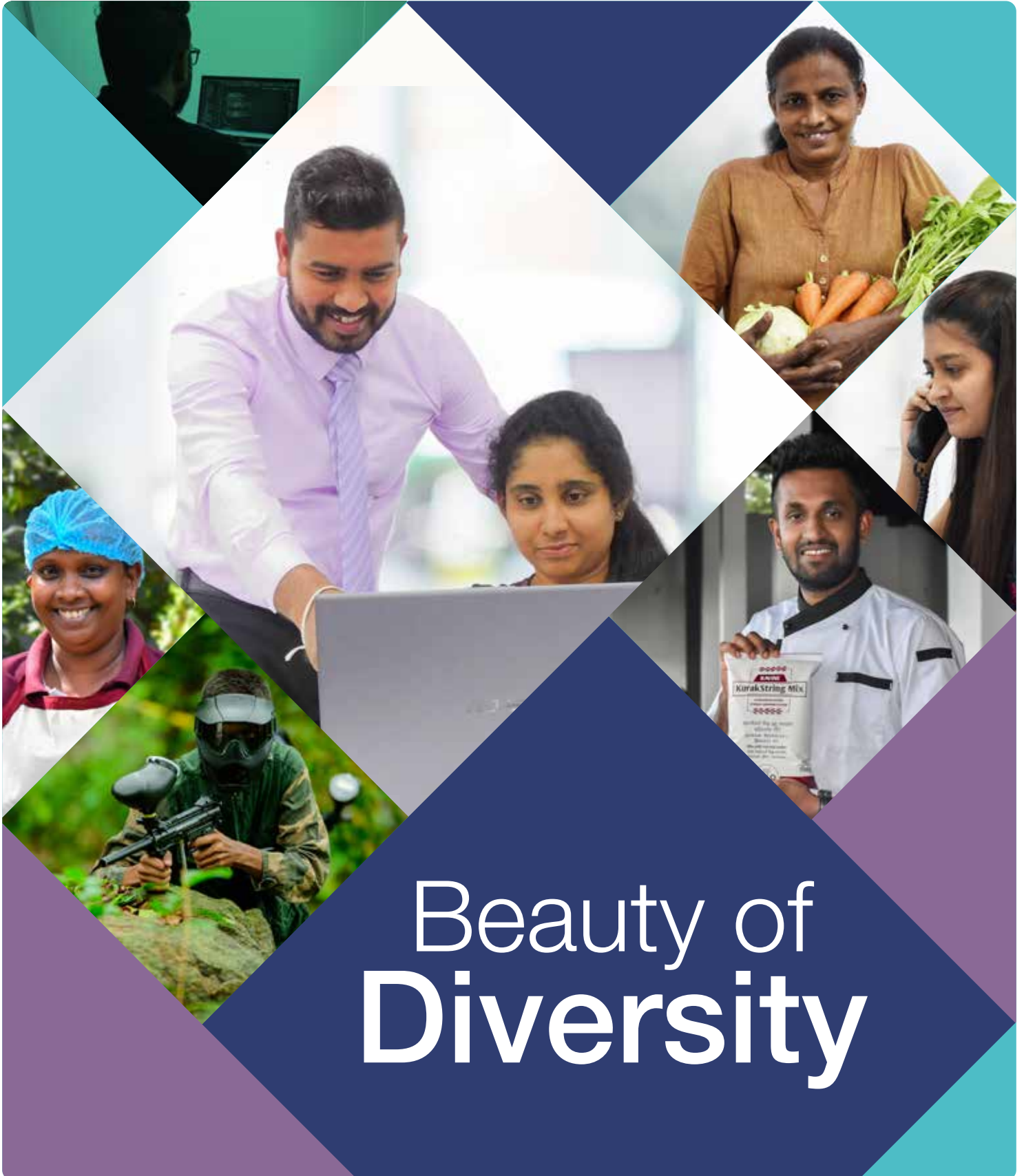




Annual Report

2020/21



Beauty of Diversity

Contents

About Our Report	02
About JFS	03
Organizational Structure	05
Our History	06
Financial Highlights	07
Chairman's Message	08
Operational Performance Review	12
Financial Review	31
Human Capital	36
Corporate Social Responsibility	39
Board of Directors	40
Advisors to the Director Board	41
Executive Committee	43
Management Committee	45
Corporate Governance	46
Risk Management	48

Financial Statements

Annual Report of the Board of Directors	52
Independent Auditors' Report	53
Statement of Comprehensive Income	55
Statement of Financial Position	56
Statement of Changes in Equity	57
Statement of Cash Flows	58
Notes to the Financial Statements	59



Beauty of Diversity

Amidst the COVID19 pandemic and its adverse impact on the country's economy, JFS was managing its business by diversifying into three major business areas: IT, BPO and Extreme Sports. IT and BPO sectors were on standstill for a short period yet grew undoubtedly whereas Extreme Sports was hit terribly.

The biggest challenge was to manage the most disturbed sector in the company, which is Extreme Sports. Not surprisingly, at the beginning of the financial year, we identified the fact that Extreme Sports will have a tough time throughout the year. The key task was to manage the overheads and the massive Paintball stockpile the company acquired from India.

Jobfactory the flagship brand was also shaken during the first and second quarters in the financial year as the overseas deployments got restricted and clients halted recruiting. Hence the company started working on the contingency plans by moving on to the Food as a promising alternative.



About the Report



INTRODUCTION

We are pleased to present our second Annual Report in accordance with the Sri Lanka Accounting Standards for Small and Medium Sized Enterprises (SLFRS for SME's) for the year ended on 31 March 2021. This report provides material information regarding our strategy, business model, economic environment, material risks and financial performance for the year ended 31 March 2021 and outlook.

TARGET GROUP

The primary objective of this report is to provide comprehensive information regarding our economic environment, risk associated with them, strategic focus and financial highlights to all the stakeholders of the company during the period under review.

EXTERNAL ASSURANCE

External assurance on the financial statements of this report was provided by The B.R. De Silva & Co.

BOUNDARY AND SCOPE

This Annual Report covers the performance of JFS Holdings (Private) Limited for the 12 months period ended on 31 March 2021.

FEEDBACK, FURTHER INFORMATION AND SUGGESTIONS

We welcome your valuable comments, inquiries, and suggestions on this report.

Contact details,

Tel - 0115 927 723 - 5 / 0115 927 914

Fax - 0112 746 010

E-mail - inquiries@jfs Holdings.com



This Annual Report is also available on our website:
www.jfsholdings.com/annual-reports



This Annual Report is also available in print, PDF and CD formats.

About JFS

A corporate entity with a remarkable history of nine years, which stretched its wings into four main sectors: ICT, BPO, Food, and Extreme Sports. JFS is just getting into the Agri sector by way of obtaining 15 Hectares of land from the Mahaweli Authority of Sri Lanka. Since its inception, the company has grown rapidly to become a compelling entity to be reckoned in the sector related industries.

The financial year 2020/21 has been a challenging year for all the sectors of the company yet JFS has successfully fought the battle with its diversification strategy. As always, the dedicated employees and the visionary leadership being the greatest pillars of the company led it to greater heights this year by establishing new product lines innovations and many novel solutions.



Vision

To be the largest conglomerate in Sri Lanka by 2040.



Mission

We create smiles in the faces of our consumers and make all customers loyal to our brands, whilst adding value to our Employees, Shareholders, and Society.

Values



Thinking BIG



Right Innovation



Empowering Talents



Doing Right Things

PERFORMANCE OF THE COMPANY

Revenue

Rs. 179.9 Mn

(2019/20 - Rs. 172.7 Mn)

Profit After Tax

Rs. 16.4 Mn

(2019/20 - Rs. 16.0 Mn)

[Read more on pages 31 to 35](#)

OUR PRESENCE

The Company has diversified into five business sectors and nine brands under its umbrella:



Brands	Jobfactory	LKorganix	CodeOne-X	RAVANA-h
	SourceOne	RAVINE		ONE FOUR BASE
		LKO		FMT

[Read more on pages 12 to 30](#)

About JFS

Jobfactory
The Talent Search Engine

SourceOne
beyond outsourcing

BPO SECTOR

Jobfactory being the flagship brand of the company provides Executive Employment Search service to local and foreign clients.

SourceOne being the cash cow, managed to bring almost half a million USD to the country so far where there is a huge potential to grow the number up to 1M per annum by 2024.

 Read more on pages 12 to 14




LKorganix
"Search, Select, Sell" - our motto

RAVINE

FOOD SECTOR

With 6 x SKUs in hand company plans to make a breakthrough and become a popular regional brand for flour and spices by 2025. Our plan is to increase the number of SKUs to 20 by 2024 focusing mainly on Kurakkan (Finger Millet as a base).


 Read more on pages 15 to 20



CodeOneX

ICT SECTOR

Ninety percent of the portfolio is supporting the JFS brands to dominate the cyberspace. Our team take care of all SEO initiatives for the brands and ensure constant receipt of valid inquiries for business from across the globe.

 Read more on pages 21 to 24



RAVANA-h

FMT
four man team

ONE FOUR BASE
Probably the best Paintball Field in South Asia

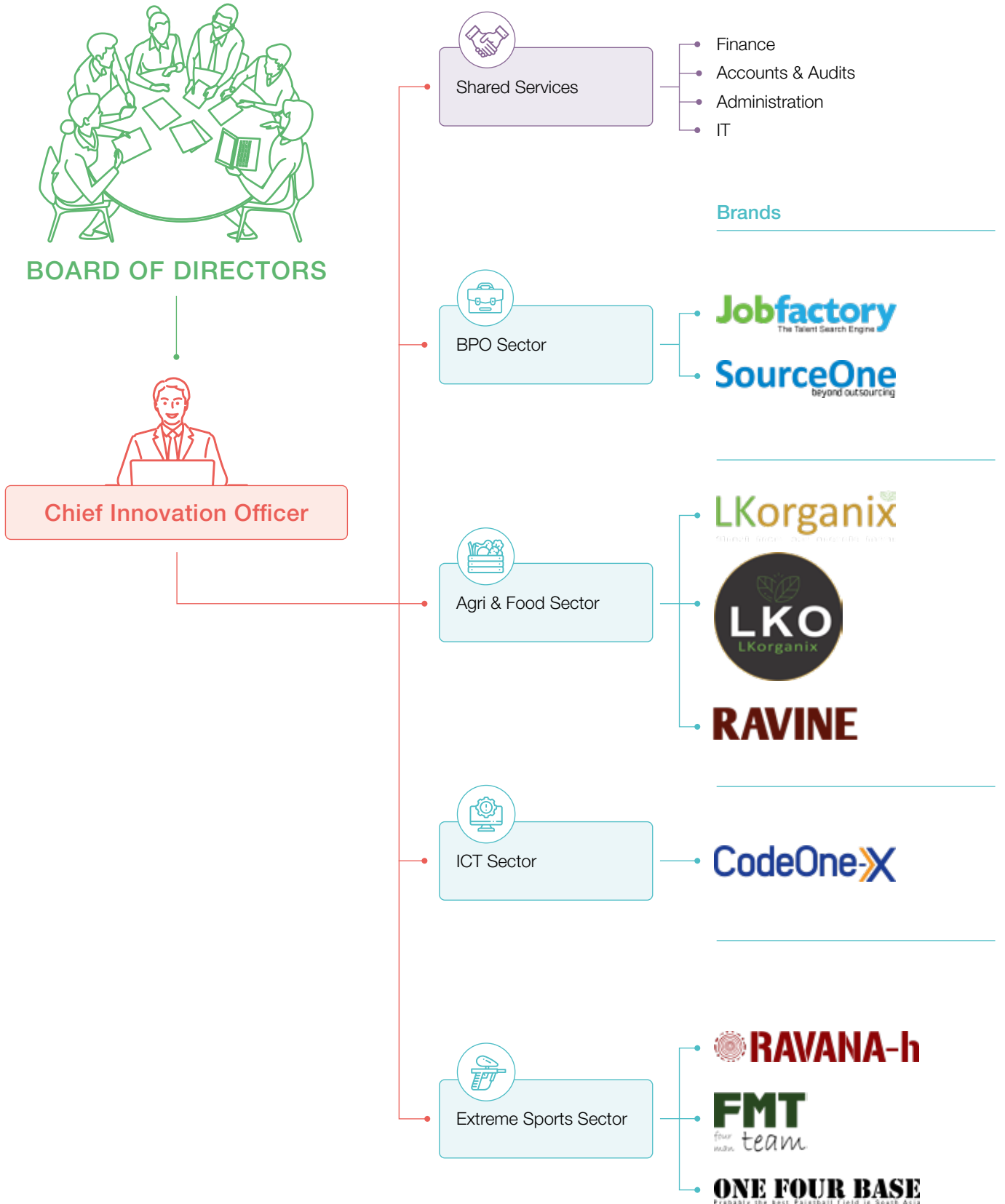
EXTREME SPORTS SECTOR

The sole and exclusive e-commerce platform in the country dedicated for Paintball business at the moment. With the approval of the Ministry of Defence Sri Lanka, JFS will invest to move to the USA and operate as an online platform to sell Paintball Marker/Gears and Accessories to the North American Continent and the EU.

 Read more on pages 25 to 31



Organizational Structure



Our History

2012

- Incorporated the company for Executive Search business with a share capital of Rs. 1,000/-.
- Shared a common office space with an IT company.
- Received the first-ever customer payment from LOLC.

2013

- Received the first-ever USD payment.
- Relocated the office to Depanama, Pannipitiya.

2014

- SourceOne got into the Outsourcing business by hiring an employee for One Zero (Private) Limited, a subsidiary of Commercial Bank of Ceylon PLC.
- Obtained the license from SLBFE to carry out overseas deployments.
- Signed agreements with HBK Contracting LLC, Qatar for deployments.

2017

- Determinedly moved away from typical outsourcing businesses.
- The first-ever share issue was executed for a selected set of employees.

2016

- Formulated a new business strategy under two main sectors, BPO and Extreme Sports.
- Amalgamated SourceOne Lanka (Private) Limited and Monsoon Leisure (Private) Limited.

2015

- Completed the biggest CSR project carried out by the Company, rebuilding "JOTHIYA", Early Childhood Development Center at Bandarawela.

2018

- Appointed two advisers to the board.
- Received the merit award from the National Chamber of Commerce for business excellence.

2019

- Recorded profit after tax of Rs. 3 Mn.
- Became the largest Paintball sports entity in the country.

2020

- Entered in to the Food sector by introducing a special e-commerce platform for organic goods.
- Launches RAVINE brand and moved in to flour manufacturing.
- The first-ever company Annual Report was published.

2021

- Owned 05 x SKUs for flour and moved to the spices range too.
- Established a state of the art production line for flour manufacturing in Padukka area.
- Acquired a land in Padukka to set up the products distribution store.



