuring alignment with its strategic, operational, and financial objectives.
D.2.1.1	The Board should ensure that the Company has 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.	Yes	Please refer page 201 in the Risk Management report.
D.2.1.2	The board should describe the risk management framework, processes, responsibilities and explain in the annual report how they are being managed or mitigated	Yes	Refer Risk Assessment Criteria and Risk Management in page 201
D.2.1.3	The board should establish a risk committee to oversee risk management. Alternatively, the entire board may take up this role or allocate certain aspects of risk to other committees established by the board and retain certain aspects specifically at board level	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.2.1.4	The company should consider regulatory requirements and sector/industry specific business risks in determining the need to have a separate risk committee. Companies may consider combining audit and risk functions under one committee.	Yes	JAT by carefully considering regulatory requirements and sector-specific business risks to determine the necessity of a separate risk committee, has combined the audit and risk functions into one committee to enhance oversight and efficiency in the most appropriate way.

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
D.2.1.5	The risk committee should comprise of at least three members, a majority of whom should be non-executive directors and be chaired by an independent non-executive director.	Yes	Refer Audit and Risk Management Committee Report
D.2.1.6	The risk committee should have a written term of reference dealing clearly with its authority and duties. The terms of reference must address at a minimum how it will assist the board's oversight of risk management	Yes	Refer Audit and Risk Management Committee Report
D.2.1.7	The annual report should contain a report of the risk committee, setting out its role and how it discharged its responsibilities.	Yes	Refer Audit and Risk Management Committee Report
D.2.1.8	Companies in regulated industries should consider applicable laws and regulations in determining the composition, scope, roles and responsibilities of the risk committee.	Yes	The composition, scope, roles and responsibilities of the Audit and Risk Managmeent Committee are in compliance with the applicable laws and regulations
D.2.2	The board should establish a process to ensure internal controls are designed, implemented and monitored, to provide reasonable assurance of the achievement of an entity's objectives on reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.	Yes	The Board has established a process to ensure internal controls are designed, implemented and monitored. Refer Audit and Risk Management Committee Report
D.2.2.1	The board should establish and regularly monitor an effective internal control system across financial, operational, and compliance areas. Annually, the board must review the system's effectiveness and report findings in the annual report, covering all significant controls.	Yes	The Board has established a comprehensive internal control system that spans financial reporting, operational processes, and regulatory compliance. This system is designed to safeguard assets, ensure the accuracy of records, and support the achievement of strategic objectives. The Board of Directors assumes ultimate responsibility for the adequacy and effectiveness of this system and conducts an annual review to assess its performance.
D.2.2.2	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.2.2.3	Review of the process and effectiveness of internal controls by the Audit and Risk Management Committee	Yes	Audit and Risk Management Committee continuously reviewed the effectiveness of internal controls and ensured the soundness of internal controls and managed to report any deficiencies and matters to Board with recommendations.
D.2.2.4	Responsibilities of Directors in maintaining a sound system of internal control	Yes	The Board Statement on Internal Controls complies with the contents in Annexure L of the Code.

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
D.3	**Audit 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 Committee	Yes	Refer Audit and Risk Management Committee Report
D.3.2	Terms of Reference of the Audit Committee	Yes	Refer Audit and Risk Management Committee Report
D.3.3	Disclosures of the Audit 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 in page 222 and disclosure on the independence of the Auditors is found in page 243 under the Independent Auditors' report.
D.4	**Risk 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.4.1	Composition of the Risk Committee	Yes	Refer Audit and Risk Management Committee Report
D.4.2	Terms of Reference of the Risk Committee	Yes	Refer Audit and Risk Management Committee Report
D.4.3	Committee meetings	Yes	Refer Audit and Risk Management Committee Report
D.4.4	Authority given to the Committee	Yes	Refer Audit and Risk Management Committee Report
D.4.5	Disclosures	Yes	Refer Audit and Risk Management Committee Report
D.5	**Related Party Transactions Review Committee**	Yes	The Board has established a Related Party Transactions Review Committee that operates independently under specified terms of reference.
D.5.1	A related party and related party transactions will be as defined in LKAS 24	Yes	Refer Note 25 in page 304.
D.5.2	Compositions of the Related Party Transactions Review Committee	Yes	Refer Related Party Transactions Review Committee Report
D.5.3	The Committee to have written terms of reference covering the salient aspects as stipulated in the section	Yes	Refer Related Party Transactions Review Committee Report
D.6	**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 policy on Code of Business Conduct is in place.
D.6.1	Code of Business Conduct and Ethics	Yes	Refer Role of the Board in promoting ethics and values in page 158 of Corproate Governance

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
D.6.2	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.6.3	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.6.4	The company should establish a procedure to deal with complaints received from whistle-blowers such as employees, customers, suppliers and any other other parties in relation to non-compliance with company's code of business conduct and ethics	Yes	Refer 'Whistle Blowing Policy' in page 161
D.6.5	The company should conduct training on the code of business conduct and ethics as part of induction training of new employees and require confirmation of compliance at least on annual basis from all employees.	Yes	Refer 'Dynamism of Training Programs' in page 155
D.6.6	The process for companywide dissemination of the policy, training arrangements, violations/non compliances (if any) with actions taken should be reported to the board on a regular basis. Any exemptions/ waivers from compliance with the code of business conduct and ethics with reasons and timelines should be approved by the board.	Yes	Refer Role of the Board in promoting ethics and values in page 152 of Corporate Governance. These are communicated to the Board of Directors during the Board Meetings as well.
D.6.7	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. Chairman must also disclose significant violation if any of the provisions of the code of business conduct & ethics. Disclosers should contain the types and numbers of violation and procedures followed in dealing with them.	Yes	Refer Chairman's statement in page 146.

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
D.7	**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. The Company is fully compliant with the Listing Rules of Colombo Stock Exchange and Code of Best Practices on Corporate Governance issued in 2023.
D.7.1	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 172 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	Refer Board of Directors' Communication Policy in page 237
E.2	**Evaluation of Corporate Governance initiatives**	Yes	Matters relating to governance are communicated effectively to all shareholders via the Annual Report, through AGM and CSE disclosures. 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.
G.2	**Cyber Information Security officer and cyber security risk management policy**	Yes	Refer Managing IT and Cyber Security Risks in page 163 of Corporate Governance
G.3	**Discussions on cyber risk management**	Yes	Refer Managing IT and Cyber Security Risks in page 163 of Corporate Governance
G.4	**Independent periodic reviews and assurance**	Yes	Refer Managing IT and Cyber Security Risks in page 163 of Corporate Governance
G.5	**The Board should disclose in the Annual Report, the process to identify and manage cybersecurity risks**	Yes	Refer Managing IT and Cyber Security Risks in page 163 of Corporate Governance

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
H	**Sustainability: ESG risk and opportunities**		
H.1	**Integrating Sustainability and ESG for Long-Term Resilience and Value Creation**	Yes	Sustainability Governance
H.1.1	The company should regularly present the board with the impact of sustainability/ESG risks and opportunities in its business and strategic plans, including scenarios, likelihood, impact, mitigative actions, and management strategies	Yes	Refer Sustainability and ESG Focus in page 168 of Corporate Governance
H.2	**Proactive Stakeholder Engagement for Enhanced ESG Risk Management**	Yes	The Company adopts a proactive and integrated approach to engaging with stakeholders, fostering strong and transparent relationships that support long-term sustainability goals. Stakeholder engagement is central to identifying and managing ESG-related risks, particularly in the social and governance dimensions. Sustainability principles are embedded across operations, with ongoing initiatives in place to promote compliance and accountability in line with the Company's ESG commitments.
H.2.1	The company should have a process to recognise significant stakeholders and material matters relating to significant stakeholders and a method of engagement relevant to their level of interest and influence.	Yes	Refer Sustainability and Stakeholder Relationships in page 168 of Corporate Governance
H.3	**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.3.1	Sustainability factors should be addressed through a process of environmental governance and social governance	Yes	Refer Our Approach to Corporate Governance in page 147 of Corporate Governance
H.3.1.1	Environmental governance of an organisation should adopt an integrated approach that takes into consideration the direct and indirect economic, social, health and environmental implications on business strategies, plans, decisions and operations.	Yes	Refer Our Approach to Corporate Governance in page 147 of Corporate Governance
H.3.1.2	An Integrated Approach to Community, Customer, Employee, and Supplier Engagement	Yes	Refer Our Approach to Corporate Governance in page 147 of Corporate Governance

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Code Ref.	Requirement	Complied	Compliance and Reference within the Report
H.4	**Board governance for sustainable value creation and risk management**	Yes	The Company has established a governance structure to support its ability to create value and manage risks on all pertinent aspects of ESG.
H.4.1	Recognising key capitals and stakeholder influence	Yes	The company recognises the key resources/capitals deployed in its business and stakeholders who can influence these resources/ capitals and establish financial and nonfinancial measures for resource/capital management and related outputs and outcomes
H.4.2	Framework for managing sustainability/ ESG factors	Yes	The company focuses on ascertaining, assessing and managing sustainability/ESG factors which have an impact on the sustainability of the company.
H.4.3	Financial and non-financial measures	Yes	The company should establish financial and nonfinancial measures in respect of all material matters relating to significant stakeholders
H.5	**Transparency in ESG reporting**	Yes	The Company is committed to maintaining transparency in its Environmental, Social, and Governance (ESG) reporting by providing accurate, consistent, and timely disclosures to stakeholders. ESG-related data and initiatives are integrated into the Company's annual reporting structure, enabling stakeholders to assess the Company's sustainability performance and risk management practices
H.5.1	Integrating ESG considerations into business strategy and value creation	Yes	Refer Transparency in ESG Reporting in page 169 of Corporate Governance
H.5.2	Transparency in ESG disclosures	Yes	Refer Transparency in ESG Reporting in page 169 of Corporate Governance
H.5.3	Compliance with corporate governance codes	Yes	Refer Transparency in ESG Reporting in page 169 of Corporate Governance
H.5.4	Board responsibility for sustainability, ESG reporting	Yes	Refer Transparency in ESG Reporting in page 169 of Corporate Governance
I	**Special considerations for listed entities**		
I.1	**Governance policy framework and disclosure requirements for listed entities**	Yes	JAT established and maintains robust governance policies in line with regulatory requirements. Furthermore, we disclose the existence of these governance policies and provide comprehensive details about their implementation on our official website. JAT has adpoted a policy on corporate disclosures as per Section 9 of the Listing Rules of CSE
I.1.1	Specified areas to maintain policies	Yes	The policies have been adopted and published in the Company website

Code Ref.	Requirement	Complied	Compliance and Reference within the Report
	• Matters relating to the board of directors • Board committees • Corporate governance, nominations, and reelection • Remuneration • Internal code of business conduct and ethics for all directors and employees, including policies on trading in the entity's listed securities • Risk management and internal controls • Relations with shareholders and investors • Environment, social and governance sustainability • Control and management of company assets and shareholder investments • Corporate disclosures • Whistleblowing • Anti-bribery and corruption		
I.1.2	Any waivers from compliance with the internal code of business conduct and ethics or exemptions granted by the listed entity shall be fully disclosed in the annual report	N/A	No such instances were recorded during the reporting period
I.1.3	Disclosing policies in the annual report	Yes	JAT discloses its policies in the Annual Report that are in place with reference to the website and discloses any changes in policies adopted by them, in the Annual Report
I.1.4	Making policies available to its shareholders	Yes	Company has made the policies visible to any interested party through the company website
I.2	**Policy on matters relating to the Board of Directors**	Yes	JAT has established and maintains a formal policy governing matters relating to the board of directors
I.2.1	A comprehensive policy governing matters relating to BOD shall be in existance	Yes	Refer page 148 of Corporate Governance
I.2.2	Listed entities shall confirm compliance with the requirements of the policy referred to above in the annual report and provide explanations for any noncompliance with any of the requirements with reasons for such non-compliance and the proposed remedial action	Yes	Compliance list is published

CORPORATE GOVERNANCE

Statement of Compliance pertaining to Companies Act No. 7 of 2007

MANDATORY PROVISIONS - FULLY COMPLIANT

	Rule	Complied	Reference (within the Report)
168 (1) (a)	Nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Yes	Page 28 of the overview
168 (1) (b)	Signed financial statements of the Group and the Company	Yes	Financial Statements from pages 247 to 251
168 (1) (c)	Auditors' Report on financial statements	Yes	Independent Auditors' Report in page 243
168 (1) (d)	Accounting policies and any changes therein	Yes	Significant Accounting Policies in page 253 of Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	Yes	Page 216 of the Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company	Yes	Page 216 of the Annual Report of the Board of Directors
168 (1) (g)	Corporate donations made by the Company	Yes	Page 216 of the Annual Report of the Board of Directors
168 (1) (h)	Names of the 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	Yes	Page 219 of the Annual Report of the Board of Directors
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	Yes	Notes to the Financial Statements
168 (1) (j)	Auditor's relationship or any interest with the Company and its subsidiaries	Yes	Audit and Risk Management Committee Report
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Page 221 of the Annual Report of the Board of Directors
168 (2)	Information as per Section 168 (1) (b) to (j) in relation to the subsidiaries	Yes	Page 14 of Overview and page 256 of Notes to the Financial Statements

Statement of compliance under section 9 of the listing rules of the CSE on Corporate Governance

MANDATORY PROVISIONS - FULLY COMPLIANT

	Rule	Complied	Reference (within the report)/ comments
9.1	**Applicability of Corporate Governance Rules**		
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	Page 146 of Corporate Governance Commentary
9.2	**Policies**		
9.2.1	Listed Entities shall establish and maintain the stated policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website	Yes	Page 188 of Corporate Governance Commentary and made available to be downloaded at will on the corporate website
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report	N/A	
9.2.3	Listed Entities shall disclose in its Annual Report (i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website (ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	Yes	Page 189 of Corporate Governance Commentary
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy	Yes	Made available to be downloaded at will on the corporate website
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	Yes	Page 151 of 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	Yes	Sections 9.11, 9.12, 9.13 and 9.14 below
9.3.3	The chairperson of the Board of Directors of the listed Company shall not be the chairperson of the Board Committees referred to in rule 9.3.1	Yes	Page 215 of the Annual Report of the Board of Directors

CORPORATE GOVERNANCE

	Rule	Complied	Reference (within the report)/ comments
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	Yes	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	Yes	Stakeholder Relations in page 36 of the Corporate Governance Commentary and details of the contact personnel are disclosed under Corporate Information
9.5	**Policy on matters relating to the Board of Directors**		
9.5.1	Listed entities shall establish and maintain a formal policy governing matters relating to the Board of Directors	Yes	As per Listing Rule No. 9.2.1 (a) policy has adopted and published in the Company's website
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non- compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action	Yes	There were no non-compliances during the year. Therefore, no remedial actions are to be disclosed
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	Yes	The Chairman of the Entity is a Non-Executive Director. Refer Structures and Balance of Power in page 157 of Corproate Governance Commentary
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules.	N/A	
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	

	Rule	Complied	Reference (within the report)/ comments
9.6.4	Where a Listed Entity has appointed a SID as required in terms of Rule 9.6.1 above, such Entity shall set out the rationale for such appointment in the Annual Report of the Entity	N/A	
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	Yes	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	Yes	
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	Yes	All the Directors of the Company and CEO provide a declaration confirming that they have continuously satisfied with the Fit and Proper Assessment Criteria, which are in the records of the Company Secretaries
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	Yes	Board and sub-committee performance evaluation in page 236 of Corporate Governance Commentary
9.8	**Board Composition**		
9.8.1	The Board of Directors of a listed entity shall, at a minimum consist of 5 Directors	Yes	The Company has 9 members in its Board of Directors
9.8.2	Minimum number of Independent Directors (a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.	Yes	4 out of 9 are Independent Directors. Refer Board Diversity in page 153 of Corproate Governance Commentary
9.8.3	Criteria for determining indepence of the Directors	Yes	The Indepence Directors have submitted specimen declarations as per Appendix 9A of Listing Rules of CSE and those are in the records of the Company Secretaries

CORPORATE GOVERNANCE

	Rule	Complied	Reference (within the report)/ comments
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 (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	Yes	All Independent Directors submitted the signed declaration of their independence to the Board
9.9	**Alternate Directors**		
	Alternate directors shall only be appointed in exceptional circumstances and shall comply with Rule 9.9 and such requirements shall also be incorporated into the Articles of Association of the Company	Yes	No Alternate Directors and requirements listed in the listing rule will be incorporated to the Articles of Association at the Annual General Meeting 2025
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	Yes	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 number of Directors
9.10.2	Listed entities shall, upon the appointment of a new Director to its Board, make an immediate market announcement	Yes	
9.10.3	Listed entities shall make an immediate market announcement regarding any changes to the composition of the Board and Board Committees	Yes	

	Rule	Complied	Reference (within the report)/ comments
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)	Yes	* 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
9.11	**Nominations and Governance Committee**		
9.11.1	Listed entitites shall have a Nominations and Governance Committee	Yes	Refer Nominations and Governance Committee Report
9.11.2	Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	Yes	Refer Nominations and Governance Committee Report
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Refer Nominations and Governance Committee Report

CORPORATE GOVERNANCE

	Rule	Complied	Reference (within the report)/ comments
9.11.4	1. Composition of the Committee (a) Comprise of a minimum of 3 Directors of the Listed Entity out of which a minimum of 2 members shall be Independent Directors of the Listed Entity. (b) Not comprise of Executive Directors of the Listed Entity 2. An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Director 3. The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity	Yes	Refer Nominations and Governance Committee Report
9.11.5	The required functions of the Committee are met	Yes	Refer Nominations and Governance Committee Report
9.11.6	Disclosures in the Annual Report The Annual Report of the Listed Entity shall contain a report of the Committee signed by its Chairperson	Yes	Refer Nominations and Governance Committee Report
9.12	**Remuneration Committee**		
9.12.2	Listed entities shall have a Remuneration Committee	Yes	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	Yes	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 nondiscriminatory pay practices among them to ensure that their independence is not impaired	Yes	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	Yes	Refer HR and Remuneration Committee report
9.12.6	1. Composition of the Committee (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 2. An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors	Yes	Refer HR and Remuneration Committee report
9.12.7	The required functions of the Committee are met	Yes	Refer HR and Remuneration Committee report

	Rule	Complied	Reference (within the report)/ comments
9.12.8	Disclosures in the Annual Report The Annual Report of the Listed Entity shall contain a report of the Committee signed by its Chairperson including the remuneration policy and aggregate remuneration of the Executive and Non-Executive Directors	Yes	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	Yes	Refer Audit and Risk Management Committee Report
9.13.3	Composition of the Committee 1. (a) The Audit Committee shall comprise of a minimum of 3 Directors of the Listed Entity, out of which a minimum of 2 or a majority of the members, whichever higher shall be independent Directors (b) The Audit Committee shall not comprise of Executive Directors of the Listed Entity 2. The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Directors 3. The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market 4. An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors 5. Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation 6. The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body.	Yes	Refer Audit and Risk Management Committee Report
9.13.4	The required functions of the Committee are met	Yes	Refer Audit and Risk Management Committee Report

CORPORATE GOVERNANCE

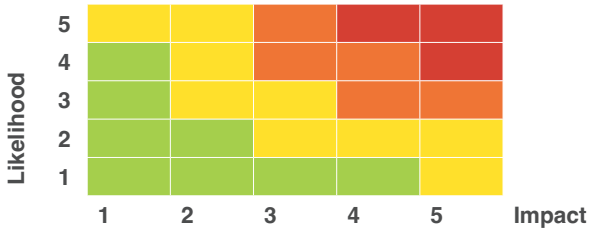
	Rule	Complied	Reference (within the report)/ comments
9.13.5	Disclosures in the Annual Report The Annual Report of the Listed Entity shall contain a report of the Committee signed by its Chairperson including; - The status of risk management and internal control of the Listed entity and as a Group - A statement that it has received assurance from the CEO and the CFO of the entity's operations and finances - 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 - How the internal audit assurance is achieved and a summary of the work of the internal audit function - The effective discharge of its functions and duties for the financial year - 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 - 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	Yes	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	Yes	Refer Related Party Transactions Review Committee Report
9.14.2	Composition of the Committee 1. 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	Yes	Refer Related Party Transactions Review Committee Report
9.14.3	The required functions of the Committee are met	Yes	Refer Related Party Transactions Review Committee Report
9.14.4	1. The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.	Yes	Refer Related Party Transactions Review Committee Report

	Rule	Complied	Reference (within the report)/ comments
	2. The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person.	Yes	Refer Related Party Transactions Review Committee Report
	3. Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction	Yes	Refer Related Party Transactions Review Committee Report
	4. If a Director of the Listed Entity has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter	Yes	Refer Related Party Transactions Review Committee Report
9.14.5	Requirements on reviewing of Related Party Transactions by the Related Party Transactions Review Committee	Yes	Refer Related Party Transactions Review Committee Report
9.14.6	Shareholder Approval where necessary	Yes	There were no any Related Party Transactions which require shareholders approval for the reporting year
9.14.7	Immediate market disclosures	Yes	There were no any immediate market disclosures during the reporting year
9.14.8	Disclosures in the Annual Report The Annual Report of the Listed Entity shall contain a report of the Committee signed by its Chairperson including; - details of recurrent and non-recurrent Related Party Transactions - 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 - policies and procedures adopted by the Committee for reviewing the Related Party Transactions	Yes	Refer Related Party Transactions Review Committee Report
9.14.9	Acquisition and disposal of Assets from/to related parties	Yes	There were no acquisitions/disposals with RP during the reporting year

CORPORATE GOVERNANCE

	Rule	Complied	Reference (within the report)/ comments
9.17	**Additional Disclosures by the Board of Directors**		
i	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	Yes	None during the reporting year
ii	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	Yes	Page 240 of Directors' Statement on Internal Control
iii	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	Yes	Page 158 of Corporate Governance Commentary
iv	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	Yes	None during the reporting year

RISK MANAGEMENT



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 Description	Risk Rating 2024/25	Risk Rating 2023/24	Factors Impacting Risk Rating	Mitigation Strategies
Operating environment related risks				
Fiscal reforms and taxation risk				
Frequent changes in fiscal policy and tax regulations creates uncertainty and disrupt financial planning. Sudden increases in corporate taxes, VAT revisions, or changes in import duties introduced as part of revenue generation strategies implemented by the government can directly impact cost structures and pricing strategies			• Reduced consumer spending capacity • New tax policies introduced under IMF program • Decisions taken without sufficient stakeholder input	• Operational cost controls • Financial scenario planning • Continuous impact assessments and strategy implementations • Adapt product offerings to suit changing needs • Enhance export market presence and place representatives at target locations
Political and policy instability				
The volatile political conditions prevailed in Sri Lanka and Bangladesh impacted negatively on the Group's operations, causing disruptions in the supply chain			• Volatilities in governing principals and policies causing uncertainty over long-term policy direction in Sri Lanka • Unexpected political turmoil in Bangladesh	• Monitoring and scenario analysis • Regular stakeholder engagement to be up to date with new laws and regulations and influence those which adversely impact the economy and thebusiness environmen • 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

RISK MANAGEMENT

Risk Description	Risk Rating 2024/25	Risk Rating 2023/24	Factors Impacting Risk Rating	Mitigation Strategies
Exchange rate volatility and inflationary pressure				
These unpredictabilities create challenges in budgeting, pricing, and profitability for companies engaged in international trade or with foreign currency exposure. This results in reduced financial stability, increased operational costs, and difficulty in strategic planning, potentially affecting overall competitiveness and long-term growth			• Delays in debt restructuring • Fluctuations in currencies • Consumer sentiments • Inflation levels • Disposable income	• Backward vertical integration, reducing dependency on imports • Introducing innovative products to the market based on the affordability and requirements of the target customer segment through the R&D unit • Targeted marketing promotions to drive demand in selected segments • Relentless focus on cost-saving measures to mitigate the impact of product cost increases
IT related risks				
IT infrastructure vulnerability & cybersecurity threats				
Gaps in technology systems, networks, or security protocols expose the organisation to cyber threats, system failures, or data breaches. Such vulnerabilities can disrupt critical business processes, compromise sensitive information, and erode stakeholder trust, challening operational continuity			• Aging or overloaded IT systems • Increased digitisation • Inadequate security measures or noncompliance 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 • Breakdown of systems	• Business continuity planning and develop contingency plans • Infrastructure upgrades • Enhanced firewalls and security software • 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 • Comprehensive backup and recovery systems in place
Data integrity and privacy risk				
With increased reliance on digital platforms and interconnected systems across operations, the risk of compromised data integrity and breaches of privacy has become more prominent. Inadequate cybersecurity measures, limited regulatory enforcement, and rising external threats expose sensitive business information to unauthorised access or manipulation which leads to operational disruptions, financial loss, reputational damage, and legal consequences			• Dependency on third-party platforms • Inadequte cyber-security infrastructure • Lack of employee awareness • Data Collection and Storage Practices • Data Access and Permissions	• Robust privacy policies and compliance reviews • Continuous awareness sessions for employees • 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

Risk Description	Risk Rating 2024/25	Risk Rating 2023/24	Factors Impacting Risk Rating	Mitigation Strategies
Information risk				
Real time accurate information greatly impacts management decisions and a loss of sensitive information may lead to a loss of competitive advantage.			• Managerial level decision making • Market leadership • 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 authorised 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
Operational risks				
People related risks				
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 organisational tacit knowledge and employee know-how.			• 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 continue • 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 unseasonal heavy rains and flash floods caused disruptions to raw material and finished goods transport especially in Western and Central provinces and flooding in several regions in Bangladesh caused disruptions in operational activities			• Commercial sustainability of distributor network • Supplier Reliability • Geopolitical factors • Demand volatility • Multiple flooding incidents, landslides and frequent rain affecting the paint industry in Sri Lanka • Flooding in Bangladesh caused negative impacts on warehousing and distribution hubs	• Supplier relationship management • Backward vertical integration • Inventory optimisation through efficient management • Efficienct route planning • Improved drainage around facilites

RISK MANAGEMENT

Risk Description	Risk Rating 2024/25	Risk Rating 2023/24	Factors Impacting Risk Rating	Mitigation Strategies
Product risk				
Poor quality product manufacturing and delivery significantly affect customer satisfaction and the competitive edge.			• 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 • Prioritising research and development • All processes to be subject to robust quality assurance • Maintaining a portfolio of good quality products supported by strong principals • Prioritising on marketing and distribution procedures
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.			• 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

Risk Description	Risk Rating 2024/25	Risk Rating 2023/24	Factors Impacting Risk Rating	Mitigation Strategies
Energy risk				
Escalating energy costs can result in significantly higher operational overheads and potential disruptions to business continuity, particularly in energy-intensive processes. This leads to unpredictability in budgeting and resource planning, affecting overall operational efficiency and cost control.			• Dependency on non-diversified or single-source energy supply • Stakeholder expectations and technology advances in renewables	• Comprehensive financial and non-financial evaluation undertaken prior to the implementation of initiatives to ensure operational efficiency and manage costs effectively • 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. The potential negative impact on the business due to non-compliances with external regulatory requirements and internal policies and procedures could lead to loss of reputation			• 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
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.			• 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 Utilisation • 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.			• 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

RISK MANAGEMENT

Risk Description	Risk Rating 2024/25	Risk Rating 2023/24	Factors Impacting Risk Rating	Mitigation Strategies
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.			• 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 unutilised 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
Finance risk				
Risks arising from losing money on investments made or inability to provide a reasonable return on business ventures.			• 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
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.			• 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

SLFRS S1 & S2 INTEGRATION TO JAT SUSTAINABILITY FRAMEWORK

GRI 3-3, GRI 201-2

SUSTAINABILITY AND CLIMATE RELATED RISK AND OPPORTUNITIES

As JAT prepares for the comprehensive adoption of the Sri Lanka Sustainability Disclosure Standards—SLFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2: Climate-related Disclosures, from the financial year commencing 01 April 2025, we remain committed to proactively monitoring our Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs). Building upon the disclosures presented in our 2023/24 Annual Report, we continue to enhance our reporting practices to align with these standards, ensuring transparency and accountability in our sustainability journey.

SUSTAINABILITY INTEGRATION FRAMEWORK

Identify CRROs & SRROs

Identify significant sustainability and climate-related risks and opportunities that could reasonably be expected to affect cash flows, access to finance, or cost of capital across the value chain

Strategic Value Chain Reforms

Enterprise strategic alignment to address sustainability and climate-related risks and opportunities, and develop programmes and optimise processes to respond to the identified risks and opportunities

Sustainability Reporting Reforms

Improved metrics & targets and continued monitoring to assess the readiness to tackle the risks and opportunities

TIME HORIZON

JAT defines its time horizons for assessments in the following manner:

- **Short Term** : 0 to 2 years
- **Medium Term** : 2 to 5 years
- **Long Term** : 5 to 10 years

SCOPE

In deciding the scope of the SRRO 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)

Employees Related Risk

Description	Risk	Time Horizon	Response Action
Higher turnover and vacuum of the workforce due to the financial instability of the country	Operational Risk	Short Term Medium Term Long Term	JAT strengthened its people agenda during the year by advancing learning and development initiatives, introducing well-defined career progression pathways through structured succession planning, and enhancing performance-based reward systems. In parallel, the company continues to expand into new business avenues, creating diverse opportunities for employee growth, engagement, and long-term career advancement.

SLFRS S1 & S2 INTEGRATION TO JAT SUSTAINABILITY FRAMEWORK

Suppliers Related Risk

Description	Risk	Time Horizon	Response Action
High cost of eco-friendly alternatives of the raw material and packing material	Operational Risk	Medium Term Long Term	JAT has integrated green procurement principles into its supply chain operations, ensuring that sustainability efforts do not result in added costs to customers. A key example is the JAT Material Evaluation Index, developed primarily for the WHITE by JAT emulsion paint range. Additionally, our commercial team continues to explore environmentally friendly packaging options.

Community Related Risk

Description	Risk	Time Horizon	Response Action
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	JAT has established long-term partnerships with accredited waste management institutions that specialise in the safe and compliant handling of hazardous waste. These collaborations ensure that all hazardous materials generated through our operations—such as solvents, chemical residues, and contaminated containers—are collected, treated, and disposed of in accordance with national regulations and international best practices.

Carbon Pricing and Regulatory Risks

Description	Risk	Time Horizon	Response Action
High costs arising from the introduction of carbon taxes on carbon-intensive products, or on businesses that consume such products or engage in carbon-intensive activities.	Operational Risk	Short Term Medium Term	Though Sri Lanka does not currently have any regulations on carbon taxes, the government of Bangladesh has implemented a carbon tax on the ownership of multiple vehicles. This measure aims to reduce carbon emissions. There is potential for this initiative to expand its scope beyond vehicles, potentially affecting products and services in the construction industry as well. Precautions have been taken to reduce the carbon intensity of our products through Research & Development while looking at prolonging product life cycles through innovation.

CLIMATE-RELATED RISK

JAT considers two primary types of climate risks: physical risks and transition risks.

Description	Risk	Time Horizon
Increased frequency of extreme weather events such as heat waves, floods, cyclones, and storms in Sri Lanka and Bangladesh	Acute Physical Risk	Short Term Medium Term Long Term

Occasionally, severe weather events and natural disasters have negatively affected our upstream and downstream activities. If these events cause significant damage to the main manufacturing and warehouse facilities, causing struggles to produce enough products to meet customer demand, leading to decreased sales.

These events can result in widespread disruptions across the industry's supply chain, higher costs for raw materials, and challenges in meeting customer demand. Further, disruptions to JAT's distribution chain can also impact on the company's revenue generation.

Description	Risk	Time Horizon
Water stress and drought	Chronic Physical Risk	Long Term

The coatings industry is experiencing a shift from solvent-based formulations to water-based alternatives, to reduce its adverse GHG impact to the environment. This transition on the other hand poses challenges by placing greater demand on local freshwater resources.

According to the World Meteorological Organisation's assessment of global water scarcity, South Asia was identified as a water stress hotspot. The Group both in Sri Lanka and Bangladesh has strategically positioned all their establishments in the wet zone of the country, where short and medium-term water stress levels remain low.

Description	Risk	Time Horizon
Policy action to low-carbon transition	Transition Risk – Policy and Legal Risk	Medium Term Long Term

As a company in the business of manufacturing chemicals, the company operates with multiple national and international compliance relating to health, safety, and environmental laws, and regulations. International treaties coming into action, such as the Paris agreement addressing climate change, the national and international authorities are in the process of developing and adopting policies requiring low carbon transition.

Ensuring compliance with climate change initiatives may entail extra expenses for us, such as heightened production costs, added taxes, investments in renewable energy adoption, and other related measures which would directly impact our cash flow. Recovery of the cost of compliance may not be immediate, but in the long run, the Company may recover it through resource efficiency and design for sustainability.

