



ANNUAL REPORT

2023 - 2024

LANKA ALUMINIUM INDUSTRIES PLC

Corporate Information

Board of Directors

Mr. Jude Dinal Peiris
Mr. Jayantha Mootatamby Swaminathan
Mr. Paras Chandaria
Mr. Dinesh Stephan Weerakkody
Mr. Sanjeev Kumar

Secretaries

SSP Corporate Services (Private) Limited
101, Inner Flower Road, Colombo 03.

Company Registration Number

PQ 187

Registered Office

1st Floor, Lakshman's Building,
321, Galle Road, Colombo 03.

Website

www.aluminium.lk

Bankers

Hatton National Bank PLC
National Development Bank PLC
DFCC Bank PLC
Nations Trust Bank PLC
Sampath Bank PLC

Lawyers

Messrs. Julius & Creasy,
371, R.A. De Mel Mawatha,
Colombo 03.

Auditors

KPMG, Chartered Accountants
32 A, Sir Mohamed Macan Marker Mawatha,
Colombo 03.

TABLE OF CONTENTS

Notice of Meeting	2
Board of Directors	3 - 4
Chairman's Statement	5
Management Discussion and Analysis on Financial Performance	6 - 9

Stewardship

Report of the Directors on the State of Affairs of the Company	12 - 15
Corporate Governance	16 - 38
Risk Management and Business Control	39 - 46
Corporate Social Responsibility	47 - 52
Audit Committee Report	53 - 55
Remuneration Committee Report	56 - 57
Related Party Transactions Review Committee Report	58 - 59
Responsibility Statement of Executive Chairman/ Managing Director and Group General Manager Finance and Administration	60 - 61
Statement of Directors' Responsibility for Financial Reporting	62

Financial Information

Financial Calendar	63
Independent Auditor's Report	64 - 67
Income Statements	68
Statements of Profit or Loss and Other Comprehensive Income	69
Statements of Financial Position	70
Statements of Changes in Equity	71
Statements of Cash Flows	72
Notes to the Financial Statements	73 - 125

Supplementary Information

Statement of Value Addition	128
Real Estate Portfolio	129
Five Year Summary	130
Twenty (20) Major Shareholders	131
Analysis of Shareholders According to the Number of Shares as at 31st March 2024	132
Glossary of Financial Terms	133 - 135
Form of Proxy (Enclosed)	137 - 138

Notice of Meeting

Notice is hereby given that the Thirty Eighth Annual General Meeting of Lanka Aluminium Industries PLC will be held at the auditorium of the Sri Lanka Institute of Tourism & Hotel Management at No. 78, Galle Road, Colombo 03 on Monday, 23rd September 2024 at 10.30 a.m.

for the purpose of transacting the following items of business

AGENDA

1. To receive and consider the Audited Financial Statements for the year ended 31st March 2024 together with the Annual Report of the Board of Directors and of the Auditors thereon.
2. To declare a First and Final Dividend of Rs. 1.00 per share in respect of the financial year ended 31st March 2024 as recommended by the Board of Directors.
3. To re-elect as a Director Mr. Sanjeev Kumar, who retires by rotation in terms of Article No.86 of the Articles of Association as recommended by the Board of Directors.
4. To consider and if thought fit to pass the following Ordinary Resolution pertaining to the re-appointment of Dr. J.M. Swaminathan, as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No. 7 of 2007; and whose reappointment is recommended by the Board of Directors

Ordinary Resolution

"That the age limit of 70 years referred to in Section 210 of the Companies Act, No. 7 of 2007 shall not apply to Dr. Jayantha Mootatamby Swaminathan, who is 83 years of age (having reached 70 years of age on 9th January 2011) and accordingly that Dr. Jayantha Mootatamby Swaminathan be and is hereby re-appointed a Director of the Company in terms of Section 211 of the Companies Act No. 7 of 2007"

5. To authorise the Board of Directors to determine the remuneration of the Auditors, Messrs KPMG, Chartered Accountants who are deemed to have been re-appointed as Auditors in terms of Section 158 of the Companies Act No. 07 of 2007.
6. To authorise the Board of Directors to determine contributions to charities.

By Order of the Board of Directors of Lanka Aluminium Industries PLC

S S P CORPORATE
SERVICES (PRIVATE) LIMITED

Secretaries

S S P CORPORATE SERVICES (PRIVATE) LIMITED

SECRETARIES

Colombo

14th August 2024

1. A shareholder entitled to attend, speak and vote at the above mentioned meeting is entitled to appoint a proxy to attend, speak and vote instead of him/her. Such proxy need not be a Shareholder of the Company.
2. A Form of Proxy is enclosed.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company, at 1st Floor, Lakshman's Building, No.321, Galle Road, Colombo 3, not later than 48 hours before the time appointed for the holding of the meeting.

Board of Directors



Mr. J D Peiris

Executive Chairman

Appointed to the board in 1990



Mr. Dinal Peiris is an Engineer with a BSc (Hons) Degree (Lond) and an MBA from the London Business School, UK. He joined the company in December 1989 as General Manager, the Company's Board of Directors in 1990 and was appointed Managing Director in May 1999. He has considerable techno/commercial experience in several areas, especially in manufacturing of aluminium, steel, other metal products as well as fabrics. He has also been involved in the setting up of new businesses including the company's subsidiaries. He is on the Board of several companies and government institutions in Sri Lanka and serves as the Chairman/Managing Director of the company's subsidiaries.

Mr. Dinal Peiris was appointed as executive chairman on 12th August 2020.



Dr. J M Swaminathan

Independent Non-Executive Director

Appointed to the board in June 2002



Dr. J. M. Swaminathan is an Attorney-at-Law with over 59 years in practice. He was the former Senior Partner of Messrs. Julius & Creasy. He was a Member of the Office for Reparations Sri Lanka. He has served as a Member of the Law Commission of Sri Lanka and Member of the Council of Legal Education and the Council of the University of Council. He is also a member of the Company Law Advisory Commission and The Intellectual Property Law Advisory Commission. He is the Chairman of the Studies of the Council of Legal Education and also was a Consultant at the Institute of Advanced Legal Studies of the Council of Legal Education. He is a Member of the Visiting Faculty of the LLM Course of the University of Colombo. He also serves on the Boards of several public and private companies.



Mr. Paras Chandaria

Non-Executive Director

Appointed to the board on 15th August 2011



Mr. Paras Chandaria is a graduate from the London School of Economics and Political Science. He has over 30 years international business experience, having worked in Africa, Europe, Americas and Asia and is currently based in London. He has deep and diverse experience starting up, building, turning around, managing and guiding multiple global and regional businesses across different industry verticals. He has had a business leadership role at Mainetti Group (largest garment hanger manufacturer - global), Cyklop Group (packaging business - global), Metecno Group (insulated panel producer - global), Emtelle Group, ImagiNation (edutainment - India). He has for many years served as Executive Chairman of UST, a leading global digital technology services business committed to touching 3 billion lives through digital solutions and technologies. In addition to his business commitments, he spends time on various CSR projects tackling the root causes of issues such as exploitation of children, mental health, and education of girls in India.



Mr. Dinesh Weerakkody ✓

*Independent Non-Executive Director
Appointed to the board in October 2011*

Mr. Dinesh Weerakkody (D.BA) is a former Chairman of Hatton National Bank PLC and Commercial Bank of Ceylon PLC. He currently holds the position of Chairman of the Employers' Federation of Ceylon, Immediate Past Chairman of the International Chamber of Commerce Sri Lanka, and Senior Vice Chairman of the Sri Lanka Institute of Directors. He also serves as a Director of several companies.

Currently, Mr. Weerakkody is Advisor on Treasury Affairs to the President and serves as the Chairman of the Board of Investment of Sri Lanka and the Chairman of the Colombo Port City Economic Commission. Additionally, he has previously held key positions, including Chairman of the Employees' Trust Fund Board of Sri Lanka, the National Human Resource Development Council of Sri Lanka, and the International Chamber of Commerce Sri Lanka. Furthermore, he has served as an Advisor to the Prime Minister of Sri Lanka, the Ministry of National Policies and Economic Affairs, and to the Minister of Tourism Development.



Mr. Sanjeev Kumar ✓

*Non-Executive Director
Appointed to the board in May 2015*

Mr. Sanjeev Kumar has a degree in Mechanical Engineering from Indian Institute of Technology, Delhi, and Diplomas in Foreign Trade and Business Administration. He has over 46 years of experience across spectrum of industries and countries, encompassing power generation and distribution equipment, auto components, aluminium extrusions and architectural facades, building material, packaging, plastic injection moulding and pipe extrusion, building envelope solutions, insulated panels and edutainment based theme parks.

He has held leadership positions across different companies around the globe – from CEO of Emtelle Group, headquartered in the UK to Managing Director of A-D Technologies Asia and Africa, Regional Head of Mainetti Group. He has been instrumental in expanding business across product groups and regions, setting up green field companies, joint ventures and global alliances. He has successfully led cross cultural teams in executing major projects in India, Southeast Asia, Middle East and Africa. Mr. Sanjeev Kumar is currently the Global Head of Metecno Group, and an Advisor to Al Khaleej Metal Coating Dubai, & Technoplast Thailand. He is also on the boards of several companies as Independent Director.

Chairman's Statement



On behalf of your Board of Directors, I am pleased to welcome you to the 38th Annual General Meeting of Lanka Aluminium Industries PLC and present to you the company's Audited Accounts for the year ended 31st March 2024.

During the year under review, the more stable conditions that prevailed in the country compared to the previous year's 2022/2023, resulted in a sense of normalcy. Unfortunately, this did not translate into an increase in construction activities and thereby, a higher demand for our products.

The Central Bank managed to control the very high inflation levels present in the last year successfully and due to this, bank interest rates which were at an unprecedentedly high rate in the previous year (2022/2023), reduced substantially. Foreign exchange rates also stabilized and import restrictions were gradually relaxed. Unfortunately, the government was compelled to increase VAT and income taxes, which in turn, reduced disposable income. The construction industry did not show any form of recovery, with the government stopping all construction activities. This resulted in a significant drop in the demand for all construction materials including aluminium extrusions.

In spite of these somewhat dismal and difficult market conditions, the company managed to maintain its market share. Price pressure from increased competition as well as increased cost of raw materials, electricity, etc., resulted in a lower profit from operations.

However, the increase in financial income and the substantially lower finance cost due to the settlement of debt in full in 2023/2024, resulted in the company posting a profit before tax similar to the previous year. The subsidiary companies also maintained their level of performance which resulted in a group profit before tax of approx. Rs. 335.6 Mn.

Lower income tax expenses resulted in group profit after tax of Rs. 239.4 Mn, which is an 9% improvement over the previous year.

Considering the above performance, your Board of Directors are pleased to recommend first and final dividend of Rs. 1.00 per share from the profits generated in the year under review.

There has been no material change to the market situation in the current year 2024/2025. The demand for our products is still low and we have managed to secure a few export orders. The government, which is the largest participant in the construction industry is still inactive and we hope that there will be a change of policy and that decisions will be taken to revive this industry, which is important for overall economic growth.

Fortunately, your company is in a stable financial situation and is an efficient producer of good quality product and we are quite confident that your Board of Directors will take the necessary steps to ensure the stability and profitability of the company.

Special thanks to the management and all employees who have rallied around the company during the last few years which has been difficult.

We hope for better condition from 2024/2025 onwards.

A special thank you to the Board of Directors for their invaluable advice and support.

A handwritten signature in black ink, appearing to be 'J.D. Peiris', written over a light blue background.

J.D. Peiris

Chairman

14th August 2024.

Management Discussion and Analysis on Financial Performance

Financial Performance

Five Year Summary

Five Year Summary as at 31st March	2023/24	2022/23	2021/22	2020/21	2019/20
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
Revenue	2,489	2,631	2,664	1,923	1,876
Profit before finance expenses and tax	355	494	534	335	201
Profit After Taxation	239	220	383	266	47
Return on equity (%)	9	9	17	15	3
Return on capital employed (%)	11	18	21	16	11

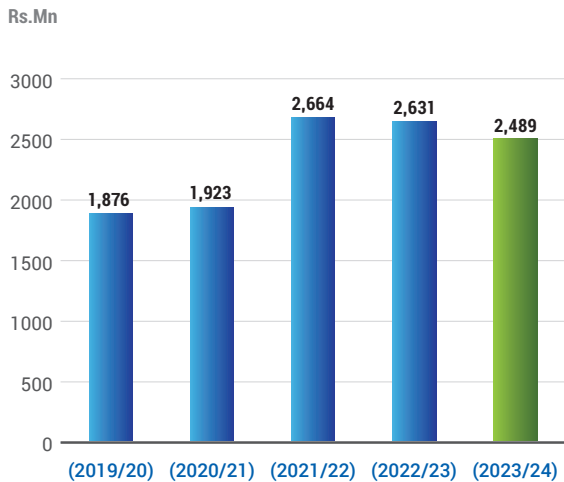
Lanka Aluminium Group demonstrated resilience for the year ended 31st March 2024, despite a challenging economic environment. While there was a slight decline in revenue compared to the previous year, the Group successfully achieved a profit after taxation (PAT) of Rs. 239 million. This result, although a modest increase from the previous year's PAT, was due to effective cost management and operational efficiency. The performance was realized amidst high interest rates, increased operational costs, and a higher income tax rate of 30%.

A key achievement was the complete settlement of the Group's loan portfolios, significantly reducing interest burdens. Profit before finance expenses and tax was Rs. 355 million, down from Rs. 494 million. However, the Group maintained a stable return on equity at 9%, and the return on capital employed decreased to 11% from 18%, reflecting the benefits of debt reduction on financial stability and growth.

Quarterly Profit/ (Loss)	Q1	Q2	Q3	Q4
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
2023/24	39.0	69.4	80.8	50.2
2022/23	121.3	88.2	(7.6)	18.2

Year-on-year Profit and Loss Comparison	2023/24	2022/23
	Rs. Mn	Rs. Mn
Revenue	2,489	2,631
Gross Profit	660	815
Profit before finance expenses and tax	355	494
Net Finance Expenses	(19)	(156)
Taxation	(96)	(118)
Profit After Taxation	239	220
Profit attributable to equity holders of the company	214	197
Total Assets	3,675	3,403
Total Equity	2,795	2,357
Shareholder's Funds	2,704	2,292
Loans and Borrowings	-	277

Revenue - Group (Rs. Mn)



Rs.2,489 Mn

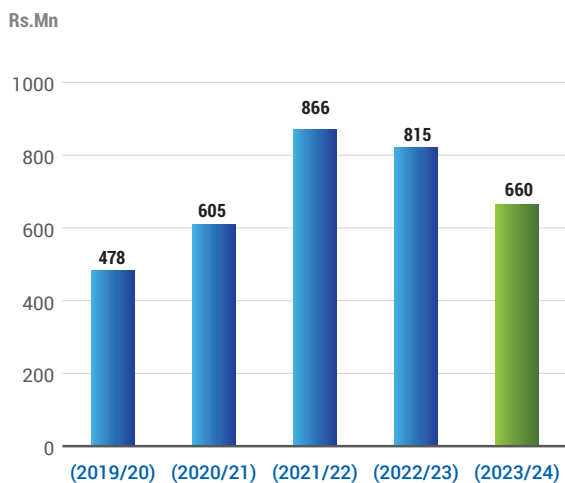
Revenue - Group - 2022/23 -Rs.2,631Mn

In the fiscal year 2023/24, Lanka Aluminium Industries PLC achieved a revenue of Rs. 2,489 million, reflecting a strategic consolidation of resources and operational efficiencies. This represents a slight decline from the previous year's revenue of Rs. 2,631 million. Despite the challenging economic environment, the company continued to focus on enhancing its core capabilities and maintaining robust customer relationships. The decrease in revenue can be attributed to a combination of market fluctuations, downturn in the construction industry arising from the recent economic crisis. Nevertheless, Lanka Aluminium remains committed to leveraging its strengths to navigate these challenges and drive future growth. The company's performance underscores its resilience and adaptability in a dynamic market landscape.

Rs.660 Mn

Gross Profit - Group - 2022/23 -Rs.815Mn

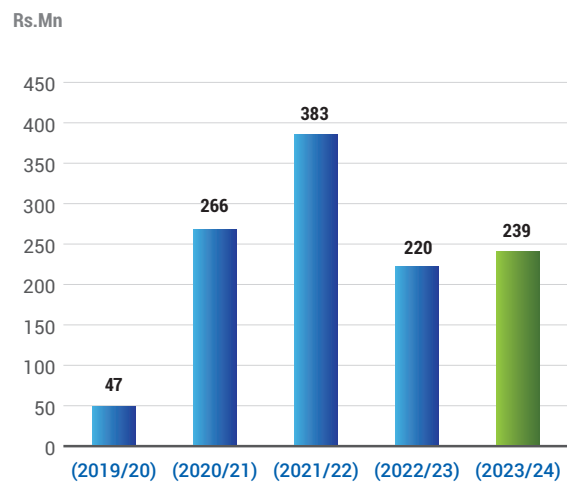
Gross Profit - Group (Rs. Mn)



Rs.239 Mn

Profit After Taxation - Group - 2022/23 -Rs.220 Mn

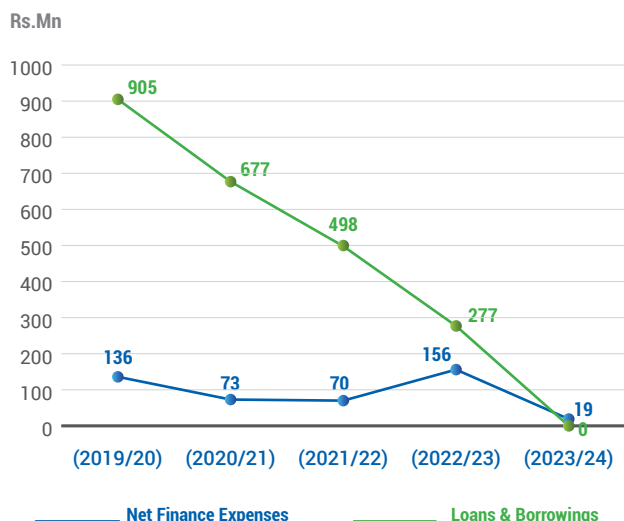
Profit After Taxation - Group (Rs. Mn)



"For the fiscal year ended 31st March 2024, Lanka Aluminium Group demonstrated resilience despite a challenging economic environment. The Group's gross profit decreased by approximately 19% from the previous year's figure, reflecting higher raw material, other operational and higher amount of overhead absorption arising from low production, which pressured profit margins.

In contrast, the Group achieved a profit after taxation (PAT) of Rs. 239 million, representing an 8.8% improvement compared to the previous year's PAT of Rs. 220 million. This positive shift highlights the Group's effective cost management and operational efficiency, even as it faced high interest rates and increased expenses. The improvement in PAT was driven by successful cost control measures and strategic operational adjustments, underscoring the Group's adaptability and robust financial strategies in a dynamic market. This was also attributable to negligible amount of finance cost arising from the total settlements of short term and long term loans."

Loans & Borrowing Vs Net Finance Expenses Group (Rs. Mn)



Loans & Borrowings - Group - 2022/23 -Rs.277 Mn

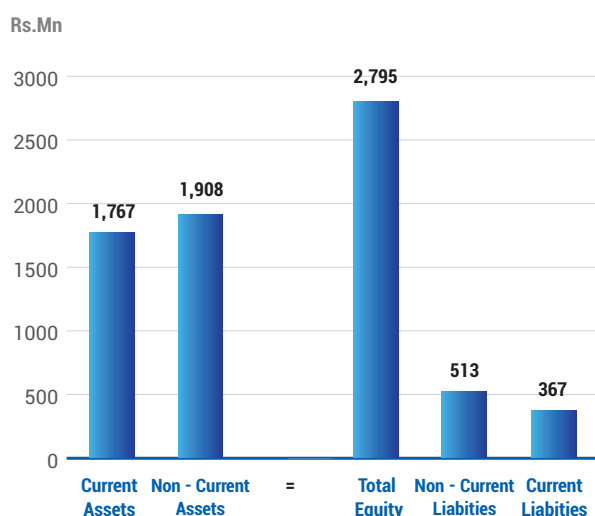
Net Finance Expenses - Group - 2022/23 -Rs.156 Mn

In the fiscal year ended 31st March 2024, Lanka Aluminium Group achieved a significant milestone by settling its entire loan portfolio. This strategic decision, made amidst a challenging economic environment, underscores the Group's commitment to financial prudence and stability. The complete settlement of loans, which totaled Rs. 277 million at the start of the fiscal year, has effectively eliminated associated borrowing costs. Consequently, the Group experienced a dramatic reduction in net finance expenses, which decreased from Rs. 156 million in the previous year to Rs. 19 million. This reduction in interest costs has positively impacted the Group's profit and loss statement, enhancing overall financial performance and providing a solid foundation for future growth.

Group Financial Position

	2023/24	2022/23	Change	Change
	Rs. Mn	Rs. Mn	Rs. Mn	%
Total Assets	3,675	3,403	272	8
Total Equity	2,795	2,357	437	19
Loans and Borrowings	-	277	(277)	(100)
Current Asset Ratio	4.82	2.78	2.04	73
Quick Asset Ratio	1.81	0.96	0.84	88

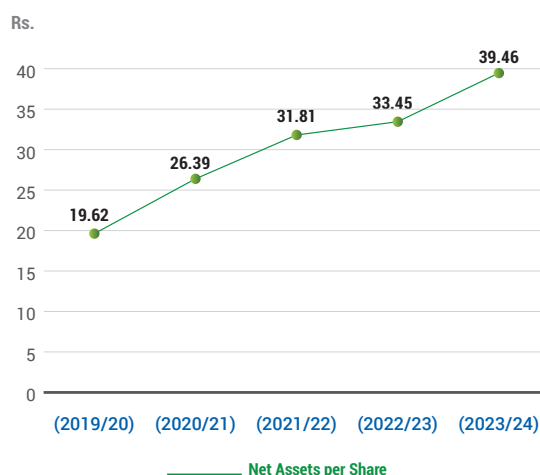
Financial Position - Group (Rs. Mn)



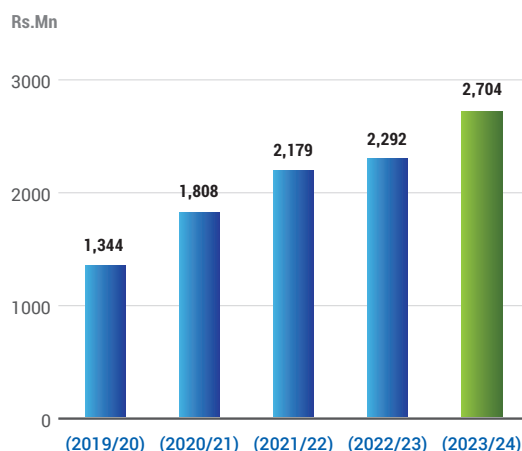
As of 31st March 2024, Lanka Aluminium Group has built a solid financial foundation. Current assets rose to Rs. 1,767 million from Rs. 1,706 million, while non-current assets increased to Rs. 1,908 million from Rs. 1,696 million, reflecting strategic investments and growth. Total equity improved to Rs. 2,795 million, up from Rs. 2,357 million, demonstrating a strengthened capital base. Notably, current liabilities were reduced significantly to Rs. 367 million from Rs. 615 million, highlighting effective debt management. Although non-current liabilities increased to Rs. 513 million from Rs. 431 million, the overall financial position remains robust, positioning the Group well for future success.

Shareholder Returns	2023/24	2022/23	2021/22	2020/21	2019/20
Earnings per share (Rs.)	3.12	2.88	5.30	3.76	0.63
Net profit margin (%)	9.62	8.35	14.39	13.83	2.49
Net assets per share (Rs.)	39.46	33.45	31.81	26.39	19.62
Dividend paid per share (Rs.)	-	-	-	0.20	0.30
Gearing ratio (%)	-	-	0.12	0.44	1.62
Return on equity (%)	8.57	9.32	17.25	14.53	3.44

Net Assets per Share (Rs.)



Shareholders' Funds Group (Rs.Mn)

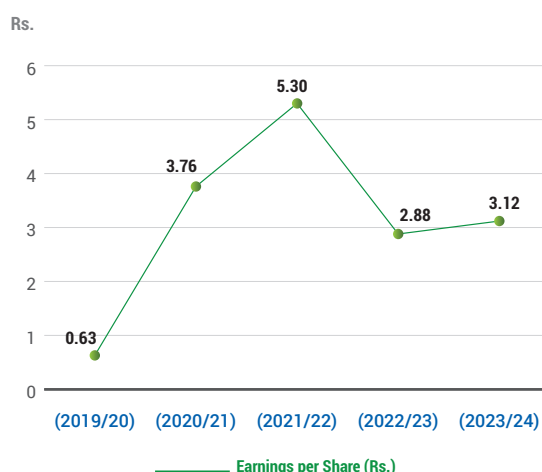


For the fiscal year ended 31st March 2024, Lanka Aluminium Industries PLC has demonstrated substantial financial growth and enhanced shareholder value. The Group's net assets per share increased to Rs. 39.46 from Rs. 33.45 in the previous year, reflecting a growth of Rs. 6.01 per share. This rise is indicative of the Group's effective management and strategic investments, contributing to a stronger financial position and improved shareholder wealth.

The Group's shareholders' funds rose to Rs. 2,704 million, up from Rs. 2,292 million in the previous year. This growth underscores the Group's commitment to enhancing equity and building a solid financial foundation. The improved net assets and shareholders' funds are a testament to the successful implementation of strategic initiatives and operational efficiencies.

Comark Engineers (Pvt) Ltd, a key subsidiary of Lanka Aluminium, has also shown remarkable performance during the fiscal year. The earnings per share (EPS) for Comark increased to Rs. 132.58 from Rs. 118.19, reflecting improved profitability and operational success. Additionally, the net assets per share (NAPS) of Comark Engineers rose significantly to Rs. 472.27 from Rs. 340.71, highlighting the subsidiary's enhanced financial health and effective capital management. These achievements underscore the subsidiary's integral role in the Group's overall success and its contribution to the strengthened financial performance of Lanka Aluminium Industries PLC.

Earnings per Share (Rs.)



For the fiscal year ended 31st March 2024, Lanka Aluminium Industries PLC reported an earnings per share (EPS) of Rs. 3.12, an increase from Rs. 2.88 in the previous year. This growth reflects the Group's successful management strategies and operational improvements. The rise in EPS highlights the Group's commitment to delivering value to shareholders. Overall, the results demonstrate resilience and effective financial performance amidst a challenging environment.

Stewardship

Report of the Directors on the State of Affairs of the Company	12 - 15
Corporate Governance	16 - 38
Risk Management and Business Control	39 - 46
Corporate Social Responsibility	47 - 52
Audit Committee Report	53 - 55
Remuneration Committee Report	56 - 57
Related Party Transactions Review Committee Report	58 - 59
Responsibility Statement of Executive Chairman/ Managing Director and Group General Manager Finance and Administration	60 - 61
Statement of Directors' Responsibility for Financial Reporting	62

Report of the Directors on the State of Affairs of the Company

The Board of Directors is pleased to present their Report and the Audited Financial Statements of the Company for the year ended 31st March 2024. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007, the Listing Rules of the Colombo Stock Exchange and are guided by recommended best accounting practices.

1. Review of the year

The Chairman's Statement at page 5 reviews the affairs of the Company for the financial year ended 31st March 2024. These reports form an integral part of the annual report of the Board of Directors for the year under review.

2. Principal Activity

The principal activity of the Company is the manufacture and sale of aluminium extrusions.

3. Financial Statements

The audited financial statements of the Company and Group are given on pages 68 to 125.

4. Auditor's Report

The Auditor's report on the financial statements is given on pages 64 to 67.

5. Accounting Policies and changes during the year

The Financial Statements have been prepared in accordance with Sri Lanka accounting and auditing standards act no 15 of 1995 which requires compliance with Sri Lanka Accounting standards. The detail accounting policies adopted in the preparation of Financial Statements are given on pages 73 to 92. There were no changes to the accounting policies used by the group and the company during the year

6. Interest Register

The Company maintains an Interest Register and the particulars of those directors who were directly or indirectly interested in a contract of the Company are stated therein.

7. Directors' Interest

None of the directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 31, related party transactions to the financial statements.

8. Directors' Remuneration and Other Benefits

Directors' remuneration in respect of the Company for the financial year ended 31st March 2024 is given in Note 8 to the financial statements.

9. Corporate Donations

Donations made by the Company during the year amounted to Rs. 10,000/- (2023 – Rs.32,335/-) No donations were made for political purposes.

10. Directors

The Directors of the Company as at 31st March 2024.

Mr. J.D. Peiris	Executive Chairman/ Managing Director
Dr. J.M. Swaminathan	Independent Non-Executive
Mr. Paras Chandaria	Non Executive
Mr. D.S. Weerakkody	Independent Non-Executive
Mr. Sanjeev Kumar	Non Executive

In terms of Article 86 of the Articles of Association of the Company, Mr. Sanjeev Kumar retires by rotation at the Annual General Meeting and being eligible offers himself for re-election.

A resolution for the re-appointment of Dr. J.M. Swaminathan as a director who is 83 years of age will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.7 of 2007. Dr. J.M. Swaminathan's re-appointment is recommended by the Directors.

11. Board Sub-Committees

The following Board Sub-Committees are functional.

Audit Committee

Mr. D.S. Weerakkody	Chairman/ Independent Director
Dr. J.M. Swaminathan	Member/ Independent Director
Mr. Sanjeev Kumar	Member/ Non-Executive Director

The report of the audit committee appears on pages 53 to 55.

Remuneration Committee

Mr. Sanjeev Kumar	Chairman/ Non-Executive Director
Dr. J.M. Swaminathan	Member/ Independent Director
Mr. D.S. Weerakkody	Member/ Non-Executive Director

The report of the remuneration committee appears on pages 56 to 57.

Related Party Transactions Review Committee

Dr. J.M. Swaminathan	Chairman/ Non-Executive Director
Mr. D.S. Weerakkody	Member/ Independent Director
Mr. Sanjeev Kumar	Member/ Non-Executive Director

The Board of Directors confirms that all applicable rules in the Code of Best Practice on Related Party Transactions and Section 9 of CSE Listing Rules have been complied with by the Group as at the date of this Report.

The report of the related party transaction review committee appears on pages 58 to 59.

12. Directors' Shareholding

The Directors of the Company as at 31st March 2024 did not hold ordinary shares of the Company.

13. Auditors

The financial statements for the year ended 31st March 2024 have been audited by Messrs KPMG, Chartered Accountants, who have expressed their willingness to continue in office.

In accordance with Section 158 of the Companies Act No.07 of 2007, the auditors will be deemed to have been re-appointed at the forthcoming Annual General Meeting and accordingly a resolution authorising the Board of Directors to determine their remuneration will be proposed thereat.

The fees paid to the Auditors during the year are disclosed in Note 8 to the financial statements.

As far as the Board of Directors is aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors also do not have any interest in the Company.

14. Dividends

The Board of Directors of the Company proposes a payment of First and Final Dividend of Rs.1.00 per share for the year ended 31st March 2024.

15. Investments

Details of investments held by the Company are disclosed in Note 14 to the financial statements.

16. Intangible Assets

Intangible assets include the product performance license acquired during the year of 2014/2015 and it is stated at cost less accumulated amortization and impairment loss.

17. Property, Plant and Equipment

An analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 11 to the financial statements.

18. Capital Commitments

The capital expenditure approved by the Board but not contracted for as at 31st March 2024 is Rs. 192 Mn (2022/2023 – Rs.212 Mn).

19. Going Concern

The Board of Directors is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

20. Stated Capital

The Stated Capital of the Company is Rs.137,028,230/- There was no change in the Stated Capital of the Company during the year.

21. Taxation

The tax position of the Company is given in Note 9 to the Financial Statements.