Financial Highlights

REVENUE

Rs.179.9Mn

2019/20 - Rs.172.7Mn ▲ 4%

PROFIT AFTER TAX

Rs.16.4Mn

2019/20 - Rs.15.9Mn ▲ 3%

RETURN ON EQUITY

46.1%

2019/20 - Rs.82.7Mn ▼ 44.3%

TOTAL ASSETS

Rs.84.2Mn

2019/20 - Rs.54.2Mn ▲ 55.4%

NET ASSETS PER SHARE

Rs.37.3

2019/20 - Rs.24.4Mn ▲ 53%

ECONOMIC VALUE GENERATED

Rs.182.6Mn

2019/20 - Rs.174.1Mn ▲ 5%

Revenue Source	Measurement	2021	2020	Change %
Income Statement - Highlights				
Revenue	Rs. Million	179.9	172.7	4
Operating Profit	Rs. Million	19.7	20.7	(5)
Profit Before Tax	Rs. Million	16.9	18.2	(8)
Profit After Tax	Rs. Million	16.4	15.9	3
Economic Value Generated	Rs. Million	182.6	174.1	5
Economic Value Distributed	Rs. Million	162.5	154.6	5
Gross Profit Margin	%	21.1	21.1	-
Earnings Per Share (Basic)	Rs.	14.66	14.31	3
Return on Assets (ROA)	%	23.7	33.8	(30)
Return on Capital Equity (ROE)	%	46.1	82.7	(44)
Statement of Financial Position - Highlights				
Total Assets	Rs. Million	84.2	54.2	55
Total Debt	Rs. Million	33.4	17.5	91
Debt / Equity*	%	76.4	64.1	19
Net Assets Per Share	Rs.	37.3	24.4	53
Assets Turnover	No. of times	2.6	3.6	28
Current Ratio	No. of times	2.6	2.0	30
Quick Assets Ratio	No. of times	2.5	1.9	32

* Debt included interest bearing borrowings and bank overdraft only

Chairman's Message

New Opportunities

“Managing employees’ minds was certainly a challenge, almost for every business entity across the globe. We spoke the truth and educated employees on the facts. Further, JFS let them work from home and arranged flexi hours to work. Explained them the business realities and facts.”



A handwritten signature in black ink, appearing to read 'Madhushan Raigamage', written over a horizontal line.

Madhushan Raigamage
Chairman

The pandemic has continued to pose unprecedented challenges for our people and the communities that we operate. Throughout the pandemic, our priority has been the health, safety and well being of our employees. Our employees have shown tremendous resilience and dedication, making major contributions to alleviate the public health emergency needs while supporting the continuous operation of the JFS. I would like to express my sincere thanks on behalf of the Board for their care to one another, to our suppliers, to our customers and to the society at large.

JFS has displayed its culture of agility by moving at a fair pace to adapt to the changes of working, by capturing emerging opportunities, by delivering its products and services efficiently amidst challenges and by continuing to invest in reaching the ultimate business purpose.

It is with great pleasure that I present the Annual Report of the company for the financial year ended 31st March 2021, recording a Profit After Tax of Rs.16.4 Million, 3% increase over 2019/20 despite the negative growth in the country's economy.

During the time of hardships, JFS notwithstanding continued to focus on its core values and long-term strategies continuously. As a result, we reported Rs. 179.9 million revenue with a growth of 4% compared to the previous year.

The Company's financial year up to 31st March 2021 was shadowed by the COVID-19 pandemic that chaotically distressed people, economies, governments and businesses across the globe whilst Sri Lanka too struggled under various intermittent lock-downs. Late in the year, the arrival of useful vaccines signaled for a slower recovery of the nation's economic and social shocks.

Yet, the country's economy was hampered by the COVID-19 pandemic and ended up with a negative growth of 3.6% in 2020/21. Stringent import control measures and foreign exchange restrictions were in place to control the rupee depreciation as the currency remained volatile most part of the year. The inflation was mounting which led to the price hikes of essential commodities making additional pressures on the country's economy.

CONVERGING CHALLENGES

Our performance during the current year, amidst the unprecedented uncertainty, bears testimony to how we conquered converging the challenges.

Managing Business Diversification

The biggest challenge was to manage the most impacted sector in the company, Extreme Sports. By early financial year, without a debate, we identified the fact that the Extreme Sports sector will have a challenging time throughout the year. The challenge was to manage the overheads and the massive Paintball stocks the company acquired from India.

Overheads were deployed to support the Food sector, which was newly introduced to the company during the early Pandemic. Initially this was operated as an e-commerce platform and later moved to the retail segment of the flour and spices. Some employees were deployed in the sales and in the production processes.

Making Employees Confident

Managing employees' minds were certainly a challenge for every business entity across the globe. We spoke the truth and educated employees on the facts. Further, JFS let its employees to be flexible when working which made them more productive. JFS also explained them the business realities and facts.

Managing the Cash Flow

Pandemic hit the company's cash flow beyond all the functions. We had to negotiate with our clients for early payment rebate models. Increased USD inflow during the year too impacted the LKR cash flow to an extent that prompted JFS to obtain a loan facility to support the LKR working capital. Our investments in machinery and a new land to administrate the Food sector operation also further tightened the cash flow function. The company wishes to attract 50 million worth of investments as preference shares and loans through private placements by the end of the next financial year, mainly to relax the working capital fund arrangements.

Breaking Barriers

Changing the conventional mindset on the business continuity and selling retail products was another enormous challenge confronted by us during the lockdown troubled financial year. Mentoring and strict control over the resource utilization has presented us with the necessary directions to find the end in the tunnel.

Right-sizing we did at the end of last financial year proactively supported JFS during the difficult times especially at end of the 2020/21 financial year.

Chairman's Message

DISCHARGING OUR RESPONSIBILITY TOWARDS THE SOCIETY

We continued to focus on our CSR activities even during the pandemic.

A donation worth Rs. 0.5 Million was arranged to the Apeksha Cancer Hospital at their humble request. Lack of Port Catheters and Needles were identified as the most sought after equipment at the point of contacting the hospital and hence, the necessary packs were arranged through the George Stuart Health and handed over to the Hospital Director, Dr. Vijitha Gunasekara with the presence of few employees.

We also considered paying bonuses for high performing employees for their extraordinary support provided to the JFS during the most challenging period of the company history so far.

CORPORATE GOVERNANCE

The Company takes into account the developments in the regulatory, business and internal environments alike in driving improvements towards achieving the highest standards of governance enabling the Company to ensure that it carries out its business in a responsible manner leading to long-term sustainability of the organization. Comprehensive details on Corporate Governance and Integrated Risk Management are provided on pages 46 to 47.

SHAPING OUR FUTURE

The eagerly awaited vaccines are reaching all parts of the world; yet, new strains and waves continue to erode the confidence that started building up for a speedy recovery on all sectors. However, the rapid innovations and business process advancements taken by JFS in 2020 has prepared for contingencies that we were not prepared for at the beginning. Our mindset has also shifted to operate in the new normal work setting and our customers and business partners were on-board throughout the journey during this tough time. We will continue to monitor risks and extend the scope of stress testing to assess our ability to manage emerging threats in our business landscape.

Food Sector

JFS will continue to expand its presence in the Food sector with the unique custom-built machinery and the distinctive product portfolio challenging the current competition. Finger Millet (Kurakkan) is the primary product we operate where JFS is in the view of producing exclusive product lines to the retail sector. We will invest further in new products similar to what we tested out such as KurakString mix, facilitating consumers to make Kurakkan mixed String Hoppers as the ultimate solution rather than buying Kurakkan separately to make String Hoppers. JFS wishes to invest further in the distribution

“Changing the conventional mind set on the lines of business continuity and selling retail products was a massive challenge we did come across during the lock-down hampered financial year. Mentoring and strict control over the resource utilization has shown us the directions to find the end in the tunnel.”

network and the sales team as our production capacity is still underutilized. Our product portfolio in the food sector together with its extremely passionate future plan is presented on the pages from 15 to 20.

Agri Sector

With the Mahaweli land acquisition, JFS will invest to convert the land to a Corn farm to produce Corn Flour (Starch) and Canned Baby Corn to the retail market hopefully by the end of the next financial year. We are highly enthusiastic about our capability towards converting our Agri project to a reality.

Extreme Sports Sector

JFS being the largest Paintball service provider in the country, has taken the control on supplies too to provide Paintballs and all spares and gears to a majority of current service providers in the country. With the introduction of RAVANA-h e-commerce platform, JFS currently owns a rich product portfolio under our own brand, RAVANA-h except for the imported items listed on the platform. We want to invest further on the e-commerce platform and optimize the supply opportunities to USA by having a distribution store in Maryland. Our project plan is explained further on the pages from 25 to 30.



BPO Sector

We managed to bring two new overseas operations to the country, one from Netherlands and another from Singapore. We are highly optimistic about the Netherlands operation as there is a huge potential to expand further. This BPO project will secure many jobs for Chemical and Mechanical professionals in the country. The exposure those professionals will acquire is also amazing.

ICT Sector

ICT sector will keep focusing on its core operation, IT outsourcing and maintaining the steadiness to the balance sheet. IT administration and Infrastructure management for local operations has also been provided solely by our IT sector whilst focusing on overseas processes too.

ACKNOWLEDGEMENTS

I am privileged to lead a young team filled with fortitude and vitality which combines well with the stable structures in place for governance and control to create a vibrant workplace focused on execution of JFS projects. I am extremely grateful for their efforts and ideas which underpin the performance set out in this report. The increased interaction with the Board members and their persistent supervision over the affairs of the JFS has been equally important for prompt decision making and optimized resource allocation.

I take this opportunity to thank our customers who continue to place their trust on us and we look forward to provide a wider spectrum of solutions for their satisfaction. I also extend my appreciation to our business partners who support our growth as the journey so far was not possible without your collective efforts to power the wheels. I have the fullest confidence and assurance that our collective effort will ensure great success in years to come.



Madhushan Raigamage
Chairman

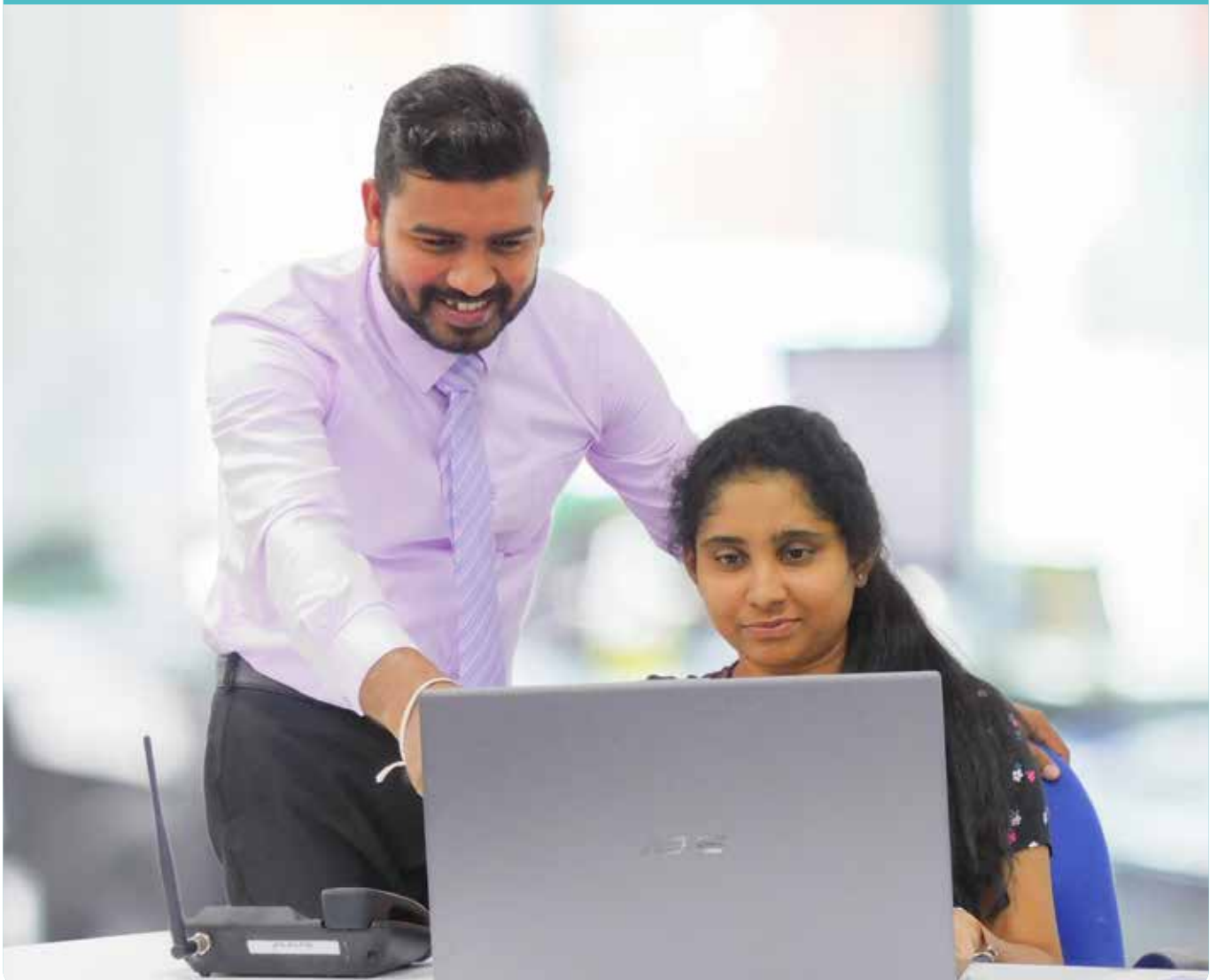
28 September 2021



BPO Sector

Jobfactory being the flagship brand of the company provides Executive Search service to local and foreign clients.

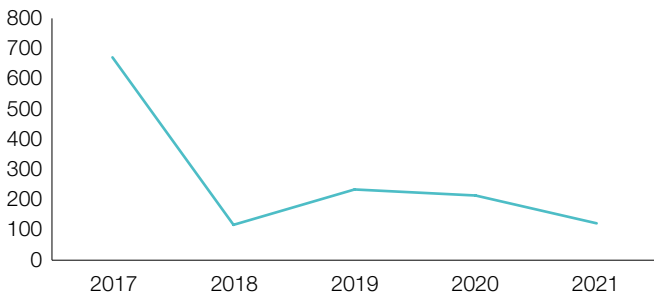
SourceOne being the cash cow, managed to bring almost half a million USD to the country so far where there is a huge potential to make it 1 million USD per annum by 2024.



NINE YEARS OF UNBLEMISHED SERVICE

SourceOne is the BPO brand owned by JFS and records nine years of extensive BPO service to local and foreign clients.

No of Employees
(Number)



HIGH PERFORMANCE ON GOOGLE

The website performs well on Google platform even though JFS has not attempted to improve the performance artificially. Popular Keywords pick SourceOne on the first page more often.