Description	Risk	Time Horizon
Perceived or actual failure to adhere to new or heightened laws, regulations, or standards related to climate change	Transition Risk – Reputation risk	Short Term Medium Term Long Term

JAT is committed to upholding its position as an industry leader and being acknowledged for its dedication and progress in sustainability and ESG endeavors. Failure, whether perceived or actual, to adhere to new or heightened laws, regulations, or standards related to climate change, meet stakeholder expectations regarding operational impacts, or adapt to shifts in consumer behaviors and preferences, could lead to decreased product demand and negatively impact the business. To ensure responsiveness to stakeholder interests, the organisation actively collaborates with non-governmental organisations, customers, suppliers, and regulators, fostering transparent communication channels.

Description	Risk	Time Horizon
Voluntary or forced early retirement of product technologies	Transition Risk – Market Risk	Medium Term Long Term

SLFRS S1 & S2 INTEGRATION TO JAT SUSTAINABILITY FRAMEWORK

With climate-related new regulations and customer demands coming onto the market, companies face a risk of possible early retirement of solvent-based products, which are currently generating a significant revenue for the Company.

When feasible, these risks, trends, and customer demands are addressed by expanding the company paint and coating range every year to cater to the sustainability and climate-related concerns of the market.

Description	Risk	Time Horizon
Competitive pressure to change strategies	Transition Risk – Market Risk	Medium Term Long Term

Increased competition from multinational corporations and global leaders in the coating industry to aggressively invest and adopt sustainability strategies may threaten market share for companies slow to adapt. Therefore, the company must allocate significant provisions within a short period of time to retain the market share.

Description	Risk	Time Horizon
Change of Technology to face sustainability-related demands	Transition Risk –Technology Risk	Medium Term Long Term

JAT incorporates technology evaluations in its operations to make informed decisions before adopting new technologies or purchasing equipment. It's at most priority to ensure energy efficiency and safety of its users.

With new market trends and regulations, the company is exposed to the risk of changing technology demands. These demands vary from product formulas to manufacturing operations to the distribution of our products. Paints may need to be reformulated to withstand aggressive climate conditions such as extreme temperature rise and UV exposure, requiring further investments in Research and development of products.

Response Actions for CRR

JAT remains focused on evolving customer demands, with the R&D department continuously engaged in value engineering to enhance existing products. This ongoing effort ensures that our offerings align with the growing market preference for sustainable, high-performing solutions.

During the year, the Company has expanded its renewable energy generation through the Horana acrylic binder plant as a step towards contributing to Sri Lanka's National Renewable Energy Goal of 2030.

Regardless on the risk, JAT treats water as a precious natural resource. All our manufacturing plants are located far away from natural water bodies, avoiding the slightest possibility of water bodies being affected through accidents. Further JAT calculates its water footprint of its products to spread awareness as well.

SUSTAINABILITY RELATED OPPORTUNITIES OVERVIEW

Sustainability-related opportunities refer to favorable circumstances or avenues for businesses to integrate sustainability principles into their operations, products, or services, thereby contributing to environmental, social, and economic well-being.

Employees Related Opportunity

Description	Opportunity	Time Horizon
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, continually evolving industry standards through sustainability initiatives, the Company possesses the potential to leverage this for employer branding. This can attract top talent who are both environmentally conscious and innovative, enhancing the workforce.

Community Related Opportunity

Description	Opportunity	Time Horizon
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 engage in developments to make its products sustainable by design.

Through JAT Chemical Conscious Project, from initial concept through commercialisation, 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.

Description	Opportunity	Time Horizon
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.

CLIMATE RELATED OPPORTUNITY

Climate-related opportunities refers 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.

Description	Opportunity	Time Horizon
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.

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 2025. Disclosures which 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 2023 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 page 142 in the Annual Report.

IMPACT OF MACRO ECONOMIC DEVELOPMENTS

Information on future developments and assessment to 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 62 to 63), Managing Director's Review (pages 64 to 66), Chief Executive Officer's Review (pages 67 to 69) and Management Discussion and Analysis (pages 82 to 141), 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 332 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 – luxury kitchens, wardrobes and vanities, Harris – paint brushes, Borma Wachs – wood cosmetics, Herman Miller – ergonomic office furniture, Hormann – specialised fire doors, Dasso – bamboo flooring, OPPEIN – Kitchens, wardrobes and Vanities, COLAN – Italian inspired furniture for the workplace and home, Lifewood – luxury handcrafted flooring along with a range of its own brands for key product categories including WHITE by JAT and Wallz – brilliant white paint, Brush Master – paint 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 practice a set of values contained on page 13 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 pages 247 to 251 in this Annual Report.

FINANCIAL STATEMENTS

The Financial Statements of the Company and Group for the year ended 31st March 2025 which have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), with the inclusion of the Chairman, Managing Director and Finance Director, 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 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 which 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 comply 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	2024/25	2023/24
Revenue	**11,624,502,652**	11,556,354,523
Gross Profit	**4,011,534,666**	3,388,557,860
Total Overhead	**(2,342,769,527)**	(2,579,086,990)
Other Income	**154,043,157**	486,224,468
Net Finance Cost	**(193,958,111)**	(85,185,787)
Income Tax Expense	**173,244,260**	(186,932,745)
Net Profit	**1,778,812,665**	1,023,576,807

Financial results of the Company/Group are included in pages 247 to 251. 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 in page 252 onwards 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 252 to 330. 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 8,372,797,293 (2023/24 – LKR 7,304,020,157) while the Group revenue accounted to LKR 11,624,502,652 (2023/24 – LKR 11,556,354,523). Contribution to Group revenue from the different business segments is contained in note 04 to the Financial Statements.

PROFIT & APPROPRIATIONS

	2024/25	2023/24
Group Profit Before Tax for the twelve months ended 31st March after deducting all expenses, providing for known liabilities and depreciation	**1,605,568,405**	1,210,509,552
Income tax expenses	**173,244,260**	(186,932,745)
Non- Controlling expenses	**(8,882,277)**	2,054,083
Profit for the Period	**1,778,812,665**	1,023,576,807
Total other comprehensive Income/ (Loss)	**8,112,624**	545,160
Balance Brought Forward from the Previous Year	**6,757,052,187**	6,138,539,386
Final Dividend for the Period 2023/24	**102,081,555**	250,099,809
Interim Dividend for the Period 2024/25	**306,244,664**	153,122,332
Total Available for Appropriation	**8,144,271,007**	6,757,052,187
Transfer to Reserve Fund	**-**	-
Total Appropriation	**-**	-
Balance on Group basis to be carried forward	**8,144,271,007**	6,757,052,187
Balance on Company basis to be carried forward	**7,288,813,809**	6,053,260,642

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

PROPERTY, PLANT AND EQUIPMENT

During the period under review, the Company and the Group invested a sum of LKR 206,294,931 (2023/24 – LKR 1,918,755,222) and LKR 439,446,795 (2023/24 – LKR 2,143,206,293) respectively in Property, Plant and Equipment.

Details of Property, Plant and Equipment and Intangible Assets and their movements are given in Note 13 to the Financial Statements respectively. Details of Freehold Land and Buildings are given in Note 13 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. The most recent valuation in respect of the Freehold properties was carried out as at 31st December 2024. Details of property valuations, including the valuation method and effective date of these valuations are provided in page 294 of this report.

DIRECTORS' RESPONSIBILITIES

The Statement of the Directors' Responsibilities is given on page 239 of this report.

DIVIDENDS

An Interim Dividend of LKR 306,244,664 (2023/24 – LKR 153,122,332) was paid on 24 February 2025 for the Financial Year 2024/25 which accounted for LKR 0.80 (2023/24 – 0.79) 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.

The Company maintains a policy of declaring a dividend payout ratio ranges within 35% to 40% .

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 2025 amounted to LKR 8,144,271,007 (2023/24 – LKR 6,757,052,187). 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 2025 for the Company amounted to LKR 2,395,221,320 (2023/24 – LKR 2,395,221,320). The movement and composition of the Stated Capital is disclosed in the Changes to Equity and in Note 29 to the Financial Statements.

THE INVESTMENT/DISPOSAL ACTIVITIES DURING THE YEAR

	Stake	Shareholder	Investment as of 31 March 2025	Principle activities
JAT Paints Africa Limited	60%	JAT Exports DMCC	18,248,861	Import and sell paints, wood coatings and other related accessories to the construction industry in the Republic of Kenya
Seaform Bangladesh (Pvt) Ltd	73.29%	JAT Exports DMCC	19,757,647.21	Carry on business of import and supply of wooden furniture, steel furniture, leather furniture and other allied furniture
JAT Australia PTY LTD	100%	JAT Exports DMCC	28,512,995	An investment Company, where it makes investments in other companies
Seaform Perth PTY LTD	50%	JAT Australia PTY LTD	28,512,995	Import, market, sell, distribute and install SEA Kitchens and Wardrobes within the territory of Western Australia

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 2025, market capitalisation, 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
- Devaka Cooray – Non-Executive/ Independent Director
- Priyanthi Pieris – Non-Executive/ Independent Director (Retired w.e.f. 31 December 2024)
- Eng. Manju Haththotuwa – Non-Executive/Independent Director (Appointed w.e.f. 01 February 2025)
- 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 existing Directors are shown on pages 72 to 75.

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 9.8.5 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 9A and 9C of continuing Listing Rules of CSE.

Two out of the 9 Directors on the Board are Females which accounts to a composition of 22%.

APPOINTMENT, RETIREMENT, AND RE-ELECTION OF DIRECTORS

In terms of Articles 88 (i) and 89 Anika Williamson – Non-Executive/Non-Independent Director and Richard Gunawardene – Non-Executive/Non-Independent Director retire by rotation and offer themselves for re-election at the Annual General Meeting.

Eng. Manju Haththotuwa was appointed as a Non-Executive/Independent Director with effect from 01st February 2025 and in terms of Article 95, he offers himself for re-election at the Annual General Meeting.

The above-mentioned re-elections of the Directors have been reviewed and recommended by the Nominations and Governance Committee.

In accordance with Section 9.8.3 (ix), Priyanthi Pieris relinquished her duties as an Independent/Non-Executive Director with effect from 31st December 2024.

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 page 222 to 225 sets out the manner of compliance by the Company on Internal Control and Risk Management systems in accordance with the requirements of the Rule 9.13 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

HR and Remuneration Committee

In accordance with Section 9.3.3 of the Listing Rules of CSE, the composition of the Committee was reconstituted with effect from 01st October 2024.

Following are the names of the Directors comprising the HR and Remuneration Committee.

- Devaka Cooray – Chairman/Non-Executive/Independent Director
- Dr. Sivakumar Selliah – Member/Non-Executive/Independent Director
- Hussain Akbarally – Member/Non-Executive/Independent Director

The Report of the HR and Remuneration Committee on page 231 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 page 233.

Related Party Transactions Review Committee

In accordance with Section 9.3.3 of the Listing Rules of CSE, the composition of the Committee was reconstituted with effect from 01st October 2024.

Following are the names of the Directors comprising the Board Related Party Transactions Review Committee:

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

- Devaka Cooray – Chairman/Non-Executive/Independent Director
- Dr. Sivakumar Selliah – Member/Non-Executive/Independent Director
- Hussain Akbarally – 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 9.14 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 226 sets out the manner of compliance by the Company.

Investments Committee

Following are the names of the Directors comprising the Board Investment Committee:

- Anika Williamson – Chairman/Non-Executive/ Non-Independent Director
- Devaka Cooray – Member/Non-Executive/Independent Director
- Hussain Akbarally – Member/Non-Executive/Independent Director

Nominations and Governance Committee

In accordance with Section 9.3.3 of the Listing Rules of CSE, the composition of the Committee was reconstituted with effect from 01st October 2024, and thereafter due to the retirement of Priyanthi Pieris the committee was reconstituted with effect from 01 January 2025.

Following are the names of the Directors comprising the Board Nomination and Governance Committee:

- Devaka Cooray – Chairman/Non-Executive/Independent Director
- Dr. Sivakumar Selliah – Member/Non-Executive/Independent Director
- Joycelyn Gunawardene – Member/ Non-Executive/Non-Independent Director

The Report of the Board Nomination and Governance Committee on page 234 sets out the manner of compliance by the Company in accordance with the requirements of Section 9.11 of the Listing Rules and 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 Section 119 (1) (d) of the Companies Act No. 7 of 2007.

DIRECTORATE AND SHAREHOLDING

Shareholding of the Group is stated in page 331 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 Executive Directors and Non-executive Directors are LKR 40 Mn and LKR 20 Mn respectively. This includes the board fees, attendance fees and subcommittee fees paid to Non-executive Directors.

DIRECTORS' INDEMNITY AND INSURANCE

JAT has obtained a Directors' Liability Insurance from a reputed insurance company in Sri Lanka providing worldwide cover to the Directors of the Group.

DIRECTORS' INTEREST IN SHARES

The transactions of shares of the Directors of the JAT were reported during the reporting period are in page 331 under shareholders information.

DEBENTURES

There were no debentures held by the Directors of JAT.

DONATIONS

During the reporting period, LKR 1,908,786/- made by JAT to charities.

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 9.14 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 117 of this report.

The number of persons employed by the Company and Group are as at 31st March 2025 was 391 and 509 respectively.

There have been no material issues pertaining to employees and industrial relations of the Company and the Group.

POLICIES

GRI 2-23, GRI 2-24

The Group and the Company have adopted the under-mentioned policies required to be established under Section 9 of the Listing Rules of CSE

1. Policy on matters relating to the Board of Directors
2. Policy on Board Committees
3. Policy on Corporate Governance, Nominations and Re-election
4. Policy on Remuneration
5. Policy on the Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the entity's listed securities.
6. Policy on Risk management and Internal controls
7. Policy on Relations with Shareholders and Investors
8. Policy on Environmental, Social, and Governance Sustainability
9. Policy on Control and Management of Company Assets and Shareholder Investments
10. Policy on Corporate Disclosure
11. Policy on Whistleblowing
12. Policy on Anti-Bribery and Corruption

The above policies are published on the Company's website.

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 146 to 200 describes the good corporate governance principles adopted by the Company.

The Company has complied with Section 9 of the Listing rules of the Colombo Stock Exchange (CSE) as described on pages 191 to 199.

SUSTAINABILITY

The Group follows a stakeholder governance model to achieve its objectives.

The Group has been able to prioritise material concerns such as conserving natural resources and addressing

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

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 acrylic binder, which is the main raw material for most of the water-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. Launching JChem One-Coat in Sri Lanka and Coat-Ex in Bangladesh, while maintaining our known quality, marks a significant milestone for the Group amid current economic conditions and target market preferences.

All R&D initiatives within JAT Group have been centralised and carried out efficiently through the R&D facility. This enables 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.

As a result of the bold research and development initiatives and investments undertaken in the last financial year, the Group is now reaping both financial and non-financial rewards.

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 Group to ensure environmental protection is given under Natural Capital on pages 132 to 141.

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 34 to the Financial Statements on page 319.

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 35 to the Financial Statements on page 319.

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 239.

SUBSIDIARIES AND JOINT VENTURES

The names of the Directors holding office at the end of the reporting period ended 31st March 2025 in respect of the subsidiaries and joint ventures 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
	Devika Gallage
	Richard Gunawardene
Asia Coatings (Pvt) Ltd	Nishal Ferdinando
	Anika Williamson
SEAFORM Bangladesh (Pvt) Ltd	Aelian Gunawardene
	Samia Afrin
	Gavin VanDort
	Alexander Sofalvi
JAT Australia PTY Ltd	Vajira Gunawardene
	Anika Williamson
JAT Paints Africa Limited	Aelian Gunawardene
	Nishal Ferdinando
	Ruwan Mihindukulasooriya
SEAFORM Perth PTY Ltd	Nishal Ferdinando
	Mark Hutchinson

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 201 to 206 of this report.

IMPACT OF MACRO ECONOMIC FACTORS AND IMPLICATION TO GROUP'S PERFORMANCE

JAT navigated a complex macroeconomic landscape, balancing both challenges and opportunities that shaped its performance. The company benefited from steady local demand, with a 14% YoY revenue increase in Sri Lanka, supported by a recovering construction sector and positive economic indicators. However, external markets posed difficulties, particularly in Bangladesh, where currency depreciation led to a considerable decline of 7% in the revenue despite stable export volumes. Inflationary pressures and rising input costs necessitated strategic cost control measures, which JAT successfully managed through backward vertical integration, reducing reliance on external suppliers and improving operational efficiencies. Additionally, political and economic instability in export markets, particularly Bangladesh and the Maldives, presented hurdles, yet JAT mitigated risks through a 11% QoQ revenue increase in Bangladesh, demonstrating resilience. Strategic expansion efforts, such as launching JChem-one-coat in Sri Lanka and CoatEx in Bangladesh, further reinforced the

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

group's market presence. With 181% growth in project sales and continued investments in cost optimisation, JAT positioned itself for sustainable long-term growth, navigating macroeconomic headwinds while leveraging emerging opportunities.

FUTURISTIC OUTLOOK

In alignment with our commitment to innovation and expansion, JAT proudly unveils its forward-looking vision through recent strategic ventures. Over the past year, we have significantly strengthened our presence in South Asia by establishing an alkyd resin manufacturing plant in Bangladesh and an acrylic binder manufacturing plant in Sri Lanka. Emphasising Research and Development, the Company prioritises customer satisfaction and retention while maximising efficiency and effectiveness. These initiatives not only demonstrate our dedication to addressing regional demands but also highlight our proactive approach toward enhancing operational efficiency and adapting to market dynamics.

The establishment of the acrylic binder manufacturing plant in Sri Lanka, the alkyd resin manufacturing plant in Bangladesh, and the Research and Development Centre in Sri Lanka has brought substantial benefits during the last financial year. These projects have streamlined our production processes and localised operations. Furthermore, our entry into the Australian market with the launch of our first showroom in Perth and our first shipment of wood coatings to Australia marks a significant milestone. We aim to expand our operations there in the coming year.

We are also focused on increasing our presence in various African markets, such as Kenya, Ghana, and other Western African countries, while maintaining our strong position in the South Asian region. This diversification is expected to boost our dollarised revenue in the next financial year. By establishing infrastructure tailored to each region's requirements, we aim to capitalise on expanding export opportunities and foster mutually beneficial partnerships.

Moreover, by diversifying our distribution channels and reaching previously untapped consumer segments, we anticipate accelerated market outreach and heightened brand visibility. As we navigate new horizons, 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 MAIN BOARD

As per the rule 7.13.1 of the Listing Rules of Colombo Stock Exchange, the Company complies with the minimum public holding requirement, where the float adjusted market capitalisation surpassed 2.5 Bn and the public holding percentage was 18.628% as at 31st March 2025. Therefore, the Company is now transferred to the Main Board with effect from 09th May 2025.

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 2025/26 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.

SPECIALISED INFORMATION REQUIREMENTS

The following specialised 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 212 to 221 of this Report contains the declarations prescribed by the Code
- The Statement of Directors' Responsibility is given on page 239 of this Report
- Chief Executive Officer's and Chief Financial Officer's Responsibility Statement in page 238 of this Report

AMENDMENT TO ARTICLES OF ASSOCIATION

The Directors in the Notice of Meeting have placed before the shareholders under "Special Business" amendments to certain Articles of the Articles of Association of the company, as required consequent to the recent amendments to the Listing Rules.

(a) Currently, the minimum number of Directors shall not be less than two (02). The recent amendments to Listing Rules required the minimum number to be increased to five (05). The amendment to Article 80 of the Articles of Association is to reflect this requirement to be in line with the new rule.

(b) Consequent to the Listing Rules stipulating the minimum number of Directors as Five (5), Article 82 has been amended to take away the power in the Articles to reduce the number from Five (5) Directors.

(c) The Listing Rules recently amended the circumstances under which / the period for which an Alternate Director may be appointed. The amendment to Article 121 from (a) – (e) is in line with the Rule. Article 124 is a consequential amendment based on the amendment to Article 121 as aforesaid.

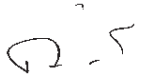
The Directors are of the view that they have duly discharged their responsibilities as set out in this statement.

ANNUAL GENERAL MEETING

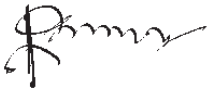
The 12th Annual General Meeting will be held virtually centred at the Registered Office of the Company, at No. 351, Pannipitiya Road, Thalawathugoda on 30th June 2025 at 10.00 a.m.

NOTICE OF MEETING

The Notice of the Annual General Meeting to the shareholders is given on page 357.

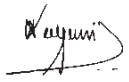


Dr. Sivakumar Selliah
Chairman



Aelian Gunawardene
Managing Director

By Order of the Board
JAT Holdings PLC



N. I. D. Corporate Services (Pvt) Ltd
Secretaries to the Company

30 May 2025
Colombo

BOARD SUB-COMMITTEE REPORTS

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT



Devaka Cooray
Chairman
Audit and Risk Management Committee

ROLE

The Audit and Risk Management Committee (the Committee) is authorised 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.

SCOPE

Assess the Company's internal control and risk management systems to ensure control and compliance and improvements to the Board of Directors. In addition, the Committee determines 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. Moreover, defining the risk culture, setting risk appetite, maintaining a risk management framework, overseeing insurance and information security, monitoring ESG and disaster recovery plans, obtaining audit opinions from Internal Audit teams of subsidiaries and providing regular updates to the board are under the scope of the Committee.

RULE

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 2023 and Section 9.13 of the Listing Rules of the Colombo Stock Exchange.

OVERSIGHT

The Committee is a Sub-Committee of the Company's Board of Directors, reporting directly to the Board.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

Committee member's name	Date of Appointment	17.05.2024	09.08.2024	04.11.2024	06.02.2025
Devaka Cooray – Chairman/Non-Executive Independent Director	09.08.2021	✓	✓	✓	✓
Dr. Sivakumar Selliah – Member/Non-Executive Independent Director	09.08.2021	✓	✓	✓	✓
Hussain Akbarally – Member/Non-Executive Independent Director	09.08.2021	✓	✓	✓	✓

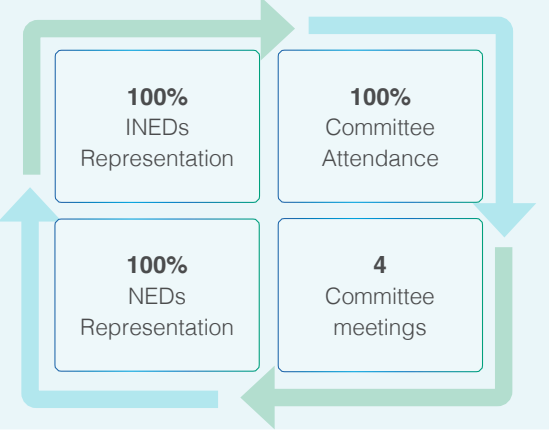
Brief profiles of the members of this Committee are stated on pages 72 to 75 of this report.

Regular Attendees by Invitation

- Managing Director
- Chief Executive Officer
- Chief Financial Officer
- Head of Treasury
- Manager – Internal Audit
- Manager - Finance

Secretary to the Committee

- The Company Secretary



COMPLIANCE

The Committee ensures compliance with mandatory, statutory, and other regulatory requirements laid down by the authorities are duly adhered to. In addition, it ensures that the Group follows all applicable laws, regulations, codes, and standards which firmly commits the Group to achieve the highest standards of good corporate governance practice – the Group's Code of Conduct and Ethics include provisions for enforcing compliance norms

EXPERTISE OF THE COMMITTEE

The Chairman of the Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants, UK. Further information on the qualifications, experience and expertise of the Committee members is provided under the Board of Directors on page 154. Additionally, the Committee holds the authority to seek external professional advice when required, ensuring informed decision-making.

COMMITTEE CHARTER

The Committee has written terms of reference clearly defining its scope, authority and duties, which was adopted by the Board of Directors of the Company with the recommendation of the Committee. The Audit Committee Charter undergoes regular reviews and updates with the approval of the Board of Directors to ensure it incorporates new developments related to the Committee's functions.

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 2024/25. In addition, the Internal Audit function of the Asia Coatings (Pvt) ltd was outsourced for continuous focus under the supervision if the Group's Internal Audit. 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 and Risk Management Committee meetings and directions of the Audit Committee are effectively communicated to the Auditees including on follow-up of unresolved audit findings. Recognising 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 2024/25. During the year, the Committee reviewed the independence, objectivity, and performance of the Internal Audit Function. This review also included the findings from the Internal Audits completed and the Internal Audit department's evaluation of the company's internal controls.

Internal controls and risk management

- Ensure the robustness of the Group's risk management and internal control systems, including internal and external financial reporting, and compliance with all legal requirements. The Audit and Risk Management Committee supports the Board in this regard, continuously reviewing the effectiveness of the risk management process and internal controls. It also reports any deficiencies to the Board, with recommendations for improvements. 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, IT related, environmental 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
- 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
- Receive and examine frequent reports from the Group Internal Audit division on the adequacy and efficacy of internal controls and to implement

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

preventative actions to minimise 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

Moreover, JAT has carefully considered regulatory requirements and sector-specific business risks and, as a result, has combined the audit and risk functions under one committee to enhance oversight and efficiency. The Committee operates under a clear written term of reference, which details its authority and duties in assisting the Board's oversight of risk management.

The Board has carried out a robust assessment of the principal risks facing the Company, including those that could threaten its business model, future performance, solvency, and liquidity.

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

Oversight of the 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 finalsation 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.

FOCUSED AREAS BY THE COMMITTEE IN 2024/25

Financial reporting system

The Committee continuously assess the Group's financial reporting system used for preparing quarterly and annual Financial Statements to ensure the processes remain reliable and the accounting policies and methods are consistent and in compliance with Sri Lanka Financial Reporting Standards. In line with this ongoing responsibility, the Committee recommended the Financial Statements to the Board for review and issuance. Additionally, the Committee evaluated the financial reporting system and acknowledged the adequacy of the content and quality of routine management information reports provided to its members. The Committee reviews;

- The sufficiency and efficiency of the Internal Controls, Systems, and Procedures related to Financial Reporting
- The efficiency of the Financial Reporting Systems is established to guarantee the reliability of the information shared with Stakeholders
- The Bank's Financial Statements, Accounting Policies, practices, and the validity of the assumptions and judgments used in preparing the Financial Statements
- The methods used to ensure adherence to Sri Lanka Accounting Standards (SLFRS/LKAS) and other regulatory requirements for financial reporting and disclosures

FOCUSING AREAS BY THE COMMITTEE FOR 2025/26

The Committee consistently emphasised the importance of focusing on several key areas to ensure robust governance and risk management. Here are some of the primary focus areas:

- Enterprise Risk Management (ERM): Dynamic risk environment influenced by geopolitical factors, supply chain disruptions, and technological advancements
- Regulatory Compliance: Staying up to date with evolving regulatory priorities, especially those from the Listing Rules of Colombo Stock and Code of Best practices on Corporate Governance
- Technology Oversight: With the rapid rise of Artificial Intelligence and generative AI, the possible technology risks are being considered

ETHICS AND GOOD GOVERNANCE

The Committee consistently emphasised the importance of maintaining ethical standards among the staff. To achieve this, the 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 Messer's. Ernst & Young to evaluate and examine the current SLFRS policies and procedures implemented by the Company.

ASSURANCE FROM THE CEO AND CFO

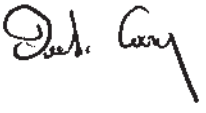
We confirm that the Board has received assurance from both the CEO and the CFO regarding the Group's operations and finances. This assurance underscores our commitment to maintaining robust governance practices and ensuring the integrity and transparency of our financial operations.

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

30 May 2025

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

GRI 2-15



Devaka Cooray
Chairman
Related Party Transactions Review Committee

ROLE

The Related Party Transactions Review Committee (the Committee) is responsible for independent reviewing of transactions between the Company and its related parties.

SCOPE

Assess the Company's internal 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

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 9.14 of the Listing Rules of the Colombo Stock Exchange.

OVERSIGHT

The Related Party Transaction Review Committee is a subcommittee of the Company's Board of Directors, reporting directly to the Board.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

Committee member's name	Date of Appointment	Meeting attendance			
		24.06.2024	09.08.2024	04.11.2024	06.02.2025
Devaka Cooray – Chairman/Non-Executive Independent Director	09.08.2021 Appointed as Chairman w.e.f 01.10.2024	✗	✓	✓	✓
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 72 to 75 of this report.

Regular Attendees by Invitation

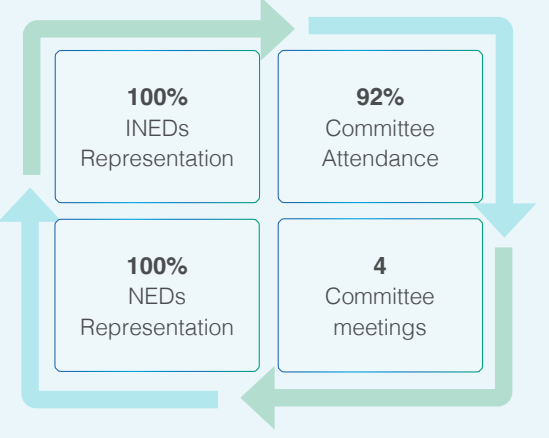
- Managing Director
- Chief Executive Officer
- Finance Director
- Manager - Finance

Secretary to the Committee

- The Company Secretary

Changes during the FY 24/25

Complying the Section 9.3.3 of the Listing Rules of the Colombo Stock Exchange, the Chairman of the Committee changed w.e.f. 01.10.2024.



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

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

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

- 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

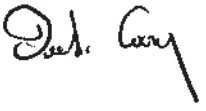
There are no recurrent Related Party Transactions exceeding 10% of the consolidated gross revenue/income of the Group for the reporting period.

TRANSACTIONS DURING THE YEAR

Details of transactions with Related Parties during the year is set out in pages 304 to 306 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.



Devaka Cooray

Chairman – Related Party Transactions Review Committee

30 May 2025

INVESTMENT COMMITTEE REPORT



Anika Williamson
Chairman
Investment Committee

ROLE

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.

SCOPE

Assess the Company's internal The Committee reviews,

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.
3. Mergers and acquisitions, as well as the incorporation of subsidiaries and joint venture operations in both existing and new business lines

RULE

The Board established the Investment Committee based on the recommendation of the majority shareholders.

OVERSIGHT

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

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

Committee member's name	Date of Appointment	30.09.2024
Anika Williamson – Chairman/Non-Executive Non-Independent Director	09.08.2021 Appointed as Chairman w.e.f. 01.04.2024	✓
Devaka Cooray – Member/Non-Executive Independent Director	09.08.2021	✓
Hussain Akbarally – Member/Non-Executive Independent Director	09.08.2021	✓

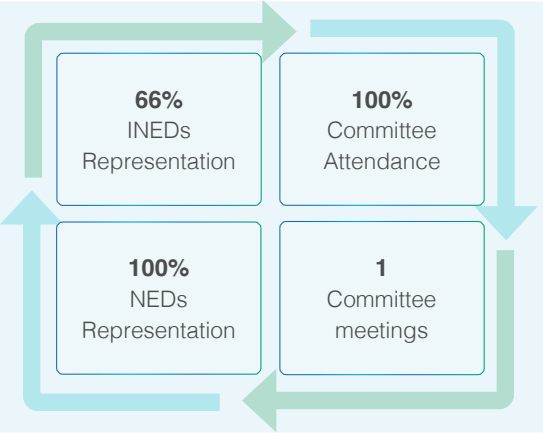
Brief profiles of the members of this Committee are stated on pages 72 to 75 of this report.

Regular Attendees by Invitation

- Managing Director
- Chief Executive Officer
- Finance Director

Secretary to the Committee

- The Company Secretary



INVESTMENT COMMITTEE REPORT

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
- Analyse 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 organisational 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) and assesses and provides recommendations to the Board on these matters
- 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.



Anika Williamson

Chairman – Investment Committee

30 May 2025

HUMAN RESOURCES AND REMUNERATION COMMITTEE REPORT

GRI 2-19, GRI 2-20



Devaka Cooray
Chairman
Human Resources and Remuneration Committee

ROLE

The Human Resources and Remuneration 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.

SCOPE

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. The Committee also reviews and approves staff promotions to ensure continuity of operations and long-term organisational success

RULE

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 9.12 of the Listing Rules of the Colombo Stock Exchange

OVERSIGHT

The Committee is a subcommittee of the Company's Board of Directors, reporting directly to the Board.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

Committee member's name	Date of Appointment	Meeting attendance 09.08.2024
Devaka Cooray – Chairman/Non-Executive Independent Director	01.10.2024	N/A
Dr. Sivakumar Selliah – Member/Non-Executive Independent Director	09.08.2021	✓
Priyanthi Pieris – Member/Non-Executive Independent Director	09.08.2021 Retired w.e.f. 31.12.2024	✓
Hussain Akbrally – Member/Non-Executive Independent Director	09.08.2021	✓

Brief profiles of the members of this Committee are stated on pages 72 to 75 of this report.