22. Disclosure as per Colombo Stock Exchange Rule No.7.6

	31.03.24	31.03.23
Last Traded Market price per share	23.50	16.10
Highest share price during the year	25.50	25.50
Lowest share price during the year	13.30	9.30

23. Shareholding

The number of registered shareholders of the Company as at 31st March 2024 was 3,564.

24. Major Shareholders

The twenty largest shareholders of the Company as at 31st March 2024, together with an analysis are given on pages 131 to 132.

25. Statutory Payments

To the best of the knowledge and belief of the Board of Directors all statutory payments in relation to the government and the employees have been made on time.

26. Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) is integral to our identity and core values. We strive to foster meaningful connections among individuals and businesses, enhancing communities and bettering our nation. Our CSR initiatives focus on responsible business practices, environmental sustainability, leadership and service, and diversity and inclusion. Additionally, we emphasize ethical supply chains, community education programs, and innovative partnerships to drive social change. Through these efforts, we aim to make a lasting positive impact.

During the fiscal year 2023/24, our involvement in charitable and community-driven activities was limited. Despite this, our commitment to contributing positively to society remained steadfast. We donated and sponsored initiatives totaling Rs. 10,000/-. While our active participation was less than anticipated, we continue to focus on essential societal pillars, striving to foster a more sustainable and inclusive future for everyone.

Our products significantly contribute to reducing deforestation by minimizing the need for tree cutting. They are fully recyclable, ensuring no harm to the environment. Aligned with our sustainability commitment, we have established efficient collection schemes for off-cuts and waste, which are then recycled in-house. These initiatives underscore our dedication to environmentally responsible practices and the principles of a circular economy.

27. Corporate Governance/Internal Control

The Board of Directors confirms that, as at date of the Annual Report, the company complies with and is committed to good corporate governance. The Company has 4 non-executive Directors on its Board. The Board as a whole decided on the appointment of non-executive independent Directors. The Directors so appointed retire in rotation at each annual general meeting and seek re-appointment by the shareholders.

According to listing rule 7.10.4 (e) Dr. J.M. Swaminathan, Director of the Company who has served on the Board for a period exceeding nine years, is consequently not independent by reason thereof.

The Independent Non Executive Director Dr. J.M. Swaminathan is a Director of Metecno Lanka (Pvt) Ltd in which majority of the other Directors of the Company are Directors. According to listing rule 7.10.4 (g), a Non Executive Director is presumed to be non independent, if he is a Director of another Company in which majority of the other Directors of the Company are also Directors.

However, in the opinion of the Board of Directors, Dr. J.M. Swaminathan satisfies other qualifying criteria in terms of independence, and the Board of Directors having considered such other factors from a holistic perspective are of the opinion that Dr. J.M. Swaminathan is nevertheless an Independent Director.

The Board of Directors holds regular meetings and also meet if circumstances warrant. The Board reviews the strategic direction of the Company, its exposure of key business risks, the annual budgets and the progress toward achieving these budgets and their capital expenditure programmes.

The Board of Directors has delegated its primary objective to achieve the strategic policy within the overall business policy, indicated above, to the Chairman / Managing Director.

The Directors are responsible for the Company's systems of internal finance controls. The Board has reviewed the effectiveness of the systems of finance controls for the period up to the date of signing the accounts. The Directors responsibility for the financial statements is described on page 62.

28. Events Occurring After the Reporting Date

Subsequent to the reporting date of the Financial Statements, no circumstances have arisen, in the opinion of the Board of Directors, which would require adjustments to the accounts. There are also no significant post balance sheet events which in the opinion of the Directors require disclosure.

29. Annual General Meeting

The 38th Annual General Meeting of Lanka Aluminium Industries PLC will be held at the auditorium of the Sri Lanka Institute of Tourism & Hotel Management at No. 78, Galle Road, Colombo 03 on Monday, 23rd September 2024 at 10.30 a.m.

For and on behalf of the Board of Directors of

LANKA ALUMINIUM INDUSTRIES PLC

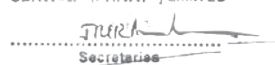


J D Peiris
Executive Chairman



Dr. J M Swaminathan
Director

S S P CORPORATE
SERVICES (PRIVATE) LIMITED



Secretaries

S S P Corporate
Services (Private) Limited,
Secretaries

14th August 2024

Corporate Governance

“

Our Board of Directors crafts our long-term strategy and ensures its successful execution through steadfast principles and strong leadership. This approach guarantees the sustained prosperity of our company, driven by a well-defined strategy and sound corporate governance. By prioritizing corporate culture, the Board harmonizes the interests of our business with those of our stakeholders and the broader society.

”

Corporate governance is a framework comprising the structures and processes by which companies are directed and controlled. It defines the relationships among the company's management, Board of Directors, controlling shareholders, minority shareholders, and other stakeholders. Effective corporate governance ensures that a company operates in the best interests of its stakeholders, fostering a culture of accountability and transparency. It addresses the principal-agent problem by establishing mechanisms that align the interests of management with those of the shareholders and other stakeholders. Good corporate governance practices are essential for preventing mismanagement, enhancing operational efficiency, improving access to capital, mitigating risk, and protecting stakeholders' interests. A robust governance framework depends on external market commitments, legislative requirements, and a strong board culture that supports effective policies and processes. Corporate governance covers a wide range of issues, including legal matters, business strategy, executive and non-executive management, investor relations, accounting, information systems, and remuneration.

Goals of Effective Corporate Governance

- a. Promoting integrity and ethical behavior within the organization.
- b. Ensuring equitable treatment of all shareholders.
- c. Equipping the board with the necessary skills and knowledge to review and challenge management's performance and actions, providing oversight and guidance.
- d. Ensuring full disclosure and transparency to all stakeholders, including the reporting of financial information.
- e. Balancing the interests of all stakeholders, including those with legal, contractual, social, and market-driven obligations, as well as non-shareholder stakeholders such as employees, investors, creditors, suppliers, local communities, customers, and policymakers.

Inadequate corporate governance can lead to conflicts of interest, asset expropriation, and the unjust treatment of minority shareholders. This typically serves the interests of a select few while neglecting the broader stakeholder community. Small shareholders, who have minimal impact on the stock price, are often disregarded in favor of the majority shareholders and the executive board. Such practices can severely undermine public confidence and damage societal trust.

Corporate Governance Practices

At Lanka Aluminium, we recognize that strong corporate governance is a cornerstone of business success. We are committed to upholding the highest standards of governance and fostering a culture that prioritizes ethical standards, integrity, and respect for all individuals. We believe that high-quality governance is intrinsically linked to long-term shareholder value creation. Our governance approach encompasses:

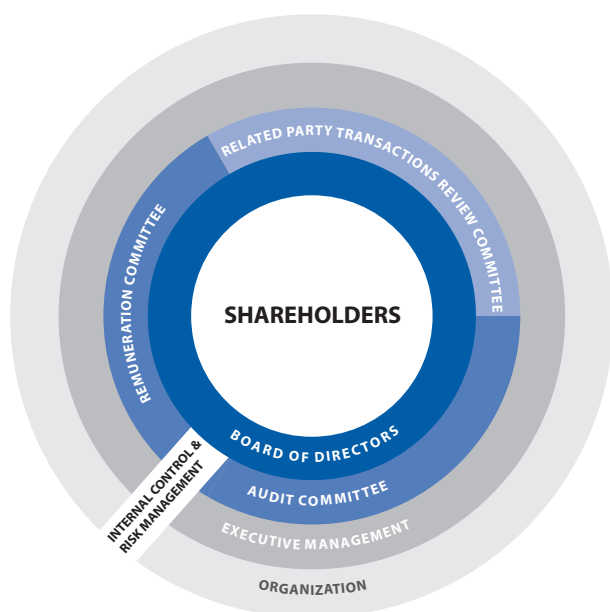
- The performance of the company and the board.
- The relationship between the board and executive management.
- The appointment and assessment of board directors.
- The company's ethical tone and conduct.
- Risk management, corporate compliance, and internal controls.
- Communication with shareholders.
- Financial reporting.

Board of Directors' Statement:

"Our Board of Directors is dedicated to setting a long-term strategy and providing oversight grounded in strong principles and an appropriate tone from the top. This ensures the long-term success of our company through clear strategy and sound corporate governance. Our focus on corporate culture aligns the interests of our business, stakeholders, and society."

Our Board is committed to maintaining high standards of corporate governance within the Group, continually seeking to identify and implement best practices. We believe that effective corporate practices are fundamental to the transparent and efficient operation of the company, attracting investment, protecting shareholder and stakeholder rights, and enhancing shareholder value. Good governance is a company-wide responsibility that extends beyond the Board.

Our governance processes are designed to support the successful execution of the company's strategy through various managerial bodies that interact, control, and depend on each other. This structure is illustrated in our corporate governance model below.



Engaging with shareholders is a critical aspect of our governance approach. As representatives accountable to shareholders for the Group's performance, it is essential that we listen to and understand shareholders' views. The Board governs the Group in alignment with our long-term business strategy and commitment to a transparent, high-quality governance system.

The Board of Directors

The Board is responsible for guiding Lanka Aluminium toward success by overseeing policy and strategy. It is accountable to shareholders for the company's financial and operational performance and risk management. The Board's primary role is to protect and enhance long-term shareholder value by setting the Group's overall strategy and supervising executive management. It ensures that robust corporate governance policies and practices are implemented throughout the Group. The Board operates with diligence and care, acting in the best interests of the company and its shareholders.

The Board comprises five Directors, four of whom are non-executive. Detailed profiles of the Directors are provided on pages 3 and 4 of this Annual Report. The Directors bring a wealth of skills, experience, and knowledge essential for directing the company's operations. The Board has confirmed that the two Independent Non-Executive Directors meet the independence criteria set forth in the Listing Rules. Each Non-Executive Director annually declares their independence or non-independence in compliance with relevant statutory regulations.

The roles of Executive Chairman and Managing Director are combined, with the Executive Chairman also functioning as Managing Director. A "Senior Non-Executive Director" was appointed in 2023. The Chairman convenes meetings with the Independent Non-Executive Directors as needed.

Responsibilities of the Board

- Reviewing corporate objectives, budgets, and forecasts.
- Monitoring operational and functional performance.
- Ensuring executive management prioritizes managing risks to key business objectives.
- Implementing effective internal control and risk management systems.
- Securing the integrity of information, internal controls, business continuity, and risk management systems.
- Approving budgets and major capital investments.
- Monitoring and evaluating progress on strategy implementation, budgets, plans, and associated risks.
- Upholding the highest ethical and legal standards.
- Ensuring comprehensive consideration of all stakeholders' interests in corporate decision-making.
- Reviewing and approving Annual and Interim Financial Statements before their publication.
- Making recommendations on dividends for approval by shareholders

Role of Executive Chairman

The Chairman assumes the critical role of providing leadership and maintaining order during Board Meetings, ensuring robust corporate governance across our group. He facilitates the efficient execution of Board functions and business strategies, embodying our commitment to effective governance.

- Ensuring the Board follows procedures and relevant statutes while maintaining full oversight of company affairs.
- Meeting obligations to stakeholders and regulatory bodies.
- Promoting active participation from both Executive and Non-Executive Directors in deliberations.
- Providing shareholders with ample opportunities to offer feedback, express viewpoints, and seek clarifications during shareholder meetings.

The Board Balance

The Company's non-executive directors, including those serving independently, bring diverse business and professional backgrounds to the Board. They share valuable experiences that advance the Company's and shareholders' interests. Actively engaged in board committees, these directors significantly contribute their skills and expertise. The Board composition, comprising both executive and non-executive directors, complies with the Listing Rules of the Colombo Stock Exchange, featuring four non-executive directors, two of whom are independent. The Board affirms that these independent directors meet the prescribed 'Independence' criteria under the Listing Rules.

Holding Regular Board Meetings

The Board convenes regularly, holding a minimum of four quarterly meetings per year and scheduling additional meetings as needed. In the fiscal year 2023/2024, a total of four Board meetings were conducted and presided over by the Chairman.

Directors of the Company actively engage in these meetings, offering their professional insights and participating actively in discussions. The attendance records of each director at the Board meetings during the financial year 2023/2024 are as follows:

Name of the Director	Attendance				%
	29th May 2023	11th Aug 2023	14th Nov 2023	12th Feb 2024	
Mr. J D Peiris Executive Chairman/ Managing Director	√	√	√	√	100
Mr. Paras Chandaria Non-Executive Director	√	√	√	x	75
Mr. Dinesh Weerakkody Independent Non-Executive Director	√	√	√	√	100
Dr. J.M Swaminathan Independent Non-Executive Director	√	√	√	√	100
Mr. Sanjeev Kumar Non-Executive Director	√	√	x	√	75

Board Committees

The Board delegates its powers and authorities from time to time to committees in order to ensure the operational efficiency and specific issues are being handled with relevant expertise. Three board committees have been established and each of them has its specific duties and authorities set out in its own terms of reference.

a. Audit Committee

The Audit Committee comprises of the following two Independent Non-Executive Directors and one Non-Executive Director.

Mr. D S Weerakkody – Chairman

Dr. J M Swaminathan

Mr. Sanjeev Kumar

Further details of the Audit Committee are given on this Annual Report on pages 53 to 55.

b. Remuneration Committee

The Remuneration Committee consists of following two Independent Non-Executive Directors and one Non-Executive Director.

Mr. Sanjeev Kumar – Chairman

Dr. J M Swaminathan

Mr. D S Weerakkody

The Company has no share option made available to the Directors, Executives or employees of the Company.

The early termination of Directors is determined by the Articles of Association of the Company.

Further details of the Remuneration Committee are given on this Annual Report on pages 56 to 57.

c. Related Party Transactions Review Committee

A Related Party Transactions Review Committee was set up in compliance with the Listing Rules of the Colombo Stock Exchange.

The Related Party Transactions Review Committee comprises of the following two Independent Non- Executive Directors and one Non-Executive Director.

Dr. J M Swaminathan – Chairman

Mr. D S Weerakkody

Mr. Sanjeev Kumar

A formalized process is in place for related party transactions including identification of related parties, types of transactions and avoidance of conflict of interests. Directors individually declare their transactions with the Company on an as and when basis and make disclosures of their interest in compliance with the requirements of the Companies Act No.07 of 2007 and other relevant statutory requirements. The Company maintains an interest register as stipulated in the Companies Act No.07 of 2007. All related party transactions as defined by the applicable accounting standards are disclosed on Note 31 of the Financial Statements on pages 68 to 125 of this Annual Report.

Access to Independent professional advice

The Directors obtain independent professional advice whenever required, assist in discharging their duties.

Company Secretary

All directors have access to the advice and services of the Company Secretary, who is responsible to the Board in ensuring that Board procedures are followed and that applicable rules and regulations are complied with. Any question of the removal of the Company Secretary should be a matter of for the Board as a whole. S S P Corporates Services (Pvt) Ltd functions as the Secretary of the Board.

Independent judgment of the Directors

The Independent Directors remain independent from day to day management and are free from any business and / or other relationship which may hinder their exercise of unbiased judgment. This enables them to act critically and independently in the best interest of the Company.

Dedication of adequate time & effort

Adequate time is devoted at every meeting to ensure that the Board's responsibilities are discharged satisfactorily.

Training for the Directors

The policy on Directors training is to provide adequate opportunities for continuous development subject to requirement and relevance for each Director on need basis.

Supply of Information

The notices of Board Meetings are provided along with the agenda well ahead of the scheduled meeting. The Board Papers are circulated among the Directors ahead of the meeting providing adequate time to review and call for any additional information and clarification to assist them to formulate independent views.

Availability of a Nomination Committee

The Company has not formed a specific Nomination Committee. However, performance of the Board and its composition are being evaluated annually.

Appointments to the Board

The Company is having a formal and transparent procedure for appointment of new Directors to the Board. No new directors have been appointed during the financial year of 2023/2024.

Re-election of Directors

According to the Articles of association of the company, Director

Mr. Sanjeev Kumar retires by rotation and being eligible for re election will stand for re election by shareholders at the Annual General Meeting.

Appraisal of Board performance

The performance of the Board, its sub Committees and individual Directors are being evaluated annually.

Disclosure of information in respect of Directors

The names of the Directors and their profiles are disclosed on pages 3 to 4 of this Annual Report. Directors' interests in contracts are indicated in Note 31 of the Financial Statements of this Annual Report.

Appraisal of Executive Chairman

The performance of the Executive chairman, its sub Committees and individual Directors are being evaluated annually.

Constructive use of Annual General Meeting

We ensure that all proxy votes are counted and the quantum of proxies lodged on each resolution is conveyed to our Chairman. Separate resolution is proposed at an Annual General Meeting on each substantial separate issue. At the Annual General Meeting the respective Chairmen of the Remuneration Committee and Audit Committee are present to provide any clarification to shareholders as necessary. The notice and the agenda for the Annual General Meeting together with the Annual Report of the Company containing the relevant documents are sent to the shareholders giving 15 working days' notice prior to the date of the Annual General Meeting.

Communication with Shareholders

All shareholders are invited and encourage being present, actively participating and voting at the Annual General Meeting. The Annual General Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company. The external Auditors are invited to attend the Annual General Meeting, for any professional assistance that may requested. Shareholders who are not in the position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their own choice.

Major Transactions

There were no major transactions during the financial year that materially altered our Company's net asset base or the consolidated Group net asset base.

Financial Reporting

The Board responsibility to present the Financial Statements accepts in the Statement of Directors' Responsibility shown on page 62.

The report of the directors on the state of affairs of the Company is given on this Annual Report on pages 12 to 15.

The Auditor's Report on the Financial Statements for the year ended 31st March 2024 is presented on pages 64 to 67 of this Annual Report.

The management discussion and analysis of the company is covered from Chairman's Review on page 5 of this Annual Report.

The Board is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board's policy is to have systems in place which optimize the Company's ability to manage risk in an effective and appropriate manner. The Board has delegated to the Audit Committee responsibility for identifying, evaluating and monitoring the risks facing the Company and for deciding how these are to be managed. In addition to internal audit carried out by an external professional body, members of the Audit Committee are expected to report to the Board as necessary the occurrence of any material control issues, serious incident or events that have had a major commercial impact, or any significant new risks which have been identified.

Code of Business Conduct and Ethics

The Company has exercised a strong set of corporate values and code of conduct.

Code of Best Practice on Corporate Governance

We set out below the corporate governance practices adopted and practiced by the Company, the extent of adoption of the Code of Best Practice on Corporate Governance issued in year 2017 by the Institute of Chartered Accountants of Sri Lanka and the Rules set out in Section. 7.10 of the Colombo Stock Exchange Listing Rules on Corporate Governance.

Section A

This section covers Company's extent of adherence to the requirements of the Code of Best Practice on Corporate Governance issued in year 2017 by the Institute of Chartered Accountants of Sri Lanka. This reflects Company's governance in following six fundamental aspects:

- Directors
- Director Remuneration
- Relationship with Shareholders
- Accountability and Audit
- Institutional Investors
- Other Investors
- Information technology and cyber security
- Environment, society and governance

These are discussed in the sections that follows.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
A. Directors		
A.1 The Board Every public company should be headed by an effective Board, which should lead and control the Company. The Board should include a balance of Executive and Non Executive Directors such that no party can dominate the Board's decision making. The Board of a Listed Company includes two or one third of Non Executive Directors appointed to the Board of Directors as "independent directors".	Complied	The Board consists of 5 Directors out of which 4 are non executive directors. The names and profiles of the Directors are given on pages 3 & 4 of this Annual Report. They Possess the skill, experience and knowledge, to set the directions and oversee the operations of the Company. The composition of the Executive and Non executive Directors satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange. The Board has determined that the 2 Independent Non Executive Directors, satisfy the criteria for Independent set out in the Listing Rules and annually each Non Executive Director declares his independence/ non independence i compliance with the relevant statutory regulations.
A1.1 Frequency of Board Meetings The Board should meet regularly and the Board Meeting should be held at least once a quarter of a financial year.	Complied	The Board generally meets on a quarterly basis, but more frequently whenever it is necessary. During the year under review, 4 Board meetings were held. The meetings were presided over by the Chairman. The attendance by each of the Directors is set out on page 18.
A1.2 Responsibilities of the Board The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed.	Complied	Please refer "Responsibilities of the Board" on page 17.
A1.3 Compliance with laws and access to independent professional advice. There should be a procedure agreed by the Board of Directors, in furtherance of their duties to take professional advice if necessary.	Complied	The Board collectively and the Directors individually act in accordance with the laws of the country of operation which are Applicable to the business enterprise. The Board of Directors ensures that procedures and processes are in place to ensure that the Company complies with all applicable laws and regulations. Directors seek independent professional advice from external parties when necessary at the expense of the Company.
A 1.4 Board Secretary All Directors should have access to the advice and services of a Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.	Complied	The Directors have access to the advice and services of the Board Secretary. The Board Secretary ensures that Board procedures, relevant statutory obligations and other applicable rules and regulations are complied with. The Board Secretary had provided the Board with support and advice relating to Corporate Governance matters, Board procedures, and applicable rules and regulations during the financial year. The Board Secretary ensures that the Board members are provided with timely and accurate information to fulfill their duties. The appointment and removal of the Board Secretary is a decision taken by the Board as a whole. S S P Corporates Services (Pvt) Ltd functions as the Secretary of the Board.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
A1.5 Independent judgment All Directors should bring independent judgement to bear, in discharging their duties and responsibilities on matters relating to the Board including strategy, performance, resource allocation, risk management, compliance and standards of business conduct	Complied	The Independent Directors remain independent from day to day management and are free from any business and / or other relationship which may hinder their exercise of unbiased judgment. This enables them to act critically and independently in the best interest of the Company.
A1.6 Dedication of adequate time and effort by the Board and Board Committees Every Director should dedicate adequate time and effort to matters of the Board and the Company.	Complied	Adequate time is devoted at every meeting to ensure that the Board's responsibilities are discharged satisfactorily.
A1.7 Ability to present resolution to the Board 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.	Not Applicable	This was not exercised during the financial year 2023/2024.
A1.8 Induction and Training for Directors Every Director should receive appropriate training on the first occasion that he or she is appointed to the Board of a listed Company and subsequently as necessary.	Not Applicable	No new Director was appointed during the year.
A.2 & A2.1 Chairman and Chief Executive Officer There should be a clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decisions.	Complied	There is a clear demarcation of the responsibilities between our Non Executive Chairman and our Executive Chairman/ Managing Director who is the Chief Executive Officer. The functions performed by our Chairman and our Executive Chairman/ Managing Director are distinct and separate, ensuring the balance of power and authority within the organization, so that no person has unfettered powers of decision making implementation.
A.3 Chairman's Role The Chairman should lead and manage the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully, and preserves order, and facilitates the effective discharge of the Board function.	Complied	The Chairman in running the Board facilitates the effective discharge of Board proceedings. All the Directors are encouraged to participate in decision making and their views are obtained to ensure that the Board functions in an efficient manner which is beneficial to the stakeholders and the Company. Please refer page 18 for the Chairman's role.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
A.4 Financial Acumen The Board should ensure the availability within of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	Complied	The Board of Lanka Aluminium Industries PLC consists of professionals as well as entrepreneurs who have many years of experience in the corporate world. Their proficiency in the diverse areas of business, academic and/ or entrepreneurial financial skills, business acumen, broad practical wisdom and unique perspectives enable the efficient and effective decision making and leadership of the Group.
A.5 Board Balance There should be balance of Executive and Non-Executive Directors so that no individual or small group of individuals can dominate the Board's decision-making.	Complied	All Directors are Non Executive Directors except the Executive Chairman. Each of them brings vast experience and the ability to exercise independence and judgment when taking informed decisions.
A5.1 Presence of Non-Executive Directors	Complied	Please refer "Board of Directors" profile on pages 3 to 4.
A5.2 Independent Directors	Complied	Two out of the four Non Executive Directors are considered independent. The requirement as per the Code has been complied with throughout the financial year.
A5.3 Criteria to evaluate Independence of Non-Executive Directors	Complied	The Board considers Non Executive Directors' independence on an annual basis and concluded for the financial year that each of them continues to be free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
A5.4 Signed declaration of independence by the Non-Executive Directors	Complied	Independent Directors have submitted written declarations of their independence as required by Schedule K of the Code and section 7.10.2(b) of the Listing Rules.
A5.5 Determination of independence of the Directors by the Board	Complied	The Board annually determines the independence of each Non-Executive Independent Director based on the declarations submitted by them. Circumstances have not arisen for the determination of independence by the Board, beyond the criteria set out in the Code other than for the Directors mentioned in the report of the Directors on pages 12 to 15.
A.5.6 Alternate Directors	Not Applicable	No alternative directors have been appointed.
A.5.7 Senior Independent Directors	Complied	Company has appointed a "Senior Non Executive Director". Please refer page 17.
A 5.8 Confidential discussion with the Senior Independent Director	Not Applicable	Company has appointed a "Senior Non Executive Director". Please refer page 17.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
A 5.9 Meeting of Non-Executive Directors The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.	Complied	The Chairman meets with the Non Executive Directors without the presence of the Executive Director on a need basis. However, there were no formal specific meetings held with Non Executive Directors during the year other than the board meetings.
A 5.10 Recording of concerns in Board Minutes Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board Minutes	Not Applicable	No such situation arose during the year under review.
A6, A6.1 & A6.2 Supply of Information Obligation of the Management to provide appropriate and timely information and adequate time for circulation of respective Board documents	Complied	The notices of Board Meetings are provided along with the agenda well ahead of the scheduled meeting. The Board Papers are circulated among the Directors ahead of the meeting providing adequate time to review and call for any additional information and clarification to assist them to formulate independent views.
A 7 Appointments to the Board A formal and transparent procedure should be followed for the appointment of new Directors to the Board.	Complied	The Board assesses the suitability of the prospective nominees to the Board and approves the persons as “fit and proper” to serve as a member of the Board. However no new Director was appointed during the year.
A.7.1 Appointments to the Board	Complied	The Board has not established a Nominations Committee to make recommendations on Board appointments. Hence, appointments to the Board are made collectively and with the consent of all the Directors.
A.7.2 Assessment of Board composition	Complied	An assessment is made of the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company when considering new appointments to the Board.
A.7.3 Disclosure of details of new Directors to shareholders	Complied	Details of new Directors are disclosed to the shareholders at the time of their appointment by way of public announcements to the Colombo Stock Exchange as well as in the Annual Report, along with a brief resume of the Director which includes; - the nature of his expertise in relevant functional area - other Directorships or memberships in Board Sub-Committees - whether the Director is considered “Independent” No new directors have been appointed during the financial year of 2023/2024.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
A.8, A 8.1 & A 8.2 Re-election All Directors should be required to submit themselves for Re-election at regular intervals and at least every three years.	Complied	According to the Articles of association of the company, Director Mr. Sanjeev Kumar retires by rotation and being eligible for re election will stand for re election by shareholders at the Annual General Meeting.
A 8.3 Resignation 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.	Not Applicable	No directors have resigned during the year.
A 9, A 9.1, A9.2, A9.3 & A9.4 Appraisal of board performance The Board should periodically appraise its own performance against the preset targets in order to ensure that the Board responsibilities are satisfactorily discharged.	Complied	The performance of the Board, its sub Committees and individual Directors are being evaluated annually.
A.10 Disclosure of Information in respect of Directors Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.	Complied	The biographical details of the Directors including their qualifications, nature of expertise in relevant functional areas, memberships in Board Sub-Committees and other directorships are given on pages 3 to 4 Directors' attendance at Board and Board Sub-Committee meetings are given on pages 18, 53, 56 & 58, and Directors' interest in contracts with the Company are disclosed on Pages 111 to 114 of this Report.
A.11, A 11.1 & A 11.2 Appraisal of the Chief Executive Officer Setting the annual targets and the appraisals	Complied	The performance of the Executive Chairman/ Managing Director is being evaluated annually.
B. Directors' Remuneration		
B.1 Remuneration Procedure The Company should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.	Complied	The Company has a formal and transparent procedure for developing policy on executive remuneration and fixing the remuneration packages of individual Directors. No Director has been involved in deciding his/her remuneration in order to avoid the self-review threat.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
B.1.1 Remuneration Committee To avoid potential conflicts of interest, the Board of Directors should set up a Remuneration Committee to make recommendations to the Board, within agreed terms of reference, on the Company's framework of remunerating executive directors.	Complied	The Remuneration Committee makes recommendations to the Board on remuneration policy for the Executive Director and the corporate management that is consistent with the objectives of the Company. The Committee determines and agrees with the Board the broad policy framework for the remuneration of the Executive Chairman/ Managing Director. The Executive Chairman/ Managing Director participates at meetings when deciding the remuneration of the corporate management in order to recruit, retain and motivate the corporate management team.
B.1.2 & B 1.3 Composition of the Remuneration Committee Remuneration Committee should consist exclusive of Non-Executive Directors who are Independent of Management. The members of the Remuneration Committee should be listed in the Board's remuneration report to the shareholders.	Complied	• The Remuneration Committee comprises of the following three Non Executive Directors. • Mr. Sanjeev Kumar – Chairman - (NED) • Mr. Dinesh Weerakkody - (INED) • Dr. J.M Swaminathan - (INED) • Further details of the Remuneration Committee are given on this Annual Report on pages 56 to 57.
B.1.4 Remuneration of the Non Executive Directors The Board as a whole, or where required by the Articles of Association, the shareholders should determine the remuneration of Non- Executive Directors, including members of the Remuneration Committee, within the limits set in the Articles of Association. Where permitted by the Articles, the Board may delegate this responsibility to a subcommittee of the Board, which might include the CEO.	Complied	Non Executive Directors are remunerated in accordance with the Articles of Association of the Company.
B.1.5 Consultation of the Chairman and access to professional advice	Complied	The Committee consults the Chairman on proposals relating to the remuneration of the Executive Director and has access to professional advice in discharging their duties.
B.2 Level and make-up of Remuneration The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance	Complied	Please refer Remuneration Committee Report on Pages 56 to 57.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<i>B.2.1 & B 2.2 Level and make-up of the remuneration of the Executive Director</i> The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors of the quality required but should avoid paying more than is necessary for this purpose. Executive directors' remuneration should be designed to promote the long-term success of the company.	Complied	The Board makes assessments on the fact that the remuneration of Executive and the Non Executive Directors reflects the market expectations and is sufficient enough to attract and retain the quality of Directors needed to run the Company. The remuneration package of the Executive Chairman/ 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
<i>B.2.3 Comparison of remuneration with other companies</i> The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies. It should be aware what comparable companies are paying and should take account of relative performance, but should use such comparisons with caution, mindful of the risk that they can result in an increase of remuneration levels with no corresponding improvement in performance.	Complied	The Committee ensures that remuneration of executives at each level of management is competitive and in line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is on par with those of competitive companies.
<i>B.2.4 Comparison of remuneration with other companies in the Group</i>	Complied	It also takes into consideration data concerning executive pay among the related group companies when determining annual salary increases.
<i>B.2.5 Performance related payments to the Executive Chairman/ Managing Director</i>	Complied	Performance based incentives have been determined to ensure that the total earnings of the Executive Chairman is aligned with the achievement of objectives and budgets of the Company.
<i>B.2.6 Executive share options</i>	Not Applicable	The Company has no share option made available to the Directors, Executives or employees of the Company.
<i>B.2.7 Deciding the Executive Directors' Remuneration</i>	Complied	In deciding the remuneration of the Executive Chairman/ Managing Director, the Committee takes note of the provisions set out in Schedule E of the Code