SourceOne gets an average of 20 potential inquiries per annum. As of now, highest number of inquiries come to JFS from East Asia as the country's most investments also come from that region for this decade.

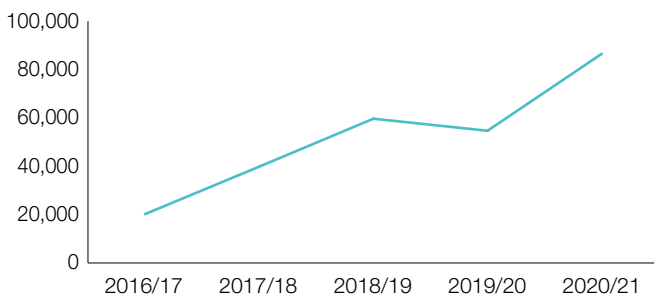
Diverse Clientele

- Singapore
- New Zealand
- Netherlands
- Qatar

USD STRATEGY

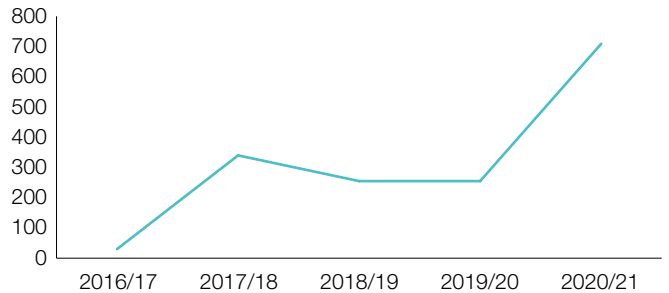
JFS continued to bring USD to the country each year since 2013. We believe that it is the need of the hour to the country, and hence we are committed in fulfilling our duty as loyal citizens of mother Sri Lanka. Our current USD portfolio is worth approx 0.2 million per annum which we bring only through our existing BPO operations. Our aim is to make it five times bigger in three years' time without waiting for opportunities to come but becoming enthusiastic on finding opportunities across the globe.

USD Inflow
(USD)



“Our strategy to reduce the headcount giving away less profitable business got worked out well. JFS relied on USD generating biz and kept on building the brand name further. Our plan is to bring 1M USD annum to the country by 2024 having an unblemished record for labour relations in hand.”

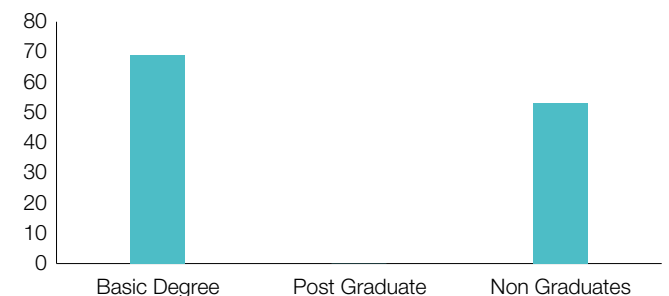
Per Employee USD Earning
(USD)



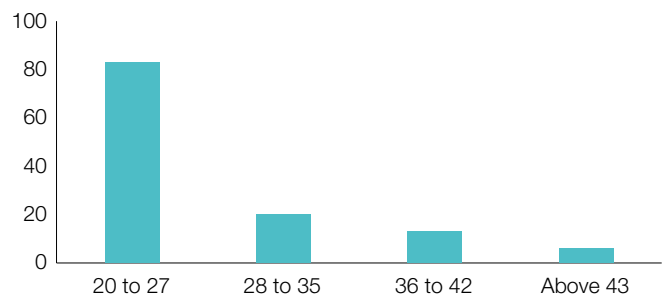
KNOWLEDGE OUTSOURCING

It is more than the Business Process outsourcing JFS is into, as our employees are young and ambitious professionals providing their service to other countries.

Education Qualification 2020/2021
(Number)



Employees' Age 2020/2021
(Number)

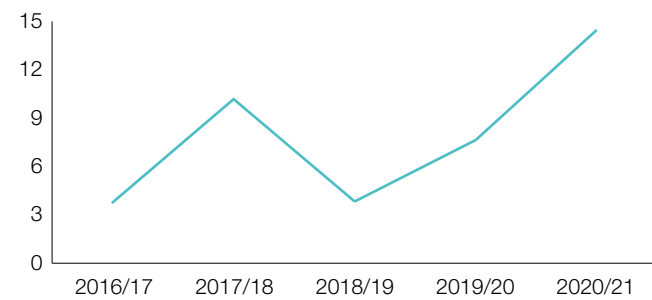


BPO Sector

PER EMPLOYEE REVENUE

From year 2017, JFS started moving out from the typical and less profitable BPO operations as a strategy to build up a strong revenue inflow to strengthen the bottom line.

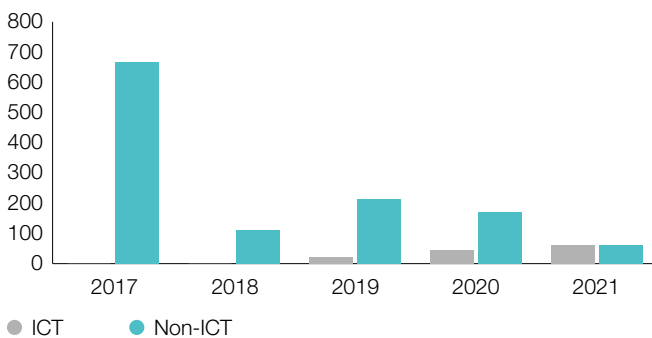
Per Employee Revenue
(Mn)



PREDOMINANTLY ICT

JFS started its strategy to make the workforce predominantly ICT as the demand for ICT solutions is secure globally. Our transparency in all business dealings supported us to secure many local and global ICT accounts.

ICT and Non-ICT Employee Mix
(Number)



FUTURE

We will continue to invest further in upgrading our cyber performance including the website and social media.

WEBSITE UPGRADE – SOURCEONE

The current website is planned to be upgraded to the next level with many more new features like Multi Language, Live Chat, Accessibility Tools, Success Stories and Case Studies etc.

CANADIAN JOINT BUSINESS OFFICE

JFS is in the process of opening a joint business office in British Columbia, Canada by the early 2022, to attract North American BPO operations to Sri Lanka. This would support the 1 Million Dollar dream of ours no sooner.

PROCESSES NEGOTIATING AT THE MOMENT

UK – An insurance quote comparison process worth 60,000 USD per annum is at the final stage to sign off.



Food Sector

During the first-ever lockdown in the country's recent history, the uncertainty went across all the sectors in corporate segment. The first response of JFS was to tighten the two sectors which could continue and temporarily freeze the operation of Extreme Sports. Food was an outcome of the uncertainty which complemented well without any additional overheads.



Food Sector

FOOD BY LKO

The establishment of food sector is a quick solution JFS has executed against the wearisome lock-downs following COVID-19 pandemic.

When the future is vague and there is a surplus of skilled labor, JFS initiated this in a small scale certainly with a BIG attitude and courage. The revenue and SKU growth show the passion we had for making our food dream a reality. Under the brand name of RAVINE, the LKO sector food products has penetrated the regional market by now.

PRODUCT PORTFOLIO

Kurakkan Flour (Finger Millet)

This contains 100% Kurakkan flour. Our uniqueness is, we do wash all the seeds prior to grinding. Destoning is done using a high tech destoner prior to washing. There are two grades where one product distinguishes over the other product based on the particle size primarily.



Coarse Grade (400g /250g)

Particles size -

Particle size is in line with the SLS 928 (Sri Lanka Standards).

Fine Grade (400g)

Particle size -

We found that there is a clear gap in the market for a product with a further smoothness to support making String Hoppers, Porridge, Thalapa etc.

Black Pepper Powder – 50g



Grade # 1 Black Pepper that is 100% local harvest is used to produce the LKO Black Pepper Powder a premier product of export quality. Eye-catching packaging also enhances the further market penetration opportunities. We are currently looking for markets in Netherlands, Canada and Maldives.

KurakString Mix – 700g



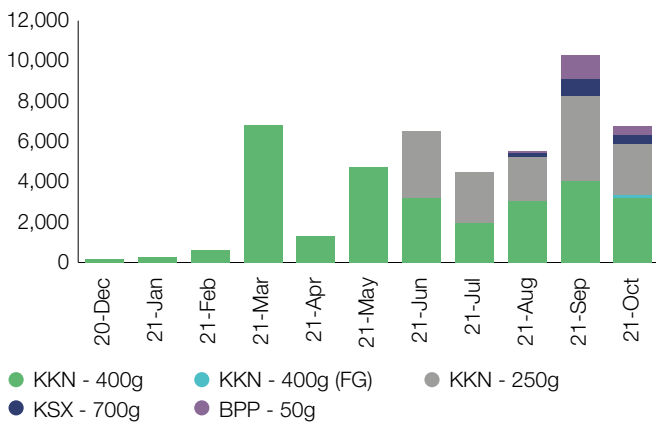
This is absolutely a unique product having a greater penetration potential in the retail and modern trade market segments and will be available in all leading supermarkets soon. Kurakkan mixed rice flour facilitates consumers to make String Hoppers/Halapa/Dosa/Pittu etc in one go. Can use water of normal room temperature to make the mix.

SALES QUANTITY IN EACH PRODUCT

Item	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
KKN - 400g	171	271	596	6814	1300	4736	3195	1942	3047	4039	3213
KKN - 400g (FG)	-	-	-	-	-	-	-	-	-	-	123
KKN - 250g	-	-	-	-	-	-	3314	2548	2177	4227	2530
KSX - 700g	-	-	-	-	-	-	-	-	191	801	469
BPP - 50g	-	-	-	-	-	-	-	-	109	1191	398

LKO started its food venture by introducing its first ever SKU; Kurakkan Flour 400g to the market early this year. Then the 250g to meet the demand, Kurakkan mixed String Hopper Flour is a unique product moving fast in the market right now. 400g Kurakkan (Fine Grade) is introduced to fill a gap in the market.

Monthly Sales - Quantity



APPROACH SUPERMARKET CHAIN

Our products are now available in Laugfs, Glomark and Sathosa supermarkets across the island and will be available in Arpico supermarkets soon.



“We take the competition positively and focus on the quality and cost leadership further. Although our winning strategy is differentiation, cost leadership is vitally important to penetrate the regional retail markets for us.”

EMPLOYEE DEVELOPMENT

Monthly sales conference

The company conducted its first ever Sales Conference in September to make the process formal and everyone to think BIG.



Food Sector

Training and Self Development programs

JFS did hire a Consultant mainly to develop the sales force to face the fierce competition we experience in the retail market. Mr. Padmal De Silva, the former AGM Sales of Ceylon Biscuits Limited was hired to perform an Executive Coaching session for the sales team.

Monthly performance incentive

The company has introduced an incentive scheme to motivate the sales force in delivering the sales targets. Two main factors; Revenue and Debt Collection were considered in deciding on the incentives. A special allowance is offered to cover up their lunch expenses too.

CODE OF PRACTICE

Acceptance of consumer complaints

We strongly believe that promptly managing and resolving the customer complaints can improve our business reputation and processes. Hence, we accept all consumer complaints as a positive note and take necessary actions to respond them within 48 hours.

Destroy non-suitable products for consumption

As part of our sustainability approach, JFS executes a very transparent process to publicly destroy the expired goods. Generally, the company appoints a panel that is comprised of executives who are two third from the none food sector to carry out this exercise and report the activities to the board of directors.



EMPOWER THE LOCAL FARMERS

In line with the country's initiative to encourage local products, JFS has developed a robust supply chain within the country to attract quality raw materials for production. Three major local suppliers provide raw material to the company. The company has taken the initiative to empower one supplier out of the three to add further value to the raw materials they supply in line with the food safety standards of ours.

MACHINERY

Our production capacity is sufficient to meet the demand of the current operation the company manages. Entire machinery ensures the compliance of food safety standards of the international market. Iron contamination is minimized with the technology of "Swing Hammer" grinding technology.

Accordingly, all our production machinery is completely stainless steel.

Grinder Machines



Model	: GN 24
Voltage (V)	: 380
Power (kw)	: 5.5
Output (kg/h)	: 50-300
Rotate Speed (r/m)	: 4600



Model	: GN-28M
Voltage (V)	: 380v/50HZ/ three phase
Power (kw)	: 7.5+2.2+0.75
Output (kg/h)	: 80-500
Rotate Speed (r/m)	: 4200

Filling Machine



Voltage (V)	: 220
Power (kw)	: 1000
Output (bags/h)	: 1500
Packing Size (g)	: 100-500 (adjustable)

Destoner



Model	: TQSF-60
Capacity (Kg/hour)	: 5000
Vibration Power (Kw)	: 0.25X2 Kw
Air Blower Power (Kw)	: 3
Air Volume (M ³ /hour)	: 5000

TQSF Destoner is applied for efficient separation of stones, pebbles, glass, and other high-density impurities from grains, according to the differences in weights. Dust removal is also done through a cyclonic process which supports the washing bay's operation.



Case Study



A mother of two kids where she is the only one in her family who earns a monthly income with all statutory benefits. Age 45.

“It is like I work at my home. I could drop my kids to school on my way to the factory. I am happy to say that I earn decent salary to take care of my family.”

-Bandumathi-

FACTORY

Leased out for two years until the company constructs its own factory which is Approx 1500 sq ft in size located in countryside facilitating the attraction of workforce easily.

PRODUCTION PROCESS

The grains are washed and dried carefully ensuring food safety as it is the prime purpose. No iron contamination is possible when drying as the company uses 4 x 4 ft aluminum boards on stands.



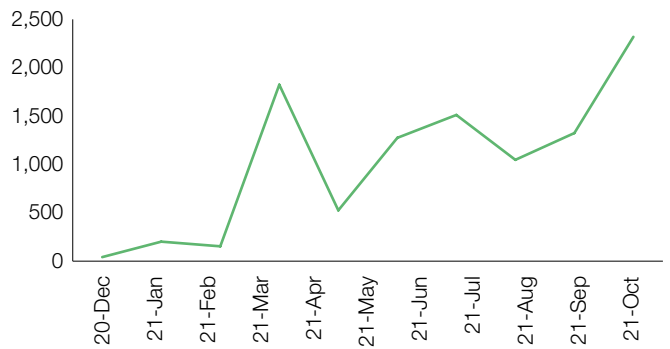
VEHICLES

A small effort we captured in early 2020 steered us to own a small fleet of vehicles as of now.



Growth of Sales

Total Sales
(Rs.'000)



Our retail distribution penetrated the Western province completely and part of the Central, Sabaragamuwa and Southern provinces by now. A sales Beat is repeated after every 21 days period.