Regular Attendees by Invitation

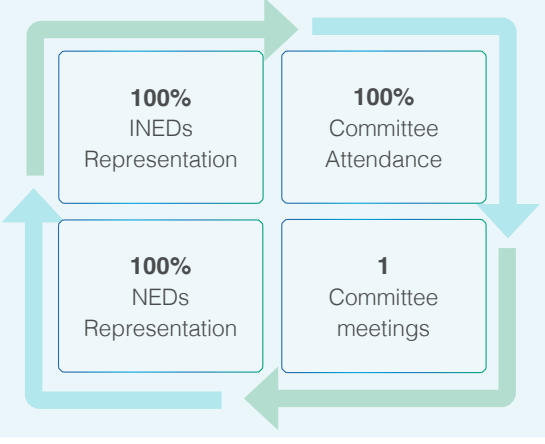
- Managing Director
- Chief Executive Officer

Secretary to the Committee

- The Company Secretary

Changes during the FY 24/25

Complying the Section 9.3.3 of the Listing Rules of the Colombo Stock Exchange, the Chairman of the Committee changed w.e.f. 01.10.2024.



HUMAN RESOURCES AND REMUNERATION COMMITTEE REPORT

FUNCTIONS OF THE COMMITTEE

Performance evaluations and remuneration

- Assess the Managing Director and Key Management Personnel's performance in relation to the predetermined objectives and targets and recommend adjustments to pay and benefits, ensuring fair and transparent evaluation guidelines
- Ensure that the performance-linked compensation component is structured and customised to harmonise the interests of employees with those of the Company and its primary stakeholders, all while promoting long-term and sustainable growth
- Evaluates compensation commitments, including pensions, for early termination in executive contracts and ensures that such terms are included in initial contracts, except in cases of misconduct.
- Considers time commitment and responsibilities when deciding Non-executive Directors' remuneration
- No Director is involved in fixing his/her own remuneration

Policy reviews

- Create rules, regulations, and boundaries for the compensation structure of the Group's top-level management team
- Provide advice and policy direction on human resource management concerns
- Examine executive compensation data periodically to ensure alignment with market or industry rates and approve annual raises, bonuses, and changes in requirements and incentives
- Establish a structured and flexible process for determining the compensation packages for Executive Directors and fixing the remuneration packages for individual Directors
- Recommend the remuneration payable to the Executive Directors and CEO of the Group and/or equivalent position thereof to the Board of the Company which will make the final determination upon consideration of such recommendations
- Considers overall Group pay and employment conditions when deciding annual salary increases

Promotions and recruitment

- Evaluate and propose promotions for key management personnel to the Board of Directors
- Address succession planning and matters related to the organisational 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

Overall, the Committee operates under a written terms of reference that clearly defines its scope, authority, duties, and matters pertaining to the quorum of meetings.

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 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, share option plans or retirement benefits, and no Director or employee is eligible for Company loans.

Based on market surveys carried out, the Group, has adopted measures while ensuring internal and external parity to attract the right talent from external talent pools and retain high performers within the organisation. 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 Committee recommends pay framework for the Board of Directors and consults the Chairman/ CEO on executive/senior management pay proposals while ensuring fair, transparent procedures for remuneration. The Committee takes into account the short, medium and long-term performance of the Group when designing remuneration packages of executive directors and make sure the packages are competitive enough to attract and retain top talent and that they excludes unnecessary pay increases. Remuneration for Non-Executive Directors is based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired

The aggregate remuneration of the Executive and Non-Executive Directors

The aggregate remuneration paid to Executive and Non-Executive Directors amounted to Rs. 40 Mn and Rs. 20 Mn respectively.

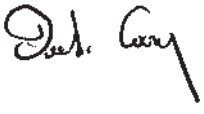
JAT Employee Share Option Plan

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.



Devaka Cooray

Chairman – HR and Remuneration Committee

30 May 2025

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

GRI 2-10



Devaka Cooray
Chairman
Nominations and Governance Committee

ROLE

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.

SCOPE

The Nominations and Governance Committee (the Committee) is responsible for overseeing Board and key management appointments, re-elections, succession planning, and maintaining Board balance. While ensuring robust corporate governance practices and compliance to listing rules, the Committee also leads performance evaluations of the Board and CEO, monitors director independence, and ensures that induction, training, and succession plans are in place to support the long-term success of the organisation.

RULE

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 9.11 of the Listing Rules of the Colombo Stock

OVERSIGHT

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

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

Committee member's name	Date of Appointment	30.09.2024
Devaka Cooray – Chairman/Non-Executive Independent Director	20.02.2023 Appointed as Chairman w.e.f. 01.10.2024	✓
Dr. Sivakumar Selliah – Member/Non-Executive Independent Director	20.02.2023	✓
Priyanthi Pieris – Member/Non-Executive Independent Director	20.02.2023 Retired w.e.f. 31.12.2024	✓
Joycelyn Gunawardene –Member/Non-Executive Non-Independent Director	01.01.2025	N/A

Brief profiles of the members of this Committee are stated on pages 72 to 75 of this report.

Regular Attendees by Invitation

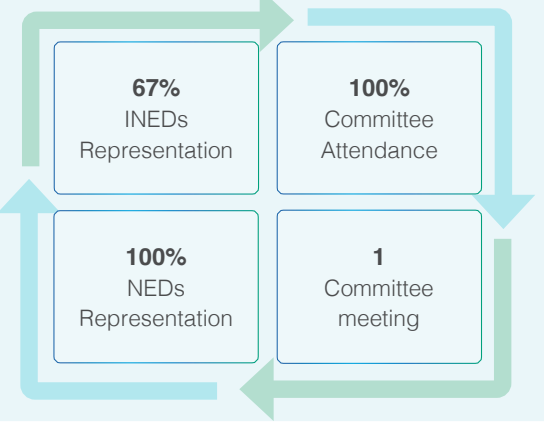
- Managing Director

Secretary to the Committee

- The Company Secretary

Changes during the FY 24/25

Complying the Section 9.3.3 of the Listing Rules of the Colombo Stock Exchange, the Chairman of the Committee changed w.e.f. 01.10.2024.



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 organisation's executive and non-executive leadership requirements in order to ensure the organisation'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
- The committee ensures a succession plan for the CEO and key management, and determine their training and development needs.

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
Anika Williamson	Non-Executive/ Non-Independent Director	08.07.2020	30.06.2022	-	-
Richard Gunawardene	Non-Executive/ Non-Independent Director	08.07.2020	30.06.2022	-	-

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

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. The Committee members do not partake in decisions about their own appointments, and the board chairman does not chair the committee when selecting the successor. However, the Board reviews the participation, contribution and engagement of each Director at the 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 authorised personnel including the Managing Director of the Group. This ensures that their responsibilities are being discharged of satisfactorily and that the Directors and the CEO are fit and proper to hold their positions.

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 154 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 (2023) 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

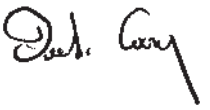
The Directors confirm that to the best of their knowledge belief that all statutory payments, duties and levies payable by the Company and its subsidiaries in relation to regulatory and statutory authorities that were due in respect of the Company and its subsidiaries as at the balance sheet date have 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 new appointments and re-elections 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.



Devaka Cooray

Chairman – Nominations and Governance Committee

30 May 2025

BOARD OF DIRECTORS – COMMUNICATION POLICY

GRI 2-16

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 No. 351, Pannipitiya Road, Thalawathugoda, Sri Lanka or submitted electronically via the company's official website.

PROCEDURES FOR HANDLING COMMUNICATIONS TO THE BOARD

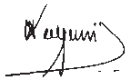
The Board has designated the Company's Board Secretary as its agent to receive and review written communications addressed to the Board, any of its Committees, or any Board member or group of members. The Board Secretary may communicate with the sender for any clarifications. In additions, the Board 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

30 May 2025

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 2025 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 – 2023; 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.

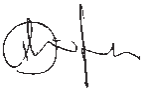
However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

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 pages 222 to 225 of this Annual Report.

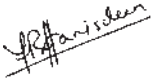
The Financial Statements of the Company and the Group were audited by Messrs. Ernst & Young Chartered Accountants, Sri Lanka and their Report is given on pages 243 to 246 of this Annual Report.

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 34 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 2025 have been paid, or where relevant provided for.



Nishal Ferdinando
Director/Chief Executive Officer



Rizna Dilshard
Finance Director

30 May 2025

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 2025 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.

KEY RESPONSIBILITIES OF THE DIRECTORS

- 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 2025 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.

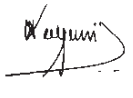
The External Auditors, Messrs. Ernst & Young, Chartered Accountants, who will be proposed to be reappointed as the Auditors of the Company at the Annual General Meeting were provided with every opportunity to undertake the inspections, they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on pages 243 to 246 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 2025/26.

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

30 May 2025

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

The following statement fulfils the requirement to publish the Directors' Statement on internal control as per principle D.2.2. the Code of Best Practice on Corporate Governance 2023 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 authorised 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 organisation has embraced a more technology-oriented approach, leading to greater dependency on cyber connectivity. In this modern era, safeguarding and preserving the organisation'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 2025. 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

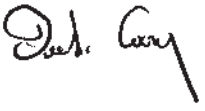
The board acknowledges that the implemented systems are meant to manage, not completely eliminate, the risk of failing to meet business objectives. These systems offer reasonable, but not absolute, assurance against significant financial errors or losses. The company has insurance and physical safeguards in place to protect its major assets and minimise 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

30 May 2025

FINANCIAL STATEMENTS



Focused. Decisive. Impactful

Like the kingfisher that strikes with unerring precision,
our financial performance reflects clarity of vision, strategic agility, and disciplined execution delivering results that resonate across every stakeholder horizon.

INDEPENDENT AUDITOR'S REPORT

Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Te : +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

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 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting 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 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

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

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

INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
Revenue from contracts with customers The Group derived its revenue of Rs. 11.6 Bn from the sale arrangements for products and services provided by the Group entities as disclosed in Note 3.19 and 6 to the financial statements. Revenue was a key audit matter due to: ➔ The significance of the reported revenue ➔ High volume of transactions recorded during the current year ➔ Significant judgment exercised by management when ➔ Determining the timing of satisfaction of performance obligations ➔ Determining the transaction price and amounts allocated to performance obligations	Our audit procedures included the following key procedures; ➔ Understood the nature of revenue arrangements entered by the group entities ➔ Tested relevant controls over the recognition of revenue. Our procedures included testing the general IT control environment and key IT application controls relating to the most significant IT systems relevant to revenue. ➔ Performed appropriate analytical procedures to understand and assess the reasonableness of the reported revenues. ➔ Tested revenue transactions by reviewing relevant purchase orders, quotations sales orders, sales invoices, delivery notes and other relevant supporting documents. Our procedures included testing revenue cutoff at the period-end date to determine whether transactions are recorded in the ➔ proper period and to the proper accounts ➔ Tested journal entries posted to revenue accounts. ➔ Assessed the reasonableness of significant judgements made by management when determining the timing of satisfaction of performance obligations, transaction price and allocating amounts to performance obligations based on the respective terms and conditions of customer contracts. ➔ We also assessed the adequacy of the disclosures in respect of revenue in Note 3.19, 6 and 40 to the financial statements.
Existence and valuation of inventories As disclosed in Note 22 to the financial statements, as at 31 March 2025, the carrying value of inventories amounted to Rs. 2.8 Bn. The existence and carrying value of inventories was a key audit matter due to the: ➔ Materiality of the reported balance which represents 18% of the total consolidated assets ➔ Judgements applied by the management in valuing the inventories at hand and in determining the provision for slow-moving and obsolete inventory	Our audit procedures included the following key procedures; ➔ Obtained an understanding of the types and forms of inventories maintained by the entity, together with key processes and controls relating to the management and measurement of inventories ➔ Performed procedures to understand the design of controls related to 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 the valuation of inventory at cost is as per the Company's accounting policy ➔ Tested the age analysis of inventories considered by management for purposes of determining the allowance for slow-moving and obsolete inventory ➔ Tested whether inventories were stated at the lower of cost and net realizable value, by comparing cost with subsequent selling prices of such items ➔ Assessed the reasonableness of judgements applied by the management in recording inventories at NRV, and in determining allowance for slowmoving and obsolete inventory We also assessed the adequacy of disclosures made in relation to inventories, and related allowances in Notes 3.11 and 22.1 to the financial statements.

Other Information included in the 2024/25 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 skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

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.

02 June 2025

Colombo

Partners: D K Hutangamuwa 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 FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, 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, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March	Note	Group 2025	Group 2024	Company 2025	Company 2024
		Rs.	Rs.	Rs.	Rs.
Revenue from contracts with customers	6	**11,624,502,652**	11,556,354,523	**8,372,797,293**	7,304,020,157
Cost of sales		**(7,612,967,986)**	(8,167,796,663)	**(5,197,918,930)**	(4,850,032,154)
Gross profit		**4,011,534,666**	3,388,557,860	**3,174,878,363**	2,453,988,003
Other income	7	**154,043,157**	486,224,468	**16,532,091**	62,543,735
Selling and distribution expenses		**(1,351,742,313)**	(1,296,373,315)	**(1,045,968,151)**	(1,029,234,975)
Administrative expenses		**(991,027,214)**	(1,282,713,674)	**(721,723,693)**	(1,020,909,601)
Results from operating activities		**1,822,808,296**	1,295,695,339	**1,423,718,609**	466,387,162
Finance cost	8	**(352,760,033)**	(251,276,134)	**(228,758,899)**	(187,046,077)
Finance income	8	**158,801,922**	166,090,347	**158,018,318**	349,297,033
Share of results of equity accounted investees (Net of tax)	17.2	**(23,281,780)**	-	**-**	-
Profit before tax	9	**1,605,568,405**	1,210,509,552	**1,352,978,028**	628,638,118
Income tax expense	10	**173,244,260**	(186,932,745)	**283,221,035**	(920,890)
Profit for the year		**1,778,812,665**	1,023,576,807	**1,636,199,063**	627,717,228
Profit for the period attributable to:					
Equity holders of the parent		**1,787,694,942**	1,021,189,781	**1,636,199,063**	627,384,284
Non-controlling interest		**(8,882,277)**	2,054,083	**-**	-
		1,778,812,665	1,023,243,864	**1,636,199,063**	627,384,284
Other comprehensive Income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Currency translation on foreign operations		**(103,059,934)**	(133,073,384)	**-**	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		**(103,059,934)**	(133,073,384)	**-**	**-**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gains on defined benefit plans	31.1	**5,785,283**	814,303	**5,307,021**	1,109,810
Tax on other comprehensive income	10	**2,373,302**	(332,943)	**2,373,302**	(332,943)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax		**8,158,585**	481,360	**7,680,323**	776,867
Other comprehensive income for the period, net of tax		**(94,901,349)**	(132,592,024)	**7,680,323**	776,867
Total comprehensive loss for the year, net of tax		**1,683,911,316**	890,651,840	**1,643,879,386**	628,161,151
Total comprehensive income attributable to:					
Equity holders of the parent		**1,691,575,018**	889,387,855	**1,643,879,386**	628,161,151
Non-controlling interest		**(7,663,702)**	1,263,985	**-**	-
		1,683,911,316	890,651,840	**1,643,879,386**	628,161,151
Basic/diluted earnings per share	11	**3.50**	2.00		
Dividend per share	12	**0.80**	0.79		

The accounting policies and notes on pages 252 to 330 form an integral part of these financial statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	13	**3,636,559,581**	3,631,260,418	**3,309,226,843**	3,343,337,028
Right-of-use assets	14	**153,885,074**	116,020,774	**121,461,844**	81,693,669
Investment properties	15	**534,000,000**	668,023,780	**-**	216,635,216
Intangible assets	16	**150,282,229**	160,517,690	**125,214,736**	152,829,001
Investments in subsidiaries	17.1	**-**	-	**1,120,009,897**	1,013,620,803
Investment in equity accounted investees	17.2	**46,761,857**	-	**-**	-
Consumable biological assets	18	**79,167,950**	72,267,944	**79,167,950**	72,267,944
Net Investment in lease	19	**96,742,183**	130,588,285	**96,742,183**	130,588,285
Long term financial assets	20	**74,220,000**	77,495,664	**74,220,000**	77,495,664
Deferred tax assets	21	**234,692,649**	7,003,465	**229,608,026**	-
		5,006,311,523	4,863,178,020	**5,155,651,478**	5,088,467,610
Current assets					
Inventories	22	**2,866,360,928**	2,884,443,016	**2,147,451,377**	2,270,292,871
Income tax recoverable		**49,219,164**	46,476,961	**46,149,917**	42,739,408
Trade and other receivables	23	**4,940,087,051**	4,318,348,208	**3,568,040,973**	2,642,624,852
Advances and prepayments	24	**1,418,316,788**	996,844,095	**1,153,855,872**	889,168,349
Net Investment in lease	19	**38,716,484**	1,716,601	**38,716,484**	1,716,601
Amounts due from related parties	25.1	**60,188,888**	62,463,305	**429,949,161**	275,922,920
Short term financial assets	26	**1,119,245,585**	1,051,395,258	**722,085,091**	774,375,557
Cash and cash equivalents	27.1	**320,456,758**	224,206,247	**175,213,112**	88,338,022
		10,812,591,646	9,585,893,691	**8,281,461,987**	6,985,178,581
Non-Current Assets held for sale	28	**202,000,000**	-	**202,000,000**	-
		11,014,591,646	9,585,893,691	**8,483,461,987**	6,985,178,580
Total assets		**16,020,903,169**	14,449,071,711	**13,639,113,465**	12,073,646,190
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	29	**2,395,221,320**	2,395,221,320	**2,395,221,320**	2,395,221,320
Retained earnings		**8,144,271,007**	6,757,052,187	**7,288,813,809**	6,053,260,642
Foreign currency translation reserve		**(126,747,603)**	(24,447,762)	**-**	-
Equity attributable to equity holders of the parent		**10,412,744,724**	9,127,825,745	**9,684,035,129**	8,448,481,962
Non-controlling interest		**(21,877,254)**	(12,543,373)	**-**	-
Total equity		**10,390,867,470**	9,115,282,372	**9,684,035,129**	8,448,481,962
Non-current liabilities					
Interest bearing loans and borrowings	30	**82,689,530**	114,115,432	**59,371,136**	72,450,294
Retirement benefit obligation	31	**105,518,589**	92,978,812	**103,154,212**	90,894,582
Deferred tax liability	21	**-**	55,986,311	**-**	55,986,310
		188,208,119	263,080,554	**162,525,348**	219,331,186
Current liabilities					
Trade and other payables	32	**2,059,434,792**	2,275,741,041	**1,698,216,806**	1,193,493,580
Amounts due to related parties	25.2	**7,726,504**	-	**84,496,800**	26,124,847
Income tax liabilities		**109,392,009**	120,528,211	**-**	-
Interest bearing loans and borrowings	30	**2,619,687,569**	1,970,894,755	**1,544,206,236**	1,669,519,190
Bank overdrafts	27.2	**645,586,706**	703,544,777	**465,633,146**	516,695,425
		5,441,827,580	5,070,708,784	**3,792,552,988**	3,405,833,043
Total equity and liabilities		**16,020,903,169**	14,449,071,711	**13,639,113,465**	12,073,646,190

These financial statements are in compliance with the requirements of the Companies Act No. 07 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 252 to 330 form an integral part of these financial statements.
30 May 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

Group	Note	Attributable to equity holders of the parent				Non-controlling interest	Total equity
		Stated capital	Retained earnings	Foreign currency translation reserve	Total		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 1 April 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	(63,600)	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	12		(403,222,140)	-	(403,222,140)	-	(403,222,140)
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**
Profit for the year		**-**	**1,787,694,942**	**-**	**1,787,694,942**	**(8,882,277)**	**1,778,812,665**
Other comprehensive income							
Currency translation of foreign operations				**(102,299,841)**	**(102,299,841)**	**(760,093)**	**(103,059,934)**
Actuarial gains/(losses) on defined benefit plans			**5,739,322**		**5,739,322**	**45,961**	**5,785,283**
Income tax effect on defined benefit plan			**2,373,302**		**2,373,302**	**-**	**2,373,302**
Total other comprehensive income/(loss), net of tax			**8,112,624**	**(102,299,841)**	**(94,187,217)**	**(714,132)**	**(94,901,349)**
Total comprehensive income/(loss) for the year, net of tax		**-**	**1,795,807,566**	**(102,299,841)**	**1,693,507,725**	**(9,596,409)**	**1,683,911,316**
Acquistion of non controlling Interests			**(262,528)**		**(262,528)**	**262,528**	**-**
Dividends to equity holders	12		**(408,326,218)**	**-**	**(408,326,218)**	**-**	**(408,326,218)**
As at 31 March 2025		**2,395,221,320**	**8,144,271,007**	**(126,747,603)**	**10,412,744,725**	**(21,877,254)**	**10,390,867,470**

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 252 to 330 form an integral part of these financial statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

Company	Note	Stated Capital	Retained Earnings	Total
		Rs.	Rs.	Rs.
As at 1 April 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 on defined benefit plans	31.1		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 for the year, net of tax		-	628,161,151	628,161,151
Dividends to equity holders	12		(403,222,140)	(403,222,140)
As at 31 March 2024		**2,395,221,320**	**6,053,260,642**	**8,448,481,962**
Profit for the year			**1,636,199,063**	**1,636,199,063**
Other comprehensive income				
Acturial gains on defined benefit plans	31.1		**5,307,021**	**5,307,021**
Income tax effect on defined benefit plan	21.1		**2,373,302**	**2,373,302**
Total other comprehensive income, net of tax			**7,680,323**	**7,680,323**
Total comprehensive income for the year, net of tax			**1,643,879,386**	**1,643,879,386**
Dividends to equity holders	12		**(408,326,218)**	**(408,326,218)**
As at 31 March 2025		**2,395,221,320**	**7,288,813,809**	**9,684,035,129**

The accounting policies and notes on pages 252 to 330 form an integral part of these financial statements.
Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Year ended 31 March 2025		Group		Company	
		2025	2024	2025	2024
	Note	Rs.	Rs.	Rs.	Rs.
Cash flows from/ (used in) operating activities					
Profit before tax		**1,605,568,405**	1,210,509,552	**1,352,978,028**	628,638,116
Adjustments for,					
Depreciation of property, plant and equipment	13	**229,481,330**	133,831,010	**199,384,602**	122,739,082
Amortisation for intangible assets	16.4	**32,690,436**	7,622,890	**32,642,615**	7,527,310
Depreciation of right-of-use assets	14	**37,035,101**	27,537,428	**24,037,058**	13,765,505
Depreciation of investment property	15	**-**	6,747,715	**8,747,187**	2,188,235
Provision for defined benefit plans	31.1	**22,792,986**	23,015,172	**22,034,577**	22,421,275
Provision for obsolete and slow moving inventories	9	**(169,885,438)**	189,060,605	**(182,725,804)**	190,602,761
Disposal gain on property, plant and equipment	7	**(2,034,601)**	(32,705,967)	**(2,034,601)**	(32,705,967)
Changes in fair value of biological assets	18	**(775,571)**	(2,373,609)	**(775,571)**	(2,373,609)
Changes in fair value of investment in other financial assets		**(16,415,186)**	(58,964,169)	**(16,415,186)**	(58,964,169)
Imapirment of investment property held for sale	7	**5,888,029**	-	**5,888,029**	-
Changes in fair value of investment properties	15	**(103,462,424)**	-	**-**	-
Loss Share of equity accounted investees		**23,281,780**	-	**-**	-
Allowances for expected credit losses	9	**(69,875,696)**	(27,811,614)	**(69,977,951)**	(40,739,464)
Other write offs		**-**	10,533,414	**-**	10,533,414
Dividend income	8.2	**(359,458)**	(648,460)	**(359,458)**	(156,003,968)
Finance income	8.2	**(139,306,840)**	(106,477,718)	**(157,658,860)**	(134,328,896)
Finance costs	8	**352,760,033**	251,276,134	**228,758,899**	187,046,077
Unrealised (gain)/ loss on foreign exchange (net)		**(25,823,888)**	127,481,575	**(6,678,669)**	22,636,811
Operating profit before working capital changes		**1,781,558,997**	1,758,633,957	**1,437,844,895**	782,982,512
(Increase)/ decrease in inventories		**187,967,526**	438,252,195	**305,567,298**	220,598,151
(Increase)/ decrease in trade and other receivables		**(533,074,713)**	(758,227,841)	**(854,296,396)**	(423,342,609)
(Increase)/ decrease in amount due from related parties		**(39,232,842)**	(46,997,000)	**(154,026,241)**	(53,414,345)
(Increase)/ decrease in advances and prepayments		**(421,472,693)**	(342,790,151)	**(264,687,522)**	(317,493,303)
Increase/ (decrease) in amount due to related parties		**7,726,504**	-	**58,371,954**	26,124,847
Increase/ (decrease) in trade and other payables		**(210,308,289)**	(376,673,570)	**509,222,627**	104,458,963
Cash generated from operations		**773,164,490**	672,197,590	**1,037,996,614**	339,914,216
Tax paid		**(107,691,370)**	(231,335,824)	**(3,410,506)**	(75,364,906)
Defined benefit plan cost paid	31	**(4,467,926)**	(3,364,305)	**(4,467,926)**	(3,244,865)
Finance cost paid		**(337,621,959)**	(233,134,672)	**(217,384,970)**	(181,542,012)
Net cash flow from operating activities		**327,202,601**	204,362,789	**812,733,211**	79,762,433
Cash flows from/(used in) investing activities					
Purchase and constructions of property, plant & equipment		**(271,433,936)**	(883,564,407)	**(167,876,436)**	(570,696,229)
Acquisition of intangible assets		**(24,591,225)**	(805,801)	**(5,028,350)**	(805,801)
Proceeds from disposal of property, plant and equipment		**4,636,615**	41,274,610	**4,636,615**	41,274,610
Investment in biological assets		**(6,124,435)**	(1,063,757)	**(6,124,435)**	(1,063,757)
Net change in lease investments		**(2,116,287)**	25,104,613	**(2,116,285)**	25,104,613
Investment in subsidiaries		**-**	-	**(106,389,094)**	-
Investment in fixed deposits and money market funds		**(1,102,296,906)**	(1,832,657,728)	**(919,264,017)**	(1,543,642,333)
Proceeds from redemption of money market funds		**1,096,858,449**	1,707,979,632	**995,216,141**	1,446,345,556
Dividend income received		**359,458**	648,460	**359,458**	648,460
Payments made for acquisition of right-of-use assets		**(53,500,003)**	(2,411,624)	**(53,500,003)**	(1,653,342)
Proceeds from sale of financial instruments - fair valued through Profit or loss		**21,825,924**	1,664,877	**21,825,924**	1,664,877
Purchase of financial instruments - Fair valued through profit or loss		**(411,405)**	(1,433,434)	**(411,405)**	(1,433,434)
Investment in treasury bills		**-**	(200,000,000)	**-**	(200,000,000)
Proceeds from treasury bills		**-**	200,000,000	**-**	200,000,000
Investment in debentures		**3,275,664**	(17,260,000)	**3,275,664**	(17,260,000)
Increase in the interest in equity accounted investees		**(70,043,636)**	-	**-**	-
Interest income received		**80,452,457**	80,299,899	**128,997,867**	108,151,076
Net cash flow from operating activities		**(323,109,266)**	(882,224,660)	**(106,398,354)**	(513,365,704)
Cash flows from/(used in) investing activities					
Repayment of interest bearing loans and borrowings	30	**(8,043,571,803)**	(3,809,653,173)	**(6,482,249,480)**	(3,563,075,286)
Proceeds from interest bearing loans and borrowings	30	**8,700,163,027**	4,576,667,591	**6,350,070,284**	4,175,889,980
Payments under lease liabilities	14.1	**(40,588,897)**	(29,007,963)	**(27,892,074)**	(14,809,173)
Dividend paid	12	**(408,326,218)**	(403,222,141)	**(408,326,218)**	(403,222,141)
Net cash flows from investing activities		**207,676,109**	334,784,314	**(568,397,488)**	194,783,380
Effects of exchange rate changes on cash and cash equivalents		**(53,741,495)**	(53,076,624)	**-**	-
Net increase in cash and cash equivalents		**154,208,582**	(396,154,183)	**137,937,369**	(238,819,891)
Cash and cash equivelents at the beginning of the year		**(479,338,530)**	(83,184,347)	**(428,357,403)**	(189,537,512)
Cash and cash equivelents at the end of the year	27	**(325,129,948)**	(479,338,530)	**(290,420,034)**	(428,357,403)

The accounting policies and notes on pages 252 to 330 form an integral part of these financial statements.
Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

GRI 2-1

1.1 Reporting Entity

JAT Holdings PLC is a public limited liability company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The registered office and principal place of business of the Company is located at No. 351, Pannipitiya Road, Thalawathugoda.

1.2 Consolidated Financial Statements

The financial statements for the year ended 31 March 2025 comprise "the Company" referring to JAT Holdings PLC (Formally known as JAT Holdings Limited) as the holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

1.3 Approval of Financial Statements

The financial statements for the year ended 31 March 2025 were authorised for issue by the Board of Directors on 21 May 2025.

1.4 Principal Business Activities and Nature of Operations of the Company and 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 3.2.5.

JAT Holdings PLC does not have an identifiable parent of its own. JAT Holding PLC is the ultimate parent of the Group.

1.5 Responsibility for financial statements

The Board of Directors is responsible for the preparation and presentation of financial statements of the Group and the Company as per Sri Lanka Accounting Standards and the provisions of the Companies Act No. 07 of 2007. The Board of Directors acknowledges their responsibility for the financial statements, as set out in the "Annual Report of the Board of Directors", "Statement of Directors' Responsibilities for Financial Statements" and the certification on the financial position on pages 212-221, 239, and 248 respectively of this Annual Report.

1.6 Number of employees

The number of employees of the Group at the end of the year was 386 (2024 – 386), Company – 350 (2024– 350).

1.7 Statement of compliance

The financial statements of the Group and the separate financial statements of the Company, which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the Companies Act No. 7 of 2007.

2. BASIS OF PREPARATION

2.1 Basis of measurement

The Financial Statements of the Group and the Company have been prepared on an accrual basis and under the historical cost convention , except for the following material items stated in the statement of financial position.

Item	Basis of measurement	Additions
Consumable biological assets	Measured at fair value	Note 18
Financial assets at fair value through profit or loss	Measured at fair value	Note 26
Retirement benefit obligations	Measured at the present value of the defined benefit obligation	Note 31
Investment Property	Measured at fair value	Note 15
Lease liabilities	Measured at amortised cost using effective interest method	Note 30.2

Where appropriate, the specific policies are explained in the succeeding notes.

2.2 Comparative information

Comparative information, including quantitative, narrative, and descriptive details, is disclosed for the previous year in the financial statements to enhance the understanding of the current year's financial position and performance, and to improve comparability between periods. Where necessary, the presentation and classification of the previous year's financial statements are reclassified to ensure better presentation and consistency with the current year's financial statements.

Amendments to the financial statements due to changes in accounting standards are discussed in Note 41.

However, no significant changes have been made to the comparative information that would materially affect its comparability or interpretation other than changes discussed in Note 41.

2.3 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

2.4 Going concern

The Group has prepared the financial statements for the year ended 31 March 2025 on the basis that it will continue to operate as a going concern. Based on the information available, management has assessed the prevailing macroeconomic conditions and their effect on the Group companies in determining the going concern basis for the preparation of the financial statements.

Management has formed the judgment that the Company, its subsidiaries and joint ventures have adequate resources to continue operating for the foreseeable future, supported by the ongoing implementation of risk mitigation initiatives, continuous monitoring of business continuity and response plans at each business unit, and the overall financial strength of the Group.

2.5 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

2.6 Aggregation and Materiality

Each material class of similar items is presented cumulatively in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial, as permitted by Sri Lanka Accounting Standard LKAS 1 on 'Presentation of Financial Statements'.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs

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 after initial recognition and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss or other comprehensive income 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.

3.1.1 Impairment of goodwill

Goodwill is tested for impairment annually (as at 31 March) or more frequently when events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods



Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate at each reporting date.

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

3.2 Basis of consolidation

The Consolidated Financial Statements encompass the Company, its subsidiaries (together referred to as the "Group") and the Group's interest in equity accounted investees (Joint Ventures).

Subsidiaries and equity accounted investees are disclosed in Note 17 to the Financial Statements.

3.2.1 Subsidiaries

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

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(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.

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

3.2.2 Loss of control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value. The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Consolidated Statement of Financial Position.

3.2.3 Non-controlling interests (NCI)

Non-controlling interests are measured initially at their proportionate share of the fair value of the acquiree's

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identifiable net assets at the date of acquisition.

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from equity attributable to the shareholders of the parent.

3.2.4 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.