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
B.2.8 Early termination of Directors Remuneration Committees should consider what compensation commitments (including pension contributions) their Directors' contracts of service, if any, entail in the event of early termination. Remuneration Committees should in particular, consider the advantages of providing explicitly for such compensation commitments to apply other than in the case of removal for misconduct, in initial contracts.	Complied	Not applicable to the Board except for the Executive Directors including Executive Chairman/ Managing Director who is an employee of the Company and his terms of Employment is governed by the employment contract.
B.2.9 Early termination not included in the initial contract Where the initial contract does not explicitly provide for compensation commitments, Remuneration Committees should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances. The broad aim should be, to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance.	Complied	Please refer comment in B.2.8 above.
B.2.10 Remuneration of Non-Executive Director	Complied	Please refer B.1.4 above on page 27.
B.3 & B 3.1 Disclosure of Remuneration The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole	Complied	The names of the members of our Remuneration Committee are indicated in pages 56 to 57. Please refer Note 8 To the Financial Statements for the details of remuneration paid to Board of Directors and key management personnel.
C. Relations with Shareholders		
C.1 Constructive use of the Annual General Meeting and Conduct of General Meetings The Board should use the AGM to communicate with shareholders and should encourage their participation.	Complied	The Company conducts Annual General Meeting on effective manner to communicate with shareholders and encourage their active participation.
C.1.1 Notice of the AGM Companies should arrange for the Notice of the AGM and related papers to be sent to shareholders as determined by statute, before the meeting.	Complied	The notice and the agenda for the Annual General Meeting together with the Annual Report of the Company containing the relevant documents are sent to the shareholders giving 15 working days' notice prior to the date of the Annual General Meeting as required by section 135(1) of the Companies Act No 7 of 2007.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
C.1.2 Separate resolution for all separate issues	Complied	Separate resolution are proposed at an Annual General Meeting on each substantial separate issue.
C.1.3 Use of proxy votes	Complied	We ensure that all proxy votes are counted and the quantum of proxies lodged on each resolution is conveyed to our Chairman.
C.1.4 Availability of all Board Sub-Committee Chairmen at the Annual General Meeting	Complied	At the Annual General Meeting the respective Chairman of the Remuneration Committee, Related Party Transactions Review Committee and Audit Committee are present to provide any clarification to shareholders as necessary.
C.1.5 Adequate notice of Annual General Meeting and summary of procedure	Complied	Please refer c1.1 above
C.2 Communication with shareholders The Board should implement effective communication with shareholders.	Complied	Please refer C.1 above.
C.2.1 to C2.7 Board should use the Annual General Meeting to communicate with investors and encourage their participation	Complied	All shareholders are invited and encourage to be present, actively participate and vote at the Annual General Meeting. The Annual general Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company. The external Auditors are invited to attend the Annual General Meeting, for any professional assistance that may requested. Shareholders who are not in the position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their own choice.
C.3, C.3.1 & C 3.2 Major and Material Transactions Directors should disclose to shareholders all proposed material transactions which would materially alter the net asset position of the Company, if entered into	Complied	There were no major transactions during the financial year that materially altered our Company's net asset base or the consolidated Group net asset base.
D. Accountability and Audit		
D.1 Financial Reporting The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.	Complied	Lanka Aluminium Industries PLC 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 and Group 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.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
D.1.1 and D1.2 Board responsibility to present the Financial Statements and annual reports of the directors	Complied	Please refer the Statement of Directors' Responsibility shown on page 62 and directors have made the required declaration on Pages 111 to 114 of this annual report.
D.1.3 Before approve financial statements for a financial period, A declaration should be made by Chief Executive Officer and Chief Financial Officer to the Board In their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the system of risk management and internal control was operating effectively	Complied	Please refer Responsibility Statement of Executive Chairman/ Managing Director and Group General Manager Finance and Administration on page 60 to 61.
D.1.4 Directors Report	Complied	Please refer the Report of the Directors on the State of Affairs of the Company on pages 12 to 15.
D.1.5 Statement by the Directors and the Auditors	Complied	The Statement of Directors' Responsibilities is on page 62 of this Annual Report. The Auditor's Report on the Financial Statements for the year ended 31st March 2024 is presented on pages 64 to 67 of this Annual Report.
D.1.6 Management discussion and analysis	Complied	The management discussion and analysis of the company is covered from Chairman's Review on page 5 of this Annual Report.
D.1.7 Requirement for an Extraordinary General Meeting in a situation of serious loss of capital	Not Applicable	This is not applicable to us however should the situation arise, an Extraordinary General Meeting would be called upon and our shareholders would be notified accordingly.
D.1.8 Disclosure of related party transactions	Complied	The Directors disclose their interest in transactions in companies in as and when basis. However, they make disclosures of their interest in transactions with the Company in compliance with the requirements of the companies act and other statutory requirements. The Company maintains an interest register as stipulated in the Companies Act.
D.2. Risk Management and Internal Control The Board should have a process of risk management and a sound system of internal controls to safeguard shareholders' investments and Company's assets.	Complied	The Board of Directors acknowledges its overall responsibility for maintaining a process of risk management and a sound system of internal controls, to safe guard shareholders' investment and the Company's assets.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<i>D.2.1 Annual evaluation of the risks facing the Company and the effectiveness of the system of internal controls</i>	Complied	The Board has appointed a three-member Audit Committee comprising of two Independent Non-Executive Directors and an non executive Director. The Audit Committee on quarterly basis monitor the company's risk management system and internal control system in the context of likelihood and their impact to the Group along with the efectiveness of the system of internal controls to address them to a satisfactory level.
<i>D.2.2 Robust assessment of the principal risks facing</i>	Complied	The assessment of the principal risks facing the company and risk mitigation strategies have been discussed on Risk Management Report on pages 39 to 46.
<i>D.2.3 Internal audit function</i>	Complied	The internal auditors under the direction of the Audit Committee are tasked with reviewing the adequacy and the efectiveness of the internal controls of the Company. The internal audit function is carried-out by the company on a continuous basis.
<i>D.2.4 Review of the process and effectiveness of risk management and internal controls by the Audit Committee</i>	Complied	The Audit Committee monitors, reviews and evaluates the effectiveness of the risk management and internal control system including the internal controls over financial reporting. The internal auditors review the adequacy and effectiveness of the Internal control system and report their findings to the Audit Committee. In the financial year under review, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company. Please refer Audit Committee Report on pages 53 to 55.
<i>D.2.5 Responsibilities of Directors in maintaining a sound system of internal control</i>	Complied	Please refer Report of the Directors on the State of Affair of the Company on pages 12 to 15.
<i>D.3,D.3.1 & D.3.2 Audit Committee, Composition, Duties & Responsibilities and Disclosures of Audit Committee</i>		
The Board should have a formal and transparent arrangement in selecting and applying the accounting policies, financial reporting and internal control & risk management principles and maintaining an appropriate relationship with the Company's External Auditors.	Complied	Please refer Audit Committee Report on pages 53 to 55.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
<i>D.4, D.4.1 to D.4.3 Related Party Transaction Review Committee, Composition, Duties & Responsibilities and Disclosures of Related Party Transaction Review Committee</i> The Board should establish a procedure to ensure that the Company does not engage in transactions with “related parties” in a manner that would grant such parties “more favorable treatment” than that accorded to third parties in the normal course of business.	Complied	Please refer Related Party Transactions Review Committee Report on pages 58 to 59.
<i>D.5, D.5.1 to D.5.4 Code of Business Conduct and Ethics</i> The Company should develop a Code of Business Conduct and Ethics for Directors and members of the senior management team	Complied	The Company has developed and institutionalized a strong set of corporate values and code of conduct that is circulated to Directors and all employees. The Board ensures that Directors and employees strictly comply with the code of Business Conduct and Ethics at all levels in the performance of their official duties, communications, role modelling and in any other circumstances, so as to prevent the tarnishing of our Company’s image in any manner. The violation of the code of ethics is an offence that is subject to disciplinary action.
<i>D.5 & D.5.1 Corporate Governance Disclosures</i>	Complied	We are adhering to the highest standards of corporate governance as is evident in this Annual Report on pages 16 to 38.
E. Institutional Investors		
<i>E.1 & E.1.1 Shareholders voting</i> Institutional shareholders are required to make considered use of their votes and encouraged to ensure their voting intentions are translated into practice	Complied	The Company is committed to maintain good communications with investors. The Chairman conducts a structured dialogue with the shareholders based on the mutual understanding of objectives and ensures that the views of the shareholders are communicated to the Board as a whole. The Annual General Meeting is used to have an effective dialogue with the shareholders on matters which are relevant and concern to the general membership.
<i>E.2 Evaluation of Corporate Governance initiatives</i>	Complied	Institutional investors are encouraged to give due weight to all relevant factors drawn to their attention when evaluating the governance arrangements particularly in relation to Board structure and composition.
F. Other Investors		
<i>F.1 & F.1.1 Investing/ Divesting decision by Individual Shareholders</i>	Complied	Individual shareholders are encouraged to carry out adequate analysis and seek the independent advice prior to make investing or divesting directly in shares of the Company if they formally approach the company.
<i>F.2 Individual shareholders voting</i>	Complied	All shareholders are encouraged to participate at meetings of the Company and a Form of Proxy accompanies each Notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote.

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
G. Information technology and Cyber security		
G.1 The Board should have a process to identify how in the organisation's business model, IT devices within and outside the organisation can connect to the organisation's network to send and receive information and the consequent cyber security risks that may affect the business. Internal and external parties could have computing devices embedded in everyday objects which may enable them to interconnect with the Company's network to send and receive data. Such access could be authorised or unauthorised.	Complied	The board assigned this responsibility to the Information Technology Division and which ensures security of the IT System.
G.2 The Board should appoint a Chief Information Security Officer (CISO) with sufficient expertise, authority and budgetary allocation to introduce and implement a cyber security risk management policy which should be approved by the Board. The policy should include a robust cyber security. Risk management process, incident response system, vendor management system, disaster recovery plan and a governance structure to monitor effective implementation, reporting and the need for cyber security insurance.	Complied	IT Manager performs the duty of Chief Information Security Officer (CISO).
H. Environment, Society and Governance(ESG)		
H.1 & H 1.1 Companies should provide information in relation to:		
- The relevance of environmental, social and governance factors to their business models and strategy. - How ESG issues may affect their business. - How risks and opportunities pertaining to ESG are recognised managed, measured and reported.	Complied	Sustainability principles related to ESG factors are embedded in the operations of the Company and initiatives implemented to ensure adherence by the Company.
H.1.2 Environmental governance of an organization should adopt an integrated approach that takes into consideration the direct and indirect economic. Social, health, and health and environmental implications of their decisions and activities.	Complied	Refer H.1 and H.1.1 above

Code of Best Practice on Corporate Governance	Compliance	Details of Compliance
H.1.3 Social governance of an organisation should include its relationship with the community, customers, employees, suppliers, outsourced providers and any other party that can influence or be influenced by the organisation's business model.	Complied	Sustainability principles related to social factors are embedded in the operations of the Company and initiatives implemented to ensure adherence to social governance by the Company are discussed in the Corporate Social Responsibility Reports and Analysis and compliance section of this report.
H.1.4 Companies should establish a governance structure to support its ability to create value and manage risks in the short, medium and long-term, recognising managing and reporting on all pertinent aspects of ESG. The Company should recognise the key resources/capitals deployed in its business and establish financial and non-financial measures for resource/capital management and related outputs and outcomes. The Company should have a process to ascertain, assess and manage risks which have an impact on the sustainability of the Company. The company should have a process to recognise material matters relating to significant stakeholders and a method of engagement relevant to their level of interest and influence. The disclosures should deal with how the Company has complied with the mandatory and voluntary codes of corporate governance and how its leadership structure, organisational culture, code of conduct and business model supports sustainability of the company in the short, medium and longterm.	Complied	Process of managing risks in line with ESG aspects is discussed in the Risk management report on pages 39 to 46.

Section B

This section covers the Company's extent of adherence to the requirements of the Continuous Listing Requirements Section 7.10 on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange. This reflects the Company's level of conformity to CSE's Listing Rules which comprise the following fundamental principles:

- Non-Executive Directors
- Independent Directors
- Disclosures Relating to Directors
- Remuneration Committee
- Audit Committee
- Related Party Transaction Review Committee

The following table presents the details of the Company's compliance with Section 7.10 and Section 9 of the CSE Listing Rules on Corporate Governance as at 31st March 2024.

Section	Corporate Governance Rule	Compliance	Details of Compliance
Directors			
Non-Executive Directors	7.10.1 Number of Non-Executive Directors – One-third of the total number of Directors, subject to a minimum of two.	Complied	The Board of Directors comprises five Directors, four of whom are Non-Executive Directors.
Independent Directors	7.10.2(a) Number of Independent Directors – One-third of Non-Executive Directors, subject to a minimum of two.	Complied	Two of the Non-Executive Directors are independent.
Independent Directors	7.10.2(b) Each non-Executive Director should submit a declaration of independence/non independence.	Complied	All Non-Executive Directors have submitted declarations confirming their independence.
Disclosures relating to Directors	7.10.3(a) Names of Independent Directors should be disclosed in the Annual Report	Complied	Please refer board of directors on pages 3 to 4.
Disclosures relating to Directors	7.10.3(b) The Board shall make a determination annually as to the Independence or Non-independence of each Non-Executive Director.	Complied	The Board has determined that the Two Independent Non-Executive Directors, satisfy the criteria for Independent set out in the Listing Rules and annually each Non-Executive Director declares his independence/ non independence compliance with the relevant statutory regulations.
Disclosures relating to Directors	7.10.3(c) A brief résumé of each Director should be included in the Annual Report including the area of experience.	Complied	Please refer board of directors on pages 3 to 4.
	7.10.3(d) Provide brief résumé of any new Director appointed to the Board.	Complied	No new directors has been appointed during the financial year of 2023/2024.

Section	Corporate Governance Rule	Compliance	Details of Compliance
Remuneration Committee			
Composition	7.10.5(a) Number of Independent Non-Executive Directors in the Committee to be – - a minimum of two (where a Company has only two Directors on the Board), or - in all other instances majority of whom to be independent.	Complied	The Committee comprises two Independent Non Executive Directors and one Non Executive Director.
	Separate Committee to be formed for the Company or the Listed Parent's Remuneration Committee to be used.	Complied	A separate Remuneration Committee was formed for the Company.
	Chairman of the Committee to be a Non-Executive Director.	Complied	The Committee is chaired by an Non-Executive Director.
Functions	7.10.5(b) Function of the Committee.	Complied	The Remuneration Committee Report sets out the functions of the Committee and please refer pages 56 to 57.
Disclosure in the Annual Report	7.10.5(c) The Annual Report should set out – - Names of Directors comprising the Remuneration Committee. - Statement of Remuneration policy. - Aggregate remuneration paid to Executive & non-executive Directors.	Complied	Please refer Remuneration Committee Report on pages 56 to 57.
Audit Committee			
Composition	7.10.6(a) Number of Independent Non-Executive Directors in the Committee to be – - a minimum of two (where a Company has only two Directors on the Board), or - in all other instances majority of whom to be independent.	Complied	The Committee comprises of two Independent Non-Executive Directors and an Non-Executive Director.

Section	Corporate Governance Rule	Compliance	Details of Compliance
Audit Committee			
Composition	Separate Committee to be formed for the Company or the Listed Parent's Committee to be used.	Complied	A separate Audit Committee was formed for the Company.
	Chairman of the Committee to be a Non-Executive Director.	Complied	The Committee is chaired by an Independent Non-Executive Director.
	Chairman or one member of the Committee to be a member of a recognised professional accounting body.	Complied	The Chairman of the Committee is a member of a recognised professional accounting body.
	CEO and CFO to attend Committee meetings, unless otherwise determined by the Audit Committee.	Complied	Executive Chairman/ Managing Director attends by invitation. Group General Manager – Admin & Finance attends by invitation.
Functions	7.10.6(b) Function of the Committee.	Complied	The Audit Committee Report sets out the functions of the Committee. Please refer pages 53 to 55.
Disclosure in the Annual Report	7.10.6(c) Names of Directors comprising the Audit Committee, The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination and The Annual report shall contain a Report of the Audit Committee in the prescribed manner.	Complied	Please refer Audit Committee Report on pages 53 to 55.
Related Party Transactions Review Committee			
Composition	9.2.2 Combination of Non-Executive Directors and Independent Non-Executive directors.	Complied	The Committee comprises of three Independent / Non Executive Directors.
	9.2.3 Separate Committee to be formed for the Company or the Listed Parent's Committee to be used.	Complied	A separate Related Party Transactions Review Committee was formed for the Company.
Functions	Function of the Committee.	Complied	The Related Party Transactions Review Committee Report sets out the functions of the Committee.
Disclosure in the Annual Report	9.3.2 (c) The Annual Report shall contain a Report of the Related Party Transactions Review Committee in the prescribed manner.	Complied	Please refer Related Party Transactions Review Committee Report on pages 58 to 59.

Risk Management and Business Control

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Lanka Aluminium is dedicated to generating value for shareholders, employees, and society as a whole. Achieving this requires responsible operations and sustained profitable growth. A key element in this process is the effective management and control of business risks.

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Our approach integrates proactive risk identification, comprehensive assessment, and decisive mitigation strategies to navigate a dynamic business landscape effectively.

Key Elements of Risk Management

1. **Enterprise Risk Management (ERM) Framework:** Our ERM framework is designed to identify, analyze, evaluate, treat, mitigate, and monitor strategic, operational, legal, and compliance risks. This systematic approach enables us to minimize risks while seizing market opportunities and bolstering our long-term competitive edge. Given that risks can impact multiple business objectives, our strategy focuses on comprehensive risk assessments and the implementation of mitigation measures through regular Board of Directors and Audit Committee meetings.
2. **Mitigation Strategies:** Implementing effective mitigation strategies is pivotal to our risk management framework. We employ a range of measures, including risk avoidance, reduction, transfer, and acceptance, tailored to mitigate identified risks. This proactive approach minimizes potential disruptions and optimizes opportunities for sustainable growth.
3. **Governance and Oversight:** Our Board of Directors provides robust governance and oversight of our risk management practices. Regular reviews and updates ensure alignment with our strategic objectives while adhering to regulatory requirements and industry best practices. This ensures that risk management remains an integral part of our corporate governance framework.
4. **Internal Controls and Compliance:** Strong internal controls are fundamental to maintaining operational efficiency and integrity. We have established a framework of policies, procedures, and controls to safeguard assets, ensure reliable financial reporting, and promote adherence to applicable laws and regulations. Upholding the highest standards of ethics and compliance is non-

negotiable, fostering trust among stakeholders and reinforcing our corporate reputation.

5. **Continuous Improvement:** We are committed to continuous improvement in our risk management and business control practices. Regular audits, feedback mechanisms, and ongoing training initiatives enable us to adapt swiftly to evolving risks and regulatory changes, ensuring resilience and agility in our operations.

Employee Involvement and Organizational Culture

At Lanka Aluminium, managing risk is essential for growth and success. Risk management is embedded in our organizational culture, with employees playing a central role in the process. This approach makes us more adaptable, enabling us to effectively mitigate risks in a dynamic environment. The Board of Directors holds ultimate responsibility for risk oversight, concentrating on the most significant risks facing the company. We view risk management as a crucial component of our operations, building on management's risk assessment and mitigation processes. These include regular reviews of long-term strategic and operational planning, executive development and evaluation, regulatory and litigation compliance, health, safety, and environmental compliance, financial reporting and controls, and information technology and security.

As we look ahead, our focus on proactive risk management and stringent business controls remains unwavering. By prioritizing these foundational elements, we fortify our resilience, protect shareholder value, and sustain long-term success amidst an increasingly complex business environment. Our proactive and systematic approach to risk management, integrated into our corporate governance, enables us to balance an entrepreneurial spirit with the level of risk associated with business opportunities.

In conclusion, our dedication to effective risk management and robust business controls underscores our commitment to achieving sustainable growth and delivering value to all our stakeholders.

Our risk management framework operates at multiple levels throughout the organization. The primary roles and responsibilities for managing risks within the company are outlined below:

Level	Key roles and responsibilities
Board of Directors (BOD)	• Oversee the establishment and review of corporate objectives, budgets, and forecasts. • Evaluate operational and functional performance. • Ensure executive management prioritizes risk management aligned with key business objectives. • Implement and maintain effective internal control and risk management systems.
Audit Committee	• Monitor the Group's risk management and internal control processes through comprehensive discussions with management and executive directors. • Regularly obtain formal confirmations and assurances from management on the efficiency of internal control and risk management systems and compliance with applicable laws and regulations. • Ensure appropriate monitoring and control of risks by reviewing the Group's principal risks, uncertainties, and management's mitigating actions. • Assess the adequacy of internal controls and the risk management framework to meet SLAS requirements. • Seek technical advice from external consultants as necessary.
Senior Management	• Manage units in accordance with the Company's risk management practices. • Ensure compliance with risk management policies and procedures within their respective business units. • Address risks associated with business decisions within their span of control or area of operations. • Ensure the effectiveness of risk mitigation actions in their units. • Promptly report risk events and incidents related to their unit.
Operational and other staff	• Adhere to risk management policies and procedures. • Implement prescribed risk mitigation actions. • Report risk events and incidents promptly



Lanka Aluminium's Commitment to Risk Management

Lanka Aluminium remains steadfast in its dedication to generating value for shareholders, employees, and society. Our approach emphasizes responsible operations and achieving sustained profitable growth. Central to this mission is our effective risk management and business control strategy, which enables us to navigate an evolving industry landscape and secure long-term success.

Business Objectives and Industry Dynamics

In response to the significant transformations within our business and industry, we recognize the increased risks associated with strategic decision-making and execution, alongside traditional operational and compliance risks. Our corporate scorecard outlines the company's business objectives through a series of specific short- and long-term strategic goals, which include:

- Steady financial performance
- Market penetration
- Solution differentiation
- Operational excellence
- Cost-optimization programs
- Talent attraction and retention
- Long-term sustainability

Moreover, we are proactive in developing programs aimed at mitigating the impact of potential changes in national laws and regulations.

Risk Assessment Framework

Risk assessment involves the identification and analysis of existing and emerging risks, forming the basis for effective risk management. Our approach utilizes both bottom-up and top-down processes to ensure a holistic risk management strategy:

- **Bottom-up Approach:** Involves cross-functional meetings with line management to identify and prioritize risks.
- **Top-down Approach:** Reviews and assesses whether risks are comprehensively identified, prioritized, and properly addressed by line management in relation to the Group's objectives.

Types of Risks

1. Strategic Risk

- **Definition:** Risks arising from the choices we make in defining and executing our strategy.
- **Examples:** Industry competitiveness, market offerings, business models, and talent base.
- **Management:** Regular assessment of strategic programs, momentum in new initiatives, and financial performance impact.

2. Operational Risk

- **Definition:** Risks from internal and external factors affecting policies, procedures, people, and systems.
- **Examples:** Disruptions due to natural calamities, cyber security breaches, operational inefficiencies.
- **Management:** Continuous monitoring and improvement of operational processes to ensure service delivery and core value adherence.

3. Legal & Compliance Risk

- **Definition:** Risks from non-compliance with laws, regulations, codes of conduct, or contractual agreements.
- **Examples:** Potential litigations, breaches of agreements, regulatory changes.
- **Management:** Ensuring adherence to legal and regulatory requirements, and proactive mitigation of compliance risks.

Risk Management Process

Our Enterprise Risk Management (ERM) System employs risk indicators to monitor high-priority risks. These indicators align with the Group's risk tolerance, representing the magnitude of risk we are willing to take in achieving business goals. Key Performance Indicators (KPIs) for business units are incorporated to measure their progress toward these goals.

Risk Response Strategies

We employ various strategies to address identified risks:

- **Avoid:** Nullifying the risk by refraining from activities that cause it.
- **Share/Transfer:** Sharing the specific risk with another entity.
- **Reduce:** Reducing the level of risk through targeted mitigation actions.
- **Accept:** Allowing the risk to remain as is, based on its severity

Internal Controls and Continuous Improvement

Strong internal controls are essential for maintaining operational efficiency and integrity. Our framework of policies, procedures, and controls safeguards assets, ensures reliable financial reporting, and promotes adherence to applicable laws and regulations. We are committed to continuous improvement in our risk management and business control practices through:

- Regular audits
- Feedback mechanisms
- Ongoing training initiatives

These measures enable us to adapt swiftly to evolving risks and regulatory changes, ensuring resilience and agility in our operations.

Employee Involvement and Organizational Culture

At Lanka Aluminium, managing risk is embedded in our organizational culture. Employees play a central role in the risk management process, making us more adaptable and enabling effective risk mitigation in a dynamic environment. The Board of Directors holds ultimate responsibility for risk oversight, focusing on the most significant risks facing the company. We integrate risk management into our operations through regular reviews of strategic and operational planning, executive development, regulatory compliance, health and safety, financial controls, and IT security.

Lanka Aluminium's unwavering focus on proactive risk management and stringent business controls fortifies our resilience, protects shareholder value, and sustains long-term success. By integrating risk management into our corporate governance, we balance an entrepreneurial spirit with the risks associated with business opportunities. Our commitment to effective risk management and robust business controls underscores our dedication to achieving sustainable growth and delivering value to all our stakeholders.

Risk Overview

The following table presents an awareness of Lanka Aluminium's approach to risk management.

Risk Exposure	Company Objectives	Risk response
1. Strategic Risks		Reduce & Share
a. Metal Risks Aluminium is traded on the London Metal Exchange (LME) and is subject to fluctuations in price that have direct impact on direct costs.	To minimize the serious impact on consolidated earnings.	Each Strategic Business Unit (SBU) mitigates this risk by keeping a balanced LME position with defined thresholds for temporary long or short positions. A balanced position is attained when the LME exposure in fixed-priced sales to customers equals metal inventories plus fixed-price metal purchases from suppliers. To the extent that such balance is not achieved through physical positions, the SBU offers LME + premium price to selective customers
b. Possibility to increase billet premium	Expect to have a fairly stable billet premium.	Accept The billet premium has historically been fairly stable. We continuously monitors its exposure and evaluates mitigation actions
c. Increase of Aluminium scrap price and scarcity of aluminium scraps	To purchase Aluminium scrap from external suppliers at competitive minimum price.	Accept Prices of scrap also fluctuates depending on the LME prices. Net exposure to fluctuations in the scrap price is considered medium Reduce reliance on a single supplier by diversifying sources of aluminum scraps from multiple suppliers or regions
d. Interest Rate and Foreign Exchange Rate Risk	To minimize adverse effects of interest rate & foreign exchange rate volatility.	Reduce & Share It is the Company's objective to limit its exposure to changes in interest and exchange rates while retaining the opportunity to benefit. Accordingly the Group manages interest and exchange rate fluctuations with an appropriate mix of fixed and variable rate debts, forward contracts if necessary, through a centralized treasury management function.
e. Technological and Quality related risks	To keep pace with current technological developments and quality standards to avoid obsolescence. To minimize production of stocks that do not meet the standards.	Accept Develop a long term plan to replace existing machines with technology advanced machines, obtain certificates from relevant authorities and ensure products comply with most of the local and international standards and already the equipment required to test the quality of products are in place.
f. Risk of competition	To avoid losses of market share.	Accept Our businesses are highly competitive. Failure to compete with competitors on areas including price, product range, quality and service would have an adverse effect on the Group's financial results. Hence we aim to have a broad appeal in range and format in a way that allows us to compete effectively.

Risk Exposure	Company Objectives	Risk response
g. Political and Regulatory Risks	To foster and sustain relationships with government officials and regulatory bodies for timely policy insights	Share This involves collaborating with industry associations or trade groups to collectively advocate for favorable policies and regulations.
2. Operational Risks		Reduce
h. Credit Risk	To minimize risk associated with debtor defaults.	Credit risks emerge from debtors non-payments, potentially causing working capital challenges. Our company extends credit to customers as part of regular operations. We manage this risk by leveraging bank guarantees. Additionally, we enforce our Group credit policy, conduct thorough evaluations of customers before extending credit, regularly review receivables via our Credit Management Committee, suspend credit for overdue accounts, and initiate legal procedures for recovering long overdue receivables. These measures collectively mitigate credit risk exposure.
i. Asset Risk	To minimize losses that can cause from machine breakdown and damages from fire or theft.	Transfer & Reduce Obtained comprehensive insurance cover for plant and machinery and carry out planned preventive maintenance programs.
j. Lack of Internal Controls	To maintain sound system of internal controls to safeguard company assets.	Avoid The Directors acknowledged their responsibility for the Company's system of internal control. The system is designed to give assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.
k. Human Resources	To reduce labour turnover To ensure smooth flow of operations without interruptions To ensure adaptability through training and adopting best practices.	Reduce Our greatest asset is our employees. It is critical to our success to attract, retain, develop and motivate the best people with the right capabilities at all levels of operations. We review our people and policies regularly and are committed to investing in development and incentives for our people. There are clear processes for understanding and responding to employees' needs through HR initiatives, and communication of business developments.
l. Global Crisis of COVID 19 virus similar risks	To minimize Fixed Overheads To maintain Sales.	Reduce Reduce the Overhead costs and improve the liquidity position. Diversify the customer base and look for new markets. Closely monitor and manage the existing parties (Eg : Customers, Suppliers, Banks etc.). Develop a multiple supplier network and arrange sufficient financial facilities.

Risk Exposure	Company Objectives	Risk response
m. IT Systems and Infrastructure	To ensure efficient information technology system and minimize possible risks associated with data security, hardware, software and communication systems.	Reduce Our operations rely heavily on robust information technology (IT) systems. To uphold the integrity and efficiency of our IT infrastructure and ensure uninterrupted service delivery, we enforce stringent controls. Engaging all relevant staff effectively, we mitigate IT-related risks through rigorous policies, procedures, and heightened awareness. Regular data backups are stored securely offsite (on cloud), and we maintain up-to-date virus scanners through regular upgrades.
n. Inventory Management Risk	To reduce stock out situations To reduce the accumulation of slow moving stocks To minimize the losses through obsolete stocks To minimize risk of sub standard material being received To minimize inventory	Reduce Plan monthly production based on budgets and sales forecasts and review during production planning meetings held monthly. Adopt various quality standards at different stages to verify the quality until the product is delivered. Stocks that are not up to standards are separated as scrap and reproduced local aluminium billets through melting unit. Continuous stocks verification systems to identify nonmoving stocks. Regularly monitor inventory days.
o. Investment in Capital	To reduce the risk of loss in present and future investments.	Reduce Investments in assets are properly planned and made on a timely basis and reduce the idle assets as far as possible.
3. Legal & compliance Risk	To minimize adverse impact of operations to the environment.	Avoid Comply with the standards set by the relevant authorities and ensure compliance.
p. Environmental Issues		
q. Legal and Regulatory Issues	To minimize possible losses arising from non compliance with statutory and regulatory requirements . To minimize or take counter measure to reduce the impact arising from changes to regulatory issues.	Avoid The legal function proactively identifies and sets up appropriate systems and processes for legal and regulatory compliance in respect of all our investments. Continue to monitor legal framework and amendments and comply with such regulations.

Risk Exposure	Company Objectives	Risk response
r. Issues pertaining to employees and industrial relationship	To retain talented employees and maintain good industrial relationship with governmental agencies.	Reduce The Board of Lanka Aluminium Industries PLC assesses all the issues with regard to employees and Industrial Relation which influence the performance of the Group. Company takes considerable amount of steps to ensure employees are satisfied at all the levels and their issues are addressed in order to retain talented employees. A well structured grievance handling system is in place to handle the grievance of employees at all levels. We make sure to maintain pertinent industrial relationships with all the governmental agencies. There are no issues which affect the Company's performance to be disclosed.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) stands as a cornerstone of modern business ethics, emphasizing corporate accountability and positive societal impact. Embracing CSR entails more than mere compliance; it involves a proactive commitment to sustainable practices, equitable workplaces, employee welfare, community engagement, and ethical decision-making. By integrating these principles, companies not only meet their social obligations but also foster a culture of integrity and ethical conduct, thereby contributing meaningfully to societal advancement.