Food Sector



ITI TEST

The company obtains test reports from the Institute of Technology Institute (ITI) as and when there is a requirement. The humidity level in the flour is checked prior to dispatching to the packing room. Although we have not applied for the SLS certifications, our Kurakkan processing ensures the standards of SLS 928:191.

PACKING MATERIALS

JFS uses the best food grade packing material to ensure the food safety. Currently Varna Limited supplies the packaging materials to the company.




Case Study

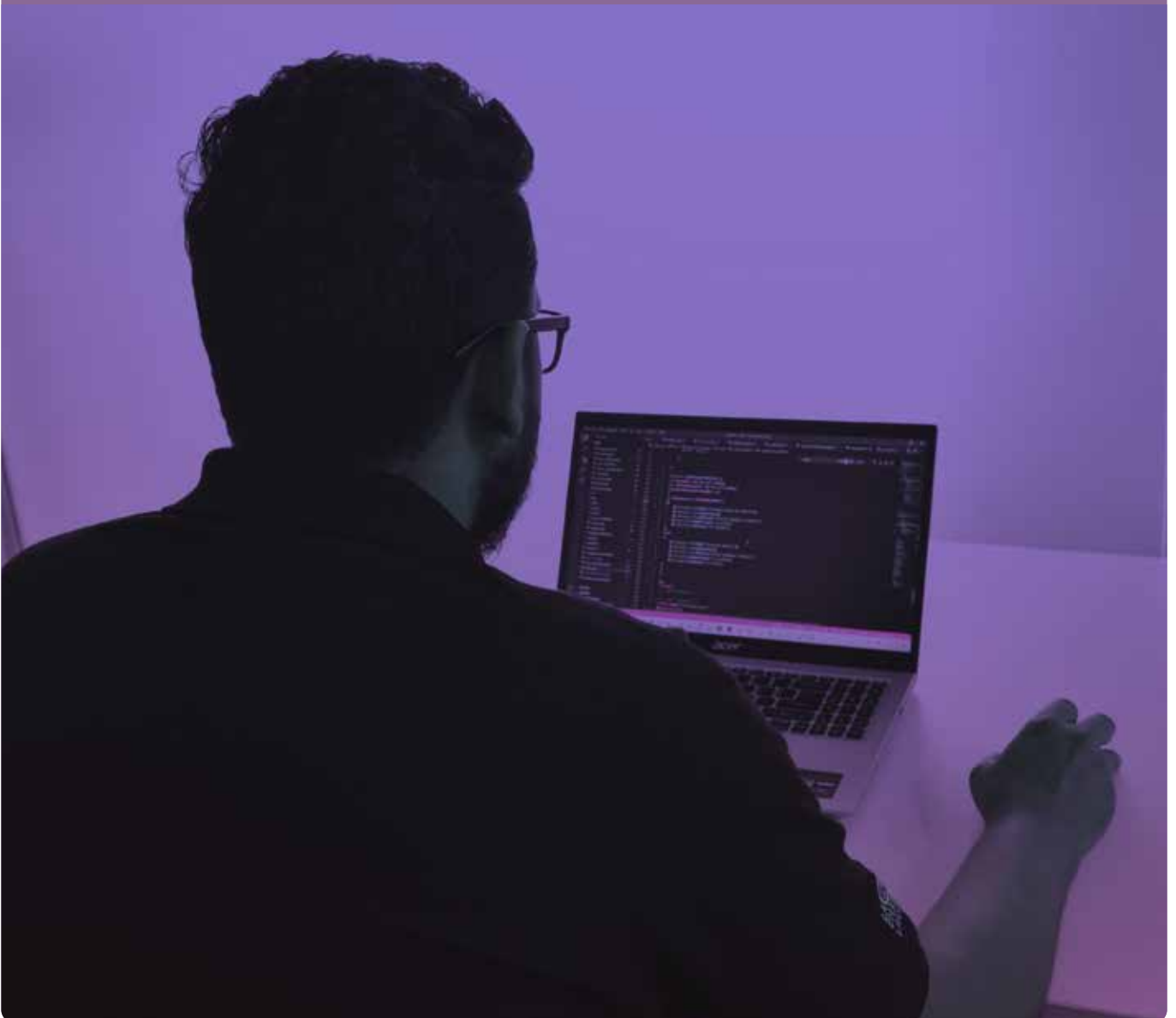
"It is a fantastic opportunity for a woman like me, who is the moral and financial strength to the family. Since the first day, I felt the friendliness, freedom at work and the transparency in all business activities of JFS. Happy to be a part of this team."

-Champika-



ICT Sector

As JFS has always believed in cyberspace since its inception, launching a dedicated brand for ICT was one of the key accomplishments of the company. Accordingly, JFS was able to introduce CodeOne-X, the ICT brand of the company. All the IT services of the company are being handled by CodeOne-X since 2018.



ICT Sector

ICT is the fourth largest foreign exchange earning industry in Sri Lanka. There are nearly 500 ICT service providers where few big players own the market share of more than 80 percent as of now. The island is steadily transforming itself into the most preferred ICT hub in Asia thanks to the availability of the most precious resource in the world "talent". A highly skilled local talent pool combined with the cost-effective operational aptitude makes Sri Lanka's ICT Industry one of the most profitable industries to date.

Sri Lankan ICT companies export Software products and services to regions such as North America, EU, Australasia, East Asia, Middle East, Africa, and the Nordic region. Their core competencies include Automated Application Testing, Infrastructure Outsourcing, High-end R & D, Enterprise Resource Planning (ERP), Cloud Technology, Mobile App Development, Web Development and many other innovative business solutions.

As JFS has always believed in cyberspace since its inception, launching a dedicated brand for ICT was one of the main goals of the company from the beginning. Accordingly, JFS was able to launch CodeOne-X, the ICT brand of the company. All the IT services of the company are being handled by CodeOne-X since 2018.

CodeOne-X

CodeOne-X is a Sri Lankan-based Web Development Company that provides solutions for SEO (Search Engine Optimization) operations. CodeOne-X has an active branch in Tallinn as well. In addition to our innovative Web Design and Development services, we also offer a full suite of services, such as Mobile App Development, E-Commerce solutions, Search Engine Optimization and Digital Marketing to clients all over the world.



Tech Stack

A collection of technology logos arranged in a grid. The logos include: HTML, CSS, Bootstrap, Sass, JavaScript, jQuery, React, AngularJS, Node.js, Express, PHP, Laravel, CakePHP, Go, Java, Spring, .NET, Python, Django, Ruby, Ruby on Rails, iOS, Android, Swift, Kotlin, React Native, Flutter, Ionic, WordPress, Joomla, Magento, Shopify, OpenCart, MySQL, MongoDB, PostgreSQL, Maria, AWS, Firebase, and Digital Ocean.

INTERNAL PROJECTS

Whilst generating revenue through external project deliveries, CodeOne-X got into managing all internal IT-related projects too.

Web Development

CodeOne-X got many testimonials from internal and external parties for its great delivery of website development services. Here are the two decent cases to understand how beautifully we got things moving.

Case Study

LKorganix

Having entered into the organic food market in Sri Lanka, JFS launched a new brand called LKorganix with a comprehensive e-Commerce platform dedicated to market certified organic and natural food items. This platform accommodates small and medium farmers providing certified organic/SL GAP (SL Good Agricultural Practices) and natural products to reach the customers. LKorganix is supported by an effective supply chain to carryout deliveries on time. The beauty of this unique online platform is that the customers shall view all the certifications the suppliers have, compare, and choose the right product and request the delivery to the doorstep. This platform was fully developed by the team CodeOne-X and was able to reach the customers within 14 days with Pay Online option. Also, this brand was launched during the first wave of the Covid-19 pandemic and hence can be considered as an enormous accomplishment.

After a few months of launching the LKorganix platform, the company decided to revamp the platform to offer the customers with an enhanced experience via a more user-friendly podium by simplifying the online ordering process with advanced e-commerce features. CodeOne-X took the challenge and started evaluating the current platform to identify the strengths and weaknesses and determine what content/features of the current platform should be kept, updated, or discarded. During the audit of the current platform, CodeOne-X put an extra effort to understand the user journey of the current platform as it'll help to create a better User Experience (UX) and increase both conversions & customer retention in the end. After completing the platform audit, CodeOne-X was able to set goals that helped to enhance the performance of the platform including revenue generation and reducing the cost of the operational expenses. Our next challenge was that what will be our strategy to achieve the goals we set. Accordingly, we established a dedicated team of stakeholders and a timeline for the defined plan of strategy.

The members of the team consist of both CodeOne-X and LKorganix team members. The operational team of the LKorganix gave vital support for CodeOne-X to identify the customer needs to craft and design a new concept for the platform. Based on the suggestion and findings, CodeOne-x was able to craft the new content and feature-rich, user-friendly design for the new platform. Finally, after 01 month of hard work, CodeOne-X was able to launch a fully functional, user-friendly platform for LKorganix on 01st January 2021. Now, LKorganix provides an awesome shopping experience with advanced e-commerce features that makes customer life much easier by ordering organic fresh produce to their doorstep in just a few clicks. Apart from redesigning the existing platform, CodeOne-X was able to optimize the new platform and get the platform to the first page of the Google Search Results in just 02 months. We followed only the organic optimization methods and didn't spend any penny on paid tools and ads such as Google Ads. CodeOne-X is still in the hunt for optimization opportunities for the LKorganix platform to grow its business rapidly and support them to be the number 01 choice of Organic food suppliers in the country.

Case Study

RAVANA-h

Founded in 2020, RAVANA-h is the first of its kind, company manufacturing, exporter and supplier of Paintballs in Sri Lanka. The brand is growing with an excellent reputation maintaining the quality of paintballs and rendering services as per customer requirements. RAVANA-h was able to partner with the world's biggest paintball equipment manufacturers like GI Sports (acquired by Kore Outdoor) and GelKaps for bulk purchases for Sri Lanka. Tippmann is another example, which provides the best markers on the market that are both price-conscious and low-maintenance. We carry every single type of equipment and support materials that are associated with paintballing.

As the RAVANA-h brand expanded over the last few months, JFS has decided to launch an e-commerce platform for RAVANA-h to tap the largest market in the world, the USA. Consequently, JFS decided to hand over the project to CodeOne-X to design and develop the e-commerce platform. This was a new challenge for CodeOne-X as the main target market of this platform is USA. Firstly, CodeOne-X carried out a brainstorming session with both teams to identify the needs of the project. Based on the requirements and suggestions spotlighted from the session, CodeOne-X designed the

ICT Sector

concept for the platform. Initially, there were some changes requested by the RAVANA-h team and then both teams were able to agree on a nice and matching concept for the platform. Accordingly, we have started developing the platform and planning to launch it by January 2022. The multi-currency feature is one of the main elements of this platform as the customers can view the products in both LKR and USD prices. Also, customers will be able to get an approximate opinion about Shipping & Importing charges that is relevant to their shipping location. Currently, CodeOne-X is working on the SEO of the platform as forming and optimizing a website for the USA is quite demanding. We are trying each and every opportunity out there as we also see an immense potential in this platform.

Digital Marketing

CodeOne-X is handling the digital marketing requirements of all the JFS brands including SEO. We generally use organic methods and tools to optimize a website. Similarly, CodeOne-X was able to improve the main brands of the company such as SourceOne, ONE FOUR BASE and LKorganix, by progressing them into the first page of Google Search Results within a few months. We are making critical SEO updates with SEO tools on websites, focusing on internal linking, content strategy with business-relevant keywords and technical SEO issues like broken links and meta tags.

Engines in Sri Lanka lack something critically important. Most of them have complex user interfaces and limited features for both job seekers and employers. Henceforth, Jobfactory has decided to launch a feature-rich Job Portal under the name of Jobfactory. This will be launched in 2022 and the project will be handled by the team CodeOne-X.

HRIS

Adopting an appropriate Human Resource Information System can help cut administrative costs, eliminate duplicate data entry and provide rich analytical capabilities needed to grow a business. CodeOne-X is privileged of taking part in designing and developing a customized HR system for JFS. The process will include everything from defining the requirements for a new product to mapping the user journey, creating an HRIS database design and completing a Viable Product. Starting from designing to development, CodeOne-X will manage every single aspect of this HRIS. CodeOne-X and JFS are planning to launch the first phase of this HRIS by January 2022.

Case Study

SourceOne is one of the main success stories of CodeOne-X. After we were assigned the task, we focused on a few critical areas for improvement in SourceOne website: such as updating metadata, optimizing for a featured snippet and re-targeting original keywords. Over a two-month of the campaign, CodeOne-X helped SourceOne to gain the No. 01 Google position across various keywords relevant to their offerings. Now, SourceOne will get inquiries from all around the world. Accordingly, SourceOne manages to get clients from Singapore, New Zealand, The United Kingdom The Netherlands, etc.

UPCOMING KEY PROJECTS

Jobfactory

There are many Job Search Engines currently functioning in Sri Lanka. However, as one of the leading recruitment companies in Sri Lanka since 2012, we understand that finding suitable candidates for the available vacancies is a challenging and stressful task. Therefore, we always felt that Job Search



Extreme Sports Sector

Paintball is the third largest Extreme Sport in the world bidding to 12 billion USD worth global market having 90% presence in North America and Europe.



Extreme Sports Sector

ONE FOUR BASE

Firepower

ONE FOUR BASE has entered to conduct Paintball sessions in early 2015 by importing 20 x Paintball Markers (Empire BT-4) from the USA with all other basic gears. Later we got another 40 x BT-4 Markers. With 34 x Tippmann Markers, ONE FOUR BASE became the largest Paintball supplier in the country by 2019.



Gaming Hours

We own over 3,000 gaming hours so far with a satisfaction rate of 4.9 over 100 reviews on Google Index and 4.9 over 60 reviews on the Facebook fan page.

Resource Panel

Our resource persons are highly disciplined and professional in order to organize and execute sessions with any level of participant. Hence, the panel were able to coordinate productive sessions with college students in both gender without any hesitation.

Indika Coomasaru

Indika possess more than 10 years of corporate experience in the corporate sector and 11 years of military experience in the Sri Lanka Army as a Commissioned Officer. He has been involved in conducting more than 100 Outward Bound Training (OBT) sessions/Paintball programmes as of now. He has joined Sri Lanka Army as a Cadet Officer and graduated from the Military Academy of Pakistan and prematurely. He is a qualified Motor Paraglide and a Paintball instructor. Indika was awarded a Gallantry medal (Rana Sura Padakkama) by the His Excellency the President in 1997 for the eminent conduct in the face of the enemy.



Paintball Fields

The current two Paintball fields we function are located within the premises of two resort hotels within a 50Km radius of Greater Colombo.