3.2.5 Consolidation of subsidiaries with different accounting periods

The Financial Statements of the parent Company and subsidiaries are prepared to a common financial year ending 31st March, except for JAT Exports DMCC whose financial year ends on 31st December. This subsidiary prepared financial information as at 31st March 2025 for consolidation purpose. The reason for using different reporting period by JAT Exports DMCC is due to the regulatory requirement of the free trade Zone in Dubai which the company operates in. The Financial Statements of the parent and subsidiaries are prepared using uniform accounting policies

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Subsidiaries/sub-subsidiary & their controlling percentages of the Group, which have been consolidated are as follows:

Subsidiary / Sub-subsidiary	Principal activities	County of incorporation	Effective holding	
			2025	2024
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	**90.39%**	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 (Sub-subsidiary)	Importing/ Manufacturing and trading of chemical products	Bangladesh	**99.98%**	99.98%

3.2.6 Investment in Equity Accounted Investees

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint ventures which have been accounted for using the equity method, are:

- JAT Paints Africa Ltd
- SEAFORM Perth PTY Ltd

The Group's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the income statement outside operating profit.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of results of equity accounted investees' in the Income Statement.

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

3.3 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 current when:

- 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 assets and liabilities are classified as non-current assets and liabilities respectively.

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.

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Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognised in OCI or Profit or Loss are also recognised in OCI or Profit or Loss, respectively)

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.

The exchange rates applicable during the period were as follows:

Currency	Closing rate		Average rate	
	2025	2024	**2025**	2024
US Dollar	**296.32**	300.44	**297.91**	317.92
INR	**3.46**	3.61	**3.53**	3.85
BDT	**2.44**	2.74	**2.53**	2.92

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

financial assets including biological assets and investment properties, at fair value through profit or loss at each reporting date. Fair value-related disclosures for financial instruments and non-financial assets that are measured at fair value, or for which fair values are disclosed, are summarised in Note 37.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  or

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

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

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

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

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

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

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

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations

External valuers are involved for valuation of significant assets, such as Biological assets and Investment Properties. Involvement of external values is decided by the Management after discussion with the Group Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the 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:

	Disclosure Notes
Disclosures for valuation methods, significant estimates and assumptions	Notes 18.1 and 15
Quantitative disclosures of fair value measurement hierarchy	Note 37
Investment in quoted equity shares	Note 26.1
Consumable biological assets	Note 18
Investment Property	Note 15
Financial Instruments (Including those carried at amortised cost)	Notes 20 and 26

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations.

3.6 Property, plant and equipment

The group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

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.

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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 recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

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.

The estimated useful life of assets is as follows;

Asset	Useful life
Office and factory buildings	50
Office equipment	7
Computers	4
Furniture and fittings	6 - 10
Motor vehicles	4 - 6
Store equipment	6 - 10
Signboards	5
Factory equipment	7
Lab equipment	7 - 10
Plant and machinery	10 - 25
Leasehold improvements	4

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.

Depreciation is recognised in full for the month of asset acquisition or transfer. No depreciation is recorded for the month in which the asset is disposed of. This policy is applied consistently across the entire Group to ensure uniformity in financial reporting. Depreciation is calculated on a monthly basis, irrespective of the specific acquisition date within the month. Such treatment upholds the integrity and clarity of our accounting practices.

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 derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising 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 derecognised.

3.6.7 Impairment of property plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or

cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement, except that, impairment losses in respect of property, plant and equipment previously revalued are recognised against the revaluation reserve through the statement of other comprehensive income to the extent that it reverses a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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:

Description	Useful life
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

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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 Note 28 to the Financial Statements.

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 recognised 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 recognised as investment properties.

3.8.2 Basis of Measurement

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair values of investment properties are included in the Statement of Profit or Loss in the year in which they arise, including the corresponding tax effect. Fair values are evaluated annually by an accredited external, independent valuer.

The change in policy regarding Investment Property and related disclosures have been made in compliance with LKAS 40, 'Investment Property,' and LKAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors,' as disclosed in Note 30 of the financial statements.

3.8.3 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 recognised 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 amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised 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 Useful economic lives and amortisation

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

The estimated useful lives of intangible assets with finite lives are as follows.

Asset class	Useful life
Computer software	5 years

The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation 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 Biological Assets

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

3.10.1 Consumable biological assets

Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is 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. The cost is treated as approximation to 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 (DCF) method taking in to consideration the current market prices of timber(Sandalwood), applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Note 16

The main variables in Discounted Cash Flow model concerns,

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.

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The gain or loss arising on initial recognition of consumable biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in Statement of Profit or Loss for the period in which it arises.

Permanent impairments to biological asset are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

3.11 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net realisable 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 recognised 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 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) Initial recognition and 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)

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group 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

NOTES TO THE FINANCIAL STATEMENTS

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 20 and 26
- Trade receivables, including contract assets — Note 23

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 33.

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.

Bank overdrafts form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of preparing the Statement of Cash Flows

3.13.1 Statement of Cash Flows

The Statement of Cash Flows has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with Sri Lanka Accounting Standard-LKAS 7 on 'Statement of Cash Flows'. Cash and cash equivalents as referred to in the Statement of Cash Flows comprised of those items as explained in Note 27

3.14 Non-Current Assets held for Sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification

Property, plant and equipment, Investment Property and intangible assets are not depreciated or amortised once classified as held for sale. Assets classified as held for sale are presented separately as current asset in the Statement of Financial Position

3.15 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.

3.16 Liabilities and provisions

Provisions are recognised 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.

3.17 Retirement benefit obligations

GRI 201-3

3.17.1 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.

3.17.2 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 31. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The gratuity liability is not funded in the planned assets.

3.18 Taxation

GRI 3-3, GRI 207-1, GRI 207-2

3.18.1 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 recognised directly in Other Comprehensive Income are also recognised 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.

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

NOTES TO THE FINANCIAL STATEMENTS

- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised 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 utilised.

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

3.18.3 Sales tax

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

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

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

3.19 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has several operating segments which are described In Note 60 to these Financial Statements. In all operating segments, the Group has generally concluded that it is the principal in its revenue arrangements.

a) Goods transferred at a point in time

Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. 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.

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 22.1 for the disclosure on disaggregated revenue.

d) Contract assets

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditional on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables

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 recognised 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 6.2.

3.20 Other income

a) Dividends

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

b) Rental income

Rental income is recognised 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 recognised on an accrual basis.

3.21 Expenditure recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the 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.

3.22 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.

NOTES TO THE FINANCIAL STATEMENTS

3.23 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 capitalised 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 recognised in profit or loss using the effective interest method.

3.24 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.

3.25 Business segments

The Group's internal organisation and management are structured based on geographical locations, with each location supervised by dedicated country managers and regional managers. The operating segments represent this business structure, reflecting the Group's geographical spread of operations.

The Group is organised into business units according to their geographic regions, and the operating segments are defined accordingly. The measurement policies the Group uses for segment reporting under SLFRS 8 remain consistent with those applied in its Financial Statements.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group. All inter-segment transfers are carried out at arm's length prices.

The operating results of each geographical segment are reviewed regularly by management to make decisions regarding resource allocation and to assess segment performance. Discrete financial information is available for each segment, and segment results reported to management include items directly attributable to the segment as well as those reasonably allocated.

All transactions between Group companies, whether inter-segmental or intra-segmental, are conducted on an arm's length basis and in a manner consistent with transactions with third parties.

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.

4.1 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 recognised 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.

4.2 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.

4.3 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 31.

4.4 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.

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 23.3

NOTES TO THE FINANCIAL STATEMENTS

4.5 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.

4.6 Others

Other information about judgments in applying accounting policies that have the most significant effect on the amounts recognised 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
Intangible assets	3.9.3
Right-of-use assets	3.7.2
Valuation of inventories	3.11
Fair Valuation of Investment Property	3.8
Provision for obsolete and slow moving inventories	3.11

4.7 Changes in Accounting Policies and Disclosures

4.7.1 New and amended standards and interpretations

No significant impact resulted on the financial statements of the Group due to changes in Accounting Standards and disclosures during the year.

4.7.2 Significant Accounting Policy Changes during the year

There were no changes in accounting policies during the year, other than the disclosure made in note 4.7.2.1.

4.7.2.1 Investment Property (Change in Accounting Policy)

a) Previous Policy (Year Ended 31st Matrch 2024):

Investment property was measured using the cost model, where the investment property was carried at cost less any accumulated depreciation and any accumulated impairment losses.

b) Current Policy (Effective 31 March 2025):

Effective April 1, 2024, the Group and the Company have changed their accounting policy for investment property from the cost model to the fair value model, as permitted by LKAS 40, 'Investment Property'. Under the fair value model, investment property is carried at its fair value at the end of each reporting period. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.Refer Note 15 for disclosures required.

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.

Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial

performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.



NOTES TO THE FINANCIAL STATEMENTS

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Local sales	**7,871,455,119**	7,252,918,823	**7,590,876,449**	6,998,810,599
Export sales	**3,056,652,800**	4,056,031,297	**85,526,111**	57,805,155
Project sales	**696,394,733**	247,404,403	**696,394,733**	247,404,403
	11,624,502,652	11,556,354,523	**8,372,797,293**	7,304,020,157

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Revenue generated within Sri Lanka	**8,567,849,852**	7,500,323,226	**8,287,271,182**	7,246,215,002
Revenue generated outside Sri Lanka	**3,056,652,800**	4,056,031,297	**85,526,111**	57,805,155
	11,624,502,652	11,556,354,523	**8,372,797,293**	7,304,020,157

Revenue generated within Sri Lanka includes all local sales and project sales.

6.1 Disaggregation of revenue

Based on the nature of the product sold

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Wood coatings	**8,397,600,568**	9,323,167,703	**5,590,669,890**	5,301,058,861
Paints, chemicals and other products	**2,060,567,909**	1,715,231,981	**1,627,399,882**	1,485,006,456
Brushes	**420,071,174**	216,718,714	**420,007,408**	216,718,714
Furnitures	**69,614,360**	53,831,722	**69,614,360**	53,831,722
Finishing, furnishing projects and Others	**676,648,641**	247,404,403	**665,105,753**	247,404,403
	11,624,502,652	11,556,354,523	**8,372,797,293**	7,304,020,156

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 recognised 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 recognised.

Paints, chemicals and other products

This segment focuses on manufacturing of emulsion paints, resins, chemicals and other industrial solutions. Revenue is recognised 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 recognised.

Brushes

This segment focuses on manufacturing of brushes, rollers and handlers and other paint and wood coating application solutions. Revenue is recognised 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 domestinc furnishing solutions. Revenue is recognised 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 recognised.

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.

Year ended 31 March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Sri Lanka	**8,567,849,852**	7,500,323,226	**8,287,271,181**	7,246,215,002
India	**251,873,449**	116,799,778	**10,017,964**	-
Bangladesh	**2,657,614,412**	3,712,107,072	**-**	239,893
Maldives	**101,963,877**	174,620,845	**31,677,985**	25,407,448
Africa	**24,003,653**	52,503,601	**22,632,752**	32,157,814
Others	**21,197,409**	-	**21,197,409**	-
	11,624,502,652	11,556,354,523	**8,372,797,293**	7,304,020,157

Revenue from contract with customers

Year ended 31 March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Goods transferred at a point of time	**10,928,107,919**	11,308,950,120	**7,676,402,560**	7,056,615,754
Services transferred over time	**696,394,733**	247,404,403	**696,394,733**	247,404,403
	11,624,502,652	11,556,354,523	**8,372,797,293**	7,304,020,157

6.2 Contract balances

Year ended 31 March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Contract liabilities	**61,828,600**	-	**61,828,600**	-

Contract liabilities include short term advances received for the finishing and furnishing projects. These advances are recognised as revenue upon the satisfaction of performance obligations, which typically occur as the finishing and furnishing services are rendered in accordance with the specific terms of each customer contract.

NOTES TO THE FINANCIAL STATEMENTS

7 OTHER INCOME

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Sundry income	**14,306,208**	449,744,545	**14,929,949**	26,384,159
Rent income	**39,352,382**	1,400,347	**4,679,999**	1,080,000
Changes in fair value of biological assets	**775,571**	2,373,609	**775,571**	2,373,609
Net gain / (loss) from fair value remeasurement	**97,574,395**	-	**(5,888,029)**	-
Gain on disposal of property, plant, and equipment	**2,034,601**	32,705,967	**2,034,601**	32,705,967
	154,043,157	486,224,468	**16,532,091**	62,543,735

7.1 Net gain / (loss) from fair value remeasurement

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Change in fair value of investment properties (Note 15)	**103,462,424**	-	**-**	-
Impairment loss of asset transferred to held for sale (Note 7)	**(5,888,029)**	-	**(5,888,029)**	-
	97,574,395	-	**(5,888,029)**	-

8 NET FINANCE INCOME/COST

8.1 Finance Cost

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Interest expenses on bank overdrafts	**67,960,332**	47,247,009	**45,797,739**	46,952,214
Interest expenses on import loans	**149,342,931**	102,744,987	**79,534,078**	77,748,211
Interest expenses on lease liabilities	**15,138,075**	10,284,651	**11,373,929**	5,632,809
Interest expenses on bank loans	**87,989,462**	16,942,878	**78,835,418**	13,122,985
ECBA loan interest	**-**	-	**5,772,002**	15,969,168
Bank charges	**-**	2,315,228	**-**	-
Foreign exchange loss	**32,329,233**	71,741,381	**7,445,734**	27,620,690
	352,760,033	251,276,134	**228,758,900**	187,046,077

8.2 Finance Income

Year ended 31 March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Interest income on loans and receivables	-	-		
- Related parties	**44,242,123**	67,434,641	**30,193,589**	39,835,159
- Others	**64,387,538**	38,113,881	**82,808,488**	94,493,736
Dividend income from equity instruments	**359,458**	648,460	**359,458**	156,003,968
Changes in fair value of financial assets				
Realised gains on financial assets at fair value through profit or loss	**25,521,159**	30,459,365	**25,521,159**	30,459,365
Unrealised gains on financial assets at fair value through profit or loss	**19,135,624**	28,504,805	**19,135,624**	28,504,805
Foreign exchange gain	**5,156,020**	929,196	**-**	-
	158,801,922	166,090,347	**158,018,318**	349,297,033
Net finance cost/(income)	**193,958,111**	85,185,787	**70,740,581**	(162,250,956)

NOTES TO THE FINANCIAL STATEMENTS

9 PROFIT BEFORE TAX

Year ended 31 March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Include in cost of sales				
Employees benefits including the following				
- Defined benefit plan costs	**2,304,733**	-	**1,340,459**	-
- Defined contribution plan costs - EPF & ETF	**9,501,907**	9,743,717	**8,280,988**	7,351,000
- Other staff cost	**182,335,352**	173,168,395	**124,607,156**	125,600,343
Depreciation on property, plant & equipment	**146,711,057**	60,464,666	**117,796,205**	49,889,431
Amortisation of right-of-use assets	**12,998,043**	14,818,286	**-**	-
Included in administrative expenses				
Employees benefits including the following				
- Director emoluments	**77,693,280**	73,131,953	**60,564,943**	61,831,186
- Defined benefit plan costs	**6,954,036**	-	**4,560,273**	-
- Defined contribution plan costs - EPF & ETF	**26,469,095**	23,925,838	**22,910,472**	19,238,523
- Other staff cost	**362,727,504**	334,149,294	**270,646,384**	221,736,524
Depreciation on property, plant & equipment	**64,590,041**	53,347,209	**63,408,164**	52,841,475
Depreciation on investment property	**26,861,521**	7,018,162	**8,747,187**	2,188,235
Amortisation of intangible assets	**33,116,633**	4,046,773	**33,090,971**	3,951,193
Auditors remuneration (Including foreign subsidiaries)	**10,153,633**	11,220,522	**4,434,456**	1,380,000
Provision/(Reversal) for obsolete and slow-moving stocks	**(169,885,438)**	227,281,818	**(182,725,804)**	227,281,818
Donations	**1,908,786**	93,300	**555,000**	93,300
Included in selling & distribution expenses				
Employees benefits including the following				
- Defined benefit plan costs	**17,233,291**	23,015,171	**14,835,129**	22,421,275
- Defined contribution plan costs - EPF & ETF	**25,144,988**	19,850,138	**23,339,599**	18,566,346
- Other staff cost	**453,416,099**	338,996,000	**334,276,359**	256,096,013
Reversal for impairment of trade receivables	**(69,875,696)**	(27,811,614)	**(69,977,951)**	(40,739,464)
Depreciation on property, plant & equipment	**18,180,232**	20,421,272	**18,180,232**	20,421,272
Amortisation of right-of-use assets	**24,037,058**	27,537,428	**24,037,058**	13,765,505

10 INCOME TAX EXPENSE

Year ended 31 March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Current income tax				
Current income tax charge	**121,539,705**	197,034,067	**-**	-
Income tax (over)/under provision in respect of previous years	**(15,087,640)**	770,988	**-**	770,988
	106,452,065	197,805,055	**-**	770,988
Deferred tax expense				
Deferred taxation charge/(reversal) (Note 10.5)	**(282,069,627)**	(10,539,367)	**(285,594,337)**	482,845
Tax expense (Note 10.1)	**(175,617,562)**	187,265,688	**(285,594,337)**	1,253,833
Consolidated statement of other comprehensive Income				
Deferred tax charge/(reversal)				
Actuarial loss on employee benefit obligation	**2,373,302**	(332,943)	**2,373,302**	(332,943)
Tax on other comprehensive income	**2,373,302**	(332,943)	**2,373,302**	(332,943)
Total income tax expense	**(173,244,260)**	186,932,745	**(283,221,035)**	920,890

NOTES TO THE FINANCIAL STATEMENTS

10.1 Reconciliation of accounting profit to income tax expense

Year ended 31 March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Profit before taxation	**1,605,568,405**	1,210,509,552	**1,352,978,028**	628,638,115
Dividend income from group companies	**-**	155,355,508	**-**	-
	1,605,568,405	1,365,865,060	**1,352,978,028**	628,638,115
Add: Aggregate disallowed items	**(34,742,254)**	343,966,437	**(168,194,280)**	317,679,775
Less: Aggregate allowable items	**(536,499,035)**	(363,291,701)	**(443,287,814)**	(357,251,766)
Less: Tax exempt income	**(231,096)**	(261,110,599)	**(231,096)**	(196,075,360)
Less: Income not form a part of trade or business	**(346,828,363)**	(94,043,745)	**-**	(94,043,745)
Add: Other sources of income	**388,407,297**	-	**41,578,934**	-
Business loss	**152,096,361**		**-**	
Tax loss utilised during the year	**(790,761,680)**	-	**(782,843,772)**	-
Taxable profit	**437,009,635**	991,385,452	**-**	298,947,019
Income tax charged at:				
Income tax @ 25%	**104,285,808**	-	**-**	-
Income tax @ 27.5%	**-**	197,805,055	**-**	770,988
Income tax @ 30%	**2,166,257**	-	**-**	-
Current tax expense	**106,452,065**	197,805,055	**-**	770,988
Charge/(reversal) of temporary differences	**(282,069,627)**	(10,539,367)	**(285,594,337)**	482,845
Tax expense	**(175,617,562)**	187,265,688	**(285,594,337)**	1,253,833
Effective tax rate	**28%**	20%	**0%**	0%

10.2 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, excluding those which enjoy a concessionary tax rates, were liable to income tax during the year of assessment 2024/25 at the rate of 30% (Y/A 2023/24 - 30%)

Corporate Taxes of non-resident companies in the Group have been computed in keeping with the domestic statutes in their respective countries.

10.3 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.

	Country	Income tax rate
	Rs.	Rs.
Company		
Asia coatings (Private) limited	**Bangladesh**	25.00%
JAT global (Private) limited	**India**	22.00%

10.4 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.

10.5 Deferred tax expense /(reversal)

Year ended 31 March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Deferred tax arising from				
- Accelerated depreciation for tax purposes	**236,415,937**	(105,754,289)	**236,610,335**	104,119,369
- Investment properties (Building)	**(1,722,509)**		**(5,047,035)**	2,625,881
- Biological assets	**(13,985,363)**	3,892,411	**(1,722,509)**	(3,892,411)
- Retirement benefit obligation	**30,901,185**	9,424,607	**(11,980,930)**	(8,303,040)
- Provision for doubtful debts	**5,748,659**	3,389,589	**26,316,544**	5,381,458
- Provision for obsolete and slow moving inventories	**34,279,736**	49,528,462	**8,962,660**	(49,528,462)
- Right-of-use assets	**344,325**	2,506,539	**35,318,195**	(2,367,902)
- Benefit arising from tax losses and others	**(574,051,597)**	47,552,048	**(574,051,597)**	(47,552,048)
Total deferred tax charge/(reversal)	**(282,069,627)**	10,539,367	**(285,594,337)**	482,845

10.6 Tax losses carried forward

Year ended 31 March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Tax losses brought forward	**2,681,588,060**	100,775,369	**2,559,271,025**	-
Tax loss for the year	**18,944,239**	2,580,812,690	**-**	2,559,271,025
Tax losses set off against taxable profit	**(790,761,680)**	-	**(782,843,772)**	-
Carried forward tax losses	**1,909,770,619**	2,681,588,060	**1,776,427,253**	2,559,271,025

NOTES TO THE FINANCIAL STATEMENTS

11 BASIC/DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit 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	
	2025	2024
	Rs.	Rs.
Amounts used as the numerator :		
Net profit attributable to equity holders of the company	**1,787,694,942**	1,021,189,781
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
Earnings per share	**3.50**	2.00

12 DIVIDENDS PER SHARE

Year ended 31 March	Group			
	2025		2024	
	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)	**0.20**	**102,081,554**	0.49	250,099,809
First interim dividend declaration	**0.60**	**306,244,664**	0.30	153,122,332
	0.80	**408,326,218**	0.79	403,222,141

12.1 Dividend Payout

Year ended 31 March	Group	
	2025	2024
Dividend payout	**23%**	40%

13 PROPERTY, PLANT AND EQUIPMENT

13.1 Group

13.1.1 Gross carrying amounts

	Balance as at 31.03.2024	Additions	Disposals/ Transfers	Exchange difference	**Balance as at 31.03.2025**
	Rs.	Rs.	Rs.	Rs	Rs
At cost					
Freehold					
Land	567,571,589	-	-	-	**567,571,589**
Office and factory buildings	1,984,753,742	69,690,366	-	(8,512,544)	**2,045,931,564**
Office equipments	37,710,374	13,434,826	-	(786,066)	**50,359,134**
Computers	101,240,548	26,522,667	-	(877,415)	**126,885,799**
Furniture and fittings	84,517,343	35,311,110	(13,600)	(1,613,664)	**118,201,189**
Motor vehicles	165,714,361	17,067,461	-	(1,047,160)	**181,734,662**
Store equipments	4,840,432	16,355,711	-	(748,301)	**20,447,842**
Sign boards	9,550,330	548,365	-	(119,813)	**9,978,881**
Factory equipments	20,496,683	35,665,358	-	(2,537,201)	**53,624,840**
Lab equipments	125,022,480	13,854,576	-	(301,839)	**138,575,217**
Plant and machinery	890,726,468	112,971,280	(33,921,000)	(5,941,118)	**963,835,630**
	3,992,144,350	341,421,720	(33,934,600)	(22,485,121)	**4,277,146,347**
Leasehold					
Leasehold improvements	4,639,365	38,266,447	-	-	**42,905,813**
	4,639,365	38,266,447	-	-	**42,905,813**
Total value of depreciable assets	3,996,783,715	379,688,167	(33,934,600)	(22,485,121)	**4,320,052,160**

	Balance as at 31.03.2024	Additions	Disposals/ Transfers	Exchange difference	**Balance as at 31.03.2025**
	Rs.	Rs.	Rs.	Rs	
In the course of construction					
Capital work in progress	233,200,050	59,758,628	(168,012,864)	(14,231,975)	**110,713,839**
	233,200,050	59,758,628	(168,012,864)	(14,231,975)	**110,713,839**
Total gross carrying amount	4,229,983,766	439,446,795	(201,947,464)	(36,717,096)	**4,430,765,999**

NOTES TO THE FINANCIAL STATEMENTS

13.1.2 Depreciation

	Balance as at 31.03.2024	Charge for the year	Disposals/ Transfers	Exchange difference	**Balance as at 31.03.2025**
	Rs.	Rs.	Rs.	Rs	Rs
At cost					
Freehold					
Office and factory buildings	181,469,933	39,792,096	-	(246,711)	**221,015,318**
Office equipments	22,135,686	8,264,191	-	(135,360)	**30,264,517**
Computers	54,326,524	21,402,119	-	(354,139)	**75,374,504**
Furniture and fittings	34,356,996	16,556,165	(8,500)	(266,670)	**50,637,991**
Motor vehicles	113,739,607	20,934,120	-	(242,117)	**134,431,609**
Store equipments	994,011	2,105,226	-	(115,181)	**2,984,056**
Sign boards	3,897,205	1,416,432	-	(30,905)	**5,282,732**
Factory equipments	5,992,001	6,092,829	-	(394,665)	**11,690,165**
Lab equipments	27,732,041	14,060,280	-	(93,048)	**41,699,273**
Plant and machinery	153,242,863	98,857,872	(31,324,086)	(786,877)	**219,989,772**
	597,886,867	229,481,330	(31,332,586)	(2,665,673)	**793,369,937**
Leasehold					
Leasehold improvements	836,481	-	-	-	**836,481**
	836,481	-	-	-	**836,481**
Total depreciation	598,723,348	229,481,330	(31,332,586)	(2,665,673)	**794,206,418**

13.1.3 Net book values

As at 31 March	**2025**	2024
	Rs.	Rs
At cost		
Freehold		
Land	**567,571,589**	567,571,589
Office and factory buildings	**1,824,916,245**	1,803,283,809
Office equipments	**20,094,617**	15,574,688
Computers	**51,511,294**	46,914,025
Furniture and fittings	**67,563,198**	50,160,347
Motor vehicles	**47,303,053**	51,974,754
Store equipments	**17,463,786**	3,846,420
Sign boards	**4,696,150**	5,653,125
Factory equipments	**41,934,676**	14,504,682
Lab equipments	**96,875,944**	97,290,439
Plant and machinery	**743,845,858**	737,483,605
	3,483,776,410	3,394,257,483
Leasehold		
Leasehold improvements	**42,069,332**	3,802,885
	42,069,332	3,802,885
In the course of construction		
Capital work in progress	**110,713,839**	233,200,050
	110,713,839	233,200,050
Total carrying amount of property, plant and equipment	**3,636,559,581**	3,631,260,418

13.1.4 During the financial year, the group acquired property, plant and equipment to the aggregate value of Rs. 439,446,795/- (2024 - Rs. 2,143,206,293/-). Cash payments amounting to Rs. 271,433,936/- (2024 - Rs. . 883,564,407/-) were made during the year for purchase of property, plant and equipment.

13.1.5 As at 31 March 2025, the group had a total of fully depreciated assets still in use amounting to Rs. 197,854,213 (2024- Rs. 132,651,098/-)

13.1.6 In 2025, the Group sold property, plant, and equipment with a net carrying amount of Rs. 2,602,014/- (2024 - Rs. 9,273,090/-) for a cash consideration of Rs. 4,636,615/- (2024 - Rs. 41,274,610/-). The net gains on these disposals were recognised as part of other operating income in the statement of profit or loss.

13.1.7 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.

13.1.8 There was no borrowing costs capitalised on interest-bearing loans and borrowings and lease liabilities by the Group on qualifying assets during the financial years 2024/2025. (2023/2024 - Rs. 95,371,943/-)

13.1.9 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.

13.2 Company

13.2.1 Gross carrying amounts

	Balance as at 31.03.2024	Additions	Disposal	**Balance as at 31.03.2025**
	Rs.	Rs.	Rs.	Rs
At cost				
Freehold				
Land	567,571,589	-	-	**567,571,589**
Office and factory buildings	1,922,813,236	19,012,925	-	**1,941,826,161**
Office equipments	31,256,256	9,631,774	-	**40,888,029**
Computers	91,506,076	23,558,415	-	**115,064,491**
Furniture and fittings	72,984,210	7,633,453	(13,600)	**80,604,063**
Motor vehicles	160,656,284	1,779,576	-	**162,435,860**
Store equipments	2,728,988	1,322,591	-	**4,051,579**
Sign boards	8,628,320	-	-	**8,628,319**
Factory equipments	7,626,067	28,379	-	**7,654,446**
Lab equipments	122,444,710	13,284,752	-	**135,729,462**
Plant and machinery	849,961,092	40,862,222	(33,921,000)	**856,902,314**
	3,838,176,828	117,114,087	(33,934,600)	**3,921,356,313**
Leashold				
Leasehold improvements	4,639,366	38,266,447	-	**42,905,813**
	4,639,366	38,266,447	-	**42,905,813**
Total value of depreciable assets	3,842,816,194	155,380,534	(33,934,600)	**3,964,262,126**

NOTES TO THE FINANCIAL STATEMENTS

	Balance as at 31.03.2024	Incurred during the	Disposals/ Transfers	**Balance as at 31.03.2025**
	Rs.	Rs.	Rs.	Rs
In the course of construction				
Capital work in progress	65,277,940	50,914,397	(38,418,500)	**77,773,838**
	65,277,940	50,914,397	(38,418,500)	**77,773,838**
Total gross carrying amount	3,908,094,134	206,294,931	(72,353,100)	**4,042,035,964**

13.2.2 Depreciation

	Balance as at 31.03.2024	Charge for the year	Disposals/ Transfers	**Balance as at 31.03.2025**
	Rs.	Rs.	Rs.	Rs
At cost				
Freehold				
Office and factory buildings	179,933,996	37,508,746	-	**217,442,742**
Office equipments	20,609,881	7,090,642	-	**27,700,523**
Computers	49,046,774	19,382,434	-	**68,429,208**
Furniture and fittings	27,047,493	13,137,761	(8,500)	**40,176,754**
Motor vehicles	112,364,143	17,327,938	-	**129,692,081**
Store equipments	475,700	406,563	-	**882,263**
Sign boards	3,682,069	1,202,756	-	**4,884,825**
Factory equipments	3,192,146	686,663	-	**3,878,809**
Lab equipments	27,011,536	13,648,632	-	**40,660,167**
Plant and machinery	140,556,889	88,992,467	(31,324,086)	**198,225,270**
	563,920,627	199,384,602	(31,332,586)	**731,972,642**
Leashold				
Leasehold Improvements	836,479	-	-	**836,479**
	836,479	-	-	**836,479**
Total depreciation	564,757,106	199,384,602	(31,332,586)	**732,809,122**

13.2.3 Net book values

	2025	2024
	Rs.	Rs
At cost		
Freehold		
Land	**567,571,589**	567,571,589
Office and factory buildings	**1,724,383,419**	1,742,879,241
Office equipments	**13,187,505**	10,646,375
Computers	**46,635,282**	42,459,302
Furniture and fittings	**40,427,309**	45,936,718
Motor vehicles	**32,743,779**	48,292,141
Store equipments	**3,169,316**	2,253,287
Sign boards	**3,743,495**	4,946,251
Factory equipments	**3,775,637**	4,433,921
Lab equipments	**95,069,295**	95,433,174
Plant and machinery	**658,677,045**	709,404,202
	3,189,383,671	3,274,256,201
Leashold		
Leasehold improvements	**42,069,334**	3,802,887
	42,069,334	3,802,887
In the course of construction		
Capital work in progress	**77,773,838**	65,277,939
	77,773,838	65,277,939
Total carrying amount of property, plant and equipment	**3,309,226,843**	3,343,337,028

13.2.4 During the financial year, the company acquired property, plant, and equipment to the aggregate value of Rs. 206,294,931/- (2024 - Rs. 1,918,755,222/-). Cash payments amounting to Rs. 167,876,436/- (2024 - Rs.360,405,239/-) were made during the year for purchase of property, plant and equipment.

13.2.5 As at 31 March 2025, the Company had a total of fully depreciated assets still in use amounting to Rs. 182,843,339/- (2024 - Rs. 131,681,803/-).

13.2.6 In 2025, the company sold property, plant and equipment with a total net carrying amount of Rs 2,602,014/- (2024 - Rs. 9,273,090/-) for a cash consideration of Rs 4,636,615/- (2024 - Rs.41,274,610/-). The net gains on these disposals were recognised as part of other operating income in the statement of profit or loss.

13.2.7 There was no borrowing costs capitalised on interest-bearing loans and borrowings and lease liabilities by the Company on qualifying assets during the financial years 2024/2025. (2023/2024 - Rs. 95,371,943/-)

13.2.8 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.