The evolution of CSR reflects a shift from voluntary initiatives to mandated standards across global business landscapes. What once began as optional goodwill has evolved into legal and regulatory requirements at various levels. Many companies, however, have moved beyond mere adherence to these regulations. They have embedded CSR deeply into their core strategies, recognizing it as a strategic imperative rather than a regulatory burden. This proactive approach not only enhances their reputations but also aligns their business goals with broader societal needs.

As companies navigate the complexities of CSR, they acknowledge the diversity of approaches needed to effectively implement these principles. Authenticity in CSR initiatives requires more than superficial gestures; it demands genuine integration into corporate culture and daily operations. In today's socially conscious environment, stakeholders - be they employees, consumers, or investors - increasingly value companies that demonstrate sincere commitment to CSR. This alignment not only enhances organizational resilience and competitiveness but also attracts top talent and loyal, socially aware customers. Thus, CSR emerges as a pivotal catalyst for business success in the modern era.

The Significance of Corporate Social Responsibility

In today's business environment, demonstrating social responsibility has become essential. Consumers, employees, and stakeholders increasingly prioritize Corporate Social Responsibility (CSR) when choosing to engage with brands or businesses. They expect companies to drive positive social change through their values, operations, and profit distribution. Recognizing this, we understand that public perception significantly influences our business success.

To reflect our commitment to CSR, we have taken deliberate steps to position ourselves as a force for good, setting us apart from competitors. We have implemented sustainability programs, engaged in community outreach, and prioritized ethical supply chain management. By embracing CSR, we not only contribute to socially conscious initiatives but also support projects aligned with our core values. This strategy enhances our brand reputation, builds trust and loyalty among stakeholders, and ensures our long-term success and positive societal impact.

Cultivating employee commitment and retention

Promoting employee engagement and retention is essential for business success. Companies that invest in giving back to their communities and actively engage in corporate social responsibility (CSR) not only attract customers but also recognize their employees as vital assets. By prioritizing sustainability and social impact, businesses appeal to top talent who highly value these principles.

The triple bottom line approach, focusing on people, the planet, and profit, resonates deeply with the next generation of workers and significantly influences their choice of employer. Furthermore, participation in CSR initiatives boosts employee morale, increases job satisfaction, and instills a sense of pride and purpose within the organization.

Modern concepts such as mental health support, and diversity and inclusion initiatives further enhance a company's attractiveness to prospective employees. Embracing digital transformation and fostering a culture of innovation also contribute to a dynamic and engaging work environment. These strategies not only align with the values of today's workforce but also position businesses as leaders in creating a sustainable and inclusive future.

Boosting Investor Appeal through CSR Initiatives

Enhancing our attractiveness to investors is a key benefit of our robust CSR program. Demonstrable efforts in corporate social responsibility significantly bolster our business's credibility with both existing and potential investors. Today, investors are assuming a progressively vital role as key stakeholders in the realm of CSR, holding companies accountable similarly to consumers.

Our commitment to CSR not only showcases our dedication to responsible business practices but also signals to partners and investors that we prioritize both short-term success and long-term sustainability. Integrating Environmental, Social, and Governance (ESG) indicators, which aid external analysts in assessing the impact of our social initiatives, aligns seamlessly with our CSR efforts and holds increasing significance for investors in their decision-making processes.

Incorporating modern concepts such as impact investing, where investors seek both financial returns and positive social or environmental impact, further enhances our appeal. Additionally, the rise of green financing options, including waste minimization in product, packaging, and manufacturing processes, as well as enhanced recycling efforts that promote environmental benefits, underscores our commitment to sustainability. By embracing these contemporary trends, we position ourselves as leaders in responsible business, attracting discerning investors who value both profitability and social responsibility.

Philanthropy and Volunteering

During this financial year, despite limited opportunities, our company remains committed to social responsibility through philanthropy and volunteering efforts. We aim to address social issues and promote community well-being by supporting charitable organizations with contributions of funds, goods, or services. Our staff also participates in volunteering for local organizations and events, reflecting our integrity and genuine commitment to social causes.

Upholding Ethical Standards

At Lanka Aluminium, ethical business practices are fundamental to our corporate social responsibility. We are committed to fair and ethical treatment of all employees, recognizing the importance of diversity across our operations. This principle ensures that we operate with integrity and respect in all our endeavors.

Our CSR Strategy

Our approach to CSR involves leveraging our expertise and resources to address pressing social and environmental issues. We focus on four main strategies to fulfill our social responsibilities:

- 1. Customer Focus:** We prioritize our customers by providing a wide range of products and tailored post-purchase services. This commitment to customer satisfaction not only improves our offerings but also helps us build a loyal and inclusive customer base.
- 2. Insightful Study:** Using our extensive knowledge, we study and analyze current trends in business, society, and the environment.
- 3. Community Support:** We actively engage with communities to develop effective strategies that address local needs. Our initiatives include providing essential resources to our employees, ensuring their well-being and supporting economic resilience.
- 4. Ethical Excellence:** Our operations are guided by strong ethical principles, from our core values to our environmental policies and supply chain management. We are dedicated to maintaining high standards of conduct in every aspect of our business.

Commitment to Principles

Our steadfast commitment to ethical conduct brings substantial benefits, helping us attract and retain top talent, business partners, and loyal customers. As we expand and innovate, we remain vigilant about ethical considerations, ensuring our decisions are guided by integrity. This commitment influences our approach to new markets and technological advancements, ensuring that we uphold our values in all aspects of our business.

Environmental initiatives

Enhancing Sustainability with Pollution Control

Environmental initiatives are a cornerstone of CSR efforts, emphasizing sustainability as a critical focus area. Businesses of all sizes inherently leave significant carbon footprints, making measures to reduce environmental impact crucial for both corporate responsibility and societal benefit. As part of our commitment to environmental sustainability, we have imported an advanced anti-air pollution system. Scheduled for installation in the near future, this system will reduce our minimal levels of air pollution even further, exemplifying our dedication to environmental stewardship.

Promoting Eco-Friendly Practices and Sustainable Scrap Recycling

Collaborating and Leveraging Skills for Environmental Solutions

Addressing environmental challenges requires the collective efforts and expertise of individuals and industries. Aluminium, a highly sustainable material, can be recycled indefinitely without losing quality. This makes aluminium recycling a vital component of our corporate social responsibility (CSR) strategy.

Importance of Aluminium Scrap Recycling

Recycling aluminium is not only economically beneficial but also essential for environmental stewardship. By focusing on aluminium scrap recycling, we prevent the addition of waste aluminium to landfills, preserving livable spaces for future generations. This practice conserves natural resources by reducing the need for raw material extraction, lowers energy consumption, and reduces greenhouse gas emissions. Additionally, it promotes a circular economy, ensuring materials are reused and recycled rather than discarded.

Our Commitment to a Sustainable Future

By prioritizing aluminium recycling, we demonstrate our dedication to eco-friendly practices and sustainable development. This approach helps protect the environment, supports community well-being, and ensures a healthier, more livable planet for everyone. Through our recycling initiatives, we are fostering a greener future and upholding our CSR commitment to environmental responsibility.

Ensuring Superior Quality

At Lanka Aluminium Industries PLC, we are committed to producing high-quality anodized, powder-coated, and mill-finished extrusions that meet established specifications. Our dedication to excellence is reflected in our primary objectives:

Delivering High-Quality Products and Services

- **Innovation and Quality:** We strive to provide cutting-edge, high-quality products and efficient services that meet and exceed the expectations of our valued customers.

Empowering Our Workforce

- **Employee Empowerment:** We cultivate a work environment that empowers each employee to contribute to the team's pursuit of excellence.

We believe it is our responsibility to address not only the challenges facing our company but also those affecting the individuals and communities we engage with. Our approach to corporate social responsibility (CSR) leverages the expertise of our subject matter specialists and incorporates valuable insights from external stakeholders' feedback.

Compliance & Integrity

At Lanka Aluminium, maintaining integrity and morality is a collective responsibility. In every business engagement, our ethics and values guide us, ensuring our unwavering commitment to ethical practices and full legal compliance throughout the organization.

Ethical Business Practices

Guided by these principles, we conduct business in a manner that aligns with our ethical beliefs. As a unified entity, we prioritize the needs of our customers, operating with dependability, proactivity, and responsibility. Our business boasts a rich history and culture, underscored by high standards for ethical behavior.

Decision-Making Foundation

The foundation of our ethics and values aids us in making the most advantageous decisions for both the company and ourselves. By staying true to these core principles, we maintain a steadfast commitment to excellence and ethical conduct in all aspects of our operations.

Engage with Stakeholders

The Company engages actively with various stakeholder groups, employing diverse strategies to foster collaboration and address emerging CSR concerns.

Investors and Shareholders

We recognize our duty to deliver satisfactory returns to investors and shareholders while prioritizing sustainable profitability. Our engagement strategies include regular meetings, participation in industry forums focusing on sustainability, and transparent communication through our annual reports, sustainability disclosures, and specialized

investor relations initiatives. Addressing new CSR concerns, we emphasize ethical investment practices and environmental stewardship in our dialogues.

Banks and Prospective Lenders

Financial institutions and prospective lenders are critical partners in our growth journey. We maintain robust relationships by promptly addressing their inquiries, ensuring transparency in financial dealings, and incorporating sustainability criteria into our borrowing and lending practices. New CSR concerns such as ethical lending practices and financial inclusion initiatives are integral parts of our engagement strategy with these stakeholders.

Employees

At Lanka Aluminium Industries PLC, we prioritize the well-being and satisfaction of our employees, considering them integral to our success. We invest in creating a supportive workplace environment through regular meetings for open communication, comprehensive benefits, and ample opportunities for training and professional growth. This approach ensures our team remains engaged and motivated, driving our collective success.

Diverse Expertise and Achievement

Our workforce at Lanka Aluminium comprises a diverse range of professionals, including mechanical, electrical, technical, finance, and marketing experts. This diversity not only enriches our capabilities but also fuels innovation and excellence across our operations. Together, our team has consistently achieved significant milestones and exceeded industry standards.

Talent Acquisition and Retention

At Lanka Aluminium Industries PLC, we take a thoughtful approach to recruiting and retaining skilled professionals who align with our company values. This focus has helped us maintain a stable workforce with consistent team members, fostering a sense of continuity and dedication within our organization. We provide career development opportunities that support our employees in contributing to our ongoing success and promoting innovative solutions.

Cultivating Innovation and Growth

Innovation is ingrained in our corporate culture at Lanka Aluminium. We foster an environment where creativity is encouraged and supported, enabling our team to explore new ideas and solutions. This commitment to innovation extends across all facets of our business, enhancing efficiency, improving customer satisfaction, and positioning us strongly in the competitive market landscape.

Our Team

At Lanka Aluminium, we recognize the critical importance of fostering a supportive work environment that promotes a healthy work-life balance. We value the skills and dedication of our team members, endeavoring to attract talented individuals who share our commitment to advancing aluminum solutions. Our workplace culture emphasizes dynamic career prospects and favorable conditions aimed at nurturing employee satisfaction and retention.

Central to our operational strategy is the collaborative relationship between employees and managers, anchored in goal-setting and performance delivery processes. We prioritize achieving objectives while upholding our principles of safety, ethics, and efficient resource management. Personal development plans are integral to this journey, energizing our workforce, ensuring alignment with company goals, and fostering sustained focus. Our overarching goal is to empower every employee to contribute meaningfully to both our mission and their personal growth.

To support our staff in realizing their full potential, we provide enriching development opportunities, celebrate achievements, and cultivate an inclusive and healthy workplace environment. Our core values promote honesty, open communication, and regular feedback loops. We foster a culture of teamwork and innovation, offering flexible work arrangements, secure facilities, and investments in employee well-being. Embracing diversity, we actively cultivate an inclusive environment where all team members, regardless of background, feel valued and integral to making a positive impact.

Given that the majority of our workforce operates from our factory premises, we encourage career development within Lanka Aluminium. Our comprehensive occupational health and safety program takes a proactive approach, aimed at minimizing accidents, injuries, and work-related illnesses.

Through ongoing investment in employee awareness and practical training, we instill a collective commitment to workplace safety, ensuring that every team member prioritizes the well-being and safety of their colleagues.

Remuneration and Benefits to employees

At Lanka Aluminium, we recognize the importance of providing competitive remuneration and benefits to meet the expectations of our valued employees. Our incentive packages are meticulously crafted to encompass both monetary rewards and non-monetary perks, ensuring our workforce feels appreciated and motivated. Last year, we allocated Rs. 290 Mn towards personnel costs, reflecting our commitment to investing in our team's growth and well-being.

To ensure fairness and equity in compensation, our strategy balances internal parity with industry benchmarks, allowing our employees to share in the company's successes. We meticulously design these packages based on industry standards and best practices, enhancing the overall employee experience and fostering a culture of mutual respect and appreciation.

In response to economic challenges influenced by unfavorable political conditions, Lanka Aluminium remains steadfast in prioritizing the well-being of our employees. Throughout the year, we implemented salary increases ranging from 6%, alongside annual year-end bonuses as tokens of our gratitude for their dedication and hard work. Despite uncertainties ahead, we remain committed to nurturing our workforce's growth and development while continuously refining our business continuity strategies to ensure sustainable operations.

Government and Regulatory Compliance

Operating within the regulated framework of the manufacturing sector, Lanka Aluminium places a strong emphasis on unwavering compliance with all applicable regulations. We maintain proactive communication with regulatory bodies to ensure prompt resolution of inquiries and concerns, fostering a transparent and cooperative relationship.

As a responsible corporate entity, we uphold our commitment to contributing to national development through timely and diligent tax payments. By fulfilling our fiscal responsibilities, we support the national treasury and contribute to Sri Lanka's economic growth, demonstrating our dedication to sustainable and ethical business practices.

Customers

At Lanka Aluminium, we prioritize maintaining consistent and transparent communication with both current and potential clients, recognizing them as integral to our business operations. Through regular meetings and open discussions, we gain valuable insights into client expectations, fostering collaborative relationships built on trust and ethical business practices. Our commitment to Corporate Social Responsibility (CSR) extends to promoting strong ethical standards among our customers, reinforcing our dedication to sustainable business practices.

To ensure our clients are informed about our latest technological advancements and solutions, we conduct seminars and training programs across Sri Lanka, providing comprehensive updates nationwide. Additionally, our strategically located showrooms showcase cutting-edge products and systems, designed to meet the exacting standards of architects and designers. These showrooms underscore Lanka Aluminium's commitment to excellence in the aluminum extrusion sector, emphasizing our leadership position.

Recognizing the diverse needs and preferences of our clientele, we offer a diverse range of products and services through efficient distribution channels. This approach allows us to cater effectively to their unique requirements, ensuring customer satisfaction and loyalty.

Suppliers and Contractors

Lanka Aluminium maintains a robust supply chain involving over 500 suppliers who align with our commitment to sustainable development principles. Our procurement policy strictly prohibits practices such as forced labor, child labor, and improper payments, as outlined in our supplier declaration. We prioritize collaboration and integration with our supply chain partners across various aspects of our business operations.

To uphold the highest standards, we select registered suppliers who demonstrate reliability, competitiveness in pricing and service quality, and flexibility. Ethical standards are paramount, and we require suppliers to have a proven track record of ethical practices. Labor providers must offer competitive salaries in compliance with local laws, ensuring equitable treatment for workers.

Dealers and Consignment Agents

Lanka Aluminium values the enduring partnerships we have cultivated with our dealers and consignment agents. We collaborate closely with businesses that bring specialized expertise, fostering a mutually beneficial exchange of knowledge. Through seamless cooperation, we aim to deliver exceptional value to our esteemed customers, ensuring their needs are met with efficiency and reliability.

The Community

At Lanka Aluminium, we recognize the profound impact of our operations on local communities and the environment. We uphold principles of transparency and openness, maintaining accessible policies for review by all stakeholders. By generating employment opportunities, we contribute directly and indirectly to the economic growth of the regions where we operate.

Respecting and adhering to local customs and laws is integral to our business ethos. We prioritize supporting meaningful community initiatives that align with our values. Through financial contributions, technological advancements, and active participation in voluntary efforts, we demonstrate our commitment to making a positive difference in the communities where our employees live and work.

Advancing Social Responsibility

At Lanka Aluminium, we integrate corporate social responsibility (CSR) into our core practices to create a positive impact on society. Beyond traditional charitable giving, we prioritize supporting our employees during challenging times as part of our CSR strategy. We believe in striking a balance between financial goals and social progress through well-defined initiatives that benefit both our workforce and the communities we serve.

Audit Committee Report

The Audit Committee of Lanka Aluminium Industries PLC plays a pivotal role in supporting the Board of Directors to effectively carry out its responsibilities relating to financial and other connected affairs of the Company. The Committee ensures that robust internal controls, financial reporting, and compliance processes are in place, safeguarding the interests of shareholders and other stakeholders.

Committee Responsibilities

The primary responsibilities of the Audit Committee include:

1. Financial Reporting:

- Ensuring the accuracy and integrity of the Company's financial statements.
- Overseeing the preparation and presentation of quarterly and annual financial statements in compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) and other regulatory requirements.

2. Internal Control and Risk Management:

- Reviewing the adequacy and integrity of internal control systems and management information systems.
- Ensuring effective risk management processes are in place to safeguard the Company's assets.
- Monitoring and evaluating the Company's risk management framework and internal control processes through detailed discussions with management and executive Directors.

3. Compliance:

- Ensuring compliance with applicable laws, rules, regulations, and guidelines.
- Overseeing the implementation of best practices in corporate governance and disclosures in financial results and annual reports.

4. Internal Audit:

- Providing independent assurance on the overall system of internal controls and compliance with laws and regulations.
- Monitoring the scope and effectiveness of the internal audit function, including reviewing internal audit plans and follow-up actions taken by management.
- Evaluating the independence, effectiveness, and competency of the Group's Internal Audit function.

5. External Audit:

- Recommending the appointment, reappointment, or removal of the external auditors to the Board of Directors.
- Reviewing and discussing the external audit approach, scope, and plan with the auditors and management.
- Assessing the independence and performance of the external auditors and ensuring their objectivity and effectiveness.

Composition of the Committee

The Audit Committee is a subcommittee of the main Board which is appointed by the Board of Directors of the Company and reports directly to the board.

The Audit Committee consists of three Non-Executive Directors, a majority of whom are independent. The Board is satisfied that the current members of the Committee possess the required financial expertise and experience to perform their duties effectively. The profiles of these Directors are provided on pages 3 to 4.

- **Mr. D S Weerakkody** - Chairman/ Independent Non-Executive Director
- **Dr. J M Swaminathan** - Independent Non-Executive Director
- **Mr. Sanjeev Kumar** - Non-Executive Director

Regular Attendees by invitation

- **Mr. J D Peiris** - Executive Chairman/ Managing Director
- **Mr. A F Feroze Noon** - Group General Manager Finance & Administration

Secretary to the Committee

- **S S P Corporate Services (Pvt) Ltd.**

Meetings

Audit Committee convened four meetings during the financial year ended 31st March 2024 and the attendance of the members of the Audit Committee was as follows:

Name of the member	29th May	11th Aug	14th Nov	12th Feb
Mr. D S Weerakkody	✓	✓	✓	✓
Dr. J M Swaminathan	✓	✓	✓	✓
Mr. Sanjeev Kumar	✓	✓	x	✓

The Quorum for a meeting is two members. The proceedings of the Audit Committee are regularly reported to the Board of Directors, and the minutes of the meetings are made available to the Board of Lanka Aluminium Industries PLC.

Risk Management and Internal Control

The Committee undertakes the following activities to ensure effective risk management and internal control:

- Regularly reviews processes for identifying, evaluating, and managing significant development and operational risks.
- Obtains formal confirmations and assurances from management regarding the efficiency of the internal control system and compliance with applicable laws and regulations.
- Ensures that principal risks and uncertainties are appropriately monitored and controlled, with management taking adequate mitigating actions.
- The Board of Directors and Audit Committee obtain and are guided by technical advice from external consultants as required

Internal Audit Function

The main focus of the Internal Audit function is to provide independent assurance on the overall system of internal controls, business risk management, and governance. This includes evaluating compliance with laws, regulations, and the Group's established policies and procedures. The Audit Committee ensures the following:

The main focus of the Internal Audit function is to provide independent assurance on internal controls, risk management, and governance. The Committee ensures:

- Monitors and reviews the scope of the Internal Audit plan, evaluating management's follow-up actions to ensure effectiveness, and assessing resource requirements for optimal operation.
- Ensures the independence of the Internal Audit function from audited activities, conducts evaluations of its effectiveness and competency, and recommends necessary resource adjustments.
- Oversees the Internal Audit plan's scope and management's follow-up actions to enhance effectiveness, while facilitating efficient coordination between Group Internal Audit and External Auditors.

- Conducts regular performance evaluations of internal audit processes, recommending enhancements, and adopting new audit techniques to address emerging risks for continuous improvement.

External Audit Function

The Committee reviewed and discussed the external audit approach and scope with the External Auditors and Management before the audit commenced.

- Reviews and evaluates the effectiveness and progress of the external auditor and the audit process, including reviewing and discussing the external audit approach and scope with auditors and management.
- Assess the performance and effectiveness of the external auditors, their independence, professional capabilities and make recommendations to the Board pertaining to the re-appointment of the external auditors.
- Reviews non-audit services provided by external auditors to safeguard their independence and objectivity, making recommendations to the Board regarding their re-appointment.
- Engages in periodic discussions to assess developments in reporting and compliance, considering changes in Auditing Standards, the Inland Revenue Act, and other relevant regulations.

Throughout the audit process, the External Auditors regularly updated the Committee on significant pending matters. Prior to concluding the audit, the Committee engaged with both the External Auditors and Management to discuss audit issues and achieve alignment. The Audit Committee conducted an assessment of the independence and performance of the Company's external auditors, subsequently recommending to the Board of Directors the reappointment of Messrs KPMG, Chartered Accountants for the fiscal year 2024/25.

To the best of the Board's knowledge, the auditors maintain no relationships with the company beyond their auditing role and hold no interests in the company.

Other Activities

The Audit Committee diligently oversaw the preparation, presentation, and adequacy of disclosures in the quarterly and annual financial statements of the Group, ensuring compliance with Sri Lanka Accounting Standards (SLFRS/ LKAS) and relevant financial reporting regulations, including those of the Companies Act. It reviewed and discussed these financial statements, recommending their adoption to the Board. Additionally, the Committee evaluated the effectiveness of internal controls designed to provide reasonable assurance to Directors regarding asset safeguarding and the reliability of the financial reporting system for accurate statement preparation and presentation.

Conclusion

Based on the reports submitted by the External Auditors, Internal Auditors, and the Risk Management system, the Audit Committee is satisfied with the control environment and the implementation of the Group's accounting policies and operational controls. The Committee is confident that the financial position of the Group is secure.

(Sgd.)

Mr. D S Weerakkody

Chairman - Audit Committee

Colombo

14th August 2024

Remuneration Committee Report

Composition of the Committee

The Remuneration Committee is responsible for setting the company's policy on compensation and benefits and overseeing its implementation. It is also mandated to review significant Human Resources policies that influence company performance. The committee consists of the following members whose profiles are given on pages 3 to 4:

- **Mr. Sanjeev Kumar** - Chairman/ Non-Executive Director
- **Mr. D S Weerakkody** - Independent Non Executive Director
- **Dr. J M Swaminathan** - Independent Non-Executive Director

Regular Attendees by invitation

- **Mr. J D Peiris** - Executive Chairman/ Managing Director

Secretary to the Committee

- **S S P Corporate Services (Pvt) Ltd.**

Meetings

The Remuneration Committee held one meeting during the financial year ending 31st March 2024. The attendance of the committee members for this meeting was as follows:

Name of the member	9th Nov 2023
Mr. Sanjeev Kumar	✓
Dr. J M Swaminathan	✓
Mr. D S Weerakkody	✓

The Committee Chairman may call a special meeting if necessary, ensuring that all members receive adequate notice. A quorum for any meeting requires the presence of at least two members. The outcomes of the Committee meetings were consistently communicated to the Board of Directors.

Operating within defined terms of reference, the Remuneration Committee is dedicated to principles of accountability and transparency, ensuring that remuneration aligns with performance. The Committee emphasizes the importance of recruiting, motivating, and retaining exceptional senior leadership to secure the Company's future. To this end, a thorough process has been implemented to ensure the Board effectively selects, motivates, and retains the right individuals for senior leadership positions, in accordance with the Company's board diversity policy.

Key Objective

Reviewing the current policy on Remuneration Packages of the individual Directors and Key Management Personnel and suggesting recommendations to the Board.

Responsibilities and functions

The Board established the Remuneration Committee in compliance with Rule 7.10.5 of the Colombo Stock Exchange Listing Rules, ensuring its composition and functions align with these regulations.

The Remuneration Committee is responsible for:

- Developing the Group's remuneration policy and determining the remuneration packages of executive employees of the Group.
- Recommending to the Board and its subsidiaries the remuneration to be paid to key Management Personnel.
- Reviewing policies pertaining to the remuneration and perquisites of the Executives of the Company.
- Conducting a formal evaluation of its own performance.

Employment Report

The success and growth of Lanka Aluminium is dependent on the knowledge and collective skills of its employees. The Company is committed to facilitating learning and development to create a highly skilled and motivated workforce. The table below reflects the employment report of the Company as of 31st March 2024:

Levels	Total
Top management	3
Senior management	7
Professionally qualified and experienced	34
Skilled technical and academically qualified	79
Factory Staff & Workers	85
Total Permanent	208
Employees on contract	27
Total	235

Remuneration

The Remuneration Committee of the Board approved the remuneration philosophy, strategy, and policy of the Company, anchored on a total reward approach. The strategy aims to develop, motivate, maintain, and retain an internal talent pipeline, and attract requisite skills from the labor market as necessary. The remuneration policy includes principles, processes, practices, and procedures aligned with the Company's philosophy and strategy. The pay mix comprises guaranteed pay (fixed pay and bonus) and variable pay (short-term incentives), depending on organizational hierarchy and performance.

(Sgd.)

Mr. Sanjeev Kumar

Chairman - Remuneration Committee

Colombo

14th August 2024

Related Party Transactions Review Committee Report (RPTRC)

Composition of the Committee

Members of this Committee consists of three Independent and Non-Executive Directors. The Committee comprised the following members:

- **Dr. J M Swaminathan** - Chairman/ Independent Non-Executive Director
- **Mr. D S Weerakkody** - Independent Non-Executive Director
- **Mr. Sanjeev Kumar** - Non-Executive Director

Regular Attendees by invitation

- **Mr. J D Peiris** - Executive Chairman/ Managing Director
- **Mr. A F Feroze Noon** - Group General Manager Finance & Administration

Secretary to the Committee

- **S S P Corporate Services (Pvt) Ltd.**

Meetings

The Committee held four meetings during the year under review and attendance of the members of the Related Party Transactions Review Committee is given below.

Name of the member	29th May 2023	11th Aug 2023	14th Nov 2023	12th Feb 2024
Dr. J M Swaminathan	√	√	√	√
Mr. D S Weerakkody	√	√	√	√
Mr. Sanjeev Kumar	√	√	X	√

The Quorum for a meeting is two members. The proceedings of the Committee meetings were regularly reported to the Board of Directors.

Lanka Aluminium Industries PLC established the Related Party Transactions Review Committee to comply with both the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange.

Objectives

- To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs", other than those exempted by the CSE listing rules on the Related Party Transactions) of Lanka Aluminium Industries PLC and all its subsidiaries are carried out and disclosed in a manner consistent with the CSE listing rules.
- To advise and update the Board of Directors on the related party transactions of each of the subsidiaries on a quarterly basis.
- To ensure compliance with the CSE listing rules on the Related Party Transactions.
- To review policies and procedures of Related Party Transactions of the Group.
- To ensure shareholder interests are protected and that fairness and transparency are maintained.

Policies and procedures adopted by the committee

- The Committee reviews all proposed related party transactions to ensure they are carried out on an arm's length basis.
- At each subsequent scheduled meeting of the Committee, the management shall update the Committee as to any proposed material changes in any previously reviewed related party transactions and seek approval of the Committee for such proposed material changes prior to the completion of the transaction.
- The Committee intends to meet as and when a need arises. The minutes of all meetings are properly documented and communicated to the Board of Directors.
- The Directors of the RPTRC ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed related party transactions, and where necessary, they shall obtain appropriate professional and expert advice from an appropriately qualified person.

Duties of the Committee

- To review proposed related party transactions prior to them being entered into with a view to best serve the interests of the Company;
- To monitor all related party transactions to ensure that they are carried out on normal commercial terms so that they are not in any way disadvantageous to the best interests of the Company and its minority shareholders;
- Obtain expert knowledge and advice either from within the Company or from outside to assess proposed related party transactions;

Review of Related Party Transactions

The committee reviewed all the Related Party transactions during the financial year ended 31st March 2024 and has communicated its comments / observations to the Board of Directors.

The Committee is of the opinion that all related party transactions entered into during the year were of recurrent nature. The aggregate value of the recurrent Related Party Transactions does not exceed the threshold values prescribed by the Colombo Stock Exchange. Further no substantial assets acquired/transferred from, or disposed to any Related Party of Entity during the year under review. The details of other related party transactions entered into during the year are given in Note 31 to the financial statements on Pages 111 to 114 of this Annual Report.

Conclusion

The Committee confirms that all applicable rules in the Code of Best Practice on Related Party Transactions and Section 9 of CSE Listing Rules have been complied with by the Group as at the date of this Report.

(Sgd.)

Dr. J M Swaminathan

Chairman - Related Party Transactions Review Committee

14th August 2024

Responsibility Statement of Executive Chairman/ Managing Director and Group General Manager Finance and Administration

Compliance with Laws and Regulations

The Financial Statements of Lanka Aluminium Industries PLC and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) for the year ended 31st March 2024 are prepared and presented in compliance with the requirements of the following:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (SLFRS/LKAS).
- Companies Act No. 07 of 2007.
- Listing Rules 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 of Sri Lanka in 2017

Financial Reporting

The Significant Accounting Policies used in the preparation of the consolidated Financial Statements are appropriate and are consistently applied, except unless otherwise stated in the notes accompanying the Financial Statements. The Significant Accounting Policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and Company's External Auditors. 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. 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 that the Financial Statements reflect a true and fair view and the form and substance of transactions reasonably present the Company's state of affairs. We confirm that to the best of our knowledge, the Financial Statements, significant Accounting Policies and other financial information included in this Annual Report, fairly present all material aspects regarding the financial position, results of the operations and the Cash Flows of the Group during the year under review. We also confirm that the Group has adequate resources to continue in operation and have applied the Going Concern basis in preparing these Financial Statements.

System of Internal Control

The Company has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets, and for preventing and detecting frauds as well as other irregularities, which are reviewed, evaluated and updated on an ongoing basis. We have evaluated the internal controls and procedures of the Group for the financial period under review and confirm, based on our evaluations that there were no significant deficiencies and material weaknesses in the design or operation of internal controls and frauds that involves management or other employees. The Internal Auditor conduct periodic audits to provide reasonable assurance that the established policies and procedures of the Group were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal control and accounting.

Report of Independent Auditors

The Financial Statements were audited by Messrs KPMG, Chartered Accountants, the Independent Auditors and their report is given on pages 64 to 67.

Audit Committee

The Audit Committee pre-approves the audit and non-audit services provided by Messrs KPMG, Chartered Accountants. The Audit Committee meets periodically with the Internal Auditors and the Independent Auditors to review the manner in which these Auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the Independent Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

The Audit Committee Report is given on pages 53 to 55.

Conclusion

- We confirm that to the best of our knowledge:
- The Group has complied with all applicable laws, regulations and guidelines and there is no material litigation against the Group other than those disclosed in Note 34 of the Financial Statements.
- The system of internal control is operating effectively.

Responsibility Statement of Executive Chairman/ Managing Director and
Group General Manager Finance and Administration

- The Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs and have applied the Going Concern basis in preparing these Financial Statements.
- All taxes, duties, levies and all statutory payments by the Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Group as at 31st March 2024 have been paid, or where relevant provision made.