Serenity Village

- Max Participants – 40
- Size – 2 Acre
- Facilities – Dining, Swimming Pool, Netting

Ahas Gawwa

- Max Participants – 20
- Size – 1 Acre
- Facilities – Dining

Future

Upgrading the Equipment

We want to upgrade all the 98 Custom Markers with collapsible buttstock where the players will have the benefit of holding the marker properly. This too will increase the psychological impact on the appearance too. 4 x Tippmann 98 Custom Markers will be upgraded to Sniper use with a red dotted site. There will be new 100 x Markers coming into the fleet with the approval of the Ministry of Defense, maintaining the supremacy as the market leader. Some of the markers are not being used yet in Sri Lanka.



Tippmann 98 Custom Act Platinum Series Sniper

The 98's crisp trigger pull, easy-access cast aluminium body, and Anti Chop Technology (ACT) combine to make it one of the most popular markers in the world. The extra length and porting of this barrel quiets the sound signature and allows the player to slip the muzzle through bushes and cover, taking sneaky shots well behind cover and concealment. A Collapsible Stock keeps aim steady and comfortable. The 30mm Red Dot Sight provides a clear sight picture with an adjustable intensity red dot for a perfect aiming point, and the 45 Degree Offset Sight Rail sets the sight for mask clearance when the player's cheek is down to the stock.



Tippmann Stormer Elite Dual Fed Paintball Marker

The Tippmann Stormer is a completely modular 68 caliber marker for all levels of play. The Stormer Series is available in 3 models allowing full customization. The Stormer Basic features its reliable in-line bolt system with a high-impact composite

body. The Stormer Tactical adds Tactical Front Shroud, Front/Rear Flip-Up Sights, and a 6 Position Collapsible Stock that completes the military look. The Stormer Elite allows the player to switch between the loader and mag-fed configurations offer several different looks to switch between.

Reselling the Used Markers

30 x Markers shall be resold with a clear margin over the depreciated value of the Marker to other service providers in the country to eventually benefit from the sale of Paintballs.

Upgrading the Fields

The field we maintain at Ahas Gawwa will be further upgraded with netting and converted to a more realistic battlefield deploying a few wrecked vehicles and field-type bunkers.

FMT

Unique Curriculum

FMT has proven its effectiveness in conducting OBT programmes based on its unique curriculum flavored with Military tactics. We bring the front-line military strategies to the boardroom. We brought the relationship out between the principles of Military Attack and Business Attack. We have shown the relationship between the Military Defense approach and Business Defensive approach. Although the momentum was hampered due to the pandemic, FMT maintained a steady revenue inflow during the previous year conducting military flavored OBT programmes.

Resource Panel

As always, our resource panel made the difference. Our uniqueness is the distinctive skills of our resource panel. Therefore, it is always enlightening to get the sessions delivered by people who have done and proven before. The mix of corporate and military experience do support our participants to understand their strengths, weaknesses and eventually to link what they learned from the OBT sessions to the real life.

Lieutenant General Jagath Dias

Lieutenant General Jagath Dias (Rtd) WWV RWP RSP VSV USP ndc a proud product of Ananda College, Colombo, where he excelled in the sports of Soccer and Basketball and represented the college. He was a member of both the junior and senior cadet squads and was a Senior Prefect of the school.

Lieutenant General Dias is a battle-hardened Infantry Officer who heroically contributed his best to the national security of the country. To his credit, he commanded six Infantry Brigades in professional and exemplary manner during the

period from the year 1999-2006 which can be considered as a rare feat. Going forward, he was appointed as the General Officer Commanding (GOC) of 56 and 57 Infantry Divisions respectively where he commanded his troops victoriously until the termination of the Humanitarian Operation.

Lieutenant General Dias is a highly decorated Military Officer. For his bravery in battle, he has been awarded the gallantry medals of Weera Wickrama Vibushana (WWV), Rana Wickrama Padakkama (RWP) and Rana Sura Padakkama (RSP). In honour of his distinguished and untarnished service to the Army, he has been decorated with the exemplary service medals of Vishishta Seva Vibhushanaya (VSV) and Uttama Seva Padakkama (USP). He has received overseas training in India, Pakistan, Turkey, and the United States of America and visited China, India, Russia and Czech Republic to attend seminars and Defense related forums. He is also a graduate of the prestigious National Defense College of India.

Gen Dias was posted as the Deputy Chief of Mission (DCM) of the Sri Lankan Embassy in Berlin, Germany, from 2009 to 2011, under veteran career diplomats Mr. T B Maduwegedara and Mr. Kongahage.

Madhushan Raigamage

The intellect behind the popular hotel property "Ahas Gawwa" (The Sky Mile) other than all the brands owned by JFS Holdings (Private) Limited has over 20 years of management and HR experience.

He was recognized as the Best Human Resources Practitioner amongst the Managers qualified in PQHRM (Professional Qualification in HRM) in 2012 by the Institute of Personnel Management Sri Lanka (IPM Sri Lanka) and was awarded at the international HR Conference held at the Water's Edge, Sri Lanka. Madushan is a highly talented professional who is qualified in Professional Qualifications in HRM from IPM, is holding a Masters' Degree in Business Administration from the Postgraduate Institute of Management, affiliated with the University of Sri Jayewardenepura, Sri Lanka.

He is also a Paratrooper, who resigned prematurely in 2007 from the SL Army completing 13 years spell. He is a Gallantry Medal (Rana Sura Padakkama) winner for two times from HE the President & was trained in Malaysia for Talent Management and Strategic Succession planning in 2011.

Being a passionate trainer and instructor, he has conducted many successful OBT programs to the corporate sector clients such as AIA Insurance, Union Assurance, Amana Takaful, HNB Assurance, Orient Finance and the Ceylon Biscuits Limited etc. Madhushan possesses over 2500 training hours being the Chief Navigator of such training programmes.

Extreme Sports Sector

Madhushan is in the board of JFS Holdings from its inception and won a Merit Award for the Services – Large Category at the Western Province's Entrepreneur Awards in 2017. Prior to getting to the Corporate and Public training, Madhushan served as the Manager HR Services at Union Assurance PLC for four years and as the Manager HR for one year at Serendib Hotels PLC which is a subsidiary of Hemas Holdings PLC. In addition to that, Madhushan is an Associate Member at the Institute of Personnel Management (Since 2009) and a Professional member – at Association of HR Professionals (Since 2010).

Lieutenant Colonel Chandana Weerakoon

Chandana having left the Gajaba Regiment of the Army after serving 23 years, is a leadership trainer, mentor and management consultant who holds tremendous experience in conducting Leadership and Management workshops to different segments in the country and abroad.

He is actively involved in facilitating both public/in-house training programs and lecturing at CINEC Maritime Campus on the above subjects for degree and Masters Programmes. Chandana also holds two gallantry medals of Rana Wickrama Padakkama and Rana Sura Padakkama.

Also, he was the Author of few books and many articles pertaining to the areas of Nuclear Development, Logistics, Transportation, History, Management and Environment in local and overseas journals and newspapers.

Koshitha Perera

Highly experienced Navigator with an HR background who has worked in the manufacturing and services industries for more than 10+ years. Koshitha is specialized in Strategic Resourcing, Employee Engagement, Talent Management & Development. He is also a professional qualified in PQHRM at Chartered Institute of Personal Management, Sri Lanka and holds a MSc in HRM & Development at the University of Salford Manchester (Aggregated with CIPM).

He is a cooperate Trainer specialized in developing Behavioural Competencies & Soft Skills whose experience spans for more than 8 years in conducting illustrated Training and Development programmes for Professionals in Manufacturing, Retail & Service Sector.

Koshitha is an active Associate Member of CIPM Sri Lanka and a Chartered Member of CIPD UK.

Koshitha was the first schoolboy to captain the Junior Sri Lankan National Soccer Team in 2006 & 2007. A proud product of St. Peters College, Colombo and awarded the Most Outstanding Soccer Player title consecutively in 2005, 2006 & 2007 & the Best Soccer Player Title for 2011 at the St. Peters College Colours Night.

Indika Coomasaru

Indika has more than 10 years of corporate experience and 11 years of military experience in Sri Lanka Army as a Commissioned Officer. Indika has involved in conducting more than 100 OBT/Paintball programmes as at now.

Indika has joined SL Army as an Officer Cadet and graduated from Pakistan Military Academy and retired as a confirmed Captain prematurely. Indika is a qualified Motor Paraglide and a Paintball instructor.

Indika also was awarded a Gallantry medal (Rana Sura Padakkama) by the HE the President in 1997 for the distinguished conduct in the face of enemy.

Isuru Liyanage

Isuru has more than 7+ years of corporate experience in ICT and HR fields and is involved in more than 50 OBT/Paintball programmes conducted by FMT as of now. Isuru is a proud product of D. S. Senanayake College, Colombo 07 and holds a bachelor's degree of Science and Management from the University College Dublin and currently reading for his Master's in Business Entrepreneurship at Tallinn University, Estonia. Isuru also completed his Advanced & Higher Diploma in Business Management at the National Institute of Business Management (NIBM).

Future

FMT will continue to keep promoting its unique OBT programmes for corporates in years to come. We are aiming at nearly 5 million worth of OBT programmes to be conducted for FY 2021/22.

RAVANA-h

E-commerce Platform

With our e-commerce platform, we will move to tap the largest market in the world, the USA. RAVANA-h will have a simple, yet an important store and a logistic card payments to be negotiated with Sampath Bank Sri Lanka whilst for PayPal and

other payment types, we will be starting up a business account in Mercury where all payments will get channeled to our local USD account.

Approval from Ministry of Defense

As there are certain re-export activities are involved, JFS will initially seek approval from the Min of Defense as customary.

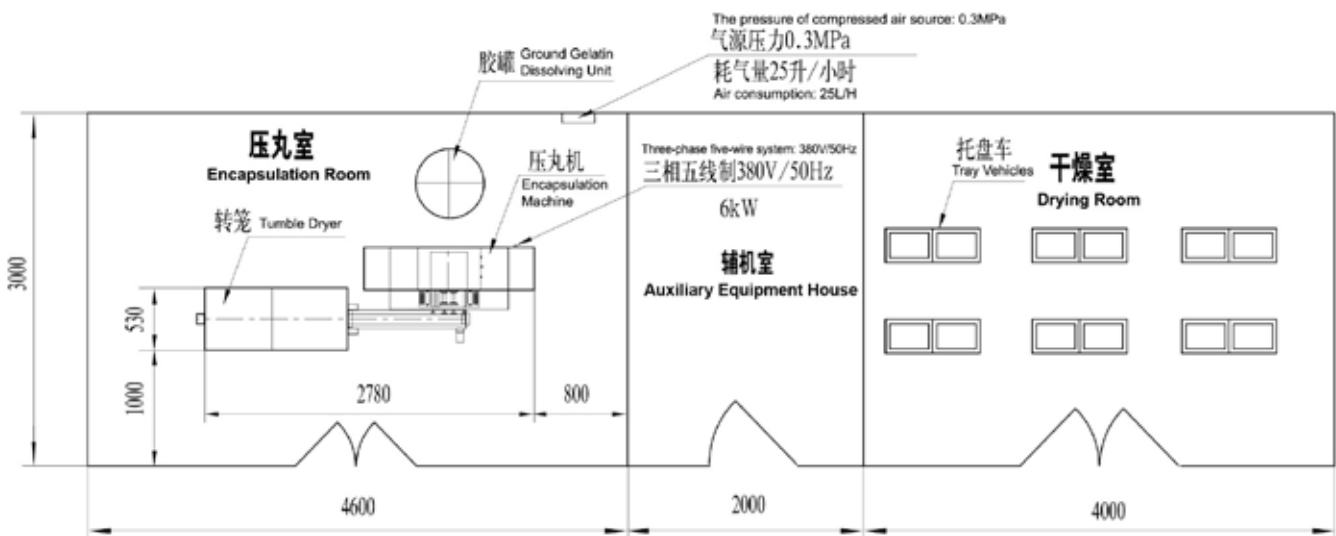
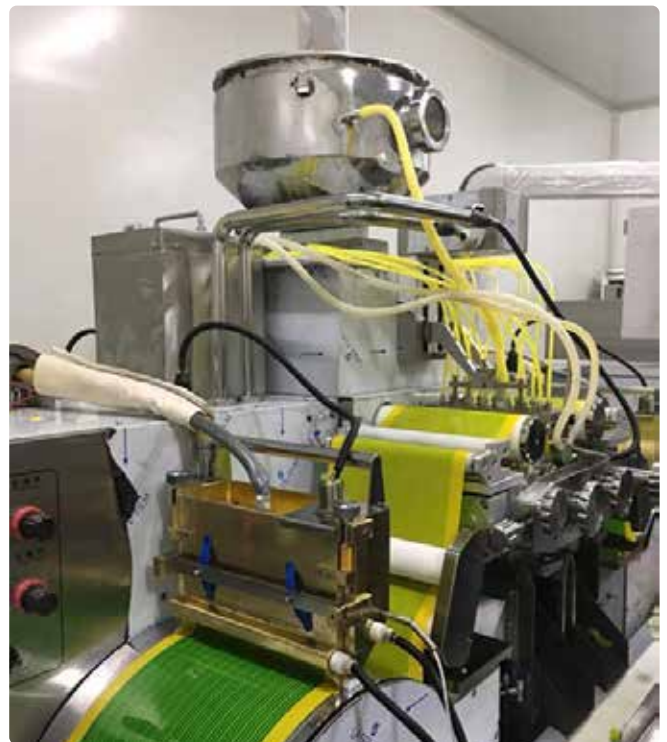
Locally made apparel and accessories

JFS will keep trying out all possible ways to make apparel and accessories for the Extreme Sports in Sri Lanka. Body Armour (Chest Protector) is already made for the local market by RAVANA-h.



Paintballs to be made in Sri Lanka

LKR 20 million worth of investment is expected to establish a plant to manufacture Paintballs locally. 50 perch land in Padukka, Western Province was already acquired by JFS to establish the manufacturing plant where JFS should be able to supply 100% to the local market.