NOTES TO THE FINANCIAL STATEMENTS

13.3 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	512,950,156
Kahathuduwa	Land	-	Freehold	A-2, R-1, P-45.70	75,170,590
	Building	05	Freehold	65,486 Sq. ft	261,289,934
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	886,931,196
Kaduwela	Land		Freehold	A0, R1, P1.60	38,999,000
	Building	01	Freehold	10000 Sq. ft	20,654,838
Hokandara	Land	-	Freehold	A-0, R-0, P -14.17	25,755,000
	Building	01	Freehold	4,000 Sq. ft	17,093,433
Ekala Land	Land	-	Freehold	A0, R5, P65	172,526,000
Bangladesh-Dhaka	Building	01	Freehold	17,000 Sq. ft	100,337,503

13.4 Property, plant & equipment with a carrying value of Rs.757 Mn (2024 - Rs. 774 Mn) for the Group/Company havs been pledged as security for term loans obtained. The details are shown in Note 30.3 to the Financial Statements

14 RIGHT-OF-USE ASSETS

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	**116,020,774**	76,080,913	**81,693,669**	23,620,842
Additions	**63,805,233**	71,964,763	**63,805,233**	71,838,332
Amortisation	**(37,035,101)**	(27,537,428)	**(24,037,058)**	(13,765,505)
Effect of movements in exchange rates	**11,094,168**	(4,487,474)	**-**	-
At the end of the year	**153,885,074**	116,020,774	**121,461,844**	81,693,669

14.1 Lease liabilities

	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	**135,451,456**	73,358,733	**85,852,149**	22,431,899
Additions	**10,305,229**	86,246,116	**10,305,229**	72,596,614
Effect of movements in exchange rates	**(5,123,308)**	(5,430,081)	**-**	-
Interest Expense	**15,138,074**	10,284,651	**11,373,930**	5,632,809
Payments	**(40,588,897)**	(29,007,963)	**(27,892,074)**	(14,809,173)
At the end of the year	**115,182,555**	135,451,456	**79,639,234**	85,852,149
Current	**32,493,025**	21,336,024	**20,268,098**	13,401,855
Non-current	**82,689,530**	114,115,432	**59,371,136**	72,450,294
Total	**115,182,555**	135,451,456	**79,639,234**	85,852,149
Following are the amounts recognised in the statement of profit or loss for the year ended 31 March				
Amortisation of right-of-use assets	**37,035,101**	27,537,428	**24,037,058**	13,765,505
Interest expense on lease liabilities	**15,138,074**	10,284,651	**11,373,929**	5,632,809
Total amount recognised in income statement	**52,173,175**	37,822,079	**35,410,987**	19,398,314

During the reporting period, there were no expenses recognised in profit or loss relating to short-term leases or leases of low-value assets

The Group had total cash outflows for leases of Rs. 40,588,897/- in 2025 (2024: Rs. 29,007,963/-). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 35.3 (Maturity Note.)

The Company had total cash outflows for leases of Rs. 27,892,074/- in 2025 (2024: Rs. 14,809,173/-). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 35.3.2 (Maturity Note.)

NOTES TO THE FINANCIAL STATEMENTS

15 INVESTMENT PROPERTIES

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Carrying value				
At the beginning of the year	**674,771,495**	-	**218,823,451**	-
Additions/ (Disposals)	**(214,823,451)**	715,298,499	**(218,823,451)**	218,823,451
Net gain from fair value remeasurement	**103,462,424**			
Effect of movements in exchange rates	**(29,410,468)**	(40,527,004)	**-**	-
At the end of the year	**534,000,000**	674,771,495	**-**	218,823,451
Accumulated Amortisation				
At the beginning of the year	**6,747,715**	-	**2,188,235**	-
Amortisation	**26,861,522**	6,747,715	**8,747,187**	2,188,235
Amortisation removal on reclassification of investment property	**(33,500,413)**		**(10,935,422)**	
Effect of movements in exchange rates	**(108,823)**			
At the end of the year	**-**	6,747,715	**-**	2,188,235
Fair value at the end of the year	**534,000,000**	668,023,780	**-**	216,635,216

* 'Change in Accounting Policy (LKAS 8 Disclosure as per Section 29 - Prospective Application)

In accordance with LKAS 8, paragraph 29, when a change in accounting policy is applied prospectively, the disclosure should include:

(a) The nature of the change in accounting policy:

The Group and the Company have elected to change the measurement basis for investment property from the cost model to the fair value model.

(b) The reasons why applying the change retrospectively is impracticable:

The company has changed its accounting policy for investment property from the cost model to the fair value model effective 31 March 2025. The investment property was capitalised on 1 January 2024, during the prior financial year 2023/24.

Accordingly, in accordance with LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and LKAS 40 Investment Property, the change in accounting policy has been applied prospectively from 31 March 2025. The comparative financial information for the year ended 31 March 2024 has not been restated and continues to be presented under the cost model.

(c) The amount of the adjustment recognised in the current period:

As the change in accounting policy is applied prospectively from 31 March 2025, there is no adjustment to the opening balance of retained earnings or any other components of equity as of that date. The cumulative effect of the change will only affect the financial statements of future periods, beginning with the year ending 31 March 2025.

For transparency and to provide useful information to users of the financial statements, the following table presents the carrying amounts of investment property for both 31 March 2025 and 31 March 2024, measured on a cost model basis (i.e., historical cost less accumulated depreciation and impairment), even though the 2025 financial statements are prepared using the fair value model.

Carrying Value of Investment Property if not Revalued

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	**674,771,495**	-	**218,823,451**	-
Additions/ (Disposals)	**(214,823,451)**	715,298,499	**(218,823,451)**	218,823,451
Net gain/ (loss) from fair value remeasurement	**-**	-	**-**	-
Effect of movements in exchange rates	**(29,410,468)**	(40,527,004)	**-**	-
At the end of the year	**430,537,576**	674,771,495	**-**	218,823,451
Depreciation				
At the beginning of the year	**6,747,715**	-	**2,188,235**	-
Charge for the year	**26,861,522**	6,747,715	**8,747,187**	2,188,235
Depreciation Removal on Reclassification of Investment Property	**(10,935,422)**	-	**(10,935,422)**	
Effect of movements in exchange rates	**(108,823)**			
At the end of the year	**22,564,992**	6,747,715	**-**	2,188,235
Carrying value at the end of the year	**407,972,584**	668,023,780	**-**	216,635,216

15.1 Rental Income

For the year ended 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Rental Income derived from investment properties	**8,758,514**	1,400,347	**-**	-
Direct operating expenses generating rental income	**(2,849,839)**	-	**-**	-
Net profit arising from investment properties	**5,908,675**	1,400,347	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

15.2 Description of valuation techniques used and key inputs to valuation of investment properties:

Investment properties are stated at fair value. The fair values of investment properties as at 31st March, 2025 based on valuation performed by Prathap Chartered Valuation and Consultancy (Pvt) Ltd (Chartered Valuation Surveyor), an accredited independent, industry specialist are given below. The valuations had been carried out based on transactions observed in the market.

Company	Location	Plot	Building area (Sq Ft)	Value of building	Valuation Method	Rate of return
JAT Exports DMCC	Altair Residencies, Unit No. 20H, Sir James Peiris Mawatha, Colombo 02.	20H	2,096 sq.ft	178,000,000	comparison Method of Valuation	4.4%
JAT Exports DMCC	Altair Residencies, Unit No. 21H, Sir James Peiris Mawatha, Colombo 02.	21H	2,096 sq.ft	178,000,000	Comparison Method of Valuation	4.4%
JAT Exports DMCC	Altair Residencies, Unit No. 23H, Sir James Peiris Mawatha, Colombo 02.	23H	2,096 sq.ft	178,000,000	Comparison Method of Valuation	4.4%
Fair value of investment properties of the group as at 31 March 2025				534,000,000		

15.3 Significant Unobservable Inputs

Description of the above valuation techniques together with narrative descriptions on sensitivity of the fair value measurement to changes in significant unobservable inputs are tabulated below

Valuation Technique	Significant unobservable valuation Inputs	Sensitivity of the fair value measurement to Inputs	Range of estimates for unobservable inputs	Sensitivity	Value
Comparison Method of Valuation This method estimates the fair value of a property by referencing the selling prices of comparable properties transacted within a reasonably recent period. The valuation process involves analysing recent market transactions of similar assets and applying necessary adjustments to account for differences in size, nature, location, and condition of the specific property being valued. Additionally, transactions that appear to be outliers such as those influenced by particularly motivated buyers or sellers are adjusted or excluded to ensure the derived value reflects a fair market estimate.	Price per square foot for building	Estimated fair value would increase (decrease) if; • Price per square foot increases / (decreases)	85,000 per sq.ft	+/- 10% (+/-17,800,000)	178,000,000

16 INTANGIBLE ASSETS

16.1 A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible Assets	Useful Life	Type	Subsequent measurement	Impairment testing	Rate
Software	Finite	Acquired	Cost Model	-	20%
Goodwill	Indefinite	Acquired	Cost Model	Tested for Impairment	-

Recoverable amounts of the CGU have been ascertained based on value in use calculations and the assumptions used are as follows. The business acquisition to which the goodwill is attributable is valued based on the earnings growth method Assumptions applied in such computations are reviewed each year.

Variable	Assumptions Used	Change	Impact on Value In Use	Impact on Goodwill
Discount Rate	The discount rate used is the weighted averae cost of capital of the group (11%- 13%)	+1%	-9.9%	No Impact
		-1%	12.2%	No Impact
Long-Term Growth Rate for Cash Flows for Subsequent Years	Based on historical growth rate and business plan (3%-4%)	+1%	8.10%	No Impact
		-1%	-6.50%	No Impact
Inflation Rate	Based on the current inflation rate and the percentage of the total cost subject to the inflation.			

16.2 Group

As at 31st March	Goodwill	Computer software	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Cost				
At the beginning of the year	7,663,026	194,941,458	**202,604,484**	53,512,730
Acquisitions	19,119,716	5,471,509	**24,591,225**	149,198,709
Effect of movements in exchange rates	(2,121,770)	(57,462)	**(2,179,232)**	(106,955)
At the end of the year	24,660,972	200,355,505	**225,016,477**	202,604,484
Amortisation				
At the beginning of the year	-	42,086,794	**42,086,794**	34,570,859
Amortisation	-	32,690,436	**32,690,436**	7,622,890
Effect of movements in exchange rates	-	(42,981)	**(42,981)**	(106,955)
At the end of the year	-	74,734,249	**74,734,249**	42,086,794
Carrying value as at 31 March	24,660,972	125,621,257	**150,282,229**	160,517,690

16.3 Acquisition of Subsidiary and Goodwill

On 1 April 2024, JAT Exports DMCC, a fully owned subsidiary of the Group, acquired Seaform Bangladesh (Pvt) Ltd, thereby obtaining control over its operations. As a result of this acquisition, Seaform Bangladesh has been consolidated into the Group's financial statements from the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

The transaction has resulted in the recognition of goodwill amounting to Rs. 19,119,716, which represents the excess of the purchase consideration over the net identifiable assets acquired. Subsequent to initial recognition, the carrying value of goodwill has been adjusted downward to Rs. 2,121,770 primarily due to currency exchange rate fluctuations between the reporting currency and the functional currency of the acquired entity.

The Group will continue to assess the carrying value of goodwill for impairment at each reporting period, in accordance with LKAS 36 Impairment of Assets.

16.4 Company

As at 31st March	Computer Software	
	2025	2024
	Rs.	Rs.
Cost		
At the beginning of the year	**193,447,488**	44,248,779
Acquisitions	**5,028,350**	149,198,709
At the end of the year	**198,475,838**	193,447,488
Amortisation		
At the beginning of the year	**40,618,487**	33,091,177
Amortisation	**32,642,615**	7,527,310
At the end of the year	**73,261,102**	40,618,487
Carrying value at the end of the year	**125,214,736**	152,829,001

17 INVESTMENTS

17.1 Investment In Subsidiaries

As at 31st March	Number of shares		Holding		Company	
	2025	**2024**	**2025**	**2024**	**2025**	2024
					Rs	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	**1,040,678**	401,944	**90.39%**	78.41%	**94,477,094**	48,616,000
JAT Exports (Private) Limited	**10,587,236**	10,587,236	**100%**	100%	**105,872,360**	105,872,360
JAT Exports DMCC	**8,002**	7,267	**100%**	100%	**736,648,995**	676,120,995
					1,120,009,897	1,013,620,803

17.2 Investment In Equity Accounted Investees

As at 31st March	Investee	Holding		Cost of investment	Share of profit (Loss)	Statement of financial Position	
Investor		**2025**	**2024**	**2025**	**2025**	**2025**	2024
JAT Exports DMCC	JAT Paints Africa Ltd	**60%**	-	**26,398,164**	**(8,149,303)**	**18,248,862**	-
JAT Exports DMCC	Sea Perth PTY Ltd	**50%**	-	**43,645,472**	**(15,132,477)**	**28,512,995**	-
					(23,281,780)	**46,761,857**	-

Ownership & Control Assesment

Although the Group holds a 60% equity interest in the joint venture, it does not have control over the relevant activities of the entity as defined by SLFRS 10 – Consolidated Financial Statements. The contractual arrangement governing the joint venture stipulates that key decisions require unanimous consent from both parties, thereby granting equal decision-making rights regardless of ownership percentage.

As a result, the Group does not have the power to unilaterally direct the relevant activities of the investee and, therefore, does not control the entity. Accordingly, the investee is accounted for as a joint venture under the equity method in accordance with SLFRS 11 Joint Arrangements, rather than being consolidated as a subsidiary.

As at 31st March	JAT Paints Africa Ltd		Sea Perth PTY Ltd		Total	
	2025	**2024**	**2025**	**2024**	**2025**	2024
					Rs	Rs.
Group share of;						
Revenue	**11,387,538**	-	**74,884,299**	-	**86,271,837**	-
Operating expenses including cost of sales	**(19,508,700)**	-	**(90,016,776)**	-	**(109,525,476)**	-
Net finance cost	**(28,140)**	-	**-**	-	**(28,141)**	-
Share of results of equity accounted investees	**(8,149,303)**	-	**(15,132,477)**	-	**(23,281,780)**	-
Other comprehensive income	**-**	-	**-**	-	**-**	-
Total Comprehensive Income	**(8,149,303)**	-	**(15,132,477)**	-	**(23,281,780)**	-
					-	-
Group share of;					**-**	-
Total assets	**71,175,637**	-	**55,096,701**	-	**126,272,338**	-
Total liabilities	**-**	-	**84,054,178**	-	**84,054,178**	-
Net assets	**71,175,637**	-	**(28,957,477)**	-	**42,218,160**	-
	71,175,637	-	**(28,957,477)**	-	**42,218,160**	-

18 CONSUMABLE BIOLOGICAL ASSETS

As at 31st March	Company/ Group	
	2025	2024
	Rs	Rs.
At the beginning of the year	**72,267,944**	68,830,578
Changes in fair value less costs to sell	**775,571**	2,373,609
Maintenance costs	**6,124,435**	1,063,757
At the end of the year	**79,167,950**	72,267,944

The Group's/ Company's biological assets consist of a Sandalwood plantation situated in the Village of Meegahakiula.

As at 31 March 2025, the Group / Company had 327 of immature sandalwood trees (2024: 356).

NOTES TO THE FINANCIAL STATEMENTS

18.1 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 2025, Sandalwood's market price is estimated to Rs. 19,000/- per kilogram (2024: Rs. 19,000/- per kilogram). Significant unobservable inputs used in fair value measurements of sandalwood are the following:

Unobservable Inputs	2025	2024
Total number of trees	**327**	356
Total number of harvestable trees (6% allowance for death (2024:12%))	**313**	313
Harvest at maturity	**313 @ 17.5 Kg**	313 @ 17.5 Kg
Estimated scented of heartwood	**5,477 Kg**	5,477 Kg
Value at harvest (per Kg)	**Rs. 19,000**	Rs. 19,000
Discount rate	**20%**	20%
Number of years to maturity	**1.5**	2
Wood content per tree at maturity	**17.50 Kg**	17.50 Kg

18.2 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.

18.3 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.)	**7,916,796**	(7,916,796)

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.)	**(978,281)**	999,097

19 NET INVESTMENT IN LEASE

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	**132,304,886**	139,706,355	**132,304,886**	139,706,355
Effect of movements in exchange rates	**1,037,495**	(7,728,066)	**1,037,495**	(7,728,066)
Interest	**24,553,839**	25,431,210	**24,553,839**	25,431,210
Payments	**(22,437,553)**	(25,104,613)	**(22,437,553)**	(25,104,613)
At the end of the year	**135,458,667**	132,304,886	**135,458,667**	132,304,886
Current	**38,716,484**	1,716,601	**38,716,484**	1,716,601
Non-current	**96,742,183**	130,588,285	**96,742,183**	130,588,285

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 at 31 March 2025 based on contractual undiscounted payments.

As at 31 March 2025	Within one Year	1 to 3 Years	3 to 5 Years	Total
	Rs.	Rs.	Rs.	Rs.
Lease rentals receivables	61,377,600	118,919,100	-	180,296,700

20 LONG TERM FINANCIAL ASSETS

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Quoted Investments				
Investment in debentures	**74,220,000**	77,495,664	**74,220,000**	77,495,664
	74,220,000	77,495,664	**74,220,000**	77,495,664

The table below summarises the maturity profile of the Group's/Company's debenture receivables at 31 March 2025 based on contractual undiscounted payments.

As at 31 March 2025	Amount	Start	Maturity	Years to maturity	Within one year	1 to 3 Years	3 to 5 Years
					Rs.	Rs.	Rs.
Commercial Bank PLC	6,960,000	12-12-2022	5 Yrs - 12-12-2027	2.70	-	6,960,000	-
Sampath Bank PLC	50,000,000	09-02-2023	5 Yrs - 09-02-2028	2.86	-	50,000,000	-
Commercial Bank PLC	17,260,000	20-12-2023	5 Yrs - 20-12-2028	3.73	-	-	17,260,000

NOTES TO THE FINANCIAL STATEMENTS

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

As at 31 March 2025	Coupon rate	Tenure
Issuer Details		
Sampath Bank PLC	28%	5 Years
Commercial Bank PLC	28%	5 Years
Commercial Bank PLC	15%	5 Years

21 DEFERRED TAX ASSETS AND LIABILITIES

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Assets	**234,692,649**	7,003,465	**229,608,026**	
Deferred Tax Liabilities	**-**	(55,986,311)	**-**	(55,986,310)
Net Deferred Tax Assets	**234,692,649**	(48,982,846)	**229,608,026**	(55,986,310)

21.1 Deferred Tax Assets

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	**(48,982,845)**	(58,885,477)	**(55,986,310)**	(55,170,522)
Amount origination/ (reversal) of temporary differences	**-**		**-**	
- Recognised in profit or loss	**-**		**-**	
Accelerated depreciation for tax purposes	**(237,183,371)**	(105,754,289)	**(233,936,603)**	(106,745,250)
Biological assets	**1,722,509**	3,892,411	**1,722,509**	3,892,411
Retirement benefit obligation	**13,985,363**	9,424,607	**11,980,930**	8,303,040
Provision for doubtful debts	**(30,901,185)**	3,389,589	**(26,316,544)**	(5,381,458)
Provision for obsolete and slow moving inventories	**(5,748,659)**	49,528,462	**(8,962,660)**	49,528,462
Right-of-use assets	**(34,279,736)**	2,506,539	**(35,318,195)**	2,367,902
Effects of movements in exchange rates	**(344,325)**	(303,792)	**-**	
Carried forward business losses	**574,051,597**	47,552,048	**574,051,597**	47,552,048
- Recognised in other comprehensive income				
Actuarial gains and losses on defined benefit plans	**2,373,302**	(332,943)	**2,373,302**	(332,943)
At the end of the year	**234,692,649**	(48,982,845)	**229,608,026**	(55,986,310)

* As at 31 March 2025, the Group has recognised unused tax losses amounting to 526,499,549 which are available for offset against future taxable profits. These tax losses are subject to a statutory expiry period and will expire if not utilised within five years from the year of origination. The group unused tax loss will be expired on 2028/29

Net deferred tax asset/liability on each temporary difference which were recognised in the financial statements are disclosed below.

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Capital allowances for tax purpose	**(341,958,298)**	(212,991,472)	**(333,788,902)**	(207,121,287)
Tax Effect of Investment Properties	**-**	(2,625,881)	**-**	(2,625,881)
Consumable biological assets	**(21,382,260)**	(19,212,358)	**(21,382,260)**	(19,212,358)
Right-of-use assets	**(44,544,360)**	(248,726)	**(36,438,553)**	
	(407,884,917)	(235,078,437)	**(391,609,715)**	(228,959,526)
Deferred tax assets				
Right-of-use assets	**8,885,831**	1,247,544	**-**	1,247,544
Expected credit losses	**28,768,303**	54,979,313	**24,285,130**	45,220,216
Retirement benefit obligation	**32,224,239**	27,737,128	**29,354,157**	26,684,976
Provision for obsolete and slow moving inventories	**44,178,574**	99,820,480	**41,078,905**	99,820,480
Tax Effect of Property Plant & Equipment	**2,021,072**	2,311,126	**-**	-
Carried forward business losses & Others	**526,499,549**	-	**526,499,549**	-
	642,577,567	186,095,591	**621,217,741**	172,973,216
Deferred tax assets at the end of the year	**234,692,649**	(48,982,846)	**229,608,026**	(55,986,310)

22 INVENTORIES

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Finished goods	**1,726,289,684**	1,804,851,250	**1,362,671,423**	1,443,384,419
Raw materials	**1,177,817,051**	1,366,259,307	**832,453,491**	1,126,098,474
Goods in transits	**599,301**	376,079	**-**	-
Work in progress	**113,425,969**	53,659,505	**85,986,366**	33,544,910
	3,018,132,005	3,225,146,141	**2,281,111,280**	2,603,027,803
Less: Provision for obsolete and slow moving inventories (Note 22.1)	**(151,771,077)**	(340,703,125)	**(133,659,903)**	(332,734,932)
	2,866,360,928	2,884,443,016	**2,147,451,377**	2,270,292,871

22.1 Provision for obsolete and slow moving inventories

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	**340,703,125**	151,642,520	**332,734,932**	142,132,171
Provision/Write off of obsolete and slow moving inventories (net)	**(188,932,048)**	189,060,605	**(199,075,029)**	190,602,761
At the end of the year	**151,771,077**	340,703,125	**133,659,903**	332,734,932

NOTES TO THE FINANCIAL STATEMENTS

23 TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade receivables				
-Related parties (Note 23.1)	**148,127,080**	381,423,483	**39,520,328**	66,128,442
-Others (Note 23.2)	**4,244,729,781**	3,488,508,432	**3,337,473,829**	2,335,563,771
	4,392,856,861	3,869,931,915	**3,376,994,157**	2,401,692,213
Provision for impairment (Note 23.3)	**(111,453,882)**	(200,277,157)	**(80,950,435)**	(150,734,054)
	4,281,402,979	3,669,654,758	**3,296,043,722**	2,250,958,159
Other receivables	**658,684,072**	648,693,450	**271,997,251**	391,666,693
	4,940,087,051	4,318,348,208	**3,568,040,973**	2,642,624,852

23.1 Trade Receivables - Related Parties

As at 31st March	Relationship	Group		Company	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
JAT Holdings Bangladesh (Pvt) Ltd	Affiliate	**142,588,624**	377,055,337	**-**	-
JAT Tradings (Pvt) Ltd	Affiliate	**2,411**	2,411	**2,412**	2,410
Brush Master (Pvt) Ltd	Subsidiary	**-**	-	**33,634,848**	45,861,094
Alpha Delta Coatings (Pvt) Ltd	Affiliate	**-**	4,365,736	**-**	-
Worldwide Resins & Chemicals (Pvt) Ltd	Subsidiary	**-**	-	**277,501**	20,205,583
JAT Global (Pvt) Ltd	Subsidiary	**-**	-	**59,355**	59,355
Asia Coatings (Pvt) Ltd	Subsidiary	**-**	-	**10,167**	-
Bileeta (Pvt) Ltd	Affiliate	**5,536,045**	-	**5,536,045**	-
		148,127,080	381,423,483	**39,520,328**	66,128,442

23.2 Trade Receivables

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade debtors - Local	**3,861,436,135**	3,037,018,008	**3,161,574,920**	2,259,416,169
Project debtors	**165,427,554**	114,341,321	**165,427,554**	114,341,321
Export debtors	**365,993,172**	718,572,586	**49,991,683**	27,934,723
	4,392,856,861	3,869,931,915	**3,376,994,157**	2,401,692,213
Provision for impairment (Note 23.3)	**(111,453,882)**	(200,277,157)	**(80,950,435)**	(150,734,054)
	4,281,402,979	3,669,654,758	**3,296,043,722**	2,250,958,159

23.3 Provision for Impairment

As at 31st March	Group 2025	Group 2024	Company 2025	Company 2024
	Rs.	Rs.	Rs.	Rs.
Movement in allowance for expected credit losses				
At the beginning of the year	**200,277,157**	228,151,324	**150,734,054**	191,536,071
Reversal for the year	**(88,514,884)**	(27,811,614)	**(69,783,619)**	(40,739,464)
Write off during the year	**(308,391)**	(62,553)	**-**	(62,553)
At the end of the year	**111,453,882**	200,277,157	**80,950,435**	150,734,054

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.

23.4 The Age Analysis of Trade Receivables as at 31 March, is as follows

Group	Neither due nor impaired	Past due but not impaired: 0 to 30 days	31 to 60 days	61 to 90 days	91 to 244 days	> 244 days	Total
2025	**3,879,578,505**	**55,546,960**	**99,916,070**	**82,800,204**	**53,860,587**	**221,154,535**	**4,392,856,861**
2024	3,379,902,346	206,037,225	53,022,570	13,276,493	4,062,628	213,630,653	3,869,931,915

Company	Neither due nor impaired	Past due but not impaired: 0 to 30 days	31 to 60 days	61 to 90 days	91 to 244 days	> 244 days	Total
2025	**3,081,403,170**	**43,522,542**	**92,234,794**	**37,524,760**	**49,797,959**	**72,510,932**	**3,376,994,157**
2024	2,307,413,742	17,286,928	1,476,263	204,633	4,062,627	71,248,020	2,401,692,213

24 ADVANCES AND PREPAYMENTS

As at 31st March	Group 2025	Group 2024	Company 2025	Company 2024
	Rs.	Rs.	Rs.	Rs.
Advances - Related parties (Note 24.1)	**5,536,045**	1,203,069	**5,536,045**	1,203,069
Project	**498,914,612**	372,633,444	**498,914,612**	372,633,444
Local & foreign supplier	**742,635,362**	391,321,629	**552,422,522**	371,080,224
Others	**98,718,099**	118,191,043	**35,086,515**	40,591,500
Prepayments	**72,512,670**	113,494,910	**61,896,177**	103,660,112
	1,418,316,788	996,844,095	**1,153,855,871**	889,168,349
Current advances and prepayments	**1,418,316,788**	996,844,095	**1,153,855,871**	889,168,349

NOTES TO THE FINANCIAL STATEMENTS

24.1 Advances -Related parties

As at 31st March	Relationship	Group		Company	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Bileeta (Pvt) Ltd	Affiliate	**5,536,045**	1,203,069	**5,536,045**	1,203,069
		5,536,045	1,203,069	**5,536,045**	1,203,069

24.2 Movement in Advance Paid for Investment Properties

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
At the beginning of the year	**-**	715,298,499	**-**	218,823,451
Incurred during the year	**-**	-	**-**	-
Capitalised (Note 15)	**-**	(715,298,499)	**-**	(218,823,451)
At the end of the year	**-**	-	**-**	-

25 RELATED PARTY TRANSACTIONS

Refer Note 3.2.5 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 30.3.

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 228 - Related Party Transactions Review Committee Report.

25.1 Amounts Due from Related Parties

As at 31st March	Relationship	Group		Company	
		2025	2024	**2025**	2024
		Rs.	Rs.	Rs.	Rs.
JAT Australia (Pvt) Ltd	Affiliate	**-**	16,933,601	**-**	
JAT Holdings Bangladesh (Pvt) Ltd	Affiliate	**44,593**		**44,593**	-
CPL Associates	Affiliate	**4,148,000**	-	**-**	-
JAT Africa Ltd	Joint Venture	**1,064,690**	13,380,768	**1,064,690**	-
SEAFORM Bangladesh (Pvt) Ltd	Subsidiary	**-**	14,711,365	**354,829**	32,467
Worldwide Resins & Chemicals (Pvt) Ltd	Subsidiary	**-**	-	**-**	3,189,783
JAT Exports DMCC	Subsidiary	**-**	-	**421,977,494**	254,815,762
Asia Coatings (Pvt) Ltd	Subsidiary	**-**	-	**6,345,589**	617,088
JAT Global (Pvt) Limited	Subsidiary	**-**	-	**161,966**	1,800
Key management personnel		**54,931,605**	17,437,571	**-**	17,266,020
		60,188,888	62,463,305	**429,949,161**	275,922,920

25.2 Amounts Due to Related Parties

As at 31st March	Relationship	Group		Company	
		2025	2024	**2025**	2024
		Rs.	Rs.	Rs.	Rs.
JAT Exports (Pvt) Limited	Subsidiary	**-**	-	**26,884,718**	26,124,847
Worldwide Resins & Chemicals (Pvt) Ltd	Subsidiary	**-**	-	**57,612,082**	-
SEA Kitchen Bangladesh (Pvt) Ltd	Affiliate	**7,726,504**	-	**-**	-
		7,726,504	-	**84,496,800**	26,124,847

NOTES TO THE FINANCIAL STATEMENTS

25.3 Related Party Disclosures

Details of significant related party transactions are as follows;

As at 31st March	Transaction amount			
	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Trade sales	**-**	-	**65,926,188**	63,398,852
Trade purchases	**-**	-	**(184,595,780)**	(182,253,133)
Settlements and net fund transfers	**-**	-	**315,360,353**	(75,879,242)
Expenses incurred on behalf of subsidiaries	**-**	-	**129,565,311**	123,756,711
Dividend income	**-**	-	**-**	155,355,508
Other service income	**-**	-	**7,080,000**	6,945,000
Other service expenses	**-**	-	**(15,002,960)**	(7,912,970)
Interest charged	**-**	-	**19,219,857**	39,911,044
Net loan granted	**-**	-	**38,301,390**	40,378,290
Transactions with affiliates				
Trade sales	**-**	-	**205,648**	-
Other purchases	**-**	-	**(4,721,909)**	(15,344,598)
Other service income			**822,200**	-
Settlements and net fund transfers	**-**	-	**12,906,439**	(54,191,948)
Expenses incurred on behalf of other related parties	**-**	-	**2,952,228**	16,739,446
Trade purchases	**-**	-	**(12,186,579)**	(13,866,598)

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.

25.4

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Short-term employee benefits	**64,922,873**	64,209,169	**58,831,266**	59,086,969

26 SHORT TERM FINANCIAL ASSETS

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Equity instruments designated at fair value through profit or loss				
Listed equity investments (Note 26.1)	**23,593,196**	28,810,395	**23,593,196**	28,810,395
Investment in money market funds (Note 26.2)	**298,491,895**	320,565,162	**298,491,895**	320,565,162
Other financial assets at amortised cost				
Investment in fixed deposits (Note 26.3)	**797,160,494**	702,019,701	**400,000,000**	425,000,000
	1,119,245,585	1,051,395,258	**722,085,091**	774,375,557

As at 31st March	Number of shares		Market value	Market value
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Lanka Tiles PLC	**17,440**	17,440	**884,208**	901,648
Access Engineering PLC	**97,823**	97,823	**3,766,186**	2,210,800
Hayleys PLC	**55,390**	55,390	**7,588,430**	4,547,519
LOLC Holdings PLC	**3,612**	3,612	**2,148,237**	1,435,770
Kotagala Plantations PLC	**29,500**	29,500	**265,500**	182,900
Lankem Developments PLC	**82,283**	82,283	**1,456,409**	1,390,583
Balangoda Plantations PLC	**24,000**	24,000	**1,620,000**	1,202,400
Horana Plantations PLC	**25,000**	25,000	**1,115,000**	987,500
Swisstek (Ceylon) PLC	**50,000**	50,000	**2,330,000**	955,000
Renuka Foods PLC	**101,732**	101,732	**1,119,052**	1,424,248
Lankem Ceylon PLC	**8,000**	8,000	**695,200**	544,000
Softlogic Life Insurance PLC	**8,356**	10,000	**604,974**	661,000
Expo Lanka Holdings PLC	**-**	76,659	**-**	11,537,180
Sunshine Holdings PLC	**-**	13,947	**-**	829,847
			23,593,196	28,810,395

NOTES TO THE FINANCIAL STATEMENTS

26.2 Investment in money market funds

As at 31st March	Credit Rating	Group 2025	Group 2024	Company 2025	Company 2024
		Rs.	Rs.	Rs.	Rs.
Capital Alliance Investments Limited	A	**298,491,895**	124,575,645	**298,491,895**	124,575,645
First Capital Holdings PLC	(SL)A	**-**	195,989,517	**-**	195,989,517
		298,491,895	320,565,162	**298,491,895**	320,565,162

26.3 Investment in fixed deposits

As at 31st March	Credit Rating	Group 2025	Group 2024	Company 2025	Company 2024
		Rs.	Rs.	Rs.	Rs.
Commercial Bank	AA-(lka)	**96,391,888**	59,200,701	**-**	-
Hatton National Bank	AA-(lka)	**300,768,606**	217,819,000	**-**	-
Habib Bank	AA(lka)	**400,000,000**	425,000,000	**400,000,000**	425,000,000
		797,160,494	702,019,701	**400,000,000**	425,000,000

26.4 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.