Lanka Aluminium Industries PLC



J D Peiris

Executive Chairman



A F Feroze Noon

Group General Manager
Finance & Administration

14th August 2024

Statement of Directors' Responsibility for Financial Reporting

This Statement of Directors' responsibilities is to be read in conjunction with the Report of the Auditors and is made to distinguish the respective responsibilities of the Directors and to the Auditors in relation to the Financial Statements contained in this Annual Reports.

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

The Group's /Company's Financial Statements, presented in this report for the year ended 31st March 2024; conform to the requirements of Sri Lanka Accounting Standards (SLFRS/ LKAS) and the Companies Act No 7 of 2007. They also confirm that the Financial Statements presented by them gives a true and fair view of Company activities as at that date. The financial information is consistent with that in the Financial Statements.

The Directors are of the view that adequate funds and other resources are available within the Group / Company for the Group/ Company to continue in operation for the foreseeable future.

The Board of Directors has initiated an efficient and concise system of Internal Control. It also includes Internal Checks and Internal Audits, along with the financial and other controls required to carry on the business smoothly, whilst safeguarding assets in a secure and reliable manner. The Directors have also taken all reasonable steps to ensure that the Company and its subsidiaries maintain adequate and accurate accounting books of records which reflects the transparency of transactions and provide an accurate disclosures of the Group's/Company's financial position.

The Directors have provided the auditors Messrs KPMG, Chartered Accountants with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The auditors have examined the financial statements together with all financial records and related data and express their opinion.

Compliance Report

The directors confirm that, to the best of their knowledge all taxes and levis payable by the Group/ Company and all contributions, levies and taxes payable on behalf of the employees of the Group/ Company, and all other known statutory obligations as at the reporting date have been paid or provided for in the financial statements.

Approval of Financial Statements

The Directors' report and the financial statements of the Company and the Group were approved by the Board of Directors on 14th August 2024.

For and on behalf of the Board of Directors of

Lanka Aluminium Industries PLC



J D Peiris

Executive Chairman



Dr J M Swaminathan

Director

14th August 2024

Financial Information

Financial Calendar	63
Independent Auditor's Report	64 - 67
Income Statements	68
Statements of Profit or Loss and Other Comprehensive Income	69
Statements of Financial Position	70
Statements of Changes in Equity	71
Statements of Cash Flows	72
Notes to the Financial Statements	73 - 125

Financial Calendar

Financial Statements 2023/24

1st Quarter Interim Financial Statements (30th June 2023 – Unaudited)	11th August 2023
2nd Quarter Interim Financial Statements (30th September 2023 – Unaudited)	14th November 2023
3rd Quarter Interim Financial Statements (31st December 2023– Unaudited)	12th February 2024
4th Quarter Interim Financial Statements (31st March 2024 – Unaudited)	28th May 2024

Annual Report and Accounts

Annual Report 2023/24	14th August 2024
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Meeting

38th Annual General Meeting	23rd September 2024
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Independent Auditor's Report



KPMG
(Chartered Accountants)
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TO THE SHAREHOLDERS OF LANKA ALUMINIUM INDUSTRIES PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lanka Aluminium Industries 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 March 31, 2024, 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 policies and other explanatory 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 March 31, 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's financial statements and the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the Company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA
T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R Ziyad FCMA (UK), K.Somasundaram ACMA(UK), R.G.H. Raddella ACA



Risk description	Our response
01. Impairment allowance for Trade and other Receivables.	
Refer to Note 3.4.4 (Accounting Policy) and Note 17 to these Financial Statements.	
The Group has recognized impairment provisions relating to Trade Receivables of Rs. 60.9Mn (Company Rs. 44.6Mn) Impairment allowances represent management's best estimate of the losses expected within receivables as at the financial position date. They are calculated for specific assets and on a collective basis for portfolios of receivables of a similar nature. The calculation of impairment allowances is inherently judgmental for any institution and the Group use subjective assumptions/ judgements specially for ECL modelling (e. g. macro-economic inputs) as per the requirements of SLFRS 09. Impairment remains one of the most significant judgements made by management particularly in light of the uncertain economic outlook in the country	Our audit procedures included: • Challenging the appropriateness of the selection of accounting policies based on the requirements of the SLFRS 09. • Assessing management's processes and controls implemented over impairment assessment. • Identifying and testing the relevant key controls and evaluating the completeness, accuracy and relevance of data used. • Evaluating the appropriateness of the assumptions used based on our knowledge and information of the client and the industry. • Evaluating and testing the mathematical accuracy of models applied. • Assessing adequacy of the financial statements disclosures required by the accounting standards.
02. Valuation of Land and Buildings	
Refer to Note 3.5 (Accounting policies) and Note 11 to these Financial Statements	
As at the reporting date, Land and Buildings carried at fair value amounting to Rs. 1,263Mn (Company: Rs. 1,144.5Mn). Management's assessment of fair value of the freehold land and buildings is based on valuations performed by a qualified independent property valuer in accordance with recognised industry standards. We identified valuation of freehold land and buildings as a key audit matter because the determination of the fair values involves significant judgment and estimation.	Our audit procedures included; • Assessing the objectivity, independence, competence and qualifications of the external valuer. • With the assistance of our own internal property valuation expert assessing the key assumptions applied and conclusions made in deriving the fair value of the properties and comparing the fair value of properties with evidence of current market values. In addition assessing the valuation methodologies with reference to recognized industry standards. • Assessing the adequacy of disclosures made in the financial statements in relation to fair value of freehold land and buildings in the financial statements.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the 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 Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3272.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

August 14, 2024

Income Statements

For the year ended 31st March,	Note	COMPANY		GROUP	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Revenue	5	2,313,054	2,423,563	2,489,049	2,631,464
Cost of sales		(1,739,756)	(1,691,893)	(1,829,324)	(1,816,433)
Gross profit		573,298	731,670	659,726	815,031
Other income	6	18,860	4,571	18,449	4,845
Net change in fair value through profit or loss financial assets	20.2	176	(518)	176	(518)
Administrative expenses		(156,362)	(167,468)	(160,526)	(171,003)
Marketing expenses		(156,225)	(150,353)	(161,918)	(154,107)
Impairment loss on trade receivables and related parties		-	-	(1,154)	-
Profit from operations		279,747	417,902	354,753	494,248
Finance income	7	10,398	6,574	17,466	12,136
Finance costs	7	(30,049)	(143,891)	(36,574)	(168,095)
Net finance costs	7	(19,651)	(137,317)	(19,108)	(155,959)
Profit before tax	8	260,096	280,585	335,645	338,289
Income tax expense	9	(72,241)	(106,614)	(96,194)	(118,495)
Profit after tax		187,855	173,971	239,451	219,794
Profit for the year attributable to:					
Equity holders of the company		187,855	173,971	213,963	197,019
Non-controlling interests		-	-	25,488	22,775
Profit for the year		187,855	173,971	239,451	219,794
Earnings per share	10	2.74	2.54	3.12	2.88

The accounting policies and notes on pages 73 through 125 form an integral part of these financial statements
Figures in brackets indicates deductions.

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31st March,	Note	COMPANY		GROUP	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Profit for the year		187,855	173,971	239,451	219,794
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of property, plant and equipments		268,421	-	286,143	-
Actuarial gains / (losses) on retirement benefit obligations	23	(3,531)	12,340	(4,271)	12,840
Tax on other comprehensive income	9.2	(79,467)	(3,702)	(83,971)	(3,852)
Origination of deferred tax liabilities due to income tax rate change	9.2	-	(87,497)	-	(93,497)
Other comprehensive income for the year, net of tax		185,423	(78,859)	197,901	(84,509)
Total comprehensive income for the year		373,280	95,112	437,351	135,285
Total comprehensive income attributable to:					
Equity holders of the Company		373,280	95,112	412,061	112,392
Non-controlling interests		-	-	25,290	22,892
Total comprehensive income for the year		373,280	95,112	437,351	135,285

The accounting policies and notes on pages 73 through 125 form an integral part of these financial statements
Figures in brackets indicates deductions.

Statements of Financial Position

As at 31st March,	Note	COMPANY		GROUP	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	1,716,272	1,503,711	1,883,121	1,660,083
Right-of-use assets	12	25,661	38,962	24,055	35,750
Intangible asset	13	214	467	214	467
Investments in subsidiaries	14	3,600	3,600	-	-
Other non-current financial assets	15	174	174	174	174
		1,745,921	1,546,914	1,907,564	1,696,474
Current Assets					
Inventories	16	1,002,909	992,734	1,104,834	1,114,943
Trade and other receivables	17	353,737	351,510	412,376	378,545
Amounts due from related parties	18	36,279	38,109	20,543	32,898
Income tax recoverable	19	-	-	470	514
Other current financial asset	20	97,940	99,215	146,326	140,993
Cash and cash equivalents	21	71,706	32,674	82,805	38,583
Total Current Assets		1,562,571	1,514,242	1,767,354	1,706,476
Total Assets		3,308,492	3,061,156	3,674,918	3,402,950
EQUITY AND LIABILITIES					
Equity					
Stated capital	22	137,028	137,028	137,028	137,028
Reserves		742,556	554,661	851,264	650,374
Retained earnings		1,604,280	1,418,896	1,715,395	1,504,225
Total equity attributable to the equity holders of the company		2,483,864	2,110,585	2,703,687	2,291,627
Non-controlling interests	14.1	-	-	90,763	65,473
Total Equity		2,483,864	2,110,585	2,794,450	2,357,100
Non-Current Liabilities					
Lease liabilities	28	6,993	13,258	6,993	11,373
Retirement benefit obligations	23	76,334	62,059	78,940	63,791
Deferred tax liabilities	24	411,985	344,384	427,534	355,950
Total Non-Current Liabilities		495,312	419,701	513,467	431,114
Current Liabilities					
Trade and other payables	25	247,023	191,615	286,239	213,089
Amounts due to related parties	26	14,680	16,091	-	3,100
Income tax payable	19	45,986	27,754	59,896	34,626
Loans and borrowings	27	-	212,848	-	277,311
Lease liabilities	28	21,627	22,864	19,800	21,347
Bank overdrafts	21	-	59,698	1,066	65,263
Total Current Liabilities		329,316	530,870	367,001	614,736
Total Liabilities		824,628	950,571	880,468	1,045,850
Total Equity and Liabilities		3,308,492	3,061,156	3,674,918	3,402,950

The accounting policies and notes on pages 73 through 125 form an integral part of these financial statements
I certify that these financial statements are in compliance with the requirements of Companies Act No 7 of 2007.


A F Feroze Noon

Group General Manager - Finance & Administration

The Board of Directors is responsible for the preparation and the presentation of these financial statements.

Approved and signed for and on behalf of the Board;


J D Peiris
Managing Director
14th, August, 2024
Colombo


J.M. Swaminathan
Director

Statements of Changes in Equity

COMPANY	Stated Capital Rs.'000	Revaluation Reserve* Rs.'000	Fair Value Reserve ** Rs.'000	Retained Earnings Rs.'000	Total Equity Rs.'000
Balance as at 1st April, 2022	137,028	647,087	(4,929)	1,236,287	2,015,473
Profit for the year	-	-	-	173,971	173,971
Other Comprehensive Income					
Origination of deferred tax liabilities due to income tax rate change	-	(87,497)	-	-	(87,497)
Actuarial gains/(losses) on retirement benefit obligation (net of tax)	-	-	-	8,638	8,638
Total comprehensive income for the year	-	(87,497)	-	182,609	95,112
Balance as at 31st March, 2023	137,028	559,590	(4,929)	1,418,896	2,110,585
Profit for the year	-	-	-	187,855	187,855
Other Comprehensive Income					
Revaluation of property, plant and equipment	-	268,421	-	-	268,421
Deferred tax on revaluation surplus of land & buildings	-	(80,526)	-	-	(80,526)
Actuarial gains/(losses) on retirement benefit obligation (net of tax)	-	-	-	(2,472)	(2,472)
Total comprehensive income for the year	-	187,895	-	185,384	373,279
Balance as at 31st March, 2024	137,028	747,485	(4,929)	1,604,280	2,483,864

GROUP	Attributable to equity holders of the company						
	Stated Capital	Revaluation Reserve*	Fair Value Reserve**	Retained Earnings	Total	Non Controlling Interests	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April, 2022	137,028	748,801	(4,930)	1,298,336	2,179,235	42,581	2,221,816
Profit for the year	-	-	-	197,019	197,019	22,775	219,793
Other Comprehensive Income							
Origination of deferred tax liabilities due to Income tax rate change	-	(93,497)	-	-	(93,497)	-	(93,497)
Actuarial gains/(losses) on retirement benefit obligation (net of tax)	-	-	-	8,870	8,870	118	8,988
Total comprehensive income for the year	-	(93,497)	-	205,889	112,392	22,892	135,284
Balance as at 31st March, 2023	137,028	655,304	(4,930)	1,504,225	2,291,627	65,473	2,357,100
Profit for the year	-	-	-	213,963	213,963	25,488	239,450
Other Comprehensive Income							
Revaluation of property, plant and equipment	-	286,143	-	-	286,143	-	286,143
Deferred tax on revaluation surplus of land & buildings	-	(85,253)	-	-	(85,253)	-	(85,253)
Actuarial gains/(losses) on retirement benefit obligation (net of tax)	-	-	-	(2,793)	(2,793)	(197)	(2,990)
Total comprehensive income for the year	-	200,890	-	211,170	412,060	25,290	437,350
Balance as at 31st March, 2024	137,028	856,194	(4,930)	1,715,395	2,703,687	90,763	2,794,450

* Revaluation Reserves: Revaluation reserves relates to revaluation of land & building and represents the increase in the fair value of the land & buildings.

** Fair Value Reserve: - The cumulative net change in the fair value of equity securities designated at FVOCI

The accounting policies and notes on pages 73 through 125 form an integral part of these financial statements

Figures in brackets indicates deduction

Statements of Cash Flows

For the year ended 31st March,	COMPANY			GROUP	
	Note	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax		260,096	280,585	335,645	338,289
Adjustment for					
Depreciation on property, plant and equipment	11	96,041	101,343	103,444	108,753
Amortisation of intangible assets	13	438	253	438	253
Amortisation of right-of-use assets	12	29,063	28,571	27,457	26,965
Net change in fair value through profit or loss financial assets	20.2	(176)	518	(176)	518
Realized (gain) / loss on equity shares	20.2	(252)	191	(252)	191
Provision for retirement benefit obligations	23	15,623	13,621	16,225	14,188
Provision for impairment / (reversal of provision) of trade and other receivables	17	-	-	1,154	-
Impairment of property, plant and equipment	11	38	42	38	42
Impairment of inventories	16	691	13,206	4,608	15,656
Dividend income	6	151	8	151	8
Gain on disposal of property, plant & equipment	6	(15,683)	-	(15,683)	-
Interest income	7	(10,398)	(6,574)	(17,466)	(12,136)
Interest expense	7	23,961	116,104	30,465	132,198
Operating profit before working capital changes		399,593	547,868	486,048	624,925
(Increase)/Decrease in inventories	16	(10,866)	(181,734)	5,500	(232,557)
(Increase)/Decrease in trade and other receivables	17	(2,227)	297,253	(34,986)	355,446
(Increase)/Decrease in amount due from related parties	18	1,830	(17,482)	12,354	(27,714)
Increase/(Decrease) in trade and other payables	25	55,408	(149,285)	73,149	(209,880)
Increase in amount due to related parties	26	(1,411)	10,078	(3,100)	3,100
Cash generated from operations		442,327	506,698	538,967	513,320
Income tax paid	19	(65,875)	(83,690)	(83,268)	(96,456)
Interest expense paid	7	(16,652)	(109,703)	(23,561)	(126,365)
Retiring gratuity paid	23	(4,879)	(7,855)	(5,347)	(7,970)
Net cash generated from operations		354,921	305,450	426,791	282,529
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition and construction of property, plant and equipment	11	(40,494)	(88,470)	(40,651)	(107,984)
Purchase intangible assets	13	(185)	-	(185)	-
Dividend income	6	(151)	(8)	(151)	(8)
Proceeds from disposal of quoted investment in equity shares	20.2	1,895	2,002	1,895	2,002
Interest income received	7	10,534	5,180	18,530	7,587
Proceeds from disposal of property, plant & equipment	11	15,959	-	15,959	-
Investments made in short term deposit	20	232	(13,105)	(7,304)	(16,353)
Investment in quoted investment in equity shares	20.2	(560)	(5,450)	(560)	(5,450)
Net cash flow used in investing activities		(12,770)	(99,851)	(12,467)	(120,206)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans obtained during the year	27	241,000	1,817,126	304,640	2,010,017
Loans repayments during the year	27	(453,848)	(2,069,126)	(581,951)	(2,230,907)
Advance paid to lease hold property		-	(4,882)	-	(4,882)
Repayment of lease liabilities	28	(30,573)	(33,825)	(28,593)	(31,845)
Net cash flow used in financing activities		(243,421)	(290,707)	(305,904)	(257,617)
Net increase /(decrease) in cash and cash equivalents		98,730	(85,108)	108,420	(95,294)
Cash and cash equivalents at the beginning of the year	21	(27,024)	58,084	(26,680)	68,614
Cash and cash equivalents at the end of the year	21	71,706	(27,024)	81,739	(26,680)

The accounting policies and notes on pages 73 through 125 form an integral part of these financial statements
 Figures in brackets indicates deductions.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Lanka Aluminium Industries PLC (the “Company”) is a public Limited liability company incorporated and domiciled in Sri Lanka under the Companies Act. No 07 of 2007 and the ordinary shares of the Company are listed on the Colombo Stock Exchange.

The Company’s registered office is located at 1st Floor, Lakshman’s Building, 321, Galle Road, Colombo 03, and the principal place of business is located at No.20, Temple Road, Ekala, Ja-ela.

The consolidated financial statements of the company as at, and for the year ended 31st March 2023 comprise the financial statements of Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

1.2 Principal Activities and Nature of Operations

COMPANY

The principal activity of the Company is the manufacture and sale of aluminium extrusions.

SUBSIDIARIES

The principal activities of the Company’s subsidiaries are as follows:

Comark Lanka (Pvt) Ltd - Trading in aluminium extrusions and accessories.

Castalloys (Pvt) Ltd. - Investment property. However it has been classified under PPE in the Group accounts.

Comark Engineers (Pvt) Ltd. - Manufactures of Builders Hardware and Undertaking contracts for aluminium fabrication.

There were no significant changes in the nature of the principal activities of the Group during the financial year under review other than mentioned above.

1.3 Parent Enterprise

The Company’s ultimate parent company is “Clovis Company Limited” (Bermuda) which holds 50% of voting rights which is ultimately hold by a family trust.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs) effective from 1st January 2012, laid down by The Institute of Chartered Accountants of Sri Lanka (ICASL) and in compliance with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

These Financial Statements also provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange.

2.2 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

2.3 Approval of Financial Statements by Directors

The Financial statements of the Group and the company for the year ended 31st March 2024 were authorised for issue by the Board of Directors on the 14th August 2024.

2.4 Basis of Measurement

The Consolidated Financial Statements have been prepared on the accrual basis, the historical cost basis and applied consistently which no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position.

- Equity Instruments at FVTOCI are measured at fair value;
- Land and building are measured at revalued amounts; and.
- Equity Instruments at FVTPL are measured at fair value;

- Liability for employee benefits is recognized as the present value of the defined benefit obligation less the net total of fair value of the plan assets.

These Financial Statements have been prepared on the basis that the Company / Group would continue as a going concern for the foreseeable future.

2.5 Functional Currency

The Financial statements are presented in Sri Lankan Rupees, which is the Group's functional currency. All financial information presented in rupees has been rounded to the nearest thousand unless otherwise stated.

2.6 Use of Estimates and Judgments

The preparation of these Financial Statements in conformity with SLFRSs/LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Impairment of trade receivables (Note 17)
- Valuation of Land and Building (Note 11)
- ROU Assets and Lease Liability (Note 12 and 28)
- Provision for Inventories (Note 16)
- Impairment of Financial assets (Note 17)
- Current taxation (Note 9)
- Deferred taxation and utilisation of tax losses (Note 9 and 24)
- Measurement of Employee benefits (Note 23)
- Provisions and contingencies (Note 30)
- Financial Instrument (Note 37)
- Investment in equity instruments classified as FVTPL (Note 20)

2.6.1 Measurement of Fair Value

A number of the Group's accounting policies and disclosures require the measurement of fair value for both financial and nonfinancial assets and liabilities.

The Group/Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, The Group/ Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRSs/LKASs, including the level in the fair value hierarchy in which such valuations should be classified.

Further, the external valuers are involved for valuation of significant assets, such as land and building. Selection criteria for external valuers 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 individual assets.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6.2 *Useful lives of depreciable assets*

Management reviews its estimation of the useful lives of depreciable asset at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment.

2.6.3 *Business combinations*

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.6.4 *Defined Benefit Obligation*

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expense.

2.6.5 *Fair value of financial instruments*

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.6.6 *Recognition of deferred tax assets*

Management applies significant judgment on the extent to which deferred tax assets can be recognised based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various future tax jurisdictions.

2.7 *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' and amendments to the LKAS 1 on 'Disclosure Initiative' which was effective from January 01, 2016.

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.

2.8 *Comparative Information*

Comparative information has been reclassified wherever necessary to conform to the current year's presentation in order to provide a better presentation.

2.9 *Going Concern*

These financial statements have been prepared on the basis that the Company and the Group would continue as a going concern for foreseeable future.

In light of ongoing economic crisis of the country the Group has assessed its going concern and a detailed disclosure of its assessment are provided in the financial statements. In preparing the financial statements for the year ended 31 March 2024, the management has assessed the possible effects of the ongoing economic crisis of the country on the businesses of the Group to determine their ability to continue as a going concern. Based on currently available information, the management is satisfied that having taken into consideration factors that could impact the revenue, supply chain, cash flows, accessibility to funds & costs, the Group would continue as a going concern.

Consequent to giving due consideration to the presentations by management, the Directors are satisfied that the Group have adequate resources to continue as a going concern for a foreseeable future. The Group had positive net asset, and based on the arrangements made forecasted positive working capital and cash flow positions for the next twelve months. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

2.10 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 and held primarily for the purpose of trading.

Or

Is 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 and is held primarily for the purpose of trading and 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

3.1 Basis of Consolidation

3.1.1 Business combinations and Goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date, as excess of the aggregate of the fair value of the consideration transferred; the recognised amount of any non-controlling interests in the acquisition; the fair value of the pre-existing interest in the acquire if the business combination is achieved in stages; and the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed measured at the acquisition date.

The consideration transferred in the acquisition is generally measured at fair value. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit or loss and other comprehensive income.

The goodwill arising on acquisition of subsidiaries is presented as an intangible asset.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. 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.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity acquired exceed the cost of the acquisition of the entity, the surplus, which is a gain on bargain purchase is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

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

3.1.2 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. 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

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; The contractual arrangement with the other vote holders of the investee, Rights arising from other contractual arrangements and the Group's voting rights and potential voting rights over the investee.

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.

Entities that are subsidiaries of another entity which is a subsidiary of the Company are also treated as subsidiaries of the Company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them to the policies adopted by the Group.

Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

Subsidiaries consolidated are:

Name of the Subsidiaries	Holding %
Comark Lanka (Pvt) Ltd.	100
Castalloys (Pvt) Ltd.	100
Comark Engineers (Pvt) Ltd.	51

3.1.3 Non-Controlling Interest

The proportion of the profits or losses after taxation applicable to outside shareholders of subsidiary companies is included under the heading “Non-controlling interest” in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the non-controlling interest to have a deficit balance.

The interest of the minority shareholders in the net assets employed of these companies are reflected under the heading “Non-controlling interest” in the Consolidated Statement of Financial Position.

NCI are measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Acquisitions of non-controlling interests are accounted for as transactions with the equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Adjustments to non-controlling interest arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3.1.4 Loss of Control

On the loss of control, the Group immediately derecognises the assets including goodwill and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a fair value through OCI financial asset depending on the level of influence retained.

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

3.1.5 Reporting Date

All the Group subsidiaries, and equity-accounted investees has the same reporting period as the parent company.

3.1.6 Intra-Group Transactions

Transfer prices between Group entities are set on an arms-length basis in a manner similar to transactions with third parties.

3.1.7 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. 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 Operating Segment

An operating segment is a distinguishable component of the Group that engages in business activities from which it earn revenues and incurs expenses, including revenues and expenses that relate to transactions with Group’s other segments.

The operations of the Group are categorized under five segments based on the nature of the products or services provided by each segment and the risks and rewards associated with the economic environment in which these segments operate. The performance of the group is evaluated based on the performance of these five main segments by Group’s Executive Chairman/ Managing Director (Chief operating decision maker). The internal management reports prepared on these segments are reviewed by the Group’s Executive Chairman/ Managing Director on a monthly basis.

Details of the Group companies operating under each segment and the products and services offered under each segment are provided under Group Companies.

3.3 Foreign Currencies

3.3.1 Foreign Currency Transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost in a foreign currency are translated using exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the reporting currency at the exchange rate that prevailed at the date the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of profit or loss, except for differences arising on the retranslation of a fair value through OCI financial asset, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income.

Foreign currency gains and losses are reported on a net basis in the statement of profit or loss and other comprehensive income.

3.4 Financial instruments

3.4.1 Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets –assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permit or requires prepayment at an annual amount that substantially represent the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4.3 De-recognition**Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the, contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.4.4 Impairment of financial assets

A. Non-derivative financial assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI.

The Group measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs;

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instruments) has not increased significantly since initial recognition.

Loss allowance for trade receivables and related party receivables are always measured at an amount equals to life time ECLs.

When determining whether the credit risk of a financial has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

B. Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

C. Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than 360 days past due;

D. Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

E. Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.4.5 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

3.5 Property, Plant and Equipment

3.5.1 Recognition and Measurement

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to the working condition for its intended use, and borrowing costs if the recognition criteria are met. This also includes cost of dismantling and removing the items and restoring them in the site on which they are located.

Revaluation model is applied for Freehold properties owned by the Company and the Board has decided to revalue its Freehold Land and Building every 3 years thereafter to comply with requirement of Revaluation Model under the LKAS 16 "Property Plant and Equipment".

Where items of Property, Plant and Equipment are revalued, the entire classes of assets are revalued. When an asset is revalued any increase in the carrying value is recognised in other comprehensive income and accumulated in equity as revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss, in which case the increase is recognised in the statement of profit or loss. Any revaluation deficit that off-sets a previous surplus on the same asset is directly off-set against the surplus in the revaluation reserve and any excess recognised as an expense.

Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and

is not taken into account in arriving at the gain or loss on disposal. The details of revaluation of Freehold Properties are disclosed in notes to the financial statements.

Property, Plant and Equipment other than Freehold land and buildings are recorded at cost less accumulated depreciation and impairment losses, in accordance with the "Cost Model" as set out in LKAS 16 "Property, Plant and Equipment".

The carrying amount of an item of Property, Plant and Equipment is derecognised on disposal or when no further economic benefits are expected from its use or disposal.

3.5.2 Significant Components of Property Plant and Equipment

When parts of an item of property, plant and equipment have different useful lives than the underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

3.5.3 Subsequent Cost

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are derecognised from the cost of the asset. The cost of day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income as and when incurred.

3.5.4 Depreciation

Depreciation has been provided on a straight-line basis over periods appropriate to the estimated useful lives of different types of assets, by applying the following percentages on their cost or revalued amounts.

All assets (excluding land) are depreciated from the month the asset is available for use and ceases at the earlier of the date that the asset is classified as held for sale or is derecognised.

Depreciation Rates Group	
Building	3.57% - 5.88%
Motor Vehicles	25%
Furniture, Fittings & Equipment	12.5%
Plant & Machinery	5% - 10%
Dies	25%
Tools	Replacement Basis

The replacement cost of tools (cutting tools, blades, etc) is capitalised and the difference between the replaced cost and the purchase cost of the tools is charge to statement of profit or loss.

Depreciation methods, useful lives and residual values are reviewed regularly.

3.5.5 Borrowing Costs

Interest and related costs incurred on external borrowings relating to property, plant and equipment under construction or installation is capitalised until the assets are ready for their intended use.

3.5.6 Impairment of Property, Plant and Equipment

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income unless it reverses a previous revaluation surplus for the same assets.

3.5.7 Capital work-in-progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of capital assets.

3.6 Investment Property

3.6.1 Recognition and Measurement

A property that is held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purpose; or sale in the ordinary course of business, by the Group are accounted for as investment properties.

An Investment property is measured initially at its cost. The cost of a purchased investment property comprises of its purchase price and any directly attributable expenditure. The cost of a self-constructed investment property is its cost at the date when the construction or development is complete.

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 value are included in the Statement of Profit or Loss in the year in which they arise.

Investment Properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the Statement of Profit or Loss in the year of retirement or disposal.

However it has been classified under PPE in the Group accounts.

3.6.2 Subsequent Transfers to/from Investment Property

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group, accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.6.3 Determining Fair Value

External and independent valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued, values the investment property portfolio once in three years.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

3.7 Leased Assets

a. Definition of Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

b. As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early. The lease liability is measured at amortised cost using the effective interest method. It is re measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in right-of-use assets and lease liabilities in the statement of financial position.

c. Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

d. As a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the group

considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SLFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SLFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3.8 Intangible Assets

3.8.1 Recognition and Measurement

The Group recognizes intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

3.8.2 Subsequent Costs

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

3.8.3 Subsequent Measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life of the asset. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting date. Changes in the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated and as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3.9 Inventories

Inventories are valued at lower of cost or net realisable value (NRV), after making due allowance for obsolete and slow moving items. Net realisable value is the price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. Any write down to NRV is recognised as an expense. Any inventory losses are also recognised as an expense.

The cost of each category of inventories is determined as follow:

Raw Material - At actual cost on first-in first-out basis.

Finished Goods and work-in-progress - At the cost of direct materials, direct labor and an appropriate proportion of fixed production overheads, based on normal operating capacity and at weighted average cost.

Spare Parts and Consumables - At weighted average cost.
Goods in Transit - At actual cost

The Net Realisable Value (NRV) of inventories is determined through comparison of cost with local and international market values and use of management assessments and judgments;

The following factors are considered in determining NRV by management:

- Raw Material-Determination of the replacement cost of similar raw material and selling price of finished goods.
- Machinery Parts - The inventory movements, replacement cost and future use.
- Finished Goods - The market patterns (based on actual event taken place) the cost of disposing efforts (selling cost etc.) and subsequent prices.
- Work in Progress - The process losses and subsequent realisation.

When NRV cannot be determined a provision will be determined, based on the past data and historical events.

3.10 Impairment – Non Financial Assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

3.10.1 Calculation of Recoverable Amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or cash-generating unit.

3.10.2 Reversal of Impairment

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversal of impairment losses are recognised in the statement of profit or loss and other comprehensive income.

3.11 Liabilities and Provisions

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. Items classified as non-current liabilities are those obligations, which expire beyond period of one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements. Provision and liabilities are recognised when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.12 Employee Benefits

a) Defined Contribution Plans – Employees' Provident Fund and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in accordance with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and Employees' Trust Fund, respectively.

b) Defined benefits plans – Retirement gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on Treasury bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.

However, according to the Payment of Gratuity Act, No. 12 of 1983, the liability of employer arises only on completion of five years of continued service.

The retiring gratuity is not externally funded.

The Group recognizes all actuarial gains and losses arising from defined benefit plans in the other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

3.13 Provisions

A provision is recognised if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.14 Revenue

The Group generates revenue primarily from manufacture and sale of aluminium extrusions, trading in aluminium extrusions and accessories, manufacturing of builders hardware and undertaking contracts for aluminium fabrication.