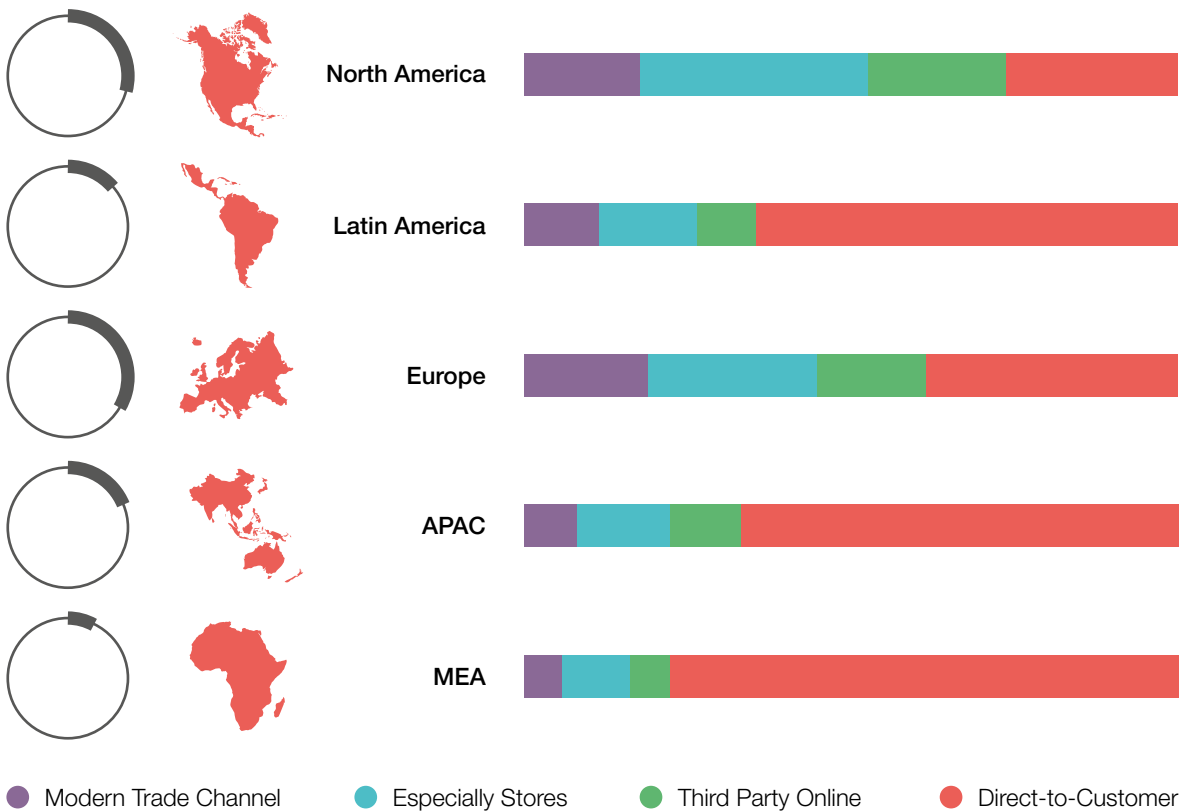
Factory Layout draft

Extreme Sports Sector

Having achieved the goal of manufacturing paintballs in Sri Lanka, JFS will move to manufacture Paintball Markers with the approval of the Ministry of Defense.

Paintball Equipment Market: Opportunity Assessment

Opportunity Share



Paintball Equipment Market

“Our ultimate goal is to make Paintball Markers in Sri Lanka by 2030. It is what the country requires. As a country, we have adequate resources and the required technology to make the Paintball Markers. What the country lacks is Passion. Undoubtedly, we could say that JFS will attract the Paintball market from East Asia to Sri Lanka by 2040.”

Financial Review

“Despite the pandemic creating a challenging business environment underpinned by high uncertainty, JFS Holdings (Private) Limited close its financial year with strong business momentum by recording a profit after tax of Rs. 16.4 Mn and a Revenue of Rs. 179.9 Mn in the year ended 31st March 2021. During the period under review, we focused on diversification of our business activities to deliver long-term sustainable value to our stakeholders.”

STEERING TO THE FUTURE

Short-term target By Mar 2023	Medium-term view By Mar 2025	Long-term vision
Revenue Growth – 25% YoY	Revenue Growth – 35% YoY	We will be expecting a revenue growth in all sectors; especially IT, BPO and Food. Agri Cluster and Sports sector is yet to pick up. Cost consciousness and technology will let us increase the profit margins where JFS will cross the equity requirements to list on the second board by earliest March 2023 and latest by March 2024.
PAT Growth – 40% YoY	PAT Growth – 35% YoY	JFS is looking at a 250 million share-issue by 2025. This capital will facilitate us to invest in the Agri Cluster to convert the 250 Acre land to fully pledged Corn/ Finger Millett high-tech farm with its own factory by March 2027.

OVERVIEW

The Company's financial capital includes equity and debt funds, out of which equity funds consist of share capital, retained earnings whereas debt funds comprise of short-term and long-term borrowings. We diversified our business activities to enhance our financial capital through careful financial management including budgetary controls, liquidity management, profitability management, planning and performance management. The following explained how the company has utilized its financial resources efficiently and effectively during the period under review.

ANALYSIS OF KEY ELEMENTS IN THE INCOME STATEMENT

REVENUE

Revenue Source	2021/20 (Rs. Mn)	2020/19 (Rs. Mn)	Growth (%)
Outsourcing Services	49.6	78.7	(37)
Supply of Information Technology Services	125.3	82.5	52
Recruitment Services	1.7	2.4	(27)
Extreme Sports Sector	0.7	9.1	(92)
Food and Agri	2.6	-	100
Total	179.9	172.7	4

Even though the challenges on the back of the COVID-19 pandemic exerted pressure on revenue growth, the company recorded a 4% growth to reach Rs. 179.9 million revenue during the year ended 31st March 2021 (2020/19 - Rs. 172.7 million). Diversified business strategy has driven the overall business growth, out of which IT sector grew by 52% from the last year and became the main contributor of the overall revenue by contributing 69.6% for the period ended 31st March 2021.

Local BPO business, 2019/20 years, performance of main revenue contributor was declined this year due to several cost reduction decisions by the clients as a survival strategy during the COVID-19 pandemic setting. Few business agreements have been discontinued to cause a considerable reduction in the outsourcing workforce head count of the BPO sector.

Diversification Strategy

Over the period under review, we stepped into Food and Agri segment focusing on the future growth potential. The segment contributed 1.4% of the revenue within a very short period and challenged the current setting by validating the success of our diversification strategy.

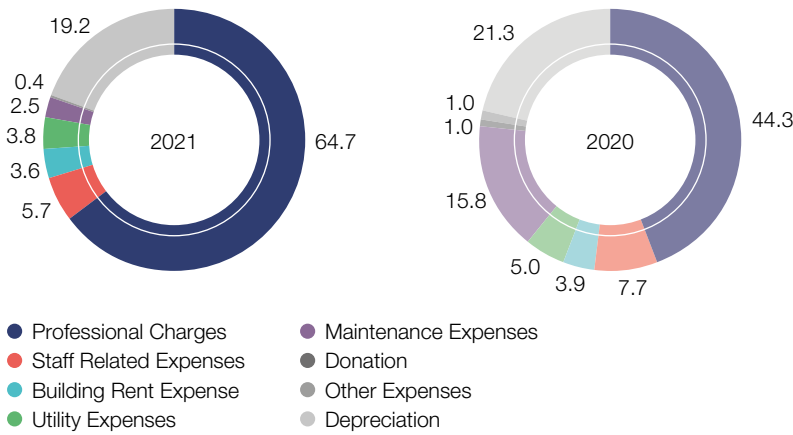
Financial Review

FINANCE AND OTHER EXPENSES

Finance and other expenses include Finance Expenses and Bank Charges. Out of that, Finance Expenses has increased to Rs. 2.8 million in 2021/20 from Rs. 2.5 million in 2020/19 recording a 14% increase. Finance expenses and other expenses were mainly increased due to an increase in bank charges and loan interest expenses by Rs. 0.2 Mn and Rs. 0.5 Mn respectively. However, interest expenses on lease liabilities were decreased by Rs. 0.3 Mn during the period under review.

ADMINISTRATION EXPENSES

Composition of Administration Expenses (%)

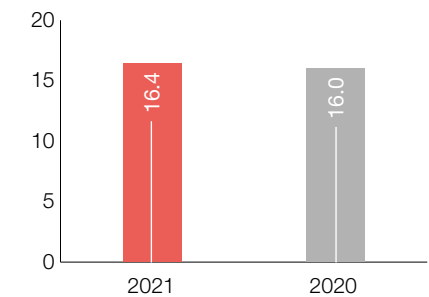


Composition of Administration Expenses

The Company incurred Rs. 19.9 Mn as administration expenses during the period under review which was 20% growth compared to Rs. 16.6 Mn recorded in the previous financial year.

Professional charges grew by 75% compared to the previous year and were recorded 64.7% from total administration expenses. This increase was mainly due to an increase in professional services providers during the period under review. Apart from that, the initiatives the company has taken to uplift the company websites, develop online platforms for Food and Agri sector along with the RAVANA-h comprehensive online sales portal also caused to increase in the Professional Charges during the period under review. The reason for strengthening the IT platform of JFS is for the reason that the future businesses would mostly rely on the digital marketing. On the other hand, it will help us to promote, continue business and explore new business opportunities even in the worst situations like COVID-19 pandemic. Expenses excluding professional charges recorded negative growth of 24% (to Rs. 7.0 Mn in 2021/20 from Rs. 9.2 Mn 2020/19) as a result of expenses management initiatives implemented during the period under review.

Profit After Taxation (PAT) (Rs. Mn)



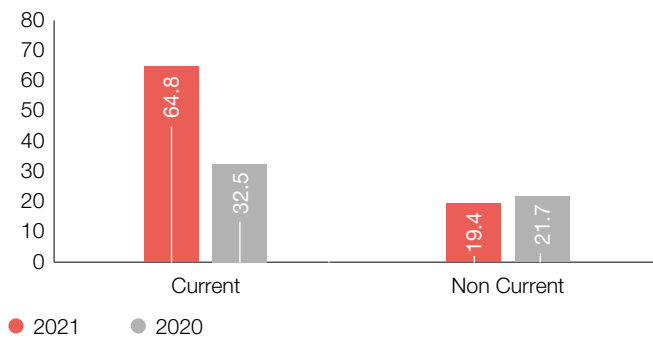
Profit After Taxation (PAT)

Despite the disruptions in operations caused by the COVID-19 pandemic, the Company was well managed via its diversified business activities to generate sustainable revenue while introducing new business segments to the existing business portfolio. As a result, the company recorded a Rs.16.4 Mn profit after tax during the period under review which was 3% increase from the previous year. However, profit from the operating activities was reduced by 5% due to increase in administration, selling and distribution expenses.

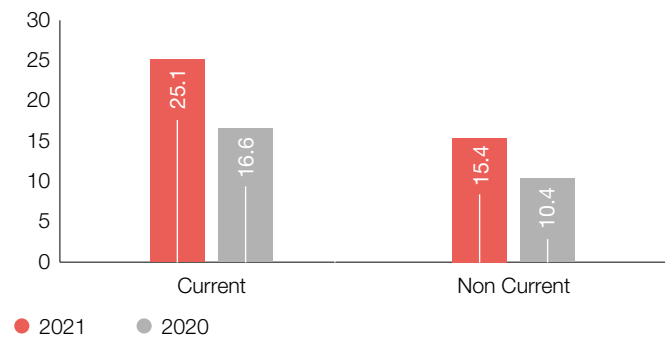
ANALYSIS OF KEY ELEMENTS IN THE STATEMENT FINANCIAL POSITION

Total Assets

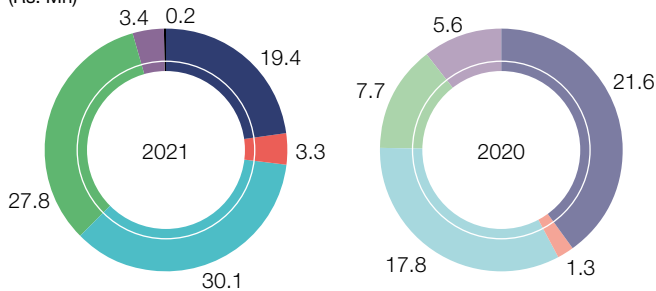
(Rs. Mn)

**Total Liabilities**

(Rs. Mn)

**Composition of Total Assets**

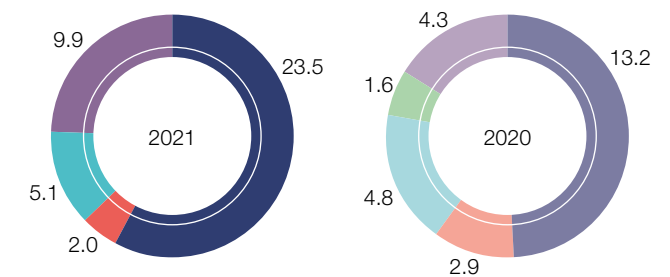
(Rs. Mn)



- Property, Plant and Equipment
- Intangible Assets
- Inventories
- Trade and Other Receivables
- Financial Investments
- Cash and Cash Equivalents
- Income Tax

Composition of Total Liabilities

(Rs. Mn)



- Interest Bearing Loans and Borrowings
- Retirement Benefit Obligation
- Trade and Other Payables
- Income Tax Payable
- Bank Overdraft

Total Assets

The company continued its growth momentum during the period ended 31st March 2021 in terms of total assets recorded. Total assets as of 31st March 2021 stood Rs. 84.2 Mn recording a 55% growth over the assets base of Rs. 54.2 Mn recorded as of 31st March 2020.

Financial investments and other receivables are the major contributors to the total assets which contribute 33% and 36% respectively. As at the reporting date, trade and other receivables and financial investments grew by Rs. 12.3 million and Rs. 20.0 million, respectively. However, this increase was partially offset by the decrease in PPE and cash and cash equivalents by Rs. 2.3 million and Rs. 2.2 million during the period under review.

Total assets of the Company were funded as follows;

Total Assets	Shareholder funds	Long-term funds	Short-term funds
Rs. 84.2 Mn	51.9%	18.3%	29.8%

Total Liabilities

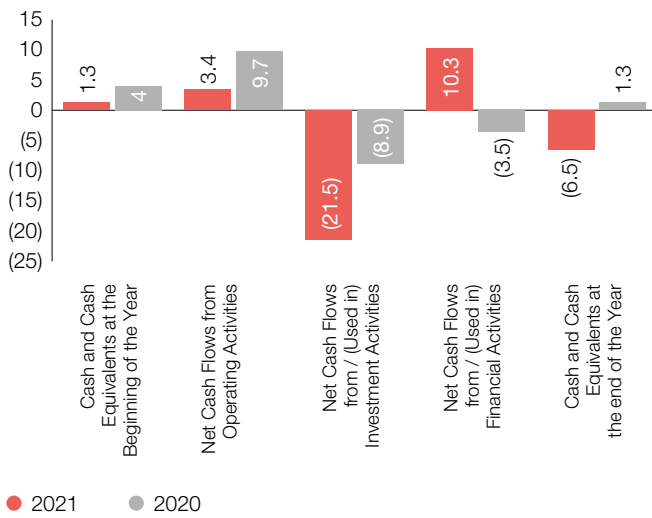
The company's liabilities amounted to Rs. 40.5 Mn as of 31st March 2021, which is a significant increase of 50.3% from Rs. 26.9 Mn as of 31st March 2020. The company's liabilities mainly consist of interest-bearing loans and borrowings, trade and other payables and bank overdrafts. These items together represented 95.2% of the total liabilities as of 31st March 2021 (83.0% as of 31st March 2020).