27 CASH AND CASH EQUIVALENT

As at 31st March	Group 2025	Group 2024	Company 2025	Company 2024
	Rs.	Rs.	Rs.	Rs.
27.1 Favourable cash and cash equivalent balances				
Cash and bank balances	**320,456,758**	195,165,413	**175,213,112**	88,338,022
Short term deposits (3 months maturity period)	**-**	29,040,834	**-**	-
	320,456,758	224,206,247	**175,213,112**	88,338,022
27.2 Unfavourable cash and cash equivalent balances				
Bank overdrafts	**(645,586,706)**	(703,544,777)	**(465,633,146)**	(516,695,425)
Total cash and cash equivalents for the purpose of cash flow statement	**(325,129,948)**	(479,338,530)	**(290,420,034)**	(428,357,403)

28 NON CURRENT ASSETS HELD FOR SALE

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Non current assets held for sale	**202,000,000**	-	**202,000,000**	-
	202,000,000	-	**202,000,000**	-

As at 31 March 2025, the Company has entered into a Memorandum of Understanding with a buyer for the sale of unit no 30B of Altair apartment, which was previously classified under investment property by the Company. The carrying amount of the apartment as at 31 March 2025 was Rs. 207,888,029. In accordance with the terms of the signed MOU, the agreed sale consideration is Rs. 202,000,000

In line with the requirements of SLFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the apartment has been re-classified as an asset held for sale as at the reporting date. The asset is measured at the lower of its carrying amount and fair value less costs to sell. As the carrying amount exceeds the agreed sale consideration, an impairment loss of Rs. 5,888,029 has been recognised in the statement of profit or loss for the year ended 31 March 2025.

Asset	Carrying amount	Fair value less cost to sell	Impairment loss arising from fair value adjustment
30B of Altair apartment	207,888,029	202,000,000	(5,888,029)

NOTES TO THE FINANCIAL STATEMENTS

29 STATED CAPITAL

As at 31st March	2025		2024	
	Number of shares	Rs.	Number of shares	Rs.
Issued and fully-paid - ordinary shares				
At the beginning of the year	**510,407,773**	**2,395,221,320**	510,407,773	2,395,221,320
At the end of the year	**510,407,773**	**2,395,221,320**	510,407,773	2,395,221,320

30 INTEREST BEARING LOANS AND BORROWINGS

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Other financial liabilities				
Current interest bearing loans and borrowings				
Bank loans (Note 30.1)	**2,587,194,544**	1,949,558,731	**1,523,938,139**	1,656,117,335
Lease liabilities (Note 30.2)	**32,493,025**	21,336,024	**20,268,097**	13,401,855
	2,619,687,569	1,970,894,755	**1,544,206,236**	1,669,519,190
Non-current interest bearing loans and borrowings				
Bank loans (Note 30.1)	**-**	-	**-**	-
Lease liabilities (Note 30.2)	**82,689,530**	114,115,432	**59,371,136**	72,450,294
	82,689,530	114,115,432	**59,371,136**	72,450,294
Total interest bearing loans and borrowings	**2,702,377,099**	2,085,010,187	**1,603,577,372**	1,741,969,484

30.1 Bank loans

As at 31st March	As at 31.03.2024	Loan obtained	Repayment	Exchange Difference	As at 31.03.2025	Current	Non-current
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group							
Short term loans					-		
People's Bank	225,000,000	1,125,000,000	(1,225,000,000)	-	**125,000,000**	125,000,000	-
Commercial Bank PLC	179,000,000	3,247,263,486	(2,522,029,656)	(139,939)	**904,093,892**	904,093,892	-
Standard Chartered	50,000,000	250,000,000	(250,000,000)	-	**50,000,000**	50,000,000	-
Seylan Bank	50,000,000	150,000,000	(150,000,000)	-	**50,000,000**	50,000,000	-
Hatton National Bank PLC	-	250,542,310	(27,109,810)	(1,192,500)	**222,240,000**	222,240,000	-
Habib Bank	15,070,000	232,516,628	(94,747,529)	(6,722,641)	**146,116,458**	146,116,458	-
Import loans			-		-		
Hatton National Bank PLC	427,469,495	1,626,800,853	(1,347,732,000)	(7,471,637)	**699,066,711**	699,066,711	-
Commercial Bank PLC	831,573,558	1,342,825,758	(1,899,279,475)	(3,428,713)	**271,691,127**	271,691,127	-
Standard Chartered	-	103,057,592	(103,057,592)	-	**-**	-	-
NDB Bank PLC	171,445,697	372,156,400	(424,615,742)	-	**118,986,356**	118,986,356	-
	1,949,558,750	8,700,163,027	(8,043,571,803)	(18,955,430)	**2,587,194,544**	2,587,194,544	**-**

As at 31st March	As at 31.03.2024	Loan obtained	Repayment	Exchange Difference	As at 31.03.2025	Current	Non-current
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Company							
Short Term Loans							
People's Bank	225,000,000	1,125,000,000	(1,225,000,000)	-	**125,000,000**	125,000,000	-
Commercial Bank PLC	179,000,000	2,652,300,000	(2,033,000,000)	-	**798,300,000**	798,300,000	-
Standard Chartered	50,000,000	250,000,000	(250,000,000)	-	**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	189,217,330	689,626,836	(649,631,520)	-	**229,212,646**	229,212,646	-
Commercial Bank PLC	791,454,308	1,007,929,456	(1,646,944,626)	-	**152,439,137**	152,439,137	-
Standard Chartered	-	103,057,592	(103,057,592)	-	**-**	-	-
NDB Bank PLC	171,445,697	372,156,400	(424,615,742)	-	**118,986,356**	118,986,356	
	1,656,117,335	6,350,070,285	(6,482,249,480)	-	**1,523,938,139**	1,523,938,119	-

30.2 Lease Liabilities

As at 31st March	Note	Group		Company	
		2025	2024	**2025**	2024
		Rs.	Rs.	Rs.	Rs.
Current	14.1	**32,493,025**	21,336,024	**20,268,098**	13,401,855
Non-current		**82,689,530**	114,115,432	**59,371,136**	72,450,294
Total		**115,182,555**	135,451,456	**79,639,234**	85,852,149

NOTES TO THE FINANCIAL STATEMENTS

30.3 Nature and Repayment Terms of the Facilities

Lender	Nature of facility	Nominal interest rate	Repayment terms	Carrying value of facility 2025	2024
				Rs.	Rs.
JAT Holdings PLC					
Standard Charted Bank	Short term loan (revolving)	Respective AWPLR+0.5%	Up to 90 Days	**50,000,000**	50,000,000
	Overdraft	Respective AWPLR+0.5%	On demand	**41,584,502**	47,446,262
Commercial Bank of Ceylon PLC	Short term loan (revolving)	AWPLR + 0.5% (reviewed weekly)	Within 90 days	**797,300,000**	970,454,328
	Import loan	AWPLR + 0.5% (reviewed weekly)	Within 180 days	**153,693,920**	
	Overdraft	AWPLR + 0.5% (reviewed weekly)	On demand	**92,417,057**	44,911,791
Hatton National Bank	Import loan	AWPLR+0.5% (Weekly review)	Within 120 days	**217,532,646**	189,217,330
	Overdraft	AWPLR+0.5% (Weekly review)	On demand	**53,295,931**	94,733,724
Peoples Bank	Short term loan (revolving)	AWPLR-0.5% / Floor rate (weekly review)	Within 120 days	**100,000,000**	225,000,000
	Overdraft	AWPLR+0.5% (weekly review)	On demand	**24,186,371**	24,177,308
National Development Bank	Import loan	AWPLR + 0.5% (reviewed weekly)	Within 90 days	**172,250,766**	171,445,697
	Overdraft	AWPLR + 0.5% (reviewed weekly)	On demand	**73,624,587**	73,577,029
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	**99,932,390**	94,765,589
DFCC Bank	Overdraft	AWPLR + 0.5% (reviewed monthly)	On demand	**96,686,479**	100,314,478
JAT Exports DMCC					
Hatton National Bank	Short Term Loan/Import Loan (EUR)	3M EUR ESTR + 4%	Within 6 months	**469,854,327**	238,252,165
	Short Term Loan/Import Loan (USD)	SOFR 3M + 4%	Within 6 months	**222,240,000**	-
Worldwide Resins & Chemicals (Pvt) Ltd					
Commercial Bank of Ceylon PLC	Import Loan	AWPLR+0.5%	Within 120 days	**115,371,285**	40,119,230

Lender	Nature of facility	Nominal interest rate	Repayment terms	Carrying value of facility 2025	2024
				Rs.	Rs.
Asia Coating (Pvt) Ltd.					
Commercial Bank of Ceylon PLC	Overdraft	14.50%	On Demand	**81,513,923**	77,448,915
	Import-LTR/ UPAS	14.25%	Within 120 Days	**73,688,636**	-
	Short Term loans	14.25%	Within 120 Days	**23,061,463**	-
Habib Bank Limited	Overdraft	13%	On Demand	**97,336,924**	108,591,579
	Import-LTR/ UPAS	13%	180 Days	**112,578,273**	15,070,000
	Short Term loans	13%	180 Days	**33,709,949**	

30.4 Assets Pledged

The following assets have been pledged as security for above liabilities:

Lender	Nature of facility	Nature of the collateral	Carrying value of asset pledged 2025	2024
	.		.	
JAT Holdings PLC				
Standard Charted Bank	Import letters of credit	Primary mortgage over stocks at Logiwiz Limited at Advantis Logistic Hub & book debts for 375Mn	**Rs.375 Mn**	Rs.375 Mn
	Short term loans			
	Overdraft			
	Import loan			
	Shipping guarantees			
	Bond & guarantees			
	Invoice Financing			
Commercial Bank of Ceylon PLC	Overdraft	Lien over savings deposit	**Rs. 55.83 Mn**	Rs. 38.2 Mn
	Letters of credit	Mortgage over Property at No 351, Pannipitiya Road, Thalawathugoda	**Rs. 566.93 Mn**	Rs. 561 Mn
	Import Demand Loan		**Rs. 362.20 Mn**	Rs. 362.20 Mn
	Revolving short term loan	Insurance policy over above property		
	Shipping guarantee facility			
	Letters of Guarantee			
	Stand By Letter of Credit			

NOTES TO THE FINANCIAL STATEMENTS

Lender	Nature of facility	Nature of the collateral	Carrying value of asset pledged	
			2025	2024
	.		.	
Habib Bank Limited	SBLC	LKR Fixed Deposit (125% cash collateral)	**Rs. 400 Mn**	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			
Seylan Bank	Overdraft	Lien over savings deposit	**Rs. 14.9 Mn**	Rs. 8 Mn
DFCC Bank	Overdraft	Lien over X-treme saver Money Market	**Rs. 19 Mn**	Rs. 10 Mn
JAT Exports DMCC				
Hatton National Bank	Import Loan/Short Term Loan	Fixed Deposits	**USD 1.015 Mn**	USD 0.725 Mn
	SBLC			
Asia Coatings Pvt Ltd				
Habib Bank Limited	Short Term Loan (Revolving)	SBLC from HBL SL backed by FD	**USD 1 Mn**	USD 1 Mn
	Import Loan			
	Overdraft			
Commercial Bank of Ceylon PLC	Short Term Loan (Revolving)	Lien over FD (bearing No.381800006456)	**BDT 39 Mn**	-
	Import Line	Stock and Book debt	**BDT 230 Mn**	BDT 160 Mn
	Overdraft			

31 EMPLOYEE BENEFIT OBLIGATIONS

As at 31st March	Note	Group		Company	
		2025	2024	**2025**	2024
		Rs.	Rs.	Rs.	Rs.
At the beginning of the year		**92,978,812**	74,142,249	**90,894,582**	72,827,983
Charge for the Year	31.1	**22,792,986**	23,015,172	**22,034,577**	22,421,275
Actuarial (gain)/loss		**(5,785,283)**	(814,303)	**(5,307,021)**	(1,109,811)
Benefits paid during the year		**(4,467,926)**	(3,364,305)	**(4,467,926)**	(3,244,865)
At the end of the year		**105,518,589**	92,978,812	**103,154,212**	90,894,582

31.1

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Post Employee Benefit Expenses for				
Current service cost	**11,635,530**	14,828,449	**11,127,228**	14,565,596
Interest cost	**11,157,456**	8,186,722	**10,907,349**	7,855,679
	22,792,986	23,015,172	**22,034,577**	22,421,275
Actuarial gains and losses recognised directly in other comprehensive income				
Recognised during the period	**(5,785,283)**	(814,303)	**(5,307,021)**	(1,109,811)

Messrs. Actuarial and Management Consultants (Pvt) Ltd Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 March 2025. 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.

31.2 **The principal assumptions used in determining defined benefit obligation are shown below:**

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Discount rate	**10% - 11%**	12%	**10%**	12%
Salary increment	**8%**	12%	**8%**	12%
Staff turnover	**16% - 20%**	16% - 20%	**20%**	20%
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.

NOTES TO THE FINANCIAL STATEMENTS

31.3 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,

As at 31st March		2025 Effect on comprehensive income increase / (reduction)	2025 Effect on employee benefit obligation increase/ (reduction) in the liability	2024 Effect on comprehensive income increase / (reduction)	2024 Effect on employee benefit obligation increase / (reduction) in the liability
		Rs.	Rs.	Rs.	Rs.
31.3.1 Group					
Increase/(decrease) in discount rate	+1%	**3,601,354**	**(3,601,354)**	3,415,746	(3,415,746)
	-1%	**(3,885,277)**	**3,885,277**	(3,689,747)	3,689,747
Increase/ (decrease) in salary increment	+1%	**(4,337,139)**	**4,337,139**	(4,011,608)	4,011,608
	-1%	**4,086,168**	**(4,086,168)**	3,776,168	(3,776,168)
31.3.2 Company					
Increase/ (decrease) in discount rate	+1%	**3,493,943**	**(3,493,943)**	3,310,111	(3,310,111)
	-1%	**(3,768,670)**	**3,768,670**	(3,573,543)	3,573,543
Increase/ (decrease) in salary increment	+1%	**(4,209,104)**	**4,209,104**	(3,887,263)	3,887,263
	-1%	**3,966,494**	**(3,966,494)**	3,661,281	(3,661,281)

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.

31.4 The following are the expected payments to the defined benefit plan in future years

As at 31st March	Group 2025	Group 2024	Company 2025	Company 2024
	Rs.	Rs.	Rs.	Rs.
Within the next 12 months	**16,834,268**	13,284,619	**16,583,074**	13,055,674
Between 2 and 5 years	**64,957,042**	58,503,709	**63,429,661**	57,620,160
Between 5 and 10 years	**18,492,099**	15,182,941	**18,070,234**	14,435,578
Beyond 10 years	**5,235,178**	6,007,542	**5,071,243**	5,783,167
Total expected payments	**105,518,587**	92,978,810	**103,154,212**	90,894,579

The Group weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.53 years (2024: 5.07 years).

32 TRADE AND OTHER PAYABLES

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Trade payables-others	**591,220,243**	925,198,897	**459,381,370**	353,623,348
Related parties (Note 32.1)	**23,007,288**	289,458,016	**58,618,517**	24,905,817
	614,227,531	1,214,656,913	**517,999,887**	378,529,165
Other payables	**1,222,052,646**	986,843,815	**965,305,131**	776,010,891
Contract liabilities and other advances	**202,823,331**	25,949,584	**197,638,331**	25,949,584
Sundry creditors including accrued expenses	**20,331,284**	48,290,729	**17,273,457**	13,003,940
	2,059,434,792	2,275,741,041	**1,698,216,806**	1,193,493,580

32.1 Trade Payables - Related Parties

As at 31st March	**Relationship**	Group		Company	
		2025	2024	**2025**	2024
		Rs.	Rs.	Rs.	Rs.
Brush Masters (Pvt) Ltd	Subsidiary	**-**	-	**52,841,036**	61,296
Worldwide Resins & Chemicals (Pvt) Ltd	Subsidiary	**-**	-	**-**	5,148,104
JAT Global (Pvt) Ltd	Subsidiary	**-**	-	**172,459**	14,761,741
JAT Holdings Bangladesh (Pvt) Ltd	Affiliate	**22,313,990**	284,523,340	**4,911,724**	-
JAT Technologies (Pvt) Ltd	Affiliate	**96,676**	96,676	**96,676**	96,676
JAT Property Group (Pvt) Ltd	Affiliate	**596,622**		**596,622**	-
Flexospan Steel Buildings (Pvt) Ltd	Affiliate	**-**	4,838,000	**-**	4,838,000
		23,007,288	289,458,016	**58,618,517**	24,905,817

NOTES TO THE FINANCIAL STATEMENTS

33 PRINCIPAL SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Financial information of Seaform Bangladesh (Pvt) Ltd and Brush Master (Pvt) Ltd. that have material non-controlling interests is provided below.

As at 31 March	Seaform Bangladesh (Pvt) Ltd	Brush Master (Pvt) Ltd	
	2025	2025	2024
	Rs.	Rs.	Rs.
Non-controlling interest in %	**26.71%**	**9.6%**	21.6%
Non-current assets	**2,193,117**	**1,109,611**	748,478
Current assets	**26,103,132**	**90,867,482**	38,287,182
Total assets	**28,296,249**	**91,977,093**	39,035,660
Non-current liabilities	**33,603**	**2,364,376**	2,084,232
Current liabilities	**64,288,955**	**49,216,300**	50,769,094
Total liabilities	**64,322,558**	**51,580,676**	52,853,326
Equity attributable to the owners of the company	**(26,403,682)**	**36,514,322**	(10,833,050)
Non-controlling interests	**(9,622,627)**	**3,882,096**	(2,984,616)
Year ended 31st March			
Revenue from contracts with customers	**11,542,888**	**140,701,630**	108,067,737
Profit/ (loss) after tax	**(38,123,387)**	**7,874,727**	(9,409,952)
Profit attributable to the owners of the company	**(27,940,630)**	**6,414,843**	(7,377,402)
Profit/ (loss) attributable to the non-controlling interests	**(10,182,757)**	**1,459,884**	(2,032,550)
Total comprehensive income	**(38,123,387)**	**8,352,989**	(9,705,459)
Net cash inflow/ (outflow) from operating activities	**(6,915,980)**	**(45,223,977)**	7,668,268
Net cash inflow/ (outflow) from investing activities	**6,849,878**	**(930,973)**	(57,000)
Net cash inflow/ (outflow) from financing activities	**-**	**45,861,094**	(8,322,125)
Total net cash inflow/ (outflow)	**(66,101)**	**(293,856)**	(710,857)

34 COMMITMENTS AND CONTINGENCIES

34.1 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:

As at 31st March	Group		Company	
	2025	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.
Not later than 1 year	**43,773,019**	40,515,961	**29,572,219**	26,748,508
Later than 1 year and no later than 5 years	**107,793,303**	130,423,796	**66,776,659**	85,411,701
	151,566,322	170,939,757	**96,348,878**	112,160,209

34.2 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 31st March	Total		Subsidiaries		Affiliates	
	2025	2024	**2025**	2024	**2025**	2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Commercial Bank of Ceylon PLC	**155,000,000**	155,000,000	**155,000,000**	155,000,000	**-**	**-**
Hatton National Bank PLC	**301,552,540**	184,399,740	**301,552,540**	184,399,740	**-**	**-**
	456,552,540	339,399,740	**456,552,540**	339,399,740	**-**	**-**

35 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.

NOTES TO THE FINANCIAL STATEMENTS

36 FINANCIAL INSTRUMENTS

36.1 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 31st March	Note	Group		Company	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Financial Assets					
Financial Assets at Amortised Cost					
Quoted debt instruments	20	**74,220,000**	77,495,664	**74,220,000**	77,495,664
Investment in fixed deposits	26.3	**797,160,494**	702,019,701	**400,000,000**	425,000,000
Trade and other receivables	23	**4,940,087,051**	4,318,348,208	**3,568,040,973**	2,642,624,852
Other Financial Assets					
Amounts due from related parties	25.1	**60,188,888**	62,463,305	**429,949,161**	275,922,919
Cash and short term deposits		**320,456,758**	224,206,247	**175,213,112**	88,338,022
Financial Assets at FVTPL					
Listed equity investments	26.1	**23,593,196**	28,810,395	**23,593,196**	28,810,395
Investment in money market funds	26.2	**298,491,895**	320,565,162	**298,491,895**	320,565,162
Financial Liabilities					
Interest bearing loans and borrowings	30.1	**2,587,194,544**	1,949,558,731	**1,523,938,139**	1,656,117,335
Loans due to related parties	32	**7,726,504**	-	**84,496,800**	26,124,846
Lease liability	14.1	**115,182,555**	135,451,457	**79,639,234**	85,852,149
Trade and other payables	32	**2,059,434,792**	2,275,741,041	**1,698,216,806**	1,193,493,575
Bank overdraft	27.2	**645,586,707**	703,544,777	**465,633,146**	516,695,425

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.

37 FAIR VALUE MEASUREMENT

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

As at 31 March 2025, the Group held the following financial instruments carried at fair value in the Statement of Financial Position:

37.1 Group/ Company

As at 31st March	Note	Date of Valuation	Total	Fair value measurement using: Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As at 31 March 2025						
Non-Financial Assets						
Consumable biological assets	18	31 March 2025	**79,167,950**	**-**	**-**	**79,167,950**
Investment properties	15	31 March 2025	**534,000,000**			**534,000,000**
Non financial assets as at 31 March 2025			**613,167,950**	**-**	**-**	**613,167,950**
Financial Assets						
Equity instruments designated at fair value through profit or loss						
Quoted equity shares	26.1	31 March 2025	23,593,196	23,593,196	-	-
Investment in money market funds	26.2	31 March 2025	298,491,895	298,491,895	-	-
Financial assets as at 31 March 2025			322,085,091	322,085,091	-	-

37.2 Group/Company

Assets Measured at Fair Value:						
As at 31 March 2024						
Non-Financial Assets						
Consumable biological assets	18	31 March 2024	72,267,944	-	-	72,267,944
Non financial assets as at 31 March 2025			72,267,944	-	-	72,267,944
Financial Assets						
Equity instruments Designated at Fair Value Through Profit or Loss						
Quoted equity shares	26.1	31 March 2024	28,810,395	28,810,395	-	-
Investment in money market funds	26.2	31 March 2024	320,565,162	-	320,565,162	-
Financial assets as at 31 March 2025			349,375,557	28,810,395	320,565,162	-

During the reporting period ended 31 March 2025 there were no transfers between Level 1 and Level 2 fair value measurements

NOTES TO THE FINANCIAL STATEMENTS

38 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.

38.1 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.

38.1.1 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.

38.1.2 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:

As at 31 March	Increase/ decrease In basis points	Company Effect on profit before tax	Group Effect on profit before tax
		Rs.	Rs.
2025	**+ 500**	**(8,753,954)**	**(12,767,018)**
	- 500	**8,753,954**	**12,767,018**
2024	+ 500	(11,936,547)	(14,349,958)
	- 500	11,936,547	14,349,958

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

38.1.3 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 2024 and 2025, and sensitivity analysis to profit & loss and equity if exchange rate increased / (decreased) by 5%.

As at 31 March 2025	Change in rates		Company Effect on profit before tax		Group Effect on profit before tax	
			Rs.	Rs.	Rs.	Rs.
USD	**+ 5%**	**- 5%**	**19,895,206**	**(19,895,206)**	**10,015,114**	**(10,015,114)**
EURO	**+ 5%**	**- 5%**	**(4,616,776)**	**4,616,776**	**(4,778,216)**	**4,778,216**

As at 31 March 2024	Change in rates		Company Effect on profit before tax		Group Effect on profit before tax	
			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

38.1.4 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 2025.

As at 31st March	2025		2024	
	Rs.	%	Rs.	%
Materials	**2,330,000**	**10%**	955,000	3%
Transpotation	**-**	**0%**	11,537,180	40%
Capital goods	**12,934,024**	**55%**	8,203,967	28%
Food beverage & tobacco	**5,575,961**	**24%**	6,017,477	21%
Diversified financials	**2,148,237**	**9%**	1,435,770	5%
Insurance	**604,974**	**3%**	661,000	2%
	23,593,196	**100%**	28,810,394	100%

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025 the company conducted a sensitivity analysis to assess the impact of a ±10% change in the market price of quoted shares on its financial position and performance. Below table demonstrates the sensitivity to a reasonably possible change in quoted share prices with all other variables held constant

As at 31st March	Changes in rates	Company effect on profit before tax	Group effect on profit before tax
	%	Rs.	Rs.
2025	**+10%**	**2,359,320**	**2,359,320**
	-10%	**(2,359,320)**	**(2,359,320)**
2024	+10%	2,881,040	2,881,040
	-10%	(2,881,040)	(2,881,040)

38.2 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;

As at 31st March		2025		2024	
	Note	Rs.	%	Rs.	%
Trade and other receivables	23	**4,940,087,051**	**77%**	4,318,348,208	77%
Amounts due from related parties	25.1	**60,188,888**	**1%**	62,463,305	1%
Short term financial assets					
- Investment in money market funds	26.2	**298,491,895**	**5%**	320,565,162	6%
- Investment in fixed deposits	26.3	**797,160,494**	**12%**	702,019,701	12%
Cash at bank and cash equivalents	27.1	**320,456,758**	**5%**	224,206,247	4%
		6,416,385,085	**100%**	5,627,602,623	100%

38.2.1 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.

The Group secures collateral such as bank guarantees, cash guarantees, and mortgage bonds from customers based on their past performance and creditworthiness. Impairment is assessed individually for major customers at each reporting date, while a provision matrix calculates Expected Credit Loss (ECL) for others, using provision rates linked to days past due across customer segments with similar loss patterns. The matrix, initially based on historical default rates, is regularly updated and calibrated with forward-looking information to reflect current credit risk..

Please refer below for the detailed breakdown of available security.

As at 31st March	Bank guarantee	Mortgage bond	Cash guarantee	Total security
2025	**818,000,000**	**110,000,000**	**146,940,388**	**1,074,940,388**
2024	792,500,000	72,000,000	121,695,770	986,195,770

38.2.2 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. 320 mn at 31 March 2025 (2024 - Rs. 224 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;

Sri Lanka	Bangladesh	India
Sampath Bank PLC – AA-(lka)	Commercial Bank of Ceylon PLC - AAA	ICICI Bank - ICRA - AAA
Commercial Bank of Ceylon PLC – AA-(lka)	Dutch Bangla Bank Limited (DBBL) - AAA	
Hatton National Bank PLC– AA-(lka)	Habib Bank Limited (HBL) - AA	
People's Bank – AA-(lka)	Midland Bank PLC - A+	
Seylan Bank - A+(lka)		
National Development Bank PLC -A(lka)		Dubai
DFCC Bank PLC -A(lka)		Emirates NBD - A
Nations Trust Bank PLC - A(lka)		
Standard Chartered Bank - AAA(lka)		
Habib Bank - AA(lka)		
National Savings Bank - AAA(lka)		
Capital Alliance Investments LTD - A		

38.3 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.

NOTES TO THE FINANCIAL STATEMENTS

38.3.1 Maturity Analysis - Group

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2025 based on contractual undiscounted payments..

As at 31 March 2025	Payable on Demand	Less Than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Financial liabilities						
Bank loans	**-**	**2,339,382,126**	**247,803,682**	**-**	**-**	**2,587,185,808**
Lease liabilities	**-**	**12,887,849**	**35,582,433**	**84,558,026**	**3,265,507**	**136,293,815**
Bank overdrafts	**645,586,707**		**-**	**-**	**-**	**645,586,707**
Amounts due to related parties	**-**	**7,726,504**	**-**	**-**	**-**	**7,726,504**
Trade and other payables	**-**	**2,059,434,792**	**-**	**-**	**-**	**2,059,434,792**
	645,586,707	**4,419,431,271**	**283,386,115**	**84,558,026**	**3,265,507**	**5,436,227,626**

As at 31 March 2025	Payable on Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
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

38.3.2 Maturity Analysis - Company

The table below summarises the maturity profile of the company's financial liabilities at 31 March 2025 based on contractual undiscounted payments.