3.14.1.1 Performance obligations and revenue recognition policies

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under SLFRS 15
Manufacture and sale of aluminium extrusions / Trading in aluminium extrusions and accessories/ manufacturing of builders hardware and undertaking contracts for aluminium fabrication	Customers obtain control of products when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 90 days. Cash discounts may provide for the products. As a policy Group does not accept any sales returns unless manufacturing defects. Returned goods are replaced only after the inspection by technical officers.-i.e. no cash refunds are offered.	“Revenue from contracts with customers”, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Group recognises when a customer obtains control of the goods or services. Judgement is used to determine the timing of transfer of control - at a point in time or over time. Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer, usually on delivery of the goods. Sales are measured at fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Sales Taxes) and variable consideration (e.g. discounts and rebates)

Other Income Sources

3.14.1.2 Gains from Disposal of Property, Plant and Equipment

Gains and losses on disposal of property, plant and equipment have been accounted for in the Statement of profit or loss and other comprehensive income.

3.14.1.3 Interest Income

Interest income is recognised in profit or loss as it accrues. For all financial instruments measured at amortised cost and interest bearing financial assets interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. For interest bearing financial assets carried at fair value, interest is recognised on discounted cash flow method. Interest income is included under net finance expense in the statement of profit or loss and other comprehensive income.

3.14.1.4 Dividend Income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which is generally when the dividend is declared.

3.14.1.5 Rental Income

Rental income arising from renting of property, plant and equipment is recognised as revenue on a straight-line basis over the term of the lease.

3.15 Expenditure Recognition

3.15.1 Operating Expenses

Expenses are recognised in the statement of profit or loss and other comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

3.15.2 Finance Income/(Expenses)

Finance income comprises interest income on funds invested, other than the income from investments categorised under fair value through OCI financial assets, which income is recognised in other comprehensive income. Gains on the disposal of interest generating investments whether classified under fair value through profit or loss or under fair value through OCI financial assets is recognised under finance income.

Finance expenses comprise interest expense on borrowings and leases, and impairment losses recognised on financial assets. 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. However, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the asset. Borrowing costs capitalised are disclosed in respective notes to the financial statements.

3.16 Income Tax Expense

Income tax expense comprises of current and deferred tax. The income tax expense is recognised in profit or loss except to the extent that it relates to the items recognised directly in other comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, contingent liabilities and Contingent assets

3.16.1 Current Tax

The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the financial statement.

Provision for current taxation is based on the profit of the year adjusted to arrive at the taxable profit in accordance with the Inland Revenue Act No. 45 of 2022 and amendments there to.

3.16.2 Deferred Tax

Deferred taxation has been provided for under the liability method on temporary differences as at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized based on the business plans for individual subsidiaries in the Group.

Deferred Tax is not recognized for,

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that future taxable profit will be available to recover the deferred tax assets.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

STATEMENT OF CASH FLOWS

The statement of cash flows is reported based on the "Indirect method".

3.17 Earnings per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.18 Related Party Transactions

Disclosure has been made in respect of transactions in which one party has the ability to control or exercise significant influence over financial and operating policies/ decisions of the other, irrespective of whether a price is charged or not.

3.19 Capital Commitments and Contingent Liabilities

All discernible risks are accounted for in determining the amount of all known liabilities. The Group share of all contingencies and capital commitments of a subsidiary for which the Company is also liable severally or otherwise are also included with appropriate disclosure.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recorded in the Statement of financial position but are disclosed in the notes to financial statements.

3.20 Events Occurring After the Reporting Period

All material events after the reporting period have been considered, disclosed and adjusted where applicable.

3.21 Changes in material accounting policies during the year

3.21.1 Deferred tax related to assets and liabilities arising from a single transaction

The Group and the Company adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 1 April 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under LKAS 12. There was also no impact on the opening retained earnings as at 1 April 2023 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognized.

3.21.2 Material accounting policy information

The Group and the Company also adopted Disclosure of Accounting Policies (Amendments to LKAS 1) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the Financial Statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies.

4. New accounting standards issued but not yet effective

Following amendments Sri Lanka Accounting Standards issued not yet effective as at the reporting date have not been applied in preparing the Consolidated Financial Statements. The Group plans to apply these amendments to the standards from their effective dates:

A summary of the requirements stipulated by the amendments and their possible impact on financial statements, when implemented, is presented in the table below;

New or amended Standards	Summary of requirements	Possible impact on Financial Statements
Amendments to LKAS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with Covenants	The amendments, aim to clarify the requirements on determining whether the liability is current or Non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The Standard will become effective for the Group from 1 April 2024.	The Group is assessing the potential impact on its Financial Statements resulting from the application of these amendments. No material impact is expected on adoption.
Amendments to LKAS 7 and SLFRS 7 - Supplier Finance Arrangements	The amendments introduced new disclosures relating to supplier finance arrangement that assist users of the financial statements to assess the effect of these arrangements on an entity's liabilities and cash flow and on an entity's exposure to liquidity risk. The Standard will become effective for the Group from 1 April 2024	
Amendments to SLFRS 16 - Lease liability in a Sale and Leaseback	The amendments specifically affect seller-lessee accounting in sale and leaseback transactions that qualify as a sale under SLFRS 16, especially those involving variable lease payments not based on an index or rate. They modify how a seller-lessee accounts for these leasebacks, preventing recognition of gains on retained rights of use due to lease term modifications or changes which previously could occur when variable payments not defined as 'lease payments' were excluded. The Standard will become effective for the Group from 1 April 2024.	
SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information	The standard requires an entity to disclose information about its sustainabilityrelated risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	These standards will become effective for the Group from 1 April 2025. No financial impact is expected on the Group except for additional disclosures reported in non financial section in this report.
SLFRS S2 Climate-related Disclosures	This standard requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	

For the year ended 31st March,	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
5. REVENUE				
Sales of aluminium extrusions	2,706,332	2,743,038	2,592,519	2,672,589
Job orders	9,182	5,126	9,182	5,126
Sales of scrap	3,635	4,094	3,635	4,094
Sales of sundry items	15,571	9,886	15,571	9,886
Sales of builders hardware	-	-	296,620	279,961
Sales of accessories	-	-	603	792
Gross revenue	2,734,720	2,762,144	2,918,130	2,972,448
Less :				
Value Added Tax	(371,321)	(315,442)	(371,617)	(315,768)
Social Security Contribution	(50,345)	(23,139)	(57,464)	(25,216)
Net revenue	2,313,054	2,423,563	2,489,049	2,631,464
6. OTHER INCOME				
Rental income	2,648	3,048	800	1,200
Insurance claim*	7,559	-	7,559	-
Gain on disposal of property, plant & equipment	8,124	-	8,124	-
Dividend income from short term investments	151	8	151	8
Sundry income	126	1,706	1,563	3,828
Realized gain/(loss) on equity shares (Note 20.2)	252	(191)	252	(191)
	18,860	4,571	18,449	4,845
*Insurance claim for lightning damage caused to PPE				
7. NET FINANCE COSTS				
Finance income				
Interest income on fixed deposits	6,887	6,177	13,891	11,864
Interest income on money market savings	3,429	-	3,429	-
Interest income on foreign exchange earners account	82	99	146	272
Interest income on related party balances	-	298	0	-
	10,398	6,574	17,466	12,136
Finance costs				
Interest expense on term loans	15,135	96,540	21,359	110,922
Interest expense on bank overdraft	1,517	13,218	2,202	15,496
Interest expense on lease liability (Note 28)	7,309	6,346	6,904	5,782
Net foreign exchange loss	6,088	27,787	6,109	35,895
	30,049	143,891	36,574	168,095
Net finance costs	(19,651)	(137,317)	(19,108)	(155,959)

For the year ended 31st March,	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
8. PROFIT BEFORE TAXATION				
Profit before income tax is stated after charging all expenses including the following;				
Directors' emoluments	28,685	34,424	28,685	34,424
Auditors' remuneration				
Statutory Audit	1,264	1,000	1,678	1,441
Non audit services	227	360	426	539
Depreciation on property, plant and equipment	96,041	101,343	103,444	108,753
Amortisation of intangible assets	438	253	438	253
Impairment/Write-off of property, plant and equipment	38	42	38	42
Provision for impairment of trade and other receivables	-	-	1,154	-
Impairment of inventories	691	13,206	4,608	15,656
Amortisation of right-of-use assets	29,063	28,571	27,457	26,965
Donations	32	32	32	32
Legal expense	1,098	453	1,273	453
Professional fees	90	239	479	323
Staff costs (Note 8.1)	263,214	290,119	280,425	317,816
8.1 Staff Cost				
Salaries and related cost	223,135	251,547	237,850	272,227
Defined contribution plan cost - EPF and ETF	24,456	24,951	26,350	31,401
Retirement benefit plan cost - Retiring gratuity (Note 23)	15,623	13,621	16,225	14,188
	263,214	290,119	280,425	317,816
Number of employees as at the year end	235	243	265	279

9. Income Tax Expense

For the year ended 31st March,	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
9.1 Tax recognised in income statement				
Current Tax expense (Note 9)				
Income tax on current year profits (Note 9.3)	86,469	63,527	109,848	77,226
Over provision in respect of previous years	(2,362)	(30)	(1,265)	(30)
	84,107	63,497	108,583	77,196
Deferred Tax expense (Note 24)				
Relating to origination and reversal of temporary differences	(11,867)	43,117	(12,389)	41,299
Income tax expense reported in the income statement	72,241	106,614	96,194	118,495
Effective tax rate (%)-including deferred tax	28%	38%	29%	35%
Effective tax rate (%)-excluding deferred tax	32%	23%	32%	23%

9.2 Tax recognised in other comprehensive income

For the year ended 31st March, COMPANY	2024			2023		
	Rs.'000 Before tax	Rs.'000 Tax expense	Rs.'000 Net of tax	Rs.'000 Before tax	Rs.'000 Tax expense	Rs.'000 Net of tax
Actuarial gains/(losses) on defined benefit obligations	(3,531)	1,059	(2,472)	12,340	(3,702)	8,638
Revaluation on buildings	187,558	(56,267)	131,291	-	-	-
Revaluation of land	80,863	(24,259)	56,604	-	-	-
Origination of deferred tax liabilities due to income tax rate change	-	-	-	-	(87,497)	(87,497)
	264,890	(79,467)	185,423	12,340	(91,199)	(78,859)

For the year ended 31st March, GROUP	2024			2023		
	Rs.'000 Before tax	Rs.'000 Tax expense	Rs.'000 Net of tax	Rs.'000 Before tax	Rs.'000 Tax expense	Rs.'000 Net of tax
Actuarial gains/(losses) on defined benefit obligations	(4,271)	1,281	(2,990)	12,840	(3,852)	8,988
Revaluation on buildings	189,280	(60,994)	128,286	-	-	-
Revaluation of land	96,863	(24,259)	72,604	-	-	-
Origination of deferred tax liabilities due to income tax rate change	-	-	-	-	(93,496)	(93,496)
	281,872	(83,971)	197,901	12,840	(97,349)	(84,509)

A reconciliation between tax expense and the product of accounting profit multiplied by income tax rate for the years ended 31 March 2024 and 2023 is as follows:

For the year ended 31st March,	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
9.3 Reconciliation of accounting profit to income tax expense.				
Accounting profit before tax	260,096	280,585	335,645	338,289
Not forming part of statutory income	(6,969)	(6,276)	(7,033)	(6,449)
Non Business Income	(2,648)	(3,346)	(9,652)	(8,735)
Aggregate disallowable expenses and provisions	159,904	163,387	175,232	176,215
Aggregate allowable deductions	(124,801)	(128,932)	(137,562)	(138,925)
Profit from business	285,582	305,418	356,630	360,395
Other income	2,648	3,346	9,652	8,735
Taxable Income/(loss)	288,230	308,764	366,282	369,130
Income tax at the rate of 30%	86,469	19,609	109,848	26,606
Income tax at the rate of 24%	-	422	-	1,093
Income tax at the rate of 18%	-	43,496	-	49,527
Total Current Income Tax on profit for the year	86,469	63,527	109,848	77,226

9.4 The profits and income of the Company and its subsidiaries are liable for income tax at the following rates

(a) Company

The profits and income of the company is liable for income tax at 30% (2022/23 - 18%, 24% and 30%)

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the taxation authorities in respect of the current as well as prior years. The amount of current tax receivable or payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Accordingly, provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 45 of 2022 and subsequent amendments thereto, at the rates specified in Note 9.2 to the Financial Statements.

(b) Subsidiaries

Comark Lanka (Pvt) Ltd is liable for income tax at 30% (2022/23 at 24% and 30%)

Castalloys (Pvt) Ltd is liable for income tax at 30% (2022/23 at 24% and 30%)

Comark Engineers (Pvt) Ltd is liable for income tax at 30% (2022/23 at 18%, 24% and 30%)

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the earnings and share data used for the computation.

For the year ended 31st March,	COMPANY		GROUP	
	2024	2023	2024	2023
Amounts used as Numerator				
Net Profit attributable to Ordinary Shareholders (Rs. '000)	187,855	173,971	213,963	197,019
Number of Ordinary Shares in issue used as the Denominator				
Weighted Average Number of Ordinary Shares	68,514,115	68,514,115	68,514,115	68,514,115
Basic earnings per share (Rs.)	2.74	2.54	3.12	2.88

There are no potential dilutive ordinary shares outstanding at anytime during the year. Therefore, diluted earnings per share is same as basic earnings per share as shown above.

11 PROPERTY, PLANT AND EQUIPMENT

11.1 Company

	Land	Buildings	Machinery & Electrical Sub station	Motor Vehicles	Furniture & Fittings Lab Equipment Tools & Dies	Generator & Equipment	Capital work in progress	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/Valuation								
Balance as at 1st April 2022	450,564	481,638	978,382	64,865	436,345	10,768	-	2,422,562
Additions	-	4,764	8,741	-	32,585	-	42,380	88,470
Disposals/Impairment	-	-	-	-	(42)	-	-	(42)
Balance as at 31st March 2023	450,564	486,402	987,123	64,865	468,888	10,768	42,380	2,510,990
Additions	-	-	11,130	-	29,364	-	-	40,494
Disposals	-	-	(12,750)	(5,299)	-	-	-	(18,049)
Impairment	-	-	-	-	(38)	-	-	(38)
Surplus on revaluation	80,863	187,558	-	-	-	-	-	268,421
Adjustment on revaluation	-	(60,843)	-	-	-	-	-	(60,843)
Balance as at 31st March 2024	531,427	613,117	985,503	59,566	498,214	10,768	42,380	2,740,975
Accumulated Depreciation								
Balance as at 1st April 2022	-	20,063	456,379	59,353	359,500	10,641	-	905,936
Charge for the year	-	20,354	42,649	4,409	33,849	82	-	101,343
Balance as at 31st March 2023	-	40,417	499,028	63,762	393,349	10,723	-	1,007,279
Charge for the year	-	20,426	42,011	828	32,731	45	-	96,041
Disposals/Impairment	-	-	(12,750)	(5,024)	-	-	-	(17,774)
Adjustment on revaluation	-	(60,843)	-	-	-	-	-	(60,843)
Balance as at 31st March 2024	-	-	528,289	59,566	426,080	10,768	-	1,024,703
Carrying amount								
As at 31st March 2024	531,427	613,117	457,214	-	72,134	-	42,380	1,716,272
As at 31st March 2023	450,564	445,985	488,095	1,103	75,539	45	42,380	1,503,711

There were no property, plant and equipment pledged by the Company as securities for facilities obtained from bank.

Property, plant and equipment as at 31.3.2024 includes fully depreciated assets having a gross carrying amount of Rs. 628,173,275/- (31.03.2023- 605,905,618/-) that is still in use.

11.2 Group

	Land	Buildings	Machinery & Electrical Sub station	Motor Vehicles	Furniture & Fittings Lab Equipment Tools & Dies	Generator & Equipment	Capital work in progress	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost/Valuation								
Balance as at 1st April 2022	542,564	492,605	1,027,200	64,866	438,936	18,511	-	2,584,682
Additions	-	4,764	13,877	-	46,963	-	42,380	107,984
Disposals/Impairment	-	-	-	-	(42)	-	-	(42)
Balance as at 31st March 2023	542,564	497,369	1,041,077	64,866	485,857	18,511	42,380	2,692,625
Additions	-	-	11,130	-	29,521	-	-	40,651
Disposals	-	-	(12,750)	(5,299)	-	-	-	(18,049)
Impairment	-	-	-	-	(38)	-	-	(38)
Surplus on revaluation	96,863	189,280	-	-	-	-	-	286,143
Adjustments on revaluation	-	(63,054)	-	-	-	-	-	(63,054)
Balance as at 31st March 2024	639,427	623,595	1,039,457	59,567	515,341	18,511	42,380	2,938,281
Accumulated Depreciation								
Balance as at 1st April 2022	-	20,800	470,018	59,353	357,731	15,890	-	923,789
Charge for the year	-	21,091	46,515	4,409	36,656	82	-	108,753
Balance as at 31st March 2023	-	41,891	516,533	63,762	394,387	15,972	-	1,032,542
Charge for the year	-	21,163	45,877	828	35,531	45	-	103,444
Disposals/Impairment	-	-	(12,750)	(5,023)	-	-	-	(17,773)
Adjustments on revaluation	-	(63,054)	-	-	-	-	-	(63,054)
Balance as at 31st March 2024	-	-	549,660	59,567	429,918	16,017	-	1,055,159
Carrying amount								
As at 31st March 2024	639,427	623,595	489,797	-	85,422	2,494	42,380	1,883,121
As at 31st March 2023	542,564	455,478	524,544	1,104	91,470	2,539	42,380	1,660,083

Plant and machinery of Comark Engineers (Pvt) Ltd is pledged as securities as at reporting date for obtaining banking facilities from Hatton National Bank PLC.

Property plant and equipment as at 31.3.2024 includes fully depreciated assets having a gross carrying amount of Rs. 629,415,892/- (31.03.2023 - 606,968,505/-) that is still in use.

Capital Work in Progress encompasses an air pollution control system, which remains uninstalled due to delays in importing other essential plant components. These components are expected to be imported in the near future.

Land and buildings are stated at fair value. The fair value of land and buildings was determined by an external, independent qualified property valuer, Mr. L. J. D. K. Silva who have recent experience in the location category of the property being valued.

There are no restrictions that existed on the title of the PPE of the Group/Company as at the reporting date.

Land and buildings are on fair value based on valuation carried out as at 31st March 2024 by Mr. L. J. D. K. Silva, a member of the Institute of Valuers of Sri Lanka, with appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The book values of land and buildings were written up to correspond with the valuation and the surplus/deficit on revaluation has been credited/debited respectively to the Revaluation Reserve in the year ended 31st March 2024.

Name of the Company	Location	Extent	Carrying Amount as at 31.03.2024	Carrying Amount at cost
			Rs.'000	Rs.'000
Lanka Aluminium Industries PLC	No 20, Temple Road, Ekala, Ja-ela	Freehold land	808.63 P	531,427
		Building	140,021 (Sq Ft)	613,117
Castalloys (Pvt) Ltd	No 60, Temple Road, Ekala, Ja-ela.	Freehold land	160 P	108,000
		Building	3,444 (Sq Ft)	10,478
				722
				232,218
				800
				3,002

Land and building are considered under level 3 of the fair value hierarchy. Valuation techniques and significant unobservable inputs used in measuring fairvalue is given on pages 124 to 125.

The Group has 11 buildings as at 31st March 2024.

12 RIGHT-OF-USE ASSETS

	COMPANY		GROUP	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Carrying value of right of use asset				
Cost				
At the beginning of the year	143,822	93,618	134,487	89,101
Additions during the year	15,762	50,204	15,762	45,386
At the end of the year	159,584	143,822	150,249	134,487
Accumulated Amortisation				
At the beginning of the year	104,860	76,289	98,737	71,772
Amortisation for the year	29,063	28,571	27,457	26,965
At the end of the year	133,923	104,860	126,194	98,737
Carrying amount at the end of the year	25,661	38,962	24,055	35,750

13 INTANGIBLE ASSET

	COMPANY		GROUP	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance as at 1st April	467	720	467	720
Acquired during the year	185	-	185	-
Amortization	(438)	(253)	(438)	(253)
Balance on 31st March	214	467	214	467

Intangible assets includes the product performance license acquired and it is stated at cost less accumulated amortisation and impairment losses. The license acquired will be amortised over the validity period of 10 years.

14 INVESTMENTS IN SUBSIDIARIES

	2024			2023		
	No of Shares '000	Holding %	Cost Rs.'000	No of Shares '000	Holding %	Cost Rs.'000
Unquoted						
Comark Lanka (Pvt) Ltd	100	100%	1,000	100	100%	1,000
Comark Engineers (Pvt) Ltd	200	51%	2,000	200	51%	2,000
Castalloys (Pvt) Ltd	780	100%	600	780	100%	600
			3,600			3,600

There were no shares pledged by the Group / Company as securities for facilities obtained from bank.

14.1 Non-Controlling Interest (NCI) in Subsidiary

Comark Engineers (Pvt) Ltd, subsidiary company of Lanka Aluminium Industries PLC that have material non-controlling interests (NCI). Principle place of business of Comark Engineers (Pvt) Ltd is 1st Floor, Lakshman's Building, 321, Galle Road Colombo 3. Company has not paid dividend to non-controlling interest during the financial year 2023-24. Financial information of subsidiary company is given below.

As at 31st March	COMARK ENGINEERS (PVT) LTD	
	2024 Rs. '000	2023 Rs. '000
NCI Percentage (%)	49%	49%
Total Assets	270,078	267,826
Total Liabilities	84,847	134,208
Net Assets	185,231	133,618
Carrying Amount of NCI	90,763	65,473
Profit for the year	51,993	46,350
Other Comprehensive Income	(401)	241
Total Comprehensive Income for the year	51,592	46,591
Total Comprehensive Income allocated to NCI	25,290	22,892
Net Cash flow used in Operating Activities	75,710	(11,098)
Net Cash flow used in Investing Activities	304	(20,059)
Net Cash flow from/ (used in) Financing Activities	(65,783)	29,790
Net (Decrease)/Increase in Cash and Cash Equivalents	10,231	(1,367)

15 OTHER NON-CURRENT FINANCIAL ASSETS

As at 31st March	COMPANY		GROUP	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Fair Value Through OCI Financial Assets				
Unquoted investments in equity shares (15a)	4,690	4,690	4,690	4,690
	4,690	4,690	4,690	4,690
Change in fair value of investments	(4,516)	(4,516)	(4,516)	(4,516)
Carrying amount as at 31st March	174	174	174	174

15.a Unquoted investments in equity shares (Company/Group)

As at 31st March	2024			2023		
	No of Shares '000	Holding %	Carrying Value RS. '000	No of Shares '000	Holding %	Carrying Value RS. '000
Timpex (Pvt) Ltd						
Cost	510	1.67	4,690	510	1.67	4,690
Change in fair value of investments	-	-	(4,516)	-	-	(4,516)
Carrying Value	510	1.67	174	510	1.67	174

There were no shares pledged by the Group / Company as securities for facilities obtained from bank.

The Group designated the investments shown above as equity securities at FVOCI because these equity securities represents investments that the Group intends to hold for the long term for strategic purposes.

No strategic investments were disposed of during 2023/2024 and there were no transfers of any cumulative gain or loss within equity relating to these investments.

As at 31st March	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
16 INVENTORIES				
Raw materials	158,618	221,312	207,024	265,751
Work in progress	102,615	81,642	131,138	108,442
Finished goods	491,608	557,074	513,241	599,579
Spare parts & consumables	59,717	55,109	63,308	58,775
Others	217,821	104,376	223,960	111,625
	1,030,379	1,019,513	1,138,671	1,144,172
Impairment of inventories	(27,470)	(26,779)	(33,837)	(29,229)
	1,002,909	992,734	1,104,834	1,114,943
16.1 Movement of Impairment of inventories				
Balance at the beginning of the year	26,779	13,573	29,229	13,573
Impairment during the year	691	13,206	4,608	15,656
Balance at the end of the year	27,470	26,779	33,837	29,229

As at 31st March	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
17 TRADE AND OTHER RECEIVABLES				
Trade receivables	317,986	344,063	377,506	379,298
Other receivables	67,057	41,099	82,415	50,400
Advances & deposits	19,617	17,271	23,675	21,410
	404,660	402,433	483,596	451,108
Impairment of trade receivables (Note 17.1)	(44,696)	(44,696)	(60,938)	(63,435)
Impairment of other receivables (Note 17.1)	(6,227)	(6,227)	(10,282)	(9,128)
	353,737	351,510	412,376	378,545
Receivables were reclassified as amounts receivable from related parties, and the comparative figures were adjusted to reflect this change.				
17.1 Movement of impairment of trade and other receivables				
Balance at the beginning of the year	50,923	59,939	72,563	81,579
Impairment of trade and other receivables during the year	-	-	1,154	-
Set off against trade receivables	-	(9,016)	(2,497)	(9,016)
Balance at the end of the year	50,923	50,923	71,220	72,563
18 AMOUNTS DUE FROM RELATED PARTIES				
Comark Engineers (Pvt) Ltd	26,706	30,964	-	-
Texpro Industries Limited	10,364	8,196	10,364	8,196
Marshall Investments (Pvt) Ltd	286	-	9,609	13,610
Venture Investments & Management Services (Pvt) Ltd	439	465	858	11,380
	37,795	39,625	20,831	33,186
Impairment of amounts due from related parties	(1,516)	(1,516)	(288)	(288)
	36,279	38,109	20,543	32,898
19 INCOME TAX RECOVERABLE/(PAYABLE)				
Balance at the beginning of the year	(27,754)	(47,947)	(34,112)	(53,371)
Tax paid during the year	65,875	83,690	83,268	96,456
Provision for the year	(86,469)	(63,527)	(109,848)	(77,226)
Over/(Under) provision in respect of previous years	2,362	30	1,265	30
Balance at the end of the year	(45,986)	(27,754)	(59,428)	(34,112)
Income Tax Recoverable	-	-	470	514
Income Tax Payable	(45,986)	(27,754)	(59,896)	(34,626)
	(45,986)	(27,754)	(59,426)	(34,112)
20 OTHER CURRENT FINANCIAL ASSETS				
Financial Assets measured at Amortized Cost				
Fixed deposits at bank	92,139	92,371	138,298	130,994
Balance at the end of the year (before adjusting interest receivable)	92,139	92,371	138,298	130,994
Interest receivable	3,969	4,105	6,196	7,260
Balance at the end of the year (Note 20.1)	96,108	96,476	144,494	138,254
Financial Assets held at Fair Value through Profit or Loss (Note 20.2)	1,832	2,739	1,832	2,739
	97,940	99,215	146,326	140,993

20.1 FINANCIAL ASSETS MEASURED AT AMORTIZED COST

Group own five deposits with a maturity period of three months, six months and one year.

Bank	Credit Rating of the Bank	Holder of the Fixed Deposit	Maturity Period In Months	Fixed Deposit Rs.'000	Maturity Date	Interest Rate %
COMPANY						
Hatton National Bank PLC	A(Ika)	Lanka Aluminium Industries PLC	12	14,846	8th April 2024	8.00%
Hatton National Bank PLC	A(Ika)	Lanka Aluminium Industries PLC	12	33,834	28th July 2024	6.00%
National Development Bank PLC	A-(Ika)	Lanka Aluminium Industries PLC	12	15,013	9th April 2024	9.00%
National Development Bank PLC	A-(Ika)	Lanka Aluminium Industries PLC	12	28,446	3rd March 2025	5.00%
Interest receivable		Lanka Aluminium Industries PLC		3,969		
Fixed deposits at bank - Company				96,108		
SUBSIDIARY						
Hatton National Bank PLC	A(Ika)	Comark Engineers (Pvt) Ltd	3	17,310	4th April 2024	12.50%
Hatton National Bank PLC	A(Ika)	Comark Engineers (Pvt) Ltd	6	14,567	3rd May 2024	11.00%
Hatton National Bank PLC	A(Ika)	Comark Engineers (Pvt) Ltd	12	14,282	10th August 2024	11.50%
Interest receivable				2,227		
Fixed deposits at bank - Subsidiary				48,386		
Fixed deposits at bank - Group				144,494		

20.2 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS - QUOTED EQUITY

COMPANY/GROUP	Market value as at 01.04.2023	Cost of Purchase of shares	Sale of shares	Net change in FVTPL financial assets	Realized gain on equity shares	Market value as at 31.03.2024	Cost of remaing shares as at 31.03.2024	No. of shares as at 31.03.2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
First Capital Holdings PLC	954	-	(563)	45	80	516	611	15,000
Commercial Bank of Ceylon PLC	767	551	(1,009)	40	139	488	505	5,000
Expolanka Holding PLC	759	-	-	69	-	828	1,226	5,500
Hatton National Bank PLC	259	9	(323)	22	33	-	-	-
	2,739	560	(1,895)	176	252	1,832	2,342	

As at 31st March	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
21 CASH AND CASH EQUIVALENTS				
Cash in hand	981	1,316	1,158	1,506
21.1 Cash at bank	70,725	31,358	81,647	37,077
Cash and cash equivalents in the statement of financial position	71,706	32,674	82,805	38,583
Banks overdrafts for cash management purposes and payable on demand	-	(59,698)	(1,066)	(65,263)
Cash and cash equivalent for the purpose of statement of cash flows	71,706	(27,024)	81,739	(26,680)

21.1 CASH AT BANK

Bank	Credit Rating of the Bank	COMPANY		GROUP	
		2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Hatton National Bank PLC	A(Ika)	47,935	16,885	58,593	22,320
National Development Bank PLC	A-(Ika)	4,343	-	4,607	284
DFCC Bank PLC	A-(Ika)	1,590	2,560	1,590	2,560
Sampath Bank PLC	A(Ika)	14,599	7,435	14,599	7,435
Nations Trust Bank PLC	A-(Ika)	2,258	4,478	2,258	4,478
		70,725	31,358	81,647	37,077

As at 31st March	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
22 STATED CAPITAL				
Issued & Fully Paid Number of Shares				
68,514,115 Ordinary Shares	137,028	137,028	137,028	137,028

The holder of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders or one vote per share in the case of poll.

All ordinary shares rank equally with regard to the Company's residual assets.

As at 31st March	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
23 RETIREMENT BENEFIT OBLIGATIONS				
Present value of unfunded liability (Note 23.1)	76,334	62,059	78,940	63,791
Total present value of the obligation	76,334	62,059	78,940	63,791
23.1 Movement in present value of the retirement benefit obligations				
Retirement benefit obligations as at 1st April	62,059	68,633	63,791	70,413
<i>Expenses recognised in income statement</i>				
Current service cost	4,453	9,266	4,743	9,593
Interest cost	11,170	4,355	11,482	4,595
Past Service Cost	-	-	-	-
	15,623	13,621	16,225	14,188
<i>Expenses recognised in other comprehensive income</i>				
Acturial (gain)/losses	3,531	(12,340)	4,271	(12,840)
<i>Others</i>				
Benefits paid by the plan	(4,879)	(7,855)	(5,347)	(7,970)
Retirement benefit obligations as at 31st March	76,334	62,059	78,940	63,791

Maturity Profile of the Company's retirement benefit obligations as at 31st March	COMPANY		GROUP	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Within next 12 months	47,463	40,065	47,934	40,394
Between 1-2 years	9,462	7,673	10,048	7,891
Between 2-5 years	11,455	8,158	12,572	8,617
Between 5-10 years	5,903	5,410	6,199	6,028
Beyond 10 years	2,051	753	2,187	861
	76,334	62,059	78,940	63,791

The provision for retirement benefits obligations for the year is based on the actuarial valuation carried out by professionally qualified actuaries, Messrs. Actuarial and Management Consultants (Pvt) Ltd., as at 31st March 2024. The actuarial present value of the promised retirement benefits as at 31st March 2024 amounted to Rs. 78,940,776/- (Company - Rs 76,334,132/-). The liability is not externally funded.