The 50.3% increase in total liabilities was mainly due to an increase in lease liabilities by Rs. 4.0 Mn and increase in bank borrowing by Rs. 6.3 Mn from the previous year. Further bank overdraft facilities also increased to Rs. 9.9 Mn by Rs. 5.6 Mn from the previous year.

Financial Review

STATEMENT OF CASH FLOWS AND IMPACT ON COVID 19 PANDEMIC ON FINANCE CAPITAL

Cash Flow
(Rs. Mn)



Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less, and net outstanding bank overdrafts. On this basis, as at 31st March 2021, cash and cash equivalents in the statement of cash flow decreased by Rs. 7.8 million, to Rs. 6.5 million (Negative).

During the period under review, net cash flows generated from the operating activities were Rs. 3.4 million which is 65% decrease compared to the comparative year. The decrease was mainly due to an increase in trade and other receivables and tax payments by Rs. 2.4 Mn and Rs. 1.6 Mn respectively.

Significant cash outflows in the investment activities represent the new investments in bank deposits of Rs. 20.0 million. During the period under review, the company obtained new borrowing facilities to expand their operational activities. Accordingly, net cash flows from financing activities show Rs. 10.3 Mn as cash inflows.

Ensuring financial resilience amidst covid-19

The COVID19 pandemic created a challenging business environment and serious ambiguity during the period under review and future. The businesses continued to proactively evaluate their operational performance and financial health during the year under review with many measures implemented through the period.



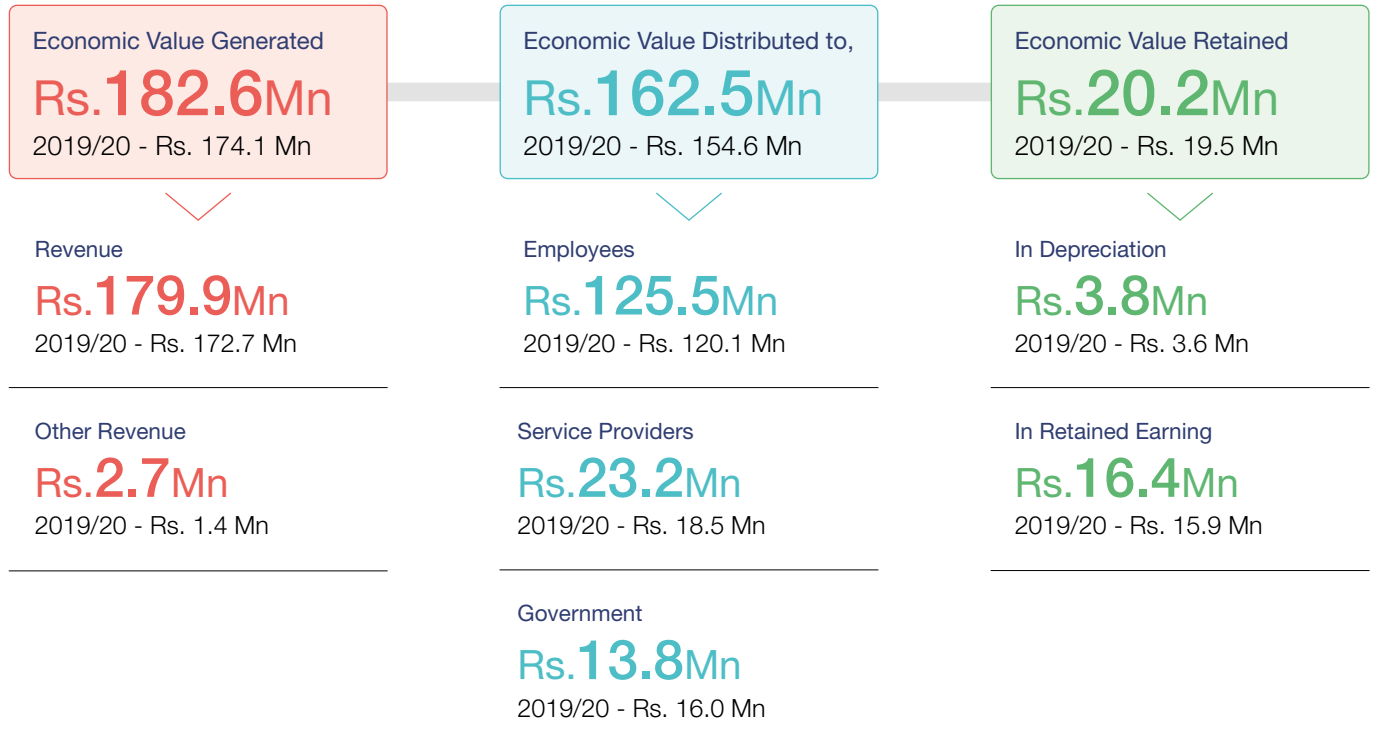
Key Risks

1. Risk of losing the revenue generated through the BPO sector.
2. Risk of relying only on services without any unrelated diversification.
3. Overstaffing in the BPO sector due to business winding up.
4. Delays in large scale payments in the IT sector affect the liquidity.

How we managed

1. Diversifying to unrelated Food/Agri.
2. Staff relocating to Food sector.
3. Negotiating with major clients for early payment rebate system.
4. Obtaining USD back LKR loan of 4%.
5. Fixing all USDs and increasing the POD limit to support the cash flow.

ECONOMIC VALUE-ADDED STATEMENT (EVA)



Human Capital

“JFS is honored to say that as a company with merely a 10-year presence owns a multi-skilled human capital who are capable of tackling any challenges the business encounters and are still optimistic about taking the business into greater heights. JFS strongly believe that their Human Capital is the most valuable resource they possess. As a company with a small history, JFS is delighted about the opportunities created so far, such as Executive Committee and Management Committee where the employees get the opportunity to participate in the company decision making and witness how the board members reach decisions. Page reference: ExCo and Management Committee.”

JFS is a business entity that believes and is highly dependent on the unmatched talent of its human capital, is always keen to expand and motivate its employees to perform at their best to serve all the stakeholders of the business.

2020/21 financial year was a very challenging year for JFS as well as for the employees. The initial stages of adjusting to the new normal caused by the pandemic dragged the company into some obstacles nevertheless, were able to overcome such situations as a consequence of the company's diversification strategy together with the determined and dedicated employees. JFS employees are not merely a set of workers who work for a salary. They stay prepared always and are flexible to combat any challenge, stay positive for changes required when needed and understand the overall business necessities of the company.

IMPACT OF DIVERSIFICATION ON HUMAN CAPITAL

1. Expanding horizons of business knowledge of the employees

JFS's diversification strategy started right from the first year of inception. JFS started its business as a recruitment company in the year 2012 July and commenced its second business operation, the four-man team (Monsoon Lanka Private Limited), the outbound training and Paintball service provider in December of the same year.

According to the JFS culture, we try hard to provide maximum opportunities for our employees to explore different business fields. Job rotations, job transfers and back-end support (support for the main operation from the other departments/sectors) are some of the strategies that we exercise to provide different experiences for our employees.

This strategy offers a broader picture to the employees regarding JFS operations. By doing so, they get the opportunity to expand their business knowledge too, which is an enormous advantage for their future career undertakings.

2. Gaining confidence to tackle any sort of business issue

When a person has thorough knowledge about a business, the knowledge itself enhances the confidence of the person.

As explained earlier, we are providing vast opportunities for our employees to improve their business knowledge. This practice has turned our young talents to become a set of confident, well-educated, strategic players in the field who are able to handle and resolve any dispute with minimum involvement of the management and the board members.

The beauty is that our talents are not thorough only about their assigned task, yet they are methodical and logical about the entire operation of JFS.

3. Improving the strategic capabilities

Improving strategic capabilities are one of the major skills that an employee should focus on in order to reach the pinnacle in their career. But how an employee can improve their strategic capabilities? And the answer is “Experience”. If an employer can create a clear path for the employees to reach development opportunities, that will ultimately become a greater investment for the business as well.

JFS is proud to mention that as a company with a small history was able to successfully create opportunities such as ExCo (Executive Committee) and Management Committee where the employees get the chance to participate in the company decision making and witness how the board members reach decisions. Page reference: ExCo and Management Committee.

JFS is confident to say that our young, short-experienced talents are capable of handling business without any hesitation similar to the well-experienced giants in the field.

We appreciate the love, care and support that each employee shown to each other from the lowest level to the highest level at JFS throughout the 2020/21 year. This was imperative during the period under review especially due to the uncertainties that was filled in the market and since it was difficult to do any predictions for near future. However, our employees always used to stand by the side of JFS and worked hard to add colour to the JFS success story.

As gratitude, JFS ensured to secure the employment of all the employees. JFS did not fail to pay the remunerations of the employees even for a single month, although the company struggled slightly due to the economic uncertainty of the country.

ADAPTING TO NEW NORMAL

Adapting to changes at the workplace is not an easy task as humans are naturally reluctant for changes. Nonetheless, if there is passion and determination, changes can be transformed effectively into turning points of success. Incorporate context adjusting to changes is a two-way journey. The employer should create the necessary environment, provide the comfort for the employees in a changing environment and encourage them to accept the change constructively. On the other hand, employees should also understand the necessity of the changes, self-educate themselves and fellow workers on efficiently handling the stress, should help each other and go that extra mile to better serve the stakeholders.

EXTRA MILE THAT JFS WENT TO SUPPORT THE HUMAN CAPITAL

1. Providing uninterrupted Internet connections

With the COVID-19 pandemic situation, work from home became the new normal for the workforce at JFS as well. Therefore, constant internet facilities became a crucial requirement for the business that determines the smooth functioning at workplace to ensure prompt day-to-day operation.

Consequently, JFS provided mobile data packages and high band width broadband packages for the employees who were struggling with low Internet facilities. JFS still continue to provide the facility for the employees to elevate their effort when working from home and to create a stress-free working environment.

2. Arranging the COVID-19 vaccination for employees

Our employees did not discontinue work from the day-today operations at any time even though during the peak of COVID-19. As LKO fell under the essential services category, we could obtain the permission to perform deliveries for our valuable customers. There was a real danger for our employees during the peak of COVID 19 as there were few contact points they needed to pass through in order to perform the customer deliveries. Therefore, we arranged to vaccinate all the JFS permanent employees and support getting the vaccinations to other employees who have located the outskirts of Colombo.

3. Initiating the hybrid working facilities; a combination of work from home and office

As per the government instructions following the analysis of COVID 19 risk levels, JFS decided to initiate a hybrid work model to mitigate the risk of gathering a large number of employees. The reason for going for a hybrid operation than keeping the entire operation virtual was due to the fact that some operations required physical presence of the employees to obtain the 100% outcome. Therefore, we introduced the model for all the units at JFS to make it fair and equal.

We followed all the government instructions to prevent COVID-19 at the office premises and supplied all the COVID-19 safety necessities such as gloves, sanitizers, face-masks and face shields for the employees who are directly in contact with third parties.

4. Providing transport facilities for employees

Traveling to work was a dilemma for our employees amidst the COVID 19 pandemic as most of the employees used public transport methods to travel for work. Therefore, JFS arranged free transportation for its staff using its own vehicle which was previously used for tourist traveling purposes.



5. Providing essential goods for COVID-19 affected employees

JFS provided essential goods such as dry rations, medicine and food to the employees who got infected with COVID 19 or had to be quarantined as those employees and their families required more assistance and strength during that hard time.



-CIO-

"JFS always considered the employees as its most valuable and important asset and took all the necessary actions to develop, improve and support them. This pandemic situation offered the ideal setting to show affection and gratitude towards all the employees that stood with us through thick and thin. JFS as a responsible business that always supported the employees who surely deserve, provided above mentioned assistance and facilities during this harsh time."

Human Capital



-Nimmi Kaushalya-

"We are extremely happy with the facilities that our company has provided to us during the pandemic period. Even though our company is still a growing business entity, JFS devoted itself to provide us with the high quality facilities. The company also took necessary measures to lower the risk of spreading COVID-19. I personally appreciate the free transport facilities provided to us during this hard time since it is much safer. It also made my life easier as I faced lot of difficulties due to travel restrictions earlier. As an employee who performs a job role that requires physical presence on and off, traveling was a big problem at that time.

I am proud to say that I work for JFS as the company always provided the right solution at the right time. Those right decisions helped us to precisely continue our jobs safe and sound."

THE EXTRA MILE THAT OUR HUMAN CAPITAL WENT TO SUPPORT JFS

1. Working extra hours and days to continue the operations smoothly

As JFS reached its peak of diversification during the time of the pandemic, our employees had to dedicate more hours than their usual working hours to make the diversification strategy a success.

Not only the newly started business operations, but the existing operations also faced few obstacles due to the new working style. There were delays in certain operations due to unavoidable circumstances, sudden lock-downs etc. JFS is proud to say that we own a set of young talents who are willing to work in any situation that arise. We appreciate the effort that our employees put in day and night even on during the weekends and holidays when required.

2. Doing initiations to lessen the burden of adjusting to the new normal

The hybrid work model that JFS followed, required initiatives to maintain uninterrupted communication, workflow and maintain records, etc. Nowadays teenagers are resilient in ICT and prefer to handle technical-driven solutions. These abilities and enthusiasm led the employees to come up with better solutions on maintaining online documents, enhancing document security, online communication solutions (i.e. Slack), online entry and exit documentation, etc. As a consequence of these initiatives, JFS was able to provide the same high-quality service to its clients and the third parties even during the pandemic.

3. Supporting management decisions

The current pandemic situation is a tough time for both; employees and employers. Out of all, stepping into a new business at a period of uncertainty brings about various

risks. This is a time that many companies faced difficulties in cooperating with the employees to support the decision, which might cause conflicts between the two parties if communication is weak.

Our employees are always supportive of the board for its right decisions. Some employees went that extra mile to work as volunteers to take over the new business operations. LKorganix is a brand that required lot of hard work which are field based and therefore employees needed to step down from comfortable desk activities. These passionate youngsters inspire JFS to thrive more and their support has always been the biggest strength of the company.



-Ishara Keppetipola-

"When the management announced that the JFS is planning to launch a new business venture, all the employees had mixed feelings about the risks and choices of the business. However, eventually we understood that it is a better business choice which has the potential for growing. When the management ask whether there are any volunteers to take over the new operation under the directors' guidance, me and my colleague, Shehan Madushika was happy and confident to accept the challenge as JFS is known for making the impossible to possible."

Corporate Social Responsibility

“JFS owns an extremely strong Value chain of Sharing as a responsible business entity in Sri Lanka who cares about the society. Every action we initiate goes simply beyond the Profit earning Business Intentions.”

The management and the staff have come forward to help the society and people in need by initiating its first ever CSR project in the year 2012 to help the less-privileged students of Udagama Kanishta Vidyalaya (Western Province). As of now, JFS completed more than 10 successful CSR projects which contributed immensely to the society.