As at 31 March 2025	Payable on Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial liabilities						
Bank loans		**1,470,760,560**	**53,177,600**	**-**	**-**	**1,523,938,160**
Lease liabilities	**-**	**5,967,746**	**23,604,473**	**66,412,966**	**3,265,507**	**99,250,692**
Bank overdrafts	**465,633,146**		**-**	**-**	**-**	**465,633,146**
Amounts due to related parties	**-**	**84,496,800**	**-**	**-**	**-**	**84,496,800**
Trade and other payables	**-**	**1,698,216,806**	**-**	**-**	**-**	**1,698,216,806**
	465,633,146	**3,259,441,912**	**76,782,073**	**66,412,966**	**3,265,507**	**3,871,535,603**

As at 31 March 2024	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
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

39 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 31st March	Note	Group 2025	Group 2024
		Rs.	Rs.
Interest bearing borrowings	30	**2,587,194,544**	1,949,558,731
Bank overdraft	27.2	**645,586,707**	465,633,146
Debt		**3,232,781,251**	2,415,191,877
Equity attributable to equity holders of the parent		**10,412,744,724**	9,127,825,745
Non-controlling interests		**(21,877,254)**	(12,543,373)
Total equity		**10,390,867,470**	9,115,282,372
Equity and debt		**13,623,648,721**	11,530,474,249
Gearing Ratio		**24%**	21%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

40 SEGMENTAL INFORMATION

As at 31st March	Sri Lanka operations		Bangladesh opeartions		Dubai Operations		Others (Other than Reportable segments)		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
									Rs.	Rs.
Revenue										
Segmental Revenue - Gross	**8,372,797,293**	7,304,020,156	**2,368,335,520**	2,935,921,022	**727,232,225**	1,181,333,411	**561,431,629**	526,270,328	**12,029,796,667**	11,947,544,917
Inter Segmental revenue	**(53,409,184)**	(30,989,064)	**-**	-	**(197,908,280)**	(184,728,407)	**(153,976,551)**	(175,472,923)	**(405,294,015)**	(391,190,394)
Total Revenue	**8,319,388,108**	7,273,031,092	**2,368,335,520**	2,935,921,022	**529,323,945**	996,605,004	**407,455,079**	350,797,405	**11,624,502,652**	11,556,354,523
Results										
Segmental Results	**(6,745,129,453)**	(6,369,691,411)	**(1,958,544,270)**	-	**(527,827,188)**	(1,315,433,401)	**(570,193,446)**	(428,310,371)	**(9,801,694,357)**	(8,113,435,186)
Finance cost	**(222,986,897)**	(171,076,909)	**(76,532,051)**	(2,087,611,370)	**(41,915,967)**	(25,398,514)	**(11,325,118)**	(31,531,725)	**(352,760,033)**	(2,315,618,519)
Finance income	**127,726,328**	82,863,423	**6,651,178**	(23,268,986)	**24,310,285**	10,512,512	**114,132**	12,234,557	**158,801,922**	82,341,506
Share of Joint Venture Companies Profit	**-**	-	**-**	867,226	**(23,281,780)**	-	**-**	-	**(23,281,780)**	867,226
Profit before tax	**1,478,998,086**	815,126,195	**339,910,377**	825,907,892	**(39,390,705)**	(333,714,399)	**(173,949,354)**	(96,810,134)	**1,605,568,405**	1,210,509,551
Income tax expense	**283,221,035**	(1,253,833)	**(103,606,227)**	(192,908,857)	**-**	-	**(6,370,549)**	6,897,002	**173,244,260**	(187,265,687)
Profit for the year	**1,762,219,121**	813,872,362	**236,304,151**	632,999,035	**(39,390,705)**	(333,714,399)	**(180,319,902)**	(89,913,132)	**1,778,812,665**	1,023,243,864
Attributable to										
Equity holders of the parent	**1,762,219,121**	813,872,362	**233,462,581**	629,069,312	**(39,390,705)**	(333,714,399)	**(170,969,357)**	(88,037,493)	**1,785,321,640**	1,021,189,780
Non-controlling interest		-	**2,841,570**	3,929,723	**-**	-	**(9,350,545)**	(1,875,639)	**(6,508,975)**	2,054,084
	1,762,219,121	813,872,362	**236,304,151**	632,999,035	**(39,390,705)**	(333,714,399)	**(180,319,902)**	(89,913,132)	**1,778,812,665**	1,023,243,864

Information based on the primary segments (Business Segment)

As at 31st March	Sri Lanka Operations		Bangladesh Opeartions		Dubai Operations		Others (Other than Reportable segments)		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
									Rs.	Rs.
ASSETS										
Non-Current Assets										
Property, Plant and Equipment	**3,309,226,842**	3,343,337,027	**323,516,101**	286,274,245	**-**	-	**3,816,638**	1,649,154	**3,636,559,581**	3,631,260,426
Investment properties	**-**	216,635,216	**-**	-	**534,000,000**	451,388,564	**-**	-	**534,000,000**	668,023,780
Right-of-use assets	**121,461,844**	81,693,669	**32,423,230**	34,327,104	**-**	-	**-**	-	**153,885,074**	116,020,773
Other Financial Assets	**74,220,000**	77,495,661	**-**	-	**-**	-	**-**	-	**74,220,000**	77,495,661
Other Assets	**1,421,134,765**	1,369,306,031	**406,519**	-	**385,884,527**	206,466,462	**-**	25,663	**1,807,425,811**	1,575,798,156
Segmental Non-Current Assets	**4,926,043,451**	5,088,467,605	**356,345,850**	320,601,350	**919,884,527**	657,855,026	**3,816,638**	1,674,817	**6,206,090,466**	6,068,598,797
Deferred Tax Asset									**234,692,649**	7,003,465
Eliminations/Adjustments									**(1,434,471,594)**	(1,212,424,239)
Total Non-Current Assets									**5,006,311,521**	4,863,178,024
Segmental Current Assets										
Segmental Current Assets	**8,235,312,070**	6,942,439,174	**1,833,970,114**	1,438,969,111	**951,088,585**	1,028,888,471	**781,591,507**	699,148,430	**11,801,962,281**	10,109,445,186
Income Tax Recoverable									**49,219,159**	46,476,961
Eliminations/Adjustments									**(1,038,589,794)**	(570,028,454)
Total Current Assets									**10,812,591,647**	9,585,893,693
Assets classified as held for sale									**202,000,000**	-
Total Assets									**16,020,903,168**	14,449,071,717
Non-Current Liabilities										
Segmental Non Current Liabilities	**162,525,348**	163,344,876	**23,318,392**	41,665,136	**-**	-	**2,364,376**	2,084,232	**188,208,116**	207,094,244
Deferred Tax Liabilities									**-**	55,986,311
Eliminations/Adjustments									**-**	-
Total Non-Current Liabilities									**188,208,116**	263,080,555
Current Liabilities										
Segmental Current Liabilities	**3,792,552,988**	3,405,833,042	**880,919,560**	814,420,407	**1,377,145,212**	1,121,704,251	**317,877,323**	177,959,724	**6,368,495,084**	5,519,917,424
Income tax payable									**109,392,008.82**	120,528,210.79
Eliminations/Adjustments									**(1,036,059,517)**	(569,736,850)
Total Current Liabilities									**5,441,827,575**	5,070,708,784
Total Liabilities									**5,630,035,691**	5,333,789,340

NOTES TO THE FINANCIAL STATEMENTS

41 COMPARATIVE INFORMATION

Reclassifications have been made to prior year's consolidated statement of profit or loss and other comprehensive income & Consolidated statement of financial position to enhance the comparability with the current year's financial statements. The items were reclassified as follows:

	Previously reported	Reclassification	After reclassification
	As at 31.03.2024		As at 31.03.2025
	Rs.	Rs.	Rs.
Group			
Statement of profit or loss and other comprehensive income			
Other income	545,837,097	(59,612,629)	**486,224,468**
Finance income	106,477,718	59,612,629	**166,090,347**
Dividend income on financial assets at fair value through profit or loss and Realised & Unrealised gains on financial assets at fair value through profit or loss re-classified under Finance income			
Statement of financial position			
Current Liabilities			
Interest bearing loans and borrowings	2,674,439,532	(703,544,777)	**1,970,894,755**
Bank overdrafts	-	703,544,777	**703,544,777**

Bank overdrafts seperately shown from Interest bearing loans and borrowings

As at 31st March	Previously reported	Reclassification	After reclassification
	As at 31.03.2024		As at 31.03.2025
	Rs.	Rs.	Rs.
Company			
Statement of profit or loss and other comprehensive income			
Other income	277,511,872	(214,968,137)	**62,543,735**
Finance income	134,328,895	214,968,138	**349,297,033**
Dividend income on financial assets at fair value through profit or loss and Realised & Unrealised gains on financial assets at fair value through profit or loss re-classified under Finance income			
Statement of financial position			
Current Liabilities			
Interest bearing loans and borrowings	2,186,214,616	(516,695,426)	**1,669,519,190**
Bank overdrafts	-	516,695,425	**516,695,425**

Bank overdrafts seperately shown from Interest bearing loans and borrowings

SHAREHOLDER INFORMATION

STATED CAPITAL

As at 31 March 2025		2025	2024
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 2025

From	To	No. of Holders	%	No. of Shares	%
1	1,000	2,382	52.85	777,465	0.15
1,001	10,000	1,416	31.42	5,709,861	1.12
10,001	100,000	553	12.27	17,307,699	3.39
100,001	1,000,000	132	2.93	36,883,874	7.23
Over 1,000,000		24	0.53	449,728,874	88.11
Total		4,507	100.00	510,407,773	100.00

CATEGORIES OF SHAREHOLDERS AS AT 31ST MARCH 2025

From	No. of Holders	%	No. of Shares	%
Local Individuals	4,284	95.05	420,590,127	82.40
Local Institutions	208	4.62	87,441,279	17.13
Foreign Individuals	13	0.29	296,788	0.06
Foreign Institutions	2	0.04	2,079,579	0.41
Total	4,507	100.00	510,407,773	100.00

DIRECTORS' AND CEO'S SHAREHOLDING AS AT 31ST MARCH 2025

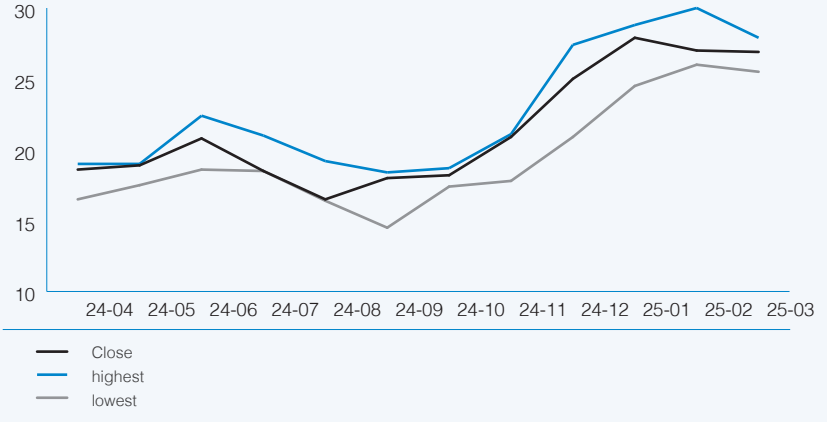
Name of Director	No. of Shares
Dr. Sivakumar Selliah	1,320,000
Aelian Gunawardene	332,258,639
Hussain Akbarally	-
Devaka Cooray	550,000
Manju Haththotuwa	-
Joycelyn Gunawardene	9,145,221
Anika Williamson	13,717,832
Richard Gunawardene	13,717,832
Nishal Ferdinando (CEO)	-

SHAREHOLDER INFORMATION

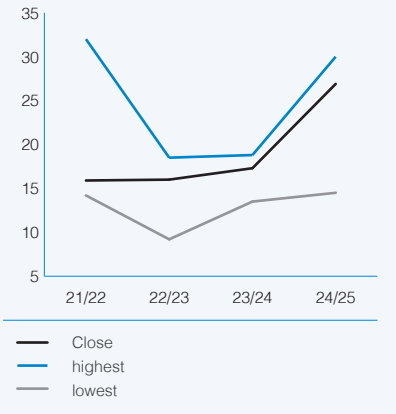
MARKET INFORMATION OF THE ORDINARY SHARES OF THE COMPANY

12 months ended	Q1	Q2	Q3	Q4	2024/25	2023/24
Market price per share						
Highest during the year	22.40	21.00	27.40	30.00	**30.00**	18.80
Date/s highest price was recorded	24-Jun-2024	2-Jul-2024	23-Dec-2024	18-Feb-2025	**18-Feb-2025**	21-Sep-2023
Lowest during the year	16.50	14.50	17.40	24.50	**14.50**	13.50
Date/s lowest price was recorded	3-Apr-2024	3-Sep-2024	25-Oct-2024	2-Jan-2025	**3-Sep-2024**	29-Feb-2024
As at end of the period	20.80	18.00	25.00	26.90	**26.90**	17.30
Dividends paid per share (Rs.)					**0.60**	0.30
Trading Statistics						
Number of Transactions during the year	5,582	4,031	10,413	9,384	**29,410**	10,448
Number of shares traded during the year	23,065,189	9,366,509	41,980,463	39,190,908	**113,603,069**	29,422,787
Value of shares traded during the year (Rs.)	449,455,837	164,252,513	953,340,444	1,066,406,273	**2,633,455,067**	470,557,752
Average daily turnover (Rs)	7,885,190	2,607,183	15,376,459	19,042,969	**11,064,937**	1,968,861
Percentage of total market turnover (%)	0.37	0.24	0.36	0.45	**0.38**	0.13
Market capitalisation (Rs)	10,616,481,678	9,187,339,914	12,760,194,325	13,729,969,094	**13,729,969,094**	8,830,054,473
Percentage of total market capitalisation (%)	0.22	0.16	0.22	0.24	**0.24**	0.19

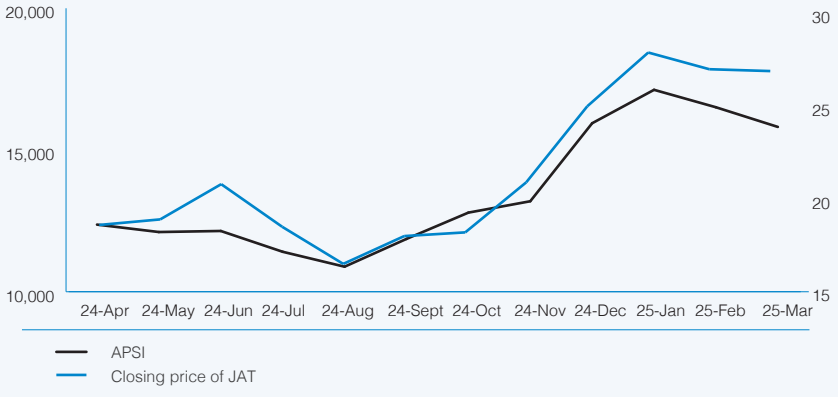
Share Price Movement 24/25



Share Price Movement Over Years



Share Price Movement Against APSI



Market Capitalisation



PUBLIC HOLDING AS AT 31ST MARCH 2025

Public holding percentage	**18.628%**
Total number of shareholders who held public shares	**4,494**
Total No. of shareholders	**4,507**
The float adjusted market capitalisation (Rs.)	**2,557,672,202**

The float adjusted market capitalisation of the Company falls under Option 4 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option by 31 March 2025. Consequently, the Company was transferred back to the Main Board w.e.f. 9th May 2025 by CSE.

SHAREHOLDER INFORMATION

TOP TWENTY SHAREHOLDERS LIST

NAME	As at 31.03.2025 No of Shares	%	As at 31.03.2024 No of Shares	%
MR. AELIAN WINSTON GUNAWARDENE	**332,408,639**	**65.13**	332,258,639	65.10
FALCON TRADING (PVT) LTD	**27,077,498**	**5.31**	27,077,498	5.31
MR. RICHARD WINSTON GUNAWARDENE	**13,717,832**	**2.69**	13,717,832	2.69
MRS. ANIKA NIRANJALIE WILLIAMSON	**13,717,832**	**2.69**	13,717,832	2.69
SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	**11,032,733**	**2.16**	11,032,733	2.16
MRS. JOYCELYN GUNAWARDENE	**9,145,221**	**1.79**	9,145,221	1.79
HATTON NATIONAL BANK PLC - CAPITAL ALLIANCE QUANTITATIVE EQUITY FUND	**6,488,234**	**1.27**	6,195,234	1.21
MRS. ABIRAMIPILLAI KAILASAPILLAI	**4,240,000**	**0.83**	4,240,000	0.83
MRS. ARUNTHATHI SELLIAH	**4,240,000**	**0.83**	4,240,000	0.83
ARUNODHAYA (PRIVATE) LIMITED	**3,385,000**	**0.66**	3,385,000	0.66
ARUNODHAYA INDUSTRIES (PRIVATE) LIMITED	**3,360,000**	**0.66**	3,360,000	0.66
ARUNODHAYA INVESTMENTS (PRIVATE) LIMITED	**3,360,000**	**0.66**	3,360,000	0.66
ANDYSEL PRIVATE LIMITED	**2,120,000**	**0.42**	2,120,000	0.42
STANDARD CHARTERED BANK DIFC BRANCH S/A EFG HERMES UAE L.L.C	**1,965,434**	**0.39**	1,553,621	0.30
BANSEI SECURITIES CAPITAL (PVT) LTD/I.S.P. PERERA	**1,702,972**	**0.33**	1,428,000	0.28
SDS SPICES (PVT) LTD	**1,584,922**	**0.31**	2,668,000	0.52
SAMPATH BANK PLC / ARUMAPURAGE PETER LASANTHA FERNANDO	**1,461,833**	**0.29**	-	0.00
PEOPLE S LEASING AND FINANCE PLC/NAGOYA CEYLON TRADING (PVT) LTD	**1,357,643**	**0.27**	-	0.00
INVENCO CAPITAL PRIVATE LIMITED	**1,350,050**	**0.27**	947,120	0.19
DR. SIVAKUMAR SELLIAH	**1,320,000**	**0.26**	1,320,000	0.26
	445,035,843	**87.19**	**441,766,730**	**86.55**
OTHERS	**65,371,930**	**12.806**	68,641,043	13.446
TOTAL	**510,407,773**	**100.00**	**510,407,773**	**100.00**

DIVIDENDS

Year ended 31 March	DPS* (Rs.)	Dividends (Rs.)
2022	0.82	418,534,374
2023	0.49	250,099,809
2024	0.79	403,222,141
2025	0.80	408,326,219

TEN YEAR SUMMARY - GROUP

As at 31 March 2025	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trading results										
Gross Turnover	**11,624,502,652**	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
Profit from operating activities	**1,822,808,296**	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
Net finance income/(cost)	**(193,958,111)**	(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)
Profit before taxation	**1,605,568,405**	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
Tax expenses	**173,244,260**	(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)
Profit for the year	**1,778,812,665**	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
Statement of financial position										
Assets										
Property, plant and equipment	**3,636,559,581**	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
Intangible assets	**150,282,229**	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
Right-of-use assets	**153,885,074**	116,020,774	76,080,912	15,142,330	25,520,798	44,390,742	-	-	-	-
Investment properties	**534,000,000**	668,023,780	-	-	-	43,039,000	4,103,900	-	-	-
Consumable Biological Assets	**79,167,950**	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
Other Investments	**74,220,000**	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	**96,742,183**	130,588,283	138,183,850	-	-	-	-	-	-	-
Investments in Joint Ventures	**46,761,857**	-	-	-	-	-	-	-	-	
Deferred tax asset	**234,692,649**	7,003,465	-	-	-	-	-	6,133,016	25,919,758	15,527,397
Current assets	**11,014,591,646**	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
Total assets	**16,020,903,169**	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
Equity and liabilities										
Share capital	**2,395,221,320**	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
Retained earnings	**8,144,271,007**	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
Non-controlling interest	**(21,877,254)**	(12,543,372)	(13,807,358)	(8,337,725)	(4,369,381)	(6,089,990)	(1,103,326)	(2,006,627)	3,252,293	(593,568)
Reserves	**(126,747,603)**	(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	**105,518,589**	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
Long term loans and borrowings	**82,689,530**	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
Deferred tax liability	**-**	55,986,311	58,885,477	14,334,396	-	19,182,904	19,170,797	-	-	-
Current liabilities	**5,441,827,580**	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
Total Equity and liabilities	**16,020,903,169**	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
Ratios										
NP Ratio (%)	**15%**	9%	13%	14%	11%	11%	13%	12%	16%	17%
Return On Equity (%)	**17%**	11%	15%	16%	11%	14%	19%	17%	27%	34%
Return on Total Assets (%)	**11%**	7%	10%	10%	9%	10%	13%	10%	16%	20%
Current Ratio (Times)	**2.02**	1.89	2.37	2.60	3.26	2.61	2.29	2.27	2.17	1.96
Quick Ratio (Times)	**1.50**	1.13	1.54	1.99	2.29	1.76	1.67	1.51	1.48	1.52
Annual Sales Growth (%)	**1%**	30%	14%	66%	-15%	-4%	20%	-6%	18%	38%

VERTICAL ANALYSIS FOR THE LAST FIVE YEARS STATEMENT OF PROFIT OR LOSS

Group	31st March 2025 (12 Months)		31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue from contracts with customers	**11,624,502,652**	**100.0%**	**11,556,354,523**	**100.0%**	**10,167,326,936**	**100.0%**	**8,896,808,118**	**100.0%**	**5,359,510,190**	**100.0%**
Local Sales	**7,871,455,119**		7,252,918,823		6,838,857,124		6,545,406,235		4,554,151,275	
Export Sales	**3,056,652,800**		4,056,031,297		2,567,533,097		1,976,543,387		618,054,189	
Project Sales	**696,394,733**		247,404,403		760,936,715		374,858,496		187,304,726	
Cost of sales	**(7,612,967,986)**	**65.5%**	(8,167,796,663)	66.3%	(6,743,495,940)	70.7%	(6,293,400,077)	69.3%	(3,715,213,356)	72.4%
Gross profit	**4,011,534,666**	**34.5%**	**3,388,557,860**	**33.7%**	**3,423,830,996**	**29.3%**	**2,603,408,041**	**30.7%**	**1,644,296,834**	**27.6%**
Other income	**154,043,157**	**1.3%**	545,837,099	1.2%	125,813,099	0.8%	66,948,815	1.0%	52,597,141	1.2%
Selling and distribution expenses	**(1,351,742,313)**	**11.6%**	(1,296,373,315)	8.4%	(856,928,928)	9.3%	(824,388,131)	13.3%	(710,914,449)	10.6%
Administrative expenses	**(991,027,214)**	**8.5%**	(1,282,713,674)	7.5%	(761,285,745)	7.4%	(659,837,398)	5.6%	(301,113,105)	4.9%
Results from operating activities	**1,822,808,295**	**15.7%**	**1,355,307,968**	**19.0%**	**1,931,429,422**	**13.3%**	**1,186,131,327**	**12.8%**	**684,866,421**	**13.3%**
Net finance income/(cost)	**(193,958,111)**	**1.7%**	(145,574,972)	4.4%	(463,034,435)	0.8%	71,756,398	0.8%	(40,374,552)	1.4%
Profit before tax	**1,605,568,405**	**13.8%**	**1,210,509,552**	**14.6%**	**1,486,003,791**	**14.1%**	**1,257,887,725**	**12.0%**	**644,491,868**	**11.9%**
Profit for the year	**1,778,812,665**	**15.3%**	**1,023,243,864**	**12.8%**	**1,300,921,100**	**13.6%**	**1,210,556,684**	**11.2%**	**600,437,463**	**11.2%**

Company	31st March 2025 (12 Months)		31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue from contracts with customers	**8,372,797,293**	**100.0%**	**7,304,020,157**	**100.0%**	**7,161,896,306**	**100.0%**	**6,660,847,225**	**100.0%**	**4,512,726,994**	**100.0%**
Local Sales	**7,590,876,448**		6,998,810,599		6,347,781,145		6,285,988,730		4,325,422,268	
Export Sales	**85,526,111**		57,805,155		53,178,447		-		-	
Project Sales	**696,394,733**		247,404,403		760,936,714		374,858,495		187,304,726	
Cost of sales	**(5,197,918,930)**	**62.1%**	(4,850,032,154)	66.4%	(4,330,928,805)	60.5%	(4,549,794,831)	68.3%	(3,064,492,333)	67.9%
Gross profit	**3,174,878,363**	**37.9%**	**2,453,988,003**	**33.6%**	**2,830,967,501**	**39.5%**	**2,111,052,394**	**31.7%**	**1,448,234,661**	**32.1%**
Other income	**16,532,091**	**0.2%**	277,511,872	3.8%	335,770,973	4.7%	245,070,416	3.7%	157,243,260	3.5%
Selling and distribution expenses	**(1,045,968,151)**	**12.5%**	(1,029,234,976)	14.1%	(813,606,197)	11.6%	(786,455,595)	11.8%	(626,542,152)	13.9%
Administrative expenses	**(721,723,693)**	**8.6%**	1,020,909,601	14.0%	(625,605,788)	8.7%	(542,891,889)	8.2%	(360,950,669)	8.0%
Results from operating activities	**1,423,718,609**	**17.0%**	**681,355,297**	**9.3%**	**1,709,917,686**	**23.9%**	**1,026,775,327**	**15.4%**	**617,985,100**	**13.7%**
Net finance income/(cost)	**(70,740,581)**	**0.8%**	(52,717,181)	0.7%	(358,714,416)	4.8%	(2,392,390)	0.0%	(52,482,964)	1.2%
Profit before tax	**1,352,978,028**	**16.2%**	**628,638,117**	**8.6%**	**1,368,812,074**	**19.1%**	**1,024,382,938**	**15.4%**	**565,502,136**	**12.5%**
Profit for the year	**1,636,199,063**	**19.5%**	**627,384,284**	**8.6%**	**1,284,324,964**	**17.9%**	**997,714,093**	**15.0%**	**529,242,689**	**11.7%**

HORIZONTAL ANALYSIS FOR THE LAST FIVE YEARS STATEMENT OF PROFIT OR LOSS

Group	31st March 2025 (12 Months)		31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue from contracts with customers	**11,624,502,652**	**100.0%**	**11,556,354,523**	**100.0%**	**10,167,326,936**	**100.0%**	**8,896,808,118**	**100.0%**	**5,359,510,190**	**100.0%**
Local Sales	**7,871,455,119**		7,252,918,823		6,838,857,124		6,545,406,235		4,554,151,275	
Export Sales	**3,056,652,800**		4,056,031,297		2,567,533,097		1,976,543,387		618,054,189	
Project Sales	**696,394,733**		247,404,403		760,936,715		374,858,496		187,304,726	
Cost of sales	**(7,612,967,986)**	**65.5%**	(8,167,796,663)	66.3%	(6,743,495,940)	70.7%	(6,293,400,077)	69.3%	(3,715,213,356)	72.4%
Gross profit	**4,011,534,666**	**34.5%**	**3,388,557,860**	**33.7%**	**3,423,830,996**	**29.3%**	**2,603,408,041**	**30.7%**	**1,644,296,834**	**27.6%**
Other income	**154,043,157**	**1.3%**	545,837,099	1.2%	125,813,099	0.8%	66,948,815	1.0%	52,597,141	1.2%
Selling and distribution expenses	**(1,351,742,313)**	**11.6%**	(1,296,373,315)	8.4%	(856,928,928)	9.3%	(824,388,131)	13.3%	(710,914,449)	10.6%
Administrative expenses	**(991,027,214)**	**8.5%**	(1,282,713,674)	7.5%	(761,285,745)	7.4%	(659,837,398)	5.6%	(301,113,105)	4.9%
Results from operating activities	**1,822,808,295**	**15.7%**	1,355,307,968	19.0%	1,931,429,422	13.3%	1,186,131,327	12.8%	684,866,421	13.3%
Net finance income/(cost)	**(193,958,111)**	**1.7%**	(145,574,972)	4.4%	(463,034,435)	0.8%	71,756,398	0.8%	(40,374,552)	1.4%
Profit before tax	**1,605,568,405**	**13.8%**	**1,210,509,552**	**14.6%**	**1,486,003,791**	**14.1%**	**1,257,887,725**	**12.0%**	**644,491,868**	**11.9%**
Profit for the year	**1,778,812,665**	**15.3%**	**1,023,243,864**	**12.8%**	**1,300,921,100**	**13.6%**	**1,210,556,684**	**11.2%**	**600,437,463**	**11.2%**

Company	31st March 2025 (12 Months)		31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Revenue from contracts with customers	**8,372,797,293**	**100.0%**	**7,304,020,157**	**100.0%**	**7,161,896,306**	**100.0%**	**6,660,847,225**	**100.0%**	**4,512,726,994**	**100.0%**
Local Sales	**7,590,876,448**		6,998,810,599		6,347,781,145		6,285,988,730		4,325,422,268	
Export Sales	**85,526,111**		57,805,155		53,178,447		-		-	
Project Sales	**696,394,733**		247,404,403		760,936,714		374,858,495		187,304,726	
Cost of sales	**(5,197,918,930)**	**62.1%**	(4,850,032,154)	66.4%	(4,330,928,805)	60.5%	(4,549,794,831)	68.3%	(3,064,492,333)	67.9%
Gross profit	**3,174,878,363**	**37.9%**	**2,453,988,003**	**33.6%**	**2,830,967,501**	**39.5%**	**2,111,052,394**	**31.7%**	**1,448,234,661**	**32.1%**
Other income	**16,532,091**	**0.2%**	277,511,872	3.8%	335,770,973	4.7%	245,070,416	3.7%	157,243,260	3.5%
Selling and distribution expenses	**(1,045,968,151)**	**12.5%**	(1,029,234,976)	14.1%	(813,606,197)	11.6%	(786,455,595)	11.8%	(626,542,152)	13.9%
Administrative expenses	**(721,723,693)**	**8.6%**	1,020,909,601	14.0%	(625,605,788)	8.7%	(542,891,889)	8.2%	(360,950,669)	8.0%
Results from operating activities	**1,423,718,609**	**17.0%**	681,355,297	9.3%	1,709,917,686	23.9%	1,026,775,327	15.4%	617,985,100	13.7%
Net finance income/(cost)	**(70,740,581)**	**0.8%**	(52,717,181)	0.7%	(358,714,416)	4.8%	(2,392,390)	0.0%	(52,482,964)	1.2%
Profit before tax	**1,352,978,028**	**16.2%**	**628,638,117**	**8.6%**	**1,368,812,074**	**19.1%**	**1,024,382,938**	**15.4%**	**565,502,136**	**12.5%**
Profit for the year	**1,636,199,063**	**19.5%**	**627,384,284**	**8.6%**	**1,284,324,964**	**17.9%**	**997,714,093**	**15.0%**	**529,242,689**	**11.7%**

VERTICAL ANALYSIS FOR THE LAST FIVE YEARS STATEMENT OF FINANCIAL POSITION

Group	31st March 2025 (12 Months)		31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
ASSETS										
Non-current assets										
Property, plant and equipment	**3,636,559,581**	**22.7%**	3,631,260,418	25.1%	1,979,440,089	15.2%	1,667,971,362	14.4%	1,530,699,457	21.7%
Right-of-use assets	**153,885,074**	**1.0%**	116,020,774	0.8%	76,080,912	0.6%	15,142,330	0.1%	25,520,797	0.4%
Investment properties	**534,000,000**	**3.3%**	668,023,780	4.6%	-	0.0%	-	0.0%	-	0.0%
Intangible assets	**150,282,229**	**0.9%**	160,517,690	1.1%	18,941,870	0.1%	17,627,288	0.2%	22,480,109	0.3%
Investments in subsidiaries	**-**	**0.0%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other Investments	**74,220,000**	**0.5%**	77,495,664	0.5%	59,489,052	0.5%	-	0.0%	-	0.0%
Net Investment in the lease	**96,742,183**	**0.6%**	130,588,283	0.9%	138,183,850	1.1%	-	0.0%	-	0.0%
Consumable biological assets	**79,167,950**	**0.5%**	72,267,944	0.5%	68,830,578	0.5%	68,577,048	0.6%	58,120,344	0.8%
Advance paid for investment properties	**-**	**0.0%**	-	0.0%	715,298,499	5.5%	142,421,669	1.2%	142,421,669	2.0%
Investments in Joint Ventures	**46,761,857**		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Deferred Tax Assets	**234,692,649**	**1.5%**	7,003,465	0.0%	-	0.0%	-	0.0%	-	0.0%
	5,006,311,524	**31.2%**	4,863,178,020	33.7%	3,056,264,850	23.5%	1,911,739,697	16.6%	1,779,242,376	25.2%
Current assets										
Inventories	**2,866,360,928**	**17.9%**	2,884,443,016	20.0%	3,511,755,816	27.0%	2,253,759,798	19.5%	1,562,903,810	22.1%
Income tax recoverable	**49,219,164**	**0.3%**	46,476,961	0.3%	-	0.0%	-	0.0%	11,437,292	0.2%
Trade and other receivables	**4,940,087,051**	**30.8%**	4,318,348,208	29.9%	3,670,323,743	28.2%	4,784,543,338	41.4%	2,836,316,766	40.2%
Advances and prepayments	**1,418,316,788**	**8.9%**	996,844,095	6.9%	1,590,711,826	12.2%	787,270,868	6.8%	85,983,114	1.2%
Net Investment in the lease	**38,716,484**	**0.2%**	1,716,601	0.0%	1,522,505	0.0%	-	0.0%	-	0.0%
Amounts due from related parties	**60,188,888**	**0.4%**	62,463,305	0.4%	15,466,305	0.1%	61,400,571	0.5%	70,818,034	1.0%
Short term financial assets	**1,119,245,585**	**7.0%**	1,051,395,258	7.3%	887,203,460	6.8%	1,056,499,610	9.2%	216,806,589	3.1%
Assets classified as held for sale	**202,000,000**		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Cash and cash equivalents	**320,456,758**	**2.0%**	224,206,247	1.6%	275,833,478	2.1%	688,829,851	6.0%	494,283,570	7.0%
	11,014,591,645	**68.8%**	9,585,893,691	66.3%	9,952,817,133	76.5%	9,632,304,036	83.4%	5,278,549,174	74.8%
Total assets	**16,020,903,168**	**100.0%**	14,449,071,711	100.0%	13,009,081,983	100.0%	11,544,043,733	100.0%	7,057,791,551	100.0%
EQUITY AND LIABILITIES										
Capital and reserves										
Stated capital	**2,395,221,320**	**15.0%**	2,395,221,320	16.6%	2,395,221,320	18.4%	2,395,221,320	20.7%	918,770,013	13.0%
Retained earnings	**8,144,271,007**	**50.8%**	6,757,052,187	46.8%	6,138,539,386	47.2%	5,263,420,779	45.6%	4,451,031,491	63.1%
Foreign currency translation reserve	**-126,747,603**	**-0.8%**	(24,447,762)	-0.2%	107,899,325	0.8%	96,297,224	0.8%	(24,866,701)	0.4%
Equity attributable to equity holders of the parent	**10,412,744,724**	**65.0%**	9,127,825,745	63.2%	8,641,660,031	66.4%	7,754,939,323	67.2%	5,344,934,803	75.7%
Non-controlling interest	**-21,877,254**	**-0.1%**	12,543,373	-0.1%	(13,807,358)	0.1%	(8,337,725)	0.1%	(4,369,381)	0.1%
Total equity	**10,390,867,469**	**64.9%**	9,115,282,372	63.1%	8,627,852,673	66.3%	7,746,601,598	67.1%	5,340,565,422	75.7%
Non-current liabilities										
Interest bearing loans and borrowings	**82,689,530**	**0.5%**	114,115,432	0.8%	57,376,938	0.4%	13,588,091	0.1%	29,439,735	0.4%
Retirement benefit obligation	**105,518,588**	**0.7%**	92,978,812	0.6%	74,142,249	0.6%	63,888,296	0.6%	57,308,540	0.8%
Deferred tax liability	**-**	**0.0%**	55,986,311	0.4%	58,885,477	0.5%	14,334,396	0.1%	-	0.0%
	188,208,118	**1.2%**	263,080,555	1.8%	190,404,664	1.5%	91,810,782	0.8%	86,748,275	1.2%
Current liabilities										
Trade and other payables	**2,059,434,792**	**12.9%**	2,275,741,041	15.8%	2,516,304,370	19.3%	2,413,243,197	20.9%	1,127,339,229	16.0%
Amounts due to related parties	**7,726,504**	**0.0%**	-	0.0%	-	0.0%	4,607,375	0.0%	91,617	0.0%
Interest bearing loans and borrowings	**3,265,274,276**	**20.4%**	2,674,439,532	18.5%	1,557,543,932	12.0%	1,275,445,841	11.0%	503,047,009	7.1%
Income tax payable	**109,392,009**	**0.7%**	120,528,211	0.8%	116,976,344	0.9%	12,334,939	0.1%	-	0.0%
	5,441,827,580	**34.0%**	5,070,708,784	35.1%	4,190,824,646	32.2%	3,705,631,353	32.1%	1,630,477,855	23.1%
Total equity and liabilities	**16,020,903,168**	**100.0%**	14,449,071,711	100.0%	13,009,081,983	100.0%	11,544,043,733	100.0%	7,057,791,551	100.0%