"The principal actuarial assumptions used in determining the cost are given below;

- Discount rate 11.0%. (2022/2023 - 18.0%)
- Salary increments - 6% p.a. (2022/2023 - 8%)
- Retirement age of 60 years - Staff turnover rate - 17% up to age 54 and thereafter zero.
- Weighted average duration of defined benefit obligation - 2 years - The Company will continue in business as a going concern

Assumptions regarding future mortality are based on published statistics and mortality tables."

As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, the discount rates have been adjusted to convert the coupon bearing yield to a zero coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing Employee benefit obligations as per LKAS 19.

Demographic Assupmtions

In addition to the above, demogrphic assupmtions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A 67/07 mortality table" issued by the Institute of Actuaries, London was used to estimate the gratuity liability for the Company.

Sensitivity of assumptions employed in actuarial valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2023/2024.

The sensitivity of the Income Statement and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

COMPANY	2024				2023			
	Discount Rate		Salary Increment		Discount Rate		Salary Increment	
	1%	"1%	"1%	"1%	1%	"1%	"1%	"1%
	INCREASE	DECREASE"	INCREASE"	DECREASE"	INCREASE	DECREASE"	INCREASE"	DECREASE"
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Impact on statement of financial position	(1,467)	1,570	1,481	(1,400)	(842)	883	766	(735)
Impact on statement of profit or loss and other comprehensive income	1,467	(1,570)	(1,481)	1,400	842	(883)	(766)	735

GROUP	2024				2023			
	Discount Rate		Salary Increment		Discount Rate		Salary Increment	
	1%	"1%"	"1%"	"1%"	1%	"1%"	"1%"	"1%"
	INCREASE	DECREASE"	INCREASE"	DECREASE"	INCREASE	DECREASE"	INCREASE"	DECREASE"
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Impact on statement of financial position	(1,569)	1,680	1,594	(1,506)	(954)	904	791	(852)
Impact on statement of profit or loss and other comprehensive income	1,569	(1,680)	(1,594)	1,506	954	(904)	(791)	852

As at 31st March	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
24 DEFERRED TAX LIABILITIES				
As at the beginning of the year	344,384	210,068	355,950	217,302
Origination / (reversal) of temporary differences during the year				
"Origination / (reversal) of temporary differences to Profit or Loss due to during the year transactions"	(11,867)	6,558	(12,389)	315
"Reversal of temporary differences to Profit or Loss due to income tax rate change during the year transactions"	-	36,559	-	40,984
Total Reversal of temporary differences to Profit or Loss	(11,867)	43,117	(12,389)	41,299
Origination of temporary differences to Other Comprehensive Income due to during the year transactions	79,467	3,702	83,972	3,852
Origination of of temporary differences to Other Comprehensive Income due to income tax rate change	-	87,497	-	93,497
Recognised in other comprehensive income	79,467	91,199	83,972	97,349
Balance at the end of the year	411,985	344,384	427,534	355,950
Deferred tax assets	(93,676)	(78,275)	(101,280)	(84,750)
Deferred tax liabilities	505,661	422,659	528,814	440,700
	411,985	344,384	427,534	355,950

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

The right-of-use asset and lease liability have been reclassified as deferred tax assets and deferred tax liabilities. Comparative figures have also been reclassified accordingly.

COMPOSITION OF DEFERRED TAX ASSETS AND LIABILITIES:

As at 31st March	COMPANY				GROUP			
	2024		2023		2024		2023	
	Temporary Difference RS. '000	Deferred Tax RS. '000	Temporary Difference RS. '000	Deferred Tax RS. '000	Temporary Difference RS. '000	Deferred Tax RS. '000	Temporary Difference RS. '000	Deferred Tax RS. '000
Deferred tax liabilities								
Property, plant and equipment excluding land	1,001,683	300,504	841,327	252,398	1,078,854	323,657	901,460	270,439
Revaluation surplus on land	528,586	158,576	447,723	134,317	528,586	158,576	447,723	134,317
Lease liability	155,270	46,581	119,816	35,944	155,270	46,581	119,816	35,944
Deferred tax assets								
Retirement benefit obligation	(76,334)	(22,900)	(62,059)	(18,618)	(78,939)	(23,683)	(63,791)	(19,139)
Right-of-use asset	(158,229)	(47,469)	(121,858)	(36,557)	(158,229)	(47,469)	(121,858)	(36,557)
Provisions	(77,691)	(23,307)	(77,000)	(23,100)	(100,111)	(30,033)	(96,846)	(29,054)
Tax losses carried forward	-	-	-	-	(315)	(96)	-	-
Net deferred tax liabilities	1,373,285	411,985	1,147,949	344,384	1,425,116	427,534	1,186,504	355,950

MOVEMENT OF DEFERRED TAX ASSET AND LIABILITIES:

	Balance as at 01.04.2022 RS. '000	Recognised in income Statement 2022/23 RS. '000	Recognised in other comprehensive income 2022/2023 RS. '000	Balance as at 31.03.2023 RS. '000	Recognised in income Statement 2023/2024 RS. '000	Recognised in other comprehensive income 2023/2024 RS. '000	Balance as at 31.03.2024 RS. '000
COMPANY							
Property, plant and equipment	155,230	63,397	33,771	252,398	(8,161)	56,267	300,504
Retirement benefit obligations	(12,354)	(9,966)	3,702	(18,618)	(3,223)	(1,059)	(22,900)
Lease liability	15,478	20,466	-	35,944	10,636	-	46,580
Right-of-use asset	(15,649)	(20,908)	-	(36,557)	(10,911)	-	(47,468)
Provisions	(13,228)	(9,872)	-	(23,100)	(207)	-	(23,307)
Revaluation surplus on land	80,591	-	53,726	134,317	-	24,259	158,576
	210,068	43,117	91,199	344,384	(11,867)	79,467	411,985
GROUP							
Property, plant and equipment	162,815	67,855	39,771	270,439	(7,776)	60,994	323,657
Retirement benefit obligations	(12,705)	(10,288)	3,852	(19,139)	(3,263)	(1,281)	(23,683)
Lease liability	15,478	20,466	-	35,944	10,636	-	46,581
Right-of-use asset	(15,649)	(20,908)	-	(36,557)	(10,911)	-	(47,469)
Provisions	(13,228)	(15,826)	-	(29,054)	(980)	-	(30,033)
Tax losses carried forward	-	-	-	-	(96)	-	(96)
Revaluation surplus on land	80,591	-	53,726	134,317	-	24,259	158,576
	217,302	41,299	97,349	355,950	(12,390)	83,971	427,534

The right-of-use asset and lease liability have been reclassified as deferred tax assets and deferred tax liabilities. Comparative figures have also been reclassified accordingly.

As at 31st March	COMPANY		GROUP	
	2024	2023	2024	2023
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
25 TRADE AND OTHER PAYABLES				
Trade payables	43,325	21,104	75,854	37,215
Other payables	144,965	114,303	146,523	115,772
Unclaimed dividend	8,963	8,963	8,963	8,963
Accrued expenses	49,770	47,245	54,899	51,139
	247,023	191,615	286,239	213,089
Payables were reclassified as amounts payable to related parties, and the comparative figures were adjusted to reflect this change.				
26 AMOUNT DUE TO RELATED PARTIES				
Castalloys (Pvt) Ltd	7,075	6,079	-	-
Comark Lanka (Pvt) Ltd	7,605	6,912	-	-
Marshall Investments (Pvt) Ltd	-	3,100	-	3,100
	14,680	16,091	-	3,100
27 LOANS AND BORROWINGS				
27.1 Movement of Interest Bearing Borrowings				
Balance at the beginning of the year	212,848	463,000	277,311	496,056
Obtained during the year	241,000	1,817,126	304,640	2,010,017
Repayments during the year	(453,848)	(2,069,126)	(581,951)	(2,230,907)
Balance at the end of the year (before adjusting interest payable)	-	211,000	-	275,166
Interest payable	-	1,848	-	2,145
At the end of the year	-	212,848	-	277,311
Payable within one year (after adjusting interest payable)	-	212,848	-	277,311
	-	212,848	-	277,311

Successfully settled the Group's entire loan portfolio during the year 2023/24.

27.2 Analysed by lending institution

	Balance as at 01.04.2023 RS. '000	Obtained During the Year RS. '000	Capital Repayment RS. '000	Balance as at 31.03.2024 RS. '000
COMPANY				
Hatton National Bank PLC	76,296	-	(76,296)	-
National Development Bank PLC	-	136,000	(136,000)	-
Sampath Bank PLC	136,552	105,000	(241,552)	-
	212,848	241,000	(453,848)	-
GROUP				
Hatton National Bank PLC	104,259	45,640	(149,899)	-
National Development Bank PLC	36,500	154,000	(190,500)	-
Sampath Bank PLC	136,552	105,000	(241,552)	-
	277,311	304,640	(581,951)	-

As at 31st March	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
28 LEASE LIABILITIES				
Cost				
Balance as at the beginning of the year	36,122	18,279	37,217	18,279
Additions during the year	15,762	45,322	15,762	45,001
Accretion of interest	7,309	6,346	6,904	5,782
Payments to lease creditors	(30,573)	(33,825)	(28,593)	(31,845)
At the end of the year	28,620	36,122	31,290	37,217
Amounts recognised in profit or loss				
Interest on lease liabilities - Leases under SLFRS 16	7,309	6,346	6,904	5,782
	7,309	6,346	6,904	5,782
Operating Lease Liabilities are presented in Financial position as follows;				
Classified as non current liabilities	6,993	13,258	6,993	11,373
Classified as current liabilities	21,627	22,864	19,800	21,347
	28,620	36,122	26,793	32,720
Amounts recognised in statement of cash flow				
Repayment of lease liabilities	30,573	33,825	28,593	31,845
Maturity Analysis of lease payments				
-Less than 1 year	21,627	22,864	19,800	21,347
-1 to 5 years	6,993	13,258	6,993	11,373
	28,620	36,122	26,793	32,720

29 CAPITAL COMMITMENTS

There are no material capital commitments, except for amounts mentioned below as at 31st March 2024.

As at 31st March	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Approximate amount approved but not contracted for	191,752	211,752	191,752	211,752

30 CONTINGENT LIABILITIES

There were no contingent liabilities as at reporting date which would require adjustments to or disclosure in the financial statements of the Company or Group other than prior year contingent liabilities as follows.

As at 31st March	COMPANY		GROUP	
	2024	2023	2024	2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Performance bond	-	14,749	-	14,749
Bid bond	-	140	-	140

31 RELATED PARTY DISCLOSURES

31.1 Key Management Personnel Information

"Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly."

The Company has identified the Board of Directors (including Executive and Non-Executive Directors) as KMP of the Company.

Close Family Members (CFM) of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the Company.

Accordingly the Board of Directors and their CFMs have been identified as the KMP of the Company.

As the Company is parent of the Subsidiaries, the Board of Directors of the Company have the authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. Accordingly the Board of Directors of the Company (Including Executive and Non-Executive) and their CFMs are KMPs of the Group.

Compensation paid to/on behalf of key management personnel of the company/Group are as follows,

As at 31st March	COMPANY		GROUP	
	2024	2023	2024	2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Short term employee benefits	25,435	31,444	25,435	31,444
Post employment benefits	3,250	2,980	3,250	2,980
	28,685	34,424	28,685	34,424

In addition to the above, the company has not provided non cash benefits during last two years to the key Management Personnel.

Mr. P. Chandaria and Mr. Sanjeev Kumar fulfill the role of official representatives on behalf of Clovis Company Limited.

Mr. J.D. Peiris, Dr. J.M. Swaminathan, Mr. D.S. Weerakkody and Mr. Sanjeev Kumar the directors of the Company are also directors of the following companies as set out below and with transactions in Note 31.2 have been carried out.

There were no loans given to Directors of the company during the financial year or as at the year end.

NAME OF THE RELATED PARTY	NAME OF THE DIRECTOR
CASTALLOYS (PVT) LIMITED	Mr. J D Peiris
	Dr. J M Swaminathan
COMARK LANKA (PVT) LIMITED	Mr. J D Peiris
	Dr. J M Swaminathan
TEXPRO INDUSTRIES LIMITED	Mr. J D Peiris
METENCO LANKA (PVT) LIMITED	Mr. J D Peiris
	Dr. J M Swaminathan
	Mr. Sanjeev Kumar
COMARK ENGINEERS (PVT) LIMITED	Mr. J D Peiris
	Dr. J M Swaminathan
MARSHALL INVESTMENTS (PVT) LTD	Mr. J D Peiris
	Dr. J M Swaminathan
VENTURE INVESTMENTS & MANAGEMENT SERVICES (PVT) LTD	Mr. J D Peiris
	Dr. J M Swaminathan

31.2 TRANSACTIONS WITH RELATED ENTITIES

31.2 (a) Transactions with Subsidiaries

The Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 "Related Party Disclosure" the details of which are reported below.

Name of Related Entities	Relationship	Nature of Transaction	Amount 2024 Rs. '000	Amount 2023 Rs. '000
CASTALLOYS (PVT) LIMITED	Subsidiary	Opening balance	(6,079)	(6,013)
		Expense recovery	708	615
		Settlements	78	1,250
		Rent expense (net of taxes)	(1,782)	(1,931)
		Closing balance	(7,075)	(6,079)
COMARK LANKA (PVT) LIMITED	Subsidiary	Opening balance	(6,912)	6,077
		Rent income (net of taxes)	611	597
		Interest received (inclusive of taxes)	-	336
		Expense recovery	1,205	1,177
		Sale of Sealax and extrusions	(1,626)	(26)
		Funds transferred net	(883)	(15,073)
		Closing balance	(7,605)	(6,912)

Name of Related Entities	Relationship	Nature of Transaction	Amount 2024 Rs. '000	Amount 2023 Rs. '000
COMARK ENGINEERS (PVT) LTD	SUBSIDIARY	Opening balance	30,964	10,594
		Rent income (net of taxes)	1,396	1,460
		Sale of extrusions	130,140	77,418
		Service charges receivable	2,459	4,119
		Purchase of Scrap	(1,820)	(5,693)
		Expenses (reimbursements)/ charges	-	(8)
		Transfer of powder	(31,212)	(1,229)
		Settlements	(105,221)	(55,697)
		Closing balance	26,706	30,964

31.2 (b) Transactions with Other Related Entities - Company

Name of Related Entities	Relationship	Nature of Transaction	Amount 2024 Rs. '000	Amount 2023 Rs. '000
TEXPRO INDUSTRIES LIMITED	KMP with Significant influence	Opening balance	8,196	5,472
		Expenses reimbursements	1,248	1,367
		Rent income (inclusive of taxes)	920	1,357
		Closing balance	10,364	8,196
METECNO LANKA (PVT) LIMITED	KMP with Significant influence	Expenses reimbursements	4,140	4,071
		Expenses charged	(4,140)	(4,071)
MARSHALL INVESTMENTS (PVT) LTD	KMP with Significant influence	Opening balance	(3,100)	2,410
		Expenses charged	3,386	2,911
		Transfer of powder	-	(18,735)
		Settlements	-	10,314
		Closing balance	286	(3,100)
VENTURE INVESTMENTS & MANAGEMENT SERVICES (PVT) LTD	KMP with Significant influence	Opening balance	465	94
		Expenses charged	9	371
		Sale of extrusions	345	-
		Settlements	(380)	-
		Closing balance	439	465

31.2 (C) Transactions with Other Related Entities - Subsidiary Companies

Name of Related Entities	Relationship	Nature of Transaction	Amount 2024 Rs. '000	Amount 2023 Rs. '000
MARSHALL INVESTMENTS (PVT) LTD / COMARK ENGINEERS (PVT) LTD	KMP with Significant influence	Opening balance	13,583	15,504
		Expenses charged	1,355	66,358
		Transfer of powder/raw materials	7,422	13,071
		Settlements	(13,064)	(81,350)
		Closing balance	9,296	13,583
VENTURE INVESTMENTS & MANAGEMENT SERVICES (PVT) LTD / COMARK ENGINEERS (PVT) LTD	KMP with Significant influence	Opening balance	10,915	(385)
		Expenses charged	19	-
		Transfer of raw materials	785	16,300
		Settlements	(11,300)	(5,000)
		Closing balance	419	10,915
MARSHALL INVESTMENTS (PVT) LTD	KMP with Significant influence	Opening balance	27	27
		Closing balance	27	27

Amount Receivable from/ Payable to Related Parties are disclosed in Note No.18 and 26 respectively to the financial statements.

31.3 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length. All related party transactions are carried out in the normal course of business and transacted at normal business terms. Transactions and comparable with those that would have been charged from un-related companies. All related party outstanding balances at the year-end are unsecured and are to be settled in cash. The Group does not have any material commitments to related parties, other than those disclosed in note 31 to the financial statements.

31.4 Other transactions - banking facilities

Lanka Aluminium Industries PLC has sub-allocated a banking facility amounting to Rs. 250 Mn. obtained from National Development Bank PLC to its related Company, Comark Lanka (Pvt) Ltd. The entire facility was available for utilisation by Comark Lanka (Pvt) Ltd as at 31st March 2024.

32 EVENTS AFTER REPORTING PERIOD

There were no material events occurring after the reporting date as at 31st March 2024 that require adjustments to or disclosure in the Financial Statements,, other than disclosed below.

The Board of Directors has proposed a final dividend of Rs. 1/- per share amounting to Rs. 68,514,115/- on 14th August 2024 for the year ended 31st March 2024.

33 POTENTIAL IMPACT FROM ONGOING ECONOMIC CRISIS

During the 2023-24 financial year, Sri Lanka encountered severe economic difficulties, marked by high interest rates, high inflation, and stringent foreign exchange controls. The Central Bank of Sri Lanka (CBSL) maintained elevated interest rates to curb inflation, which remained stubbornly high due to disruptions in supply chains and rising global commodity prices. Although this monetary tightening was essential for stabilizing the economy, it also increased borrowing costs for businesses and consumers, leading to a decline in both investments and consumer spending. Additionally, foreign exchange controls imposed to preserve dwindling reserves further complicated the economic situation by restricting businesses' ability to import essential goods and services, worsening supply-side challenges.

The exchange rate saw a significant depreciation of the Sri Lankan Rupee against major currencies, driven by a lack of foreign exchange inflows, reduced remittances, and decreased tourism revenue. This weaker currency pushed up the cost of imports, contributing to higher inflation and diminishing consumers' purchasing power. Despite these obstacles, the government and CBSL implemented various measures to stabilize the economy, such as seeking international financial assistance and enacting structural reforms to enhance economic resilience and foster sustainable growth in the long term.

These economic conditions had a profound impact on Sri Lanka's construction and aluminum manufacturing sectors. High interest rates and high inflation raised the costs of raw materials and financing, making it more expensive for construction projects and aluminum manufacturers to operate. The situation was further aggravated by foreign exchange controls and the depreciating rupee, which increased the cost of importing essential materials for both industries. As a result, construction projects slowed, and the profitability of aluminum manufacturers declined, leading to project delays, cancellations, and reduced investment in new ventures. Despite these challenges, the company adapted by pursuing cost-saving strategies and exploring alternative supply sources.

34 LITIGATION CLAIM

There are no litigations and claims against the Company and its subsidiaries as at the reporting date other than disclosed below.

District Court of Colombo - Case No. DMR/01699/2014

This case had been instituted on 16th July 2014 by the plaintiff, Isha Alu Design & Distributors (Private) Limited against Lanka Aluminium Industries PLC for the recovery of Rs.4,950,000/- for the purported breach of contract. Lanka Aluminium Industries PLC has filed answer denying the said the claim and in doing so has preferred a counter claim in a sum of Rs.15 Mn. against the plaintiff as damages. As at 31st March 2024, this matter was stood fixed for further trial on the 9th May 2024.

There are no unasserted claims and assessments that are probable assertions which are required to be provided in the Financial Statements as at reporting date.

At present, this matter is to be called on 12th September 2024.

35 SEGMENTAL INFORMATION GROUP
The Primary Segments (Business Segments)

For the year ended 31st March,	Extrusions				Imported Extrusions				Investment Property				Fabrication & Builders Hardware				Eliminations				Group			
	2024		2023		2024		2023		2024		2023		2024		2023		2024		2023		2024		2023	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
(a) Segment Results																								
Total revenue	2,313,054	2,423,563	1,958	3,082	1,980	1,980	1,980	1,980	289,501	277,884	(117,444)	(75,045)	2,489,049	2,631,464										
Cost of Sales	(1,739,756)	(1,691,893)	(440)	(1,305)	-	-	-	-	(207,514)	(203,350)	118,386	80,115	(1,829,324)	(1,816,433)										
Profit before taxation	260,096	280,585	(323)	(390)	110	228	228	228	75,701	57,498	61	368	335,645	338,289										
(b) Segment Assets and Liabilities																								
Property, plant and equipment	1,716,272	1,503,711	-	-	117,096	100,111	56,261	-	49,753	56,261	-	-	1,883,121	1,660,083										
Right-of-use assets	25,661	38,962	429	857	-	-	2,141	(3,105)	1,070	2,141	(3,105)	(6,210)	24,055	35,750										
Intangible assets	214	467	-	-	-	-	-	-	-	-	-	-	214	467										
Investments in subsidiaries	3,600	3,600	-	-	-	-	-	-	-	-	(3,600)	(3,600)	-	-										
Other non-current financial assets	174	174	-	-	-	-	-	-	-	-	-	-	174	174										
Total current assets	1,562,571	1,514,242	16,865	17,409	9,156	8,444	209,416	(40,464)	219,226	209,416	(40,464)	(43,035)	1,767,354	1,706,476										
Total segment assets	3,308,492	3,061,156	17,294	18,266	126,252	108,555	267,818	(47,169)	270,049	267,818	(47,169)	(52,845)	3,674,918	3,402,950										
Segment Liabilities																								
Non current liabilities	495,312	419,701	(94)	487	14,318	9,410	5,107	-	3,931	5,107	-	(3,591)	513,467	431,114										
Total current liabilities	329,316	530,870	1,473	1,548	522	467	129,101	(45,225)	80,916	129,101	(45,225)	(47,249)	367,001	614,736										
Total Segment Liabilities	824,627	950,571	1,379	2,035	14,840	9,877	134,208	(45,225)	84,847	134,208	(45,225)	(50,840)	880,468	1,045,850										
Other Information																								
Cost incurred during the Year to acquire property, plant and equipments	40,494	88,470	-	-	-	-	19,513	-	156	19,513	-	-	40,651	107,984										
Depreciation	96,041	101,343	-	-	737	737	6,666	6,673	6,666	6,673	-	-	103,444	108,753										
Amortization of righ-of-use asset	29,063	28,571	428	428	-	-	1,071	(3,105)	1,071	1,071	(3,105)	(3,105)	27,457	26,965										
Amortization of intangible assets	438	253	-	-	-	-	-	-	-	-	-	-	438	253										
Retiring gratuity	15,623	13,621	-	-	92	84	483	-	510	483	-	-	16,225	14,188										

The above segmentation for the group is based on the business segments. However, the company does not distinguish its products into different Geographical Segments as they are insignificant.

Extrusions : Manufacture and sale of aluminium extrusions.

Imported Extrusions : Trading in aluminium extrusions and accessories.

Investment Property : Renting land and building.

Fabrication & Builders Hardware : Manufactures of Builders Hardware and Undertaking contracts for aluminium fabrication.

36 FINANCIAL RISK MANAGEMENT.

The risk management structures, processes and procedures are explained in the risk report on pages 39 to 46 of the annual report. The objective of the financial risk management strategy of the Group is to minimize the impact of risks that arise due to the use of financial instruments. The risks that are unmanaged can potentially result in the Group being unable to achieve its budgeted profits in a given financial year. Hence, importance is given by the Group to manage risk.

36.1 Market risk management

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to the change in market factors such as exchange rates and interest rates. Such risks could affect Group's income and expenses and could have a potentially adverse impact on the profits attributable to the shareholders. The objective of market risk management is to manage and control market risk exposure within acceptable limits while optimizing returns.

Currency Risk

The group exposed to currency risk on sales, purchases, the main foreign currencies in which the Group transacts is the USD and the Euro while its exposures to other foreign currencies are not material. Amount subject to foreign currency risk on foreign currency liabilities was USD 69,111/- at the exchange rate of 305.33 as at 31st March 2024 and SGD 264/- at the exchange rate of 228.22 as at 31st March 2024. Foreign currency risk on foreign currency assets was USD 345,488/- at the exchange rate of 295.54 as at 31st March 2024.

Foreign Currency Sensitivity

An estimation of the impact of the currency risk with respect of financial instruments with a 15% change in US Dollar exchange rate and Singapore Dollar are given below in calculation of risk it's assumed that all other variable factors are held constant. The calculation of sensitivity has been performed only on the assets and liabilities denominated in foreign currency of the Group as at 31st March 2024.

FOREIGN CURRENCY LIABILITIES	GROUP			
	USD BY 15%		SGD BY 15%	
	Effect on Profit Before Tax	Effect on Equity	Effect on Profit	Effect on Equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 31st March 2024				
LKR Depreciated against USD by 15%	(3,165)	(3,165)	(12)	(12)
LKR appreciated against USD by 15%	3,165	3,165	12	12

FOREIGN CURRENCY ASSETS	GROUP	
	USD BY 15%	
	Effect on Profit Tax	Effect on Equity
	Rs. '000	Rs. '000
As at 31st March 2024		
LKR Depreciated against USD by 15%	15,316	15,316
LKR appreciated against USD by 15%	(15,316)	(15,316)

Interest rate risk

Interest rate risk is the risk that the fair value of the cash flows of financial instruments will fluctuate because of changes in market interest rates; interest rate risk arises on interest bearing financial instruments recognized in the statement of financial position.

The interest rate risk of the company and the group arises from financial instruments which are exposed to variable or fixed rate interest rates. Variable interest rates expose the company and the group to cash flow due to the impact on the quantum of interest payable.

Financial instruments with fixed interest rates are subject to variations in fair values due to market interest movements. The group closely monitors market interest rate movements and implement appropriate strategies in order to minimize the interest rate risk associated with financial instruments with rates.

INTEREST BEARING DEPOSITS & LOANS	COMPANY		GROUP	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Fixed deposits	97,940	-	146,326	-
Loans and liabilities	-	-	-	1,066

Interest rate sensitivity

At the reporting date the interest rate sensitivity profile of the Group's financial instruments were as follows,

IMPACT ON PROFIT AND LOSS	COMPANY		GROUP	
	Effect on Profit Before Tax	Effect on Equity	Effect on Profit	Effect on Equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Decrease of 100 Basis Points in Rupee Interest Rate	(979)	(979)	(1,453)	(1,453)
Increase of 100 Basis Points in Rupee Interest Rate	979	979	1,453	1,453

Equity Price risk

The Group has adopted that its investment on subsidiaries at cost as per; SLFRS 10 – Consolidated Financial Statement Separate financial statements and therefore it is scoped out from SLFRS 9 - Financial instruments.

All the investments made by the group that are classified as a financial assets are categorized as financial assests measured at FVTPL and FVOCI asset at the reporting date the value of these investments are as follows,

Unquoted equity investments	Rs. '000
Timpex (Pvt.) Ltd.	174
Quoted equity investments	Rs. '000
First Capital Holdings PLC	516
Commercial Bank of Ceylon PLC	488
Expolanka Holding PLC	828

36.2 Liquidity management

The liquidity risk of the group arises from having insufficient cash resources to meet its obligations as they arise. Insufficient liquidity resources could have an adverse impact on the Group's operations while impairing investor, customer and supplier confidence thereby weakening its competitive position. The Group had adopted a number of strategies in order to ensure that sufficient cash resources are available to meet both operational and investment liquidity whilst meeting its debt servicing obligations.

The Group closely monitors cash inflows and outflows both at consolidated and sector levels to ensure matching of cash flows wherever possible.

The Group has sufficient approved banking facilities in reserve and had over Rs. 1,599 Mn undrawn facilities as at the end of the financial year, which could be utilized at a short notice. The Group evaluates its funding requirements at frequent intervals and access debt and capital markets at appropriate times.

The Group has implemented a strategic working capital management plan across all sectors whereby the receivables are closely monitored and debtor's period is minimized. Careful vendor evaluations and procurement strategies ensure that correct prices are paid for inputs and maximum credit periods are negotiated to optimize the working capital cycle.

The Group ensures its liquidity is maintained by investing in short, medium and long term financial instruments to support operational and other funding instruments.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31st March 2024	COMPANY					GROUP				
	On Demand	Less than 3 Months	3 – 12 Months	1 – 2 Years	Carrying Value	On Demand	Less than 3 Months	3 – 12 Months	1 – 2 Years	Carrying Value
	RS.'000	RS.'000	RS.'000	RS.'000	RS.'000	RS.'000	RS.'000	RS.'000	RS.'000	RS.'000
Lease Liabilities	-	6,514	15,113	6,993	28,620	-	3,291	16,509	6,993	26,793
Bank overdrafts	-	-	-	-	-	1,066	-	-	-	1,066
Amounts due to related party	14,680	-	-	-	14,680	-	-	-	-	-
Trade payable	8,963	238,060	-	-	247,023	8,963	277,276	-	-	286,239
Total	23,643	244,574	15,113	6,993	290,323	10,029	280,567	16,509	6,993	314,098

Credit Risk Management

Credit risk refers to the risk carried out by the Group owing to a counter party defaulting on its contractual obligations in relation to a financial instrument or customer contract. The total carrying amount of the credit risk pertaining to the group as at 31st March 2024 is the summation of balances under the following categories of financial assets.

The maximum credit risk of the Group and the company is limited to the carrying value of these financial assets as at 31st March 2024.

EXPOSURE TO THE CREDIT RISK

As at 31st March	Note	COMPANY		GROUP	
		2024 RS. '000	2023 RS. '000	2024 RS. '000	2023 RS. '000
Trade receivables	17	273,290	299,367	316,568	315,863
Other receivables	17	60,830	34,872	72,133	41,272
Advances & deposits	17	19,617	17,271	23,675	21,410
Amounts due from related parties	18	36,279	38,109	20,543	32,898
Other current financial assets	20	97,940	99,215	146,326	140,993
Cash and cash equivalents	21	71,706	32,674	82,805	38,583
Total		559,662	521,508	662,050	591,019

Impairment on lossess on financial assets recognized in profit or loss were as follows:

As at 31st March	Note	COMPANY		GROUP	
		2024 RS. '000	2023 RS. '000	2024 RS. '000	2023 RS. '000
Expected loss loss allowance - trade receivables	17	-	-	1,154	-
		-	-	1,154	-

TRADE AND OTHER RECEIVABLES

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographic of the Group's customer base, including the default risk of the industry and area in which customer operate, as these factors may have an influence on credit risk.

The Group is closely monitoring the economic environment in the country and is taking necessary measures to limit its exposure to customers experiencing particular economic volatility.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are specific loss component that relates to individually significant exposures, and a collective loss component established for group of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics of those receivables and the future macro economic conditions.

The Group applies the SLFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for trade receivables.

The movement in the allowance for impairment in respect of trade receivables during the year

As at 31st March	COMPANY		GROUP	
	2024 RS. '000	2023 RS. '000	2024 RS. '000	2023 RS. '000
At 1st April	44,696	53,712	63,435	72,451
Set off against trade debtors	-	(9,016)	(2,497)	(9,016)
At 31st March	44,696	44,696	60,938	63,435

AMOUNTS DUE FROM RELATED PARTIES

Impairment on amounts due from related parties has been measured on a 12 month expected credit loss basis and reflect the short maturities of the exposures.

The movement in the allowance for impairment in respect of amounts due from related parties during the year

	COMPANY		GROUP	
	2024 RS. '000	2023 RS. '000	2024 RS. '000	2023 RS. '000
As at 31st March				
At 1st April	1,516	1,516	288	288
At 31st March	1,516	1,516	288	288

The credit risk arising from the deposits made in financial institutions are managed by the group policy directions provided by the board of Directors.

Lanka Aluminum industries transacts only with a limited number of institutions all of which have stable credit ratings. The group's exposure and credit rating of counterparties are continuously monitored and a diversified investment portfolio is minimizing the unsystematic risk.

The majority of the trade receivable is due to settlement within 90 days comprising 55% (Company - 55%) of the total receivable as at the end of the financial year. The credit policy of SBU's are prepared subsequent to analyzing the credit profile of a customer. In this regard factors such as the credit history, legal status, market share, geographical locations of operation, and industry information are considered.

Each SBU's has identified credit limits for each of its customers and if the customer does not meet the criteria or the stipulated benchmark on a transaction, then the business is carried out with such customers only up to the value of the guarantee value or advance obtained.

The Total Guarantee received on trade receivable is Rs 179 Mn.

As at 31st March 2024	COMPANY			GROUP		
	Gross trade receivables	Impairment provision for trade receivable	Net trade receivables	Gross trade receivables	Impairment provision for trade receivable	Net trade receivables
	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000	RS. '000
Less than 30 days	79,982	(27)	79,955	99,777	(27)	99,750
More than 30 days but less than 60 days	69,516	(17)	69,499	82,809	(19)	82,790
More than 60 days but less than 90 days	25,166	(64)	25,102	26,590	(64)	26,526
More than 90	143,322	(44,588)	98,734	168,330	(60,828)	107,502
Total	317,986	(44,696)	273,290	377,506	(60,938)	316,568

As at 31st March 2024	COMPANY RS. '000	GROUP RS. '000
Movement of impairment provision for trade receivable		
Balance at the beginning of the year	44,696	63,435
Set off against trade debtors	-	(2,497)
Balance at the end of the year	44,696	60,938

36.3 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital using a net debt to equity ratio, which is net debt divided by equity. For this purpose, net debt is defined as total liabilities (which includes interest bearing loans and borrowings) less cash and cash equivalents. Equity comprises all components of equity.

The Company's and Group's net debt to equity ratio at the end of the reporting period is as follows, which could be utilized at a short notice. The Group evaluates its funding requirements at frequent intervals and access debt and capital markets at appropriate times.

As at 31st March	COMPANY		GROUP	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Total liabilities	824,628	950,571	880,468	1,045,850
Less: Cash and cash equivalents	(71,706)	(32,674)	(82,805)	(38,583)
Net debt	752,922	917,897	797,663	1,007,267
Total equity	2,483,864	2,110,585	2,703,687	2,291,627
Net debt to equity ratio at 31st March (Times)	0.30	0.43	0.30	0.44

37 FINANCIAL INSTRUMENTS

The value of financial assets and financial liabilities, together with the carrying amounts in the statement of financial position as follows:

37.1 Accounting classifications and fair value - Company

31st March 2024	NOTE	Amortized cost Rs. '000	Fair value through OCI Rs. '000	Fair value through FVTPL Rs. '000	Other financial liabilities Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
Cash and cash equivalents	21	-	-	-	-	71,706	-
Trade and other receivables	17	290,042	-	-	-	290,042	-
Amounts due from related parties	18	36,279	-	-	-	36,279	-
Other non-current financial assets	15	-	174	-	-	174	174
Other current financial assets	20	96,108	-	1,832	-	97,940	1,832
		422,429	174	1,832	-	496,141	2,006
Loans and borrowings	27	-	-	-	-	-	-
Trade and other payables	25	-	-	-	212,768	212,768	-
Amount due to related parties	26	-	-	-	14,680	14,680	-
Lease liabilities	28	28,620	-	-	-	28,620	-
Bank overdrafts	21	-	-	-	-	-	-
		28,620	-	-	227,448	256,068	-

31st March 2023		Amortized cost	Fair value through OCI	Fair value through FVTPL	Other financial liabilities	Total carrying amount	Fair value
	NOTE	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash and cash equivalents	21	-	-	-	-	32,674	-
Trade and other receivables	17	317,782	-	-	-	317,782	-
Amounts due from related parties	18	38,109	-	-	-	38,109	-
Other non-current financial assets	15	-	174	-	-	174	174
Other current financial assets	20	96,476	-	2,739	-	99,215	2,739
		452,367	174	2,739	-	487,954	2,913
Loans and borrowings	27	-	-	-	212,848	212,848	-
Trade and other payables	25	-	-	-	168,735	168,735	-
Amounts due to related parties	26	-	-	-	16,091	16,091	-
Lease liabilities	28	36,122	-	-	-	36,122	-
Bank overdrafts	21	-	-	-	59,698	59,698	-
		36,122	-	-	457,372	493,494	-

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents (including bank overdrafts), trade and other receivables, amounts due from related parties, loans and borrowings, trade and other payables and amounts due to related parties, because their carrying amounts are a reasonable approximation of fair value.

37.2 Accounting classifications and fair value - Group

31st March 2024		Amortized cost	Fair value through OCI	Fair value through FVTPL	Other financial liabilities	Total carrying amount	Fair value
	NOTE	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash and cash equivalents	21	-	-	-	-	82,805	-
Trade and other receivables	17	341,833	-	-	-	341,833	-
Amounts due from related parties	18	20,543	-	-	-	20,543	-
Other non-current financial assets	15	-	174	-	-	174	174
Other current financial assets	20	144,494	-	1,832	-	146,326	1,832
		506,870	174	1,832	-	591,681	2,006
Loans and borrowings	27	-	-	-	-	-	-
Trade and other payables	25	-	-	-	256,389	256,389	-
Lease liabilities	28	31,290	-	-	-	31,290	-
Bank overdrafts	21	-	-	-	1,066	1,066	-
		31,290	-	-	257,455	288,745	-

31st March 2023		Amortized cost Rs. '000	Fair value through OCI Rs. '000	Fair value through FVTPL Rs. '000	Other financial liabilities Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
	NOTE						
Cash and cash equivalents	21	-	-	-	-	38,583	-
Trade and other receivables	17	339,625	-	-	-	339,625	-
Amounts due from related parties	18	32,898	-	-	-	7,908	-
Other non-current financial assets	15	-	174	-	-	174	174
Other current financial assets	20	138,254	-	2,739	-	140,993	2,739
		510,777	174	2,739	-	527,283	2,913
Loans and borrowings	27	-	-	-	277,311	277,311	-
Trade and other payables	25	-	-	-	183,239	183,239	-
Lease liabilities	28	37,217	-	-	-	37,217	-
Bank overdrafts	21	-	-	-	65,263	65,263	-
		37,217	-	-	525,813	563,030	-

The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents (including bank overdrafts), trade and other receivables, amounts due from related parties, loans and borrowings, trade and other payables and amounts due to related parties, because their carrying amounts are a reasonable approximation of fair value.

38 FAIR VALUE MEASUREMENT

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly"

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data or indirectly"

The following table provides the fair value measurement hierarchy of the Group's and Company's assets and liabilities.

For the year ended 31st March	Level 1		Level 2		Level 3	
	2024	2023	2024	2023	2024	2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
COMPANY						
<i>Recurring fair value measurements -Assets measured at fair value</i>						
Freehold land	-	-	-	-	531,427	450,564
Building	-	-	-	-	613,117	445,985
Other non-current financial assets- (Fair value through OCI)	-	-	-	-	174	174
Other non-current financial assets- (Fair value through PL)	-	-	-	-	1,832	2,739
GROUP						
<i>Recurring fair value measurements - Assets measured at fair value</i>						
Freehold land	-	-	-	-	639,427	542,564
Building	-	-	-	-	623,595	455,478
Other non-current financial assets- (Fair value through OCI)	-	-	-	-	174	174
Other non-current financial assets- (Fair value through PL)	-	-	-	-	1,832	2,739

Valuation techniques and significant unobservable inputs

Assets	Valuation Technique	Significant Unobservable Inputs	"Sensitivity of the Input to the fair value"
Property, Plant and equipment	Market comparable method;	Price per perch of	Estimated fair value would
- Freehold land	Considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	land Free hold land - 625,000-675,000 per perch	increase/(decrease) if ;Price per perch increases/(decreases).
- Freehold building	Market comparable method and Depreciated replacement cost method.	"Value per square feet determined based on similar properties value and depreciated for period used. Building – 3,500 - 7,500 per square feet"	The estimated fair value would increase (decrease) if price per square feet value was higher / (lesser). The estimated fair value would (decrease) / increase if depreciation was higher / (lower).
Other non- current financial assets	Net assets basis	Carrying value of assets and liabilities adjusted for market participant assumptions.	The estimated fair value of investment would increase / (decrease) if fair value of assets and liabilities in Investees changed based on market participant assumptions.

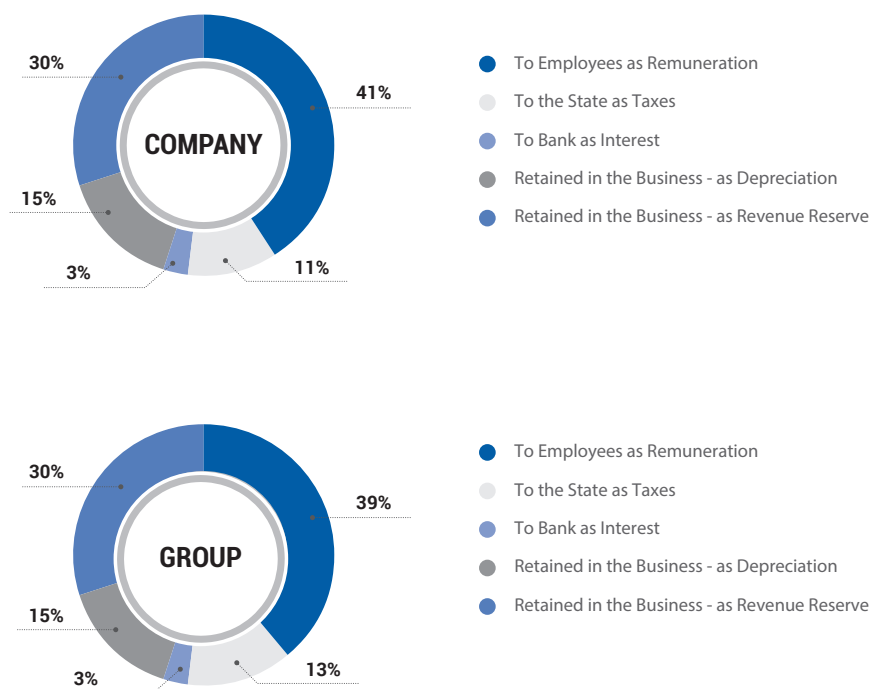
Supplementary Information

Statement of Value Addition	128
Real Estate Portfolio	129
Five Year Summary	130
Twenty (20) Major Shareholders	131
Analysis of Shareholders According to the Number of Shares as at 31st March 2024	132
Glossary of Financial Terms	133 - 135
Form of Proxy (Enclosed)	137- 138

Statement of Value Addition

For the year ended 31st March,	COMPANY		GROUP	
	2023/2024	2022/2023	2023/2024	2022/2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Turnover	2,313,054	2,423,563	2,489,049	2,631,464
Other Income	18,860	4,571	18,449	4,845
	2,331,914	2,428,134	2,507,498	2,636,309
Less:				
Cost of material & services purchased	1,695,384	1,610,132	1,797,157	1,729,395
Value Added	636,530	818,002	710,341	906,914
Value addition as a percentage on turnover & other income	27.30%	33.69%	28.33%	34.40%

For the year ended 31st March,	COMPANY				GROUP			
	2023/ 2024	As a % of Total	2022/ 2023	As a % of Total	2023/ 2024	As a % of Total	2022/ 2023	As a % of Total
	Rs. '000		Rs. '000		Rs. '000		Rs. '000	
To employees as remuneration	263,214	41	290,119	35	280,425	39	317,816	35
To the state as taxes	72,241	11	106,614	13	96,194	13	118,495	13
To bank as interest	19,651	3	137,317	17	19,108	3	155,959	17
Retained in the business - as depreciation	96,041	15	101,343	12	103,444	15	108,753	12
Retained in the business - as revenue reserve	185,384	30	182,609	23	211,170	30	205,889	23
	636,530	100	818,002	100	710,341	100	906,914	100



Real Estate Portfolio

Classification	Name of the Company	Location	Land Perches		No. of Buildings	Building in (Sq.ft.)	Value (Rs.'000)
			Lease Hold	Free Hold			
Property, plant and equipments	Lanka Aluminium Industries PLC	Ekala, Ja-ela	Nil	808.63	10	140,021	1,144,544
Property, plant and equipments	Castalloys (Pvt) Ltd	Ekala, Ja-ela	Nil	160.00	1	3,444	118,478

FINANCIAL INFORMATION

SUPPLEMENTARY INFORMATION

Five Year Summary

For the year ended 31st March,	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000	2020 Rs. '000
A). Summary of operations					
Revenue	2,489,049	2,631,464	2,663,611	1,922,928	1,876,181
Gross Profit	659,726	815,031	866,279	604,702	477,951
Profit before finance expenses and tax	354,753	494,248	534,206	335,172	200,518
Net finance expenses	(19,108)	(155,959)	(69,704)	(73,349)	(135,895)
Taxation	(96,194)	(118,495)	(81,297)	4,208	(17,873)
Profit after tax	239,451	219,794	383,206	266,031	46,750
Profit attributable to equity holders of the Company	213,963	197,019	363,376	257,785	43,237
Gross dividend	-	-	-	13,703	20,554
As at 31st March					
B). Summary of Financial Position					
Capital & Reserve					
Stated capital	137,028	137,028	137,028	137,028	137,028
Retained earnings	1,715,395	1,504,225	1,298,336	932,437	689,341
Shareholders' funds	2,703,687	2,291,627	2,179,235	1,807,755	1,344,297
Minority interest	90,763	65,473	42,581	22,648	14,440
Total equity	2,794,450	2,357,100	2,221,816	1,830,403	1,358,737
Liabilities					
Non-current liabilities	513,467	431,114	294,281	317,978	431,161
Current liabilities	367,001	614,736	1,012,194	974,318	1,185,629
Total liabilities	880,468	1,045,850	1,306,475	1,292,296	1,616,790
Total equity & liabilities	3,674,918	3,402,950	3,528,291	3,122,699	2,975,527
Assets					
Property, plant and equipment	1,883,121	1,660,083	1,660,892	1,696,288	1,582,854
Right-of-use assets	24,055	35,750	17,329	29,178	37,223
Intangible assets	214	467	720	973	1,226
Investments	174	174	174	16,627	9,648
Current assets	1,767,354	1,706,476	1,849,176	1,379,633	1,344,576
Total assets	3,674,918	3,402,950	3,528,291	3,122,699	2,975,527
C) Key Indicators					
Earnings per share (Rs.)	3.12	2.88	5.30	3.76	0.63
Net profit margin (%)	9.62	8.35	14.39	13.83	2.49
Net assets per share (Rs.)	39.46	33.45	31.81	26.39	19.62
Dividend paid per share (Rs.)	-	-	-	0.20	0.30
Dividend pay out (%)	-	-	-	5.32	47.54
Dividend cover (Times)	-	-	-	18.81	2.10
Interest cover (Times)	18.57	3.17	7.66	4.57	1.48
Current ratio (Times)	4.82	2.78	1.83	1.42	1.13
Gearing ratio (%)	-	-	0.12	0.44	1.62
Return on equity (%)	8.57	9.32	17.25	14.53	3.44

Twenty (20) Major Shareholders

Name of the Shareholder	31st March 2024		31st March 2023	
	Number of Shares	Percentage	Number of Shares	Percentage
1 Clovis Company Limited	34,317,145	50.09	34,317,145	50.09
2 EMFI Capital Limited	3,089,571	4.51		
3 Hatton National Bank PLC/Palaniyandy Muralitharan	1,750,000	2.55	1,740,000	2.54
4 Sandwave Limited	1,144,629	1.67		
5 Mr. Runantissa Suresh Anthony Silva	1,051,495	1.53	1,051,495	1.53
6 Mr. Kangasu Chelvadurai Vignarajah	651,794	0.95	634,665	0.93
7 Seylan Bank PLC/Nirodha Dasun Dias	424,495	0.62	424,495	0.62
8 Mr. V. Sunilgavasker	405,000	0.59	395,000	0.58
9 Mrs. Pushpa Narhari Bhatt	393,065	0.57	393,065	0.57
10 Mr. M.M. Fuad	367,622	0.54		
11 Citizens Development Business Finance PLC/R. M. N. C. Bandara	351,682	0.51	351,682	0.51
12 Mr. P.K.C.P. Samarasinghe	341,951	0.50	341,951	0.50
13 People's Leasing & Finance PLC/Mr.H.A.D.U.G.Gunasekera	313,526	0.46	250,522	0.37
14 DFCC Bank PLC/Mr.P.Pranavan	300,000	0.44	250,000	0.36
15 Seylan Bank PLC/Kasmodera Liyanage Janaka Prasanna Liyanage	261,698	0.38		
16 Mr. V.C. Mahtani	260,000	0.38	354,830	0.52
17 Senkadagala Finance PLC/M.M.Fuad	259,100	0.38		
18 Mr. Z.G. Carimjee	245,500	0.36	245,500	0.36
19 Mr. D.N.P. Rathnayake	230,170	0.34	230,170	0.34
20 Dr. A.A.M. Dharmadasa	221,024	0.32	221,024	0.32
Percentage Of Shares Held By The Public		49.85		49.85
Number Of Shareholders Representing The Public Holding		3,562		4,032

The directors do not hold any shares

PUBLIC HOLDING

- The percentage of shares held by public as per the Colombo Stock Exchange Rules as at 31st March 2024, was 49.85% (2023 – 49.85%) held by 3,562 ordinary shareholders (2023 – 4,032).
- The float adjustment market capitalization of the Company as at 31st March 2024 was Rs. 802,625,729/- under Option 5 of Rule 7.13.1 (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.

Analysis of Shareholders According to the Number of Shares as at 31st March 2024

Shareholding Range	Resident			Non Resident			Total		
	No. of Share holders	No. of Shares	%	No. of Share holders	No. of Shares	%	No. of Share holders	No. of Shares	%
1-1000	1,856	634,074	0.93	3	745	-	1,859	634,819	0.93
1001-10000	1,237	4,873,935	7.11	5	18,750	0.03	1,242	4,892,685	7.14
10001-100000	397	11,232,404	16.40	10	311,137	0.45	407	11,543,541	16.85
100001-1000000	50	9,923,230	14.48	1	167,000	0.24	51	10,090,230	14.72
Over 1 Mn	2	2,801,495	4.09	3	38,551,345	56.27	5	41,352,840	60.36
	3,542	29,465,138	43.01	22	39,048,977	56.99	3,564	68,514,115	100.00

Categories of Shareholders	Number of Share holders	Number of Shares
Individual	3,368	21,249,625
Institutional	196	47,264,490
	3,564	68,514,115

Share Trading Information from 1st April 2023 to 31st March 2024

Share Trading Information	2023/2024	2022/2023
No of trades	11,127	15,170
No of shares traded	20,436,634	20,649,648
Value of shares traded (Rs.)	395,762,943	379,355,376

Glossary of Financial Terms

Asset Turnover

Total revenue divided by average total assets.

AWDR

The Average Weighted Deposit Rate is calculated by the Central Bank monthly and half yearly based on the weighted average of all outstanding interest bearing deposits of commercial banks and the corresponding interest rates.

AWPLR

The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half yearly based on commercial bank's lending rates offered to their prime customers.

Basis Point

One basis point is equal to 1/100th of 1%.

Business Model

The process adopted by a company to generate revenue and make a profit from operations.

Capital Expenditure

The total of additions to property, plant & equipment, intangible assets, investment property and the purchase of outside investments.

Capital Reserves

Identified for specific purposes and considered not available for distribution.

Carrying Amount

The amount at which an asset is recognised in the statement of financial position.

Collective Impairment provision

Impairment provision is measured on a collective basis for homogeneous groups of debtors that are not considered individually significant.

Contract

An agreement between two or more parties that has clear economic consequences that the parties have little, if any discretion to avoid usually because the agreement is enforceable by law.

Credit Risk

Risk that the counter party to a transaction fails to meet its contractual obligations in accordance to the agreed terms and conditions.

Current Ratio

Current assets divided by current liabilities.

Debt/Equity Ratio

Non-current interest bearing borrowing divided by the total equity and minority interest. It shows the extent to which the firm is financed by debt.

Dividend Cover

Net profit attributable to the ordinary shareholders divided by the total dividend.

Dividend – Payout Ratio

Dividends per share divided by earnings per share. This indicates the percentage of the Company's earning that is paid out to shareholders in cash.

Dividend Yield

Dividend per share divided by the market value of a share.

Dividend per Share (DPS)

Dividend paid and proposed, divided by the number of issued shares, which ranked for those dividends.

Earnings per Share (EPS)

Net profit for the period attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

EBITDA

Earnings before interest, tax, depreciation and amortization.

Effective Rate of Dividend

Rate of dividend per share paid on the number of shares ranking for dividend at the time of each payment.

Effective Rate of Interest

Total long-term and short-term interest divided by average long-term and short-term liabilities at the beginning and end of the year.

Employee Turnover

Number of employees who leave an organization over a year expressed as a percentage of total workforce.

Fair Value

The amount at which an asset is exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

Fair Value Through Profit or Loss (FVTPL)

Financial instruments that are held for trading and are designated as at fair value through profit and loss.

Financial Asset

Any asset that is cash or an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity or a contractual right to exchange financial instruments with another entity under conditions that are potentially favorable.

Financial Instruments

Any contract that gives rise to financial assets of one entity and financial liability or equity instrument of another entity.

Financial Leverage

Total average assets divided by total average equity.

Financial Liability

A contractual obligation to deliver cash or another financial asset to another entity or exchange financial instruments with another entity under conditions that are potentially unfavorable.

Goodwill on Consolidation

The excess of the cost of acquisition over the fair value of the share of net assets acquired when purchasing an interest in a company.

Guarantees

A contractual obligation made by a third party (Guarantor), who is not a party to a contract between two others, that the guarantor will be liable if the guarantee fails to fulfill the contractual obligations under that said contract.

Held-to-Maturity (HTM)

A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

Gearing

Long term Loans to total equity.

Impairment

Occurs when recoverable amount of an asset is less than its carrying amount.

Intangible Assets

An identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services for rental to others or for administrative purposes.

Interest Cover

Operating profit before interest divided by the net interest.

Investment Property

Investments in land and buildings that are held to earn rentals or for capital appreciation or for both.

Internal Rate of Return (IRR)

Rate of return used in capital budgeting to measure and compare the profitability of investments.

LIBOR

The London Inter Bank Offer Rate is an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market.

Liquidity Risk

The risk of an entity having constraints to settle its financial liabilities.

Loans and receivables

A financial asset with fixed and determinable payments that are not quoted in an active market and do not qualify as trading assets.

Market Capitalisation

The number of ordinary shares in issue multiplied by the market price per share.

Market Risk

Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

Net Assets per Share

Total assets less total liabilities including minority interest divided by the number of shares in issue as at 31st March.

Net Profit Margin

Net profit for the period divided by the revenue.

Non-controlling Interests

Part of the net results of operations and of net assets of a subsidiary attributable to interest which are not owned, directly or indirectly through subsidiaries, by the parent Operating Profit Margin (EBIT Margin) Earnings before interest and tax divided by revenue.

Price Earnings Ratio (PER)

Market value per share divided by the earnings per share.

Price to Book Value Ratio (PBV)

Market price per share divided by net assets per share.

Quantitative Easing

A type of monetary policy used by Central Banks to stimulate the economy when the standard monetary policy has become ineffective.

Quick Asset Ratio

Total current assets less inventories divided by total current liabilities.

Related Parties

Parties who could control or significantly influence the financial and operating decisions of the business.

Return on Equity

Profit after taxation of the Group divided by total equity.

Revaluation Surplus

Surplus amount due to revaluing assets in accordance with its fair value.

Revenue Reserves

Reserves set aside for future distributions and investments.

Total Equity

Total of share capital, reserves, retained earnings and non-controlling interest.

Total Shareholder Return (TSR)

Change in market price of the share between end and beginning of the financial year, plus dividend for the year, divided by the market price of the share at the beginning of the financial year.

Unquoted Shares

Shares which are not listed in the Stock Exchange.

Yield to Maturity

The discount rate that equals present value of all expected interest payment and the repayment of principal.

Weighted Average Cost of Capital (WACC)

The rate that a company is expected to pay on average to all its equity and debt holders.

Working Capital

Current assets less current liabilities.

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Form of Proxy

I/We*(NIC No.....)/
(Company Reg. No.....) of
being a member of the above Company, hereby appoint: Mr/Mrs/Miss*
(NIC No.....) of as my proxy to represent me/us and failing him/her.

Mr. Jude Dinal Peiris	of Colombo or failing him
Dr. Jayantha Mootatamby Swaminathan	of Colombo or failing him
Mr. Paras Chandaria	of London or failing him
Mr. Dinesh Stephen Weerakkody	of Colombo or failing him
Mr. Sanjeev Kumar	of India

to represent me/us and vote on my/our* behalf at the Annual General Meeting of the Company to be held on Monday, 23rd September 2024 at 10.30 a.m.at the auditorium of the Sri Lanka Institute of Tourism & Hotel Management at No. 78, Galle Road, Colombo 03 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting and to VOTE as indicated below:

	FOR	AGAINST
1 To receive and consider the Audited Financial Statements for the year ended 31st March 2024 together with the Annual Report of the Board of Directors and of the Auditors thereon.	☐	☐
2 To declare a First and Final Dividend of Rs. 1.00 per share for the financial year ended 31st March 2024.	☐	☐
3 To re-elect as a Director Mr. Sanjeev Kumar, who retires by rotation in terms of Article No.86 of the Articles of Association as recommended by the Directors.	☐	☐
4 To re-appoint Dr. J.M. Swaminathan who is over 70 years of age as a Director of the Company, by passing the ordinary resolution set out in the Notice of Meeting.	☐	☐
5 To authorise the Board of Directors to determine the Remuneration of the Auditors, Messrs KPMG, Chartered Accountants who are deemed to have been re-appointed as Auditors.	☐	☐
6 To authorise the Board of Directors to determine contributions to charities.	☐	☐

Signed this day of
Two Thousand and Twenty Four.

Signature:

* Please delete the inappropriate words.

Note:

- Instructions for completion of Form of Proxy are given overleaf.
- Every alteration or addition to the Form of Proxy must be duly authenticated by the full signature of the Shareholder signing the Form of Proxy. Such signature should as far as possible be placed in proximity to the alteration or addition intended to be authenticated.
- A proxy need not be a member of the Company.

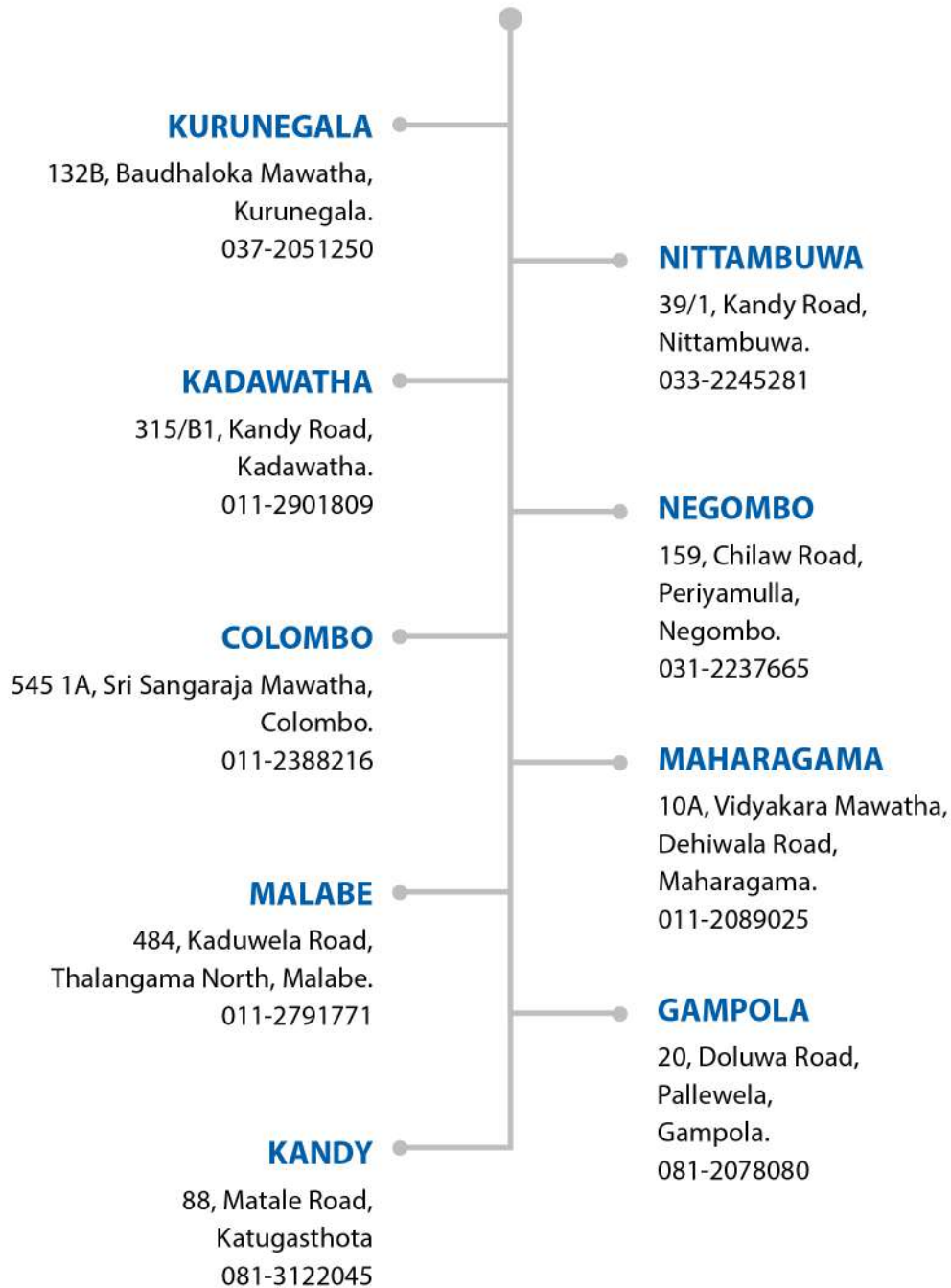
INSTRUCTIONS FOR COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, and your instructions as to voting, by signing in the space provided and filling in the date of signature.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given or if there is any doubt as to how the Proxy should vote by reason of the manner in which the instructions are carried out, the proxy in his/her discretion may vote as he/she thinks fit.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at 1st Floor, Lakshman's Building, 321, Galle Road, Colombo – 03, not less than 48 hours before the time appointed for holding the meeting.
4. If the Form of Proxy is signed by an attorney, the original power of attorney should accompany the completed form of proxy for registration, if such power of attorney has not already been registered with the Company.

Note:

If the shareholder is a Company or body corporate, Section 138 of the Companies Act No.7 of 2007 applies to corporate shareholders of Lanka Aluminium Industries PLC. Section 138 provides for representation of Companies at meetings of other Companies. A Corporation, whether a Company within the meaning of this Act or not, may, where it is a member of another Corporation, being a Company within the meaning of this Act, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represents as that Corporation could exercise if it were an individual shareholder of that other Company.

Sales and Service Centres



Lanka Aluminium Industries PLC

REGIONAL SALES & SERVICES CENTRE

545 1/A, Sri Sangaraja Mawatha, Colombo 10.

Tel/Fax: 2388216

FACTORY

20, Temple Road, Ekala, Ja-Ela.

Tel: 2236941-4 , 5354709 Fax: 2236942



www.aluminium.lk

Lanka Aluminium Industries PLC

HEAD OFFICE

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Email: sales@lanka-aluminium.com | marketing@lanka-aluminium.com

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