VERTICAL ANALYSIS FOR THE LAST FIVE YEARS STATEMENT OF FINANCIAL POSITION

Company	31st March 2025 (12 Months)		31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
ASSETS										
Non-current assets										
Property, plant and equipment	**3,309,226,843**	**24.3%**	3,343,337,028	27.7%	1,872,397,657	17.7%	1,663,832,775	16.5%	1,528,228,246	23.0%
Right-of-use assets	**121,461,844**	**0.9%**	81,693,669	0.7%	23,620,842	0.2%	15,142,330	0.2%	25,520,797	0.4%
Investment properties	**-**	**0.0%**	216,635,216	1.8%	-	0.0%	-	0.0%	-	0.0%
Intangible assets	**125,214,736**	**0.9%**	152,829,001	1.3%	11,157,602	0.1%	9,688,032	0.1%	14,504,680	0.2%
Investments in subsidiaries	**1,120,009,897**	**8.2%**	1,013,620,803	8.4%	633,275,240	6.0%	333,818,740	3.3%	333,818,740	5.0%
Other Investments	**79,167,950**	**0.6%**	72,267,944	0.6%	59,489,052	0.6%	-	0.0%	-	0.0%
Net Investment in the lease	**96,742,183**	**0.7%**	130,588,283	1.1%	138,183,850	1.3%	-	0.0%	-	0.0%
Consumable biological assets	**74,220,000**	**0.5%**	77,495,664	0.6%	68,830,578	0.7%	68,577,048	0.7%	58,120,344	0.9%
Advance paid for investment properties	**-**	**0.0%**	-	0.0%	218,823,451	2.1%	142,421,669	1.4%	142,421,669	2.1%
Deferred Tax Assets	**229,608,026**	**1.7%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	5,155,651,478	**37.8%**	5,088,467,610	42.1%	3,025,778,272	28.6%	2,233,480,594	22.2%	2,102,614,476	31.6%
Current assets										
Inventories	**2,147,451,377**	**15.7%**	2,270,292,871	18.8%	2,681,493,784	25.3%	2,146,186,902	21.3%	1,461,999,666	22.0%
Income tax recoverable	**46,149,915**	**0.3%**	42,739,408	0.4%	-	0.0%	6,212,097	0.1%	18,788,089	0.3%
Trade and other receivables	**3,568,040,973**	**26.2%**	2,642,624,852	21.9%	2,411,654,625	22.8%	3,145,299,054	31.3%	2,315,246,921	34.8%
Advances and prepayments	**1,153,855,871**	**8.5%**	889,168,349	7.4%	1,508,332,929	14.3%	744,554,705	7.4%	75,934,260	1.1%
Net Investment in the lease	**38,716,484**	**0.3%**	1,716,601	0.0%	1,522,505	0.0%	-	0.0%	-	0.0%
Amounts due from related parties	**429,949,161**	**3.2%**	275,922,920	2.3%	222,508,575	2.1%	367,231,598	3.7%	246,056,188	3.7%
Short term financial assets	**722,085,091**	**5.3%**	774,394,249	6.4%	618,217,309	5.8%	868,684,706	8.6%	216,806,589	3.3%
Assets classified as held for sale	**202,000,000**	**1.5%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Cash and cash equivalents	**175,213,112**	**1.3%**	88,338,022	0.7%	115,240,932	1.1%	547,892,271	5.4%	216,355,313	3.3%
	8,483,461,984	**62.2%**	6,985,178,580	57.9%	7,558,970,659	71.4%	7,826,061,333	77.8%	4,551,187,026	68.4%
Total assets	**13,639,113,465**	**100.0%**	12,073,646,190	100.0%	10,584,748,931	100.0%	10,059,541,927	100.0%	6,653,801,502	100.0%
EQUITY AND LIABILITIES										
Capital and reserves										
Stated capital	**2,395,221,320**	**17.6%**	2,395,221,320	19.8%	2,395,221,320	22.6%	2,395,221,320	23.8%	918,770,013	13.8%
Retained earnings	**7,288,813,809**	**53.4%**	6,053,260,642	50.1%	5,828,321,631	55.1%	4,966,747,147	49.4%	4,372,129,973	65.7%
Foreign currency translation reserve	**-**	**0.0%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Equity attributable to equity holders of the parent	**9,684,035,129**	**71.0%**	8,448,481,962	70.0%	8,223,542,951	77.7%	7,361,968,467	73.2%	5,290,899,986	79.5%
Non-controlling interest	**-**	**0.0%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total equity	**9,684,035,129**	**71.0%**	8,448,481,962	70.0%	8,223,542,951	77.7%	7,361,968,467	73.2%	5,290,899,986	79.5%
Non-current liabilities										
Interest bearing loans and borrowings	**59,371,136**	**0.4%**	72,450,294	0.6%	14,616,309	0.1%	2,265,966	0.0%	10,292,086	0.2%
Retirement benefit obligation	**103,154,212**	**0.8%**	90,894,582	0.8%	72,827,983	0.7%	62,913,258	0.6%	56,079,631	0.8%
Deferred tax liability	**-**	**0.0%**	55,986,310	0.5%	55,170,522	0.5%	14,334,396	0.1%	-	0.0%
	162,525,348	**1.2%**	219,331,186	1.8%	142,614,814	1.3%	79,513,620	0.8%	66,371,717	1.0%
Current liabilities										
Trade and other payables	**1,698,216,806**	**12.5%**	1,193,493,580	9.9%	830,839,981	7.8%	1,401,216,873	13.9%	820,994,171	12.3%
Amounts due to related parties	**84,496,800**	**0.6%**	26,124,847	0.2%	-	0.0%	-	0.0%	-	0.0%
Interest bearing loans and borrowings	**2,009,839,382**	**14.7%**	2,186,214,616	18.1%	1,355,896,675	12.8%	1,216,842,967	12.1%	475,535,629	7.1%
Income tax payable	**-**	**0.0%**	-	0.0%	31,854,509	0.3%	-	0.0%	-	0.0%
	3,792,552,988	**27.8%**	3,405,833,042	28.2%	2,218,591,165	21.0%	2,618,059,840	26.0%	1,296,529,799	19.5%
Total equity and liabilities	**13,639,113,465**	**100.0%**	12,073,646,190	100.0%	10,584,748,931	100.0%	10,059,541,927	100.0%	6,653,801,502	100.0%

HORIZONTAL ANALYSIS FOR THE LAST FIVE YEARS STATEMENT OF FINANCIAL POSITION

Group	31st March 2025 (12 Months)		31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
ASSETS										
Non-current assets										
Property, plant and equipment	**3,636,559,581**	**22.7%**	3,631,260,418	183.4%	1,979,440,089	118.7%	1,667,971,362	109.0%	1,530,699,457	106.6%
Right-of-use assets	**153,885,074**	**1.0%**	116,020,774	152.5%	76,080,912	502.4%	15,142,330	59.3%	25,520,797	57.5%
Investment properties	**534,000,000**	**3.3%**	668,023,780	100.0%	-	0.0%	-	0.0%	-	0.0%
Intangible assets	**150,282,229**	**0.9%**	160,517,690	847.4%	18,941,870	107.5%	17,627,288	78.4%	22,480,109	93.1%
Investments in subsidiaries	**-**	**0.0%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other Investments	**74,220,000**	**0.5%**	77,495,664	130.3%	59,489,052	100.0%	-	0.0%	-	0.0%
Net Investment in the lease	**96,742,183**	**0.6%**	130,588,285	94.5%	138,183,850	100.0%	-	0.0%	-	0.0%
Consumable biological assets	**79,167,950**	**0.5%**	72,267,944	105.0%	68,830,578	100.4%	68,577,048	118.0%	58,120,344	118.0%
Advance paid for investment properties	**-**	**0.0%**	-	0.0%	715,298,499	502.2%	142,421,669	100.0%	142,421,669	103.8%
Investments in Joint Ventures	**46,761,857**		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Deferred Tax Assets	**234,692,649**	**1.5%**	7,003,465	100.0%	-	0.0%	-	0.0%	-	0.0%
	5,006,311,524	**31.2%**	4,863,178,020	159.1%	3,056,264,850	159.9%	1,911,739,697	107.4%	1,779,242,376	105.1%
Current assets										
Inventories	**2,866,360,928**	**17.9%**	2,884,443,016	82.1%	3,511,755,816	155.8%	2,253,759,798	144.2%	1,562,903,810	100.0%
Income tax recoverable	**49,219,164**	**0.3%**	46,476,961	0.0%	-	#DIV/0!	-	0.0%	11,437,292	100.0%
Trade and other receivables	**4,940,087,051**	**30.8%**	4,318,348,208	117.7%	3,670,323,743	76.7%	4,784,543,338	168.7%	2,836,316,766	100.0%
Advances and prepayments	**1,418,316,788**	**8.9%**	996,844,095	62.7%	1,590,711,826	202.1%	787,270,868	915.6%	85,983,114	100.0%
Net Investment in the lease	**38,716,484**	**0.2%**	1,716,601	100.0%	1,522,505	0.0%	-	0.0%	-	0.0%
Amounts due from related parties	**60,188,888**	**0.4%**	62,463,305	403.9%	15,466,305	25.2%	61,400,571	86.7%	70,818,034	100.0%
Short term financial assets	**1,119,245,585**	**7.0%**	1,051,395,258	118.5%	887,203,460	84.0%	1,056,499,610	100.0%	216,806,589	0.0%
Assets classified as held for sale	**202,000,000**									
Cash and cash equivalents	**320,456,758**	**2.0%**	224,206,247	81.3%	275,833,478	40.0%	688,829,851	139.4%	494,283,570	100.0%
	11,014,591,645	**68.8%**	9,585,893,691	96.3%	9,952,817,133	103.3%	9,632,304,036	182.5%	5,278,549,174	100.0%
Total assets	**16,020,903,168**	**100.0%**	14,449,071,711	111.1%	13,009,081,983	112.7%	11,544,043,733	163.6%	7,057,791,551	100.0%
EQUITY AND LIABILITIES										
Capital and reserves										
Stated capital	**2,395,221,320**	**15.0%**	2,395,221,320	100.0%	2,395,221,320	100.0%	2,395,221,320	260.7%	918,770,013	100.0%
Retained earnings	**8,144,271,007**	**50.8%**	6,757,052,187	110.1%	6,138,539,386	116.6%	5,263,420,779	118.3%	4,451,031,491	100.0%
Foreign currency translation reserve	**-126,747,603**	**-0.8%**	(24,447,762)	-22.7%	107,899,325	-112.0%	96,297,224	-387.3%	(24,866,701)	100.0%
Equity attributable to equity holders of the parent	**10,412,744,724**	**65.0%**	9,127,825,745	105.6%	8,641,660,031	111.4%	7,754,939,323	145.1%	5,344,934,803	100.0%
Non-controlling interest	**-21,877,254**	**-0.1%**	12,543,373	-90.8%	(13,807,358)	165.6%	(8,337,725)	190.8%	(4,369,381)	100.0%
Total equity	**10,390,867,469**	**64.9%**	9,115,282,372	105.6%	8,627,852,673	111.4%	7,746,601,598	145.1%	5,340,565,422	100.0%
Non-current liabilities										
Interest bearing loans and borrowings	**82,689,530**	**0.5%**	114,115,432	198.9%	57,376,938	422.3%	13,588,091	46.2%	29,439,735	100.0%
Retirement benefit obligation	**105,518,588**	**0.7%**	92,978,812	125.4%	74,142,249	116.0%	63,888,296	111.5%	57,308,540	100.0%
Deferred tax liability	**-**	**0.0%**	55,986,311	95.1%	58,885,477	100.0%	14,334,396	#DIV/0!	-	100.0%
	188,208,118	**1.2%**	263,080,555	138.2%	190,404,664	207.4%	91,810,782	105.8%	86,748,275	100.0%
Current liabilities										
Trade and other payables	**2,059,434,792**	**12.9%**	2,275,741,041	90.4%	2,516,304,370	104.3%	2,413,243,197	214.1%	1,127,339,229	100.0%
Amounts due to related parties	**7,726,504**	**0.0%**	-	#DIV/0!	-	0.0%	4,607,375	5028.9%	91,617	100.0%
Interest bearing loans and borrowings	**3,265,274,276**	**20.4%**	2,674,439,532	171.7%	1,557,543,932	122.1%	1,275,445,841	253.5%	503,047,009	100.0%
Income tax payable	**109,392,009**	**0.7%**	120,528,211	103.0%	116,976,344	100.0%	12,334,939	0.0%	-	0.0%
	5,441,827,580	**34.0%**	5,070,708,784	121.0%	4,190,824,646	113.1%	3,705,631,353	227.3%	1,630,477,855	100.0%
Total equity and liabilities	**16,020,903,168**	**100.0%**	14,449,071,711	111.1%	13,009,081,983	112.7%	11,544,043,733	163.6%	7,057,791,551	100.0%

HORIZONTAL ANALYSIS FOR THE LAST FIVE YEARS STATEMENT OF FINANCIAL POSITION

Company	31st March 2025 (12 Months)		31st March 2024 (12 Months)		31st March 2023 (12 Months)		31st March 2022 (12 Months)		31st March 2021 (12 Months)	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
ASSETS										
Non-current assets										
Property, plant and equipment	**3,309,226,843**	**24.3%**	3,343,337,028	27.7%	1,872,397,657	17.7%	1,663,832,775	16.5%	1,528,228,246	23.0%
Right-of-use assets	**121,461,844**	**0.9%**	81,693,669	0.7%	23,620,842	0.2%	15,142,330	0.2%	25,520,797	0.4%
Investment properties	**-**	**0.0%**	216,635,216	1.8%	-	0.0%	-	0.0%	-	0.0%
Intangible assets	**125,214,736**	**0.9%**	152,829,001	1.3%	11,157,602	0.1%	9,688,032	0.1%	14,504,680	0.2%
Investments in subsidiaries	**1,120,009,897**	**8.2%**	1,013,620,803	8.4%	633,275,240	6.0%	333,818,740	3.3%	333,818,740	5.0%
Other Investments	**79,167,950**	**0.6%**	72,267,944	0.6%	59,489,052	0.6%	-	0.0%	-	0.0%
Net Investment in the lease	**96,742,183**	**0.7%**	130,588,283	1.1%	138,183,850	1.3%	-	0.0%	-	0.0%
Consumable biological assets	**74,220,000**	**0.5%**	77,495,664	0.6%	68,830,578	0.7%	68,577,048	0.7%	58,120,344	0.9%
Advance paid for investment properties	**-**	**0.0%**	-	0.0%	218,823,451	2.1%	142,421,669	1.4%	142,421,669	2.1%
Deferred Tax Assets	**229,608,026**	**1.7%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	5,155,651,478	**37.8%**	5,088,467,610	42.1%	3,025,778,272	28.6%	2,233,480,594	22.2%	2,102,614,476	31.6%
Current assets										
Inventories	**2,147,451,377**	**15.7%**	2,270,292,871	18.8%	2,681,493,784	25.3%	2,146,186,902	21.3%	1,461,999,666	22.0%
Income tax recoverable	**46,149,915**	**0.3%**	42,739,408	0.4%	-	0.0%	6,212,097	0.1%	18,788,089	0.3%
Trade and other receivables	**3,568,040,973**	**26.2%**	2,642,624,852	21.9%	2,411,654,625	22.8%	3,145,299,054	31.3%	2,315,246,921	34.8%
Advances and prepayments	**1,153,855,871**	**8.5%**	889,168,349	7.4%	1,508,332,929	14.3%	744,554,705	7.4%	75,934,260	1.1%
Net Investment in the lease	**38,716,484**	**0.3%**	1,716,601	0.0%	1,522,505	0.0%	-	0.0%	-	0.0%
Amounts due from related parties	**429,949,161**	**3.2%**	275,922,920	2.3%	222,508,575	2.1%	367,231,598	3.7%	246,056,188	3.7%
Short term financial assets	**722,085,091**	**5.3%**	774,394,249	6.4%	618,217,309	5.8%	868,684,706	8.6%	216,806,589	3.3%
Assets classified as held for sale	**202,000,000**	**1.5%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Cash and cash equivalents	**175,213,112**	**1.3%**	88,338,022	0.7%	115,240,932	1.1%	547,892,271	5.4%	216,355,313	3.3%
	8,483,461,984	**62.2%**	6,985,178,580	57.9%	7,558,970,659	71.4%	7,826,061,333	77.8%	4,551,187,026	68.4%
Total assets	**13,639,113,465**	**100.0%**	12,073,646,190	100.0%	10,584,748,931	100.0%	10,059,541,927	100.0%	6,653,801,502	100.0%
EQUITY AND LIABILITIES										
Capital and reserves										
Stated capital	**2,395,221,320**	**17.6%**	2,395,221,320	19.8%	2,395,221,320	22.6%	2,395,221,320	23.8%	918,770,013	13.8%
Retained earnings	**7,288,813,809**	**53.4%**	6,053,260,642	50.1%	5,828,321,631	55.1%	4,966,747,147	49.4%	4,372,129,973	65.7%
Foreign currency translation reserve	**-**	**0.0%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Equity attributable to equity holders of the parent	**9,684,035,129**	**71.0%**	8,448,481,962	70.0%	8,223,542,951	77.7%	7,361,968,467	73.2%	5,290,899,986	79.5%
Non-controlling interest	**-**	**0.0%**	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total equity	**9,684,035,129**	**71.0%**	8,448,481,962	70.0%	8,223,542,951	77.7%	7,361,968,467	73.2%	5,290,899,986	79.5%
Non-current liabilities										
Interest bearing loans and borrowings	**59,371,136**	**0.4%**	72,450,294	0.6%	14,616,309	0.1%	2,265,966	0.0%	10,292,086	0.2%
Retirement benefit obligation	**103,154,212**	**0.8%**	90,894,582	0.8%	72,827,983	0.7%	62,913,258	0.6%	56,079,631	0.8%
Deferred tax liability	**-**	**0.0%**	55,986,310	0.5%	55,170,522	0.5%	14,334,396	0.1%	-	0.0%
	162,525,348	**1.2%**	219,331,186	1.8%	142,614,814	1.3%	79,513,620	0.8%	66,371,717	1.0%
Current liabilities										
Trade and other payables	**1,698,216,806**	**12.5%**	1,193,493,580	9.9%	830,839,981	7.8%	1,401,216,873	13.9%	820,994,171	12.3%
Amounts due to related parties	**84,496,800**	**0.6%**	26,124,847	0.2%	-	0.0%	-	0.0%	-	0.0%
Interest bearing loans and borrowings	**2,009,839,382**	**14.7%**	2,186,214,616	18.1%	1,355,896,675	12.8%	1,216,842,967	12.1%	475,535,629	7.1%
Income tax payable	**-**	**0.0%**	-	0.0%	31,854,509	0.3%	-	0.0%	-	0.0%
	3,792,552,988	**27.8%**	3,405,833,042	28.2%	2,218,591,165	21.0%	2,618,059,840	26.0%	1,296,529,799	19.5%
Total equity and liabilities	**13,639,113,465**	**100.0%**	12,073,646,190	100.0%	10,584,748,931	100.0%	10,059,541,927	100.0%	6,653,801,502	100.0%

OUR PRESENCE

HEAD OFFICE

JAT Holdings PLC

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Fax: +94 11 2773793
Email: info@jatholdings.com
Website: www.jatholdings.com

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JAT Tech Centre – Moratuwa

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Moratuwa
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Seaform Bangladesh (Pvt) Ltd

House-21, Road-13 C, Block- E, Banani,
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PO: 1213

India

JAT Global (Pvt) Ltd

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Garden, Bilekahalli, Near Raj Lakeview
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Tel: +91 8048 908489
E-mail: info@jatholdings.in

Dubai

JAT Exports DMCC

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Tel: +555 086718

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JAT Australia PTY Ltd

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Australia 6053

Seaform Perth PTY LTD

Unit 1, 18 Hector Street W, Osborne
Park, West Australia,
6017

Kenya

JAT Paints Africa Limited

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Tel: +254722175522.

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING

GRI 2-5

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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF JAT HOLDINGS PLC ON THE INTEGRATED ANNUAL REPORT 2024/25

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 2025 (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, organisational 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 JAT Holdings PLC on 12 May 2025. 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 quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING

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.

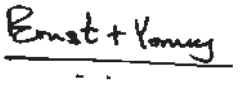
EMPHASIS OF MATTER

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 2025, in order for it to be in accordance with the Criteria.



30 May 2025
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 FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, 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, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

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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 FY 2024/25

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 in JAT Holdings PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (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 JAT Holdings PLC on 12 May 2025. 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 quality management standards, 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.

INDEPENDENT ASSURANCE ON SUSTAINABILITY REPORTING

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 organisation 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 organisation'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 2025, in order for it to be in accordance with the Criteria.

Ernst + Young

30 May 2025
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 FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, 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, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

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GRI CONTENT INDEX



Statement of use	**JAT Holdings PLC has reported in accordance with the GRI Standards for the period from 01 April 2024 to 31 March 2025.**
GRI 1 used	**GRI 1: Foundation 2021**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	252				
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4, 7				
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	2-5 External assurance	4, 343-346				
	2-6 Activities, value chain and other business relationships	14, 111, 122-126				
	2-7 Employees	98				
	2-8 Workers who are not employees	100				
	2-9 Governance structure and composition	70, 150, 154, 168				
	2-10 Nomination and selection of the highest governance body	174, 234				
	2-11 Chair of the highest governance body	157				
	2-12 Role of the highest governance body in overseeing the management of impacts	152, 168				
	2-13 Delegation of responsibility for managing impacts	152, 168				
	2-14 Role of the highest governance body in sustainability reporting	49, 169				
	2-15 Conflicts of interest	159, 226				
	2-16 Communication of critical concerns	237				No critical concerns communicated during the reporting period
	2-17 Collective knowledge of the highest governance body	155				
	2-18 Evaluation of the performance of the highest governance body	156				
	2-19 Remuneration policies	158, 167, 231				



GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-20 Process to determine remuneration	158, 167, 231				
	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	62				
	2-23 Policy commitments	107, 149, 217				
	2-24 Embedding policy commitments	107, 149, 217				
	2-25 Processes to remediate negative impacts	107, 161				
	2-26 Mechanisms for seeking advice and raising concerns	107, 161				
	2-27 Compliance with laws and regulations	59				No incidents were reported during the year
	2-28 Membership associations	131				
	2-29 Approach to stakeholder engagement	36				
	2-30 Collective bargaining agreements	109				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	49				
	3-2 List of material topics	49				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	82, 207, 269				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	28				
	201-2 Financial implications and other risks and opportunities due to climate change	207				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	201-3 Defined benefit plan obligations and other retirement plans	269				
	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	121				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	127				
	203-2 Significant indirect economic impacts	127				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	121				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	126				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	161				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	_				No such incidents were assessed during the year
	205-2 Communication and training about anti-corruption policies and procedures	158, 161				
	205-3 Confirmed incidents of corruption and actions taken	_				No such incident was reported during the year
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	161				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	–				No material cases were reported during the year
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	269				
GRI 207: Tax 2019	207-1 Approach to tax	269				
	207-2 Tax governance, control, and risk management	269				
	207-3 Stakeholder engagement and management of concerns related to tax	42				
	207-4 Country-by-country reporting	88				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	132				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	138				
	302-3 Energy intensity	138				
	302-4 Reduction of energy consumption	138				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	132				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	137				
	303-2 Management of water discharge-related impacts	137				
	303-3 Water withdrawal	137				
	303-4 Water discharge	137				
	303-5 Water consumption	137				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	132				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	139				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	305-2 Energy indirect (Scope 2) GHG emissions	139				
	305-3 Other indirect (Scope 3) GHG emissions	139				
	305-4 GHG emissions intensity	139				
	305-5 Reduction of GHG emissions	139				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	132				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	140				
	306-2 Management of significant waste-related impacts	140				
	306-3 Waste generated	140				
	306-4 Waste diverted from disposal	140				
	306-5 Waste directed to disposal	140				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	99				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	101				
	401-3 Parental leave	109				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	109				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	104				



GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	403-2 Hazard identification, risk assessment, and incident investigation	104				
	403-3 Occupational health services	104				
	403-4 Worker participation, consultation, and communication on occupational health and safety	104				
	403-5 Worker training on occupational health and safety	104				
	403-6 Promotion of worker health	104				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	104				
	403-8 Workers covered by an occupational health and safety management system	104				
	403-9 Work-related injuries	104				
	403-10 Work-related ill health	104				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	103				
	404-2 Programs for upgrading employee skills and transition assistance programs	103				
	404-3 Percentage of employees receiving regular performance and career development reviews	102				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	98, 154				
	405-2 Ratio of basic salary and remuneration of women to men	108				

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	98				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	107				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
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	109, 126				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	107				
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	107				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	121				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	127				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			REMARKS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	413-2 Operations with significant actual and potential negative impacts on local communities	127				
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	161				
GRI 415: Public Policy 2016	415-1 Political contributions	_				No contributions were made during the year
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	121				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	124				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	125				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	121				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	125				
	417-2 Incidents of non-compliance concerning product and service information and labeling	125				
	417-3 Incidents of non-compliance concerning marketing communications	125				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	121				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	125				

SASB INDEX

CHEMICALS - SUSTAINABILITY ACCOUNTING STANDARD



TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO
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	139
	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	139-140
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tonnes (t)	RT-CH-120a.1	NA
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy 1	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CH-130a.1	138
Water Management	(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	137
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	RT-CH-140a.2	Nil
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	RT-CH-140a.3	137-138, 209
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	RT-CH-150a.1	140
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	n/a	RT-CH-210a.1	120-131, 208
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	104-105
	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	104-105
Product Design for Use-phase Efficiency	Revenue from products designed for use- phase resource efficiency	Quantitative	Presentation currency	RT-CH-410a.1	NA

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO
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	125
	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	135-136
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	RT-CH-410c.1	NA
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	21, 136
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	NA
	Number of transport incidents 3	Quantitative	Number	RT-CH-540a.2	Nil

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth (12th) Annual General Meeting of JAT HOLDINGS PLC will be held as a virtual meeting centered at the "Board Room" of the Company at No. 351, Pannipitiya Road, Thalawathugoda, Sri Lanka on 30 June 2025 at 10.00 a.m. for the following businesses;

ROUTINE BUSINESS

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 2025, and the report of the Auditors thereon.

2. To re-elect Mrs. Anika Niranjalie Williamson as a Non-Executive/ Non-Independent Director, in terms of Articles 88(i) and 89 of the Articles of Association of the Company.

3. To re-elect Mr. Richard Winston Gunawardene as a Non-Executive/ Non-Independent Director, in terms of Articles 88(i) and 89 of the Articles of Association of the Company.

4. To re-elect Eng. Bharatha Manju Sri Kumar Haththotuwa as a Non-Executive/ Independent Director, in terms of Article 95 of the Articles of Association of the Company.

5. To re-appoint M/S Ernst and Young Chartered Accountants as the Company's Auditors for the ensuing year and to authorise the Directors to determine their remuneration.

6. To authorise the Board of Directors to determine donations for the year ending 31st March 2026 and up to the next Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolution as a **SPECIAL RESOLUTION** to amend the Articles of Association of the Company.

"IT IS HEREBY RESOLVED THAT -

1. The existing Article 80 be amended by the deletion of the first four lines of the said Article commencing from the words "The Board of Directors shall consist of not less than two or more than eleven in number. Upon the shares of the Company being listed on the Colombo Stock Exchange, the Company shall in compliance with the Listing Rules of such Exchange ensure that -" and substituting therefore the following words. "The Board of Directors shall consist of not less than Five (5) or more than Eleven (11) in number. So long as the Company is listed on the Colombo Stock Exchange, the Company shall in compliance with the Listing Rules of such Exchange ensure that -"

   so that the amended Article 80 shall read as follows :

   80. The Board of Directors shall consist of not less than Five (5) or more than Eleven (11) in number. So long as the Company is listed on the Colombo Stock Exchange, the Company shall in compliance with the Listing Rules of such Exchange ensure that –

   (i) one-third or two (whichever is greater) of the total number of Directors on the Board of Directors of the Company at any time and from time to time are Non-Executive Directors and ;

   (ii) of such one-third or two as the case may be of such Non-Executive Directors as aforesaid, a further one-third or two (whichever is greater) shall also be 'Independent Directors' of the Company.

   The number of Non-Executive Directors required to be on the Board of Directors of the Company at any time and from time to time, shall be determined with reference to the number of Directors on the Board of the Company at the immediately preceding Annual General Meeting of the Company.

   For the purpose of this Article, the term 'Independent Director' shall be as defined and set out in the Listing Rules of the Colombo Stock Exchange.

2. to delete Article 82 in its entirety and to substitute therefore the following :

   82. Subject to the Act, the Company may by Ordinary Resolution from time to time increase or reduce the maximum number of Directors.

3. to add the following new Articles numbered from (a) – (e) immediately at the end of Article 121, so that the said Sub Articles from (a) – (e) shall form as Sub Articles (a) – (e) of Article 121.

   (a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.

   (b) If an Alternate Director is appointed to represent a Non-Executive Director, such Alternate Director shall not be an Executive of the Listed Entity.

   (c) If an Alternate Director is appointed to represent an Independent Director, the person so appointed should meet the criteria for independence specified in the Listing Rules of the Colombo Stock Exchange, and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in the Listing Rules. The Nominations

and Governance Committee shall review and determine that the person nominated as the Alternate would qualify as an Independent Director before such appointment is made.

(d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following:

(i) the exceptional circumstances leading to such appointment;

(ii) the information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-Executive or Independent Director;

(iii) the time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and,

(iv) a Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.

(e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.

4. to delete the following words appearing in Article 124 "An Alternate Director may be appointed for a specified period or until the happening of a specified event but he shall ipso facto cease to be an Alternate Director in any of the following events, that is to say : -"

and substitute therefore the following new words in its place.

"The appointment of an Alternate Director shall ipso facto cease during the period of the appointment; in any of the following events, that is to say :

so that the amended Article 124 shall read as follows :

124.The appointment of an Alternate Director shall ipso facto cease during the period of the appointment; in any of the following events, that is to say :-

(i) upon the resumption of his duties as a Director of his appointor.

(ii) if his appointor ceases for any reason to be a Director: Provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect , any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired.

(iii) if the appointment of the Alternate Director is revoked by notice in writing left at the office by his appointor.

(iv) if a majority of the Directors resolve that the appointment of the Alternate Director be terminated: Provided that such termination shall not take effect until the expiration of thirty days after the date of the resolution of the Directors.

(v) If he become prohibited by law from acting as alternate Director including

a) If he is convicted of any offense under the Act punishable by imprisonment; or

b) If he is convicted of any offense involving dishonest or fraudulent acts whether in Sri Lanka or elsewhere.

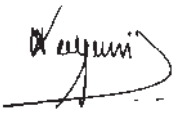
(vi) If he resigns by writing under his hand left at the Office.

(vii) If he ceases to hold office in terms of Section 207 of the Act.

(viii) If he becomes disqualified from being a Director in terms of Section 202 of the Act.

By order of the Board

JAT HOLDINGS PLC



N.I.D. Corporate Services (Pvt) Ltd
Company Secretaries

02 June 2025

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 ENG. BHARATHA MANJU SRI KUMAR HATHTHOTUWA 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 TWELFTH (12TH) ANNUAL GENERAL MEETING of the Company to be held on 30th June 2025 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

	In favour	Against
ROUTINE BUSINESSES		
1. To re-elect Mrs. Anika Niranjalie Williamson as a Non-Executive/Non-Independent Director, in terms of Articles 88(i) and 89 of the Articles of Association of the Company,	◯	◯
2. To re-elect Mr. Richard Winston Gunawardene as a Non-Executive/Non-Independent Director, in terms of Articles 88(i) and 89 of the Articles of Association of the Company.	◯	◯
3. To re-elect Eng. Bharatha Manju Sri Kumar Haththotuwa as a Non-Executive/ Independent Director, in terms of Article 95 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 authorise the Directors to determine their remuneration.	◯	◯
5. To authorise the Board of Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.	◯	◯
SPECIAL BUSINESSES		
1. To consider and, if thought fit, to pass the following Resolution as a SPECIAL RESOLUTION to amend the Articles of Association of the Company.	◯	◯

Signed this_____day of_____2025.

_____
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.

FORM OF PROXY

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				
Dividends				
Other documents/Correspondence				

Timely receipt of,

	Outstanding	Very Good	Good	Poor
Report on Corporate Governance				
Management Discussion and Analysis				
Balance Sheet, Profit or Loss Statement and other financial statements				

Quality and Contents of Annual Report

	Outstanding	Very Good	Good	Poor
Overall Quality				

Comments/Suggestions/Remarks

NOTES



NOTES

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
11. Nations Trust Bank

AUDITORS

Ernst & Young Chartered Accountants,
Sri Lanka
Rotunda Towers, No 109, Galle Road,
Colombo 03

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. Eng. Manju Haththotuwa
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. Devaka Cooray - Chairman
2. Dr. Sivakumar Selliah
3. Hussain Akbarally

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

1. Devaka Cooray - Chairman
2. Dr. Sivakumar Selliah
3. Hussain Akbarally

INVESTMENT COMMITTEE

1. Anika Williamson – Chairman
2. Devaka Cooray
3. Hussain Akbarally

NOMINATIONS AND GOVERNANCE COMMITTEE

1. Devaka Cooray – Chairman
2. Dr. Sivakumar Selliah
3. Joycelyn Gunawardene

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