DONATION TO THE APEKSHA CANCER HOSPITAL, MAHARAGAMA

COVID-19 has created ambiguity all around the world that led the corporate sector to halt or postpone many important activities in businesses. Similarly, JFS was also unable to celebrate their achievements as previously. Nevertheless, at the point of celebrating its 9th Anniversary, the company decided to make a satisfactory contribution to the Apeksha Hospital, Maharagama. We directly conferred with the Donation Unit of the hospital for a donation and the support received from the hospital staff is highly valued. The hospital staff supported us to sort the most demanding and essential items for the hospital at the time of donation. Hence, at their request, JFS handed over 11 x Port Catheters and 11 x Needles worth Rs. 500,000/- on 15th October 2021 and Dr. Vijitha Gunasekara, the director of hospital accepted the donation.



PORT CATHETER

This device is used to draw blood including intravenous fluids and for blood transfusions and also use for chemotherapy and to provide antibiotics. This was a major requirement of the hospital due to certain limitations like high cost and the limited number of suppliers, etc.

JFS was able to contact George Steuart Health (Private) Limited the only supplier who supplies port catheters to suit the machines available at the Apeksha Hospital and managed to make the dream of obtaining the equipment a reality.



DISTRIBUTING DRY RATION PACKS TO SELECTED LESS PRIVILEGED FAMILIES IN NEED

JFS decided to distribute dry ration packs for less privileged families in the Pannipitiya area as a part of the post anniversary religious activities held at Sri Devadara Temple, Pannipitiya.

Five families were chosen with the support of the Grama Niladari of Depanama considering the COVID-19 hit economic situation.



Board of Directors



Madhushan Raigamage

Director / Chairman

(Founder of JFS and serves the Board since its inception)

Skills, Experience:

The visionary leadership behind the success story of JFS. His business strategy has helped the young team to confidently sail in the rough sea even during the COVID-19 pandemic generating satisfactory bottom-line achievements for 2020/21 financial year.

His unique business continuation tactics led the company to move into two main sectors: Food and Agri during the first lockdown period in the country.

Chamali Dilrukshi

Director

(Member of the Board since 2013)

Skills, Experience:

Efficient Risk Management being a core aspect of the business, the contribution she made to the board in executing a unique financial strategy helped JFS to enjoy 2 million USD reserves during the period under review.

She has continuously supported the board in managing, empowering and developing the human resources in the company which steered to keep talents loyal to JFS.

Advisors to the Board of Directors



Prasanna Belpage

Finance Advisor

(Providing advisory services since 2018)

Skills, Experience:

Prasanna has obtained his MBA from PIM (Postgraduate Institute of Management), affiliated with the University of Sri Jayawardanepura. He is an associate member of the prestigious institutes; the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accountants. His experience spans over two decades in the fields of general management and financial management. And he is currently acting as the Chief Finance Officer and a Member of the Management Committee of Trade Promoters (Private) Limited, the agent for cummins generators for Sri Lanka and Maldives.



Nilantha Perera

People Advisor

(Advises the JFS Board of Directors since 2018)

Skills, Experience:

Nilantha counts over 25 years of experience in a few leading companies in Sri Lanka. He obtained his bachelor's degree in Human Resource Management (Special) from the University of Sri Jayewardanepura and holds two master's degrees in Business Administration and Business Studies from the Postgraduate Institute of Management and the University of Colombo respectively. He is a professional member of the Chartered Institute of Personnel Management, Postgraduate Institute of Management Alumni and the Institute of Chartered Professional Managers in Sri Lanka. Also he received many appreciations and rewards from the corporate fraternity for the contribution and HR initiatives performed at the workplaces like Ceylinco Insurance and Orient Finance PLC.

Advisors to the Board of Directors



Rohan Mapatuna

ICT Advisor

(Advises the JFS Board of Directors since 2018)

Skills, Experience:

He holds a Master of Business Administration (MBA), awarded by the Post Graduate Institute of Management (PIM - University of Sri Jayawardanepura). He obtained his bachelor's degree in Computer Science & Engineering from the University of Moratuwa.

Rohan Mapatuna has over 16 years of experience in leading IT companies in Sri Lanka. Rohan is the founder of Ceylon TechTranz Solutions (Private) Limited, one of the IT SMEs providing software development solutions to Sri Lankan and international clients. He has global experience with enterprise system study and system implementations in the US, Middle East, and India.

Savinda Kalubowila

Advisor

Skills, Experience:

Savinda has obtained his bachelor's degree in Mechanical Engineering from the University of Moratuwa. He holds a Master of Business Administration (MBA) from the Post Graduate Institute of Management (PIM - University of Sri Jayawardanepura). Savinda has over 13 years of Engineering and Management experience in large Sri Lankan and Australian organizations. Currently, he is working as a Mechanical Reliability Engineer for SOUTH32, a major mining and metal producing company in Australia.

Executive Committee



Nirmala Dasanayake

Head - BPO Sector

Skills, Experience:

Nirmala is a graduated from the University of Sri Jayewardenepura. She is one of the most experienced personnel in the executive committee. She has 9 years of experience in the BPO sector attached to JFS. Nirmala is one of the strategic leaders at JFS with high business knowledge.



Isuru Liyanage

Head - ICT Sector

Skills, Experience:

Isuru is currently reading for his Masters at Tallinn University holds a degree from University College Dublin. He is an in-house developed resource with many innovative ideas. A creative thinker who led his team to drive the ICT sector to the next level.



Medhani Weerasinghe

Head of Operations – Food & Agri Sectors

Skills, Experience:

She is a graduate of the University of Sri Jayewardenepura. A key personnel who grew with the company with 8 years of experience in JFS itself. She is well known for superior administration and customer handling.



Nimmi Kaushalya

Head of Administration

Skills, Experience:

Nimmi has graduated from the University of Kelaniya. An employee with an extraordinary capacity to handle business administration operations who has more than 8 years of experience with JFS.

Executive Committee



Rifka Aniff
Chief People Officer

Skills, Experience:

Rifka is a Chartered HR practitioner and is currently studying Psychology and counseling at the National Institute of Business Management (NIBM) affiliating to Coventry University, UK. Another in-house developed resource with 6 years of experience at JFS. She Manages the HR and legal functions of the company.



Nishantha Gunatilake
Factory Manager

Skills, Experience:

Nishantha holds decades of experience in the Sri Lankan Army especially in managing a large number of people. He was attached to the production section of the JFS since 2021. Nishantha is currently managing the entire operation of the Factory production lines.



Yohan Jayalal
Chief Accounting Officer

Skills, Experience:

Yohan is an Associate Member of the Institute of Chartered Accountants of Sri Lanka. He obtained his bachelor's degree in Business Administration from the University of Sri Jayewardenepura. Yohan is an Audit Partner of Priyosh & Company (Chartered Accountants), one of the leading Audit & Consultancy firms in Sri Lanka who provide Audit, Assurance and Business Consultancy services to clients in various industries.

Management Committee



Ishara Keppetipola

Ishara is attached to the food sector managing the retail sales operations and currently performing as the Deputy Area Sales Manager.

Raveen Athukorala

Raveen serves as the deputy to the Head of ICT. Raveen has many qualifications in the ICT field and an outstanding personality who is proficient in the computer networking.

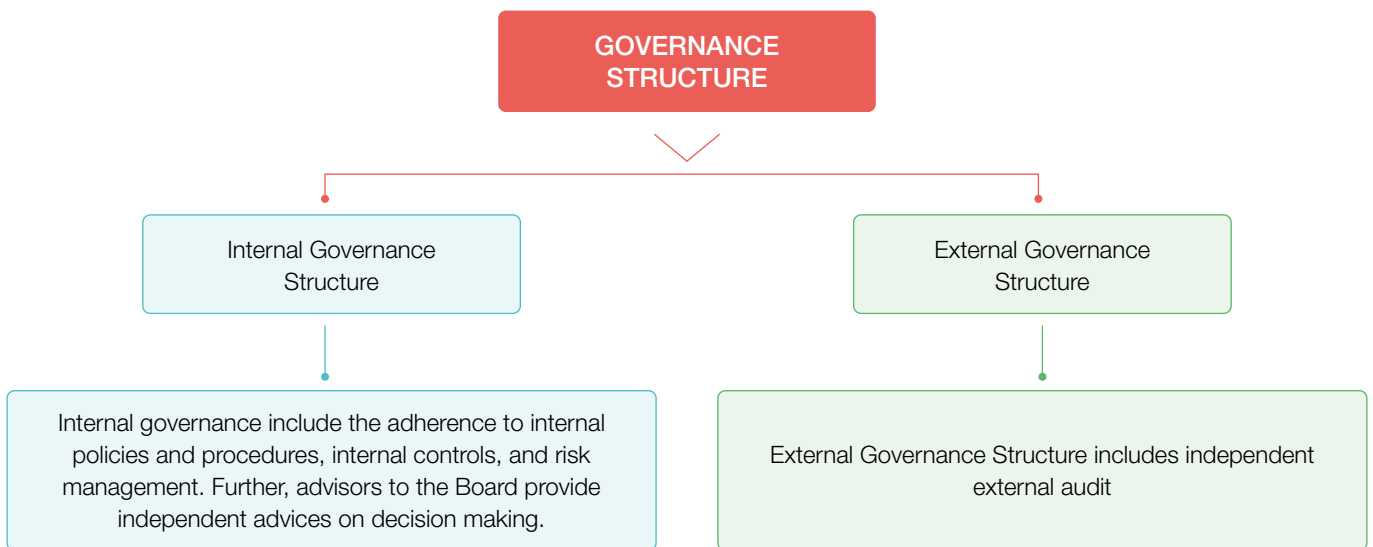


Sachini Ananda

As the second-line support to the BPO sector, Sachini plays the role of the Key Account Manager handling the crucial clientele of the BPO sector.

Corporate Governance

“Corporate Governance at JFS Holdings is creating value to shareholders whilst promoting a culture of ethical behaviour and practice. JFS is committed to maintain the highest standards of ethical values and professionalism in all its activities. JFS is also conscious of the need to maintain appropriate mix of skills and experience in the Board through a regular review of its composition by ensuring that the skills representation is in line with the current and future needs of the company.”



EXECUTIVE SUMMARY

As a corporate entity, we believe that establishing a sustainable management process within the company is a vital factor to become a sustainable organization in every aspect. The corporate governance framework at JFS Holdings is built on the core principles of accountability, participation and transparency which is essential for the creation, enhancement and maintenance of a sustainable business model. The company applies the precautionary principles mainly in two ways;

- Compliance review with the applicable laws, regulatory requirements, operational policies and procedures.
- Obligation to take anticipatory action to prevent destruction of any kind.

Accordingly, the company has placed a well-structured corporate governance framework, which has been adopted across all business units and is integral in maintaining and enhancing sustainable shareholder value. In addition to the “triggers” which ensure compliance with mandatory requirements, the company has also established its own set of internal benchmarks, processes and structures in meeting accepted best practices in governance.

INTERNAL FINANCIAL CONTROLS

The company has in place adequate internal financial controls with reference to Financial Statements for the year ended 31st March 2021. Also, the company has a proper system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. In addition, such controls are regularly reviewed and updated to ensure the effectiveness of internal controls , financial reporting and recording process.

BOARD SKILLS

Collectively, the Board brings in a wealth of diversified exposure in the fields of Management, Business Administration and Human Resources. All directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgment. Further details of their qualifications and experience are provided on page 40 of this Annual Report.

INDEPENDENT PROFESSIONAL ADVICE

From time to time, an individual director of the company may wish to seek legal or other independent advice to strengthen the decision making. Independent professional advice sessions are coordinated through the Board Secretary as and when requested.

Independent professional advice sessions are called by the secretary at the events,

- When an existing director seeks advice on decision making, duties and professional development with the permission of the chairman of the Board.
- When Board decides to provide advice and mentor a newly appointed director to the Board. Consequently, the Board will decide who will be the advisor according to the newly appointed director's capabilities and competencies.

There are mainly three advisors to the Board that covers the areas of the corporate affairs and business expansion, human capital management and corporate finance. A brief description on advisors to the Board are available under Board of Directors and Advisors to the Board of Directors section.

Risk Management

“Risk implies future uncertainty upon deviation from expected earnings or expected outcome. Therefore, risk management is vital for any business entity irrespective of which industry it operates. Further, effective risk management is a key component of the Company’s strategic model as it assists in achieving sustainable development of the company and ensure the safety and protection of the Company’s assets.”

The board of directors of the company holds ultimate responsibility of implementing effective risk management process and risk culture within the company. The board of directors and executive committee closely monitor internal and external environment of the company to identify the potential risk that could affect the company’s operations.

RISK STRATEGY

The Risk Strategy of the company is to establish formal mechanisms to ensure that best efforts are taken to appropriately identify the risks and maximize any potential opportunities arising from such risky events and mitigate and minimize the adverse effects stemming from those identified risks. Further, the company has communicated to all staff about risk awareness culture within the Company.

Key highlights during the year

- The operational risks associated with the COVID-19 pandemic was reviewed on an ongoing basis at all business units.
- Continuous monitoring of business continuity and response plans at business unit level.

RISK MANAGEMENT OBJECTIVES

The primary objectives of the company’s risk management function are;

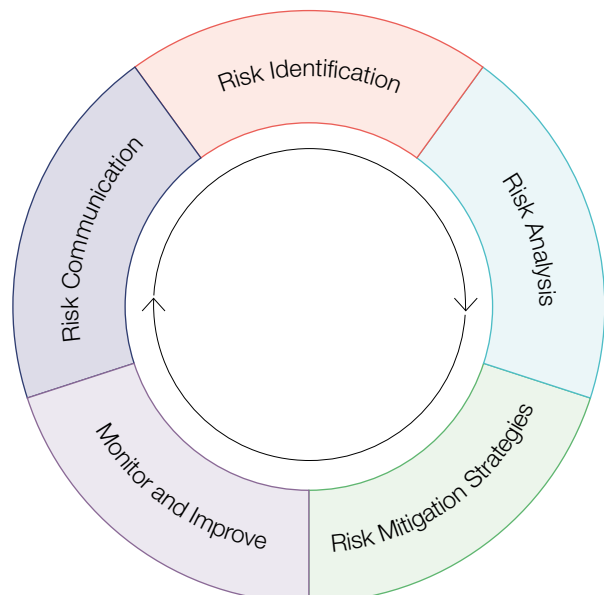
- to develop effective strategies to overcome the identified risk within the company
- to periodically evaluate the risk exposures on an ongoing basis

- to minimize the financial and other negative consequences of losses
- to encourage the firm to be better prepared to achieve its long-term and short-term targets.

RISK MANAGEMENT PROCESS

Our Risk Management Process ensures that the key risks within the JFS Holding are well managed at all times and the process includes five activities as displayed in the below graph.

All material risk types, including credit risk, liquidity risk, market risk, strategic risk, operational risk and reputational risk are managed via this Risk Management Process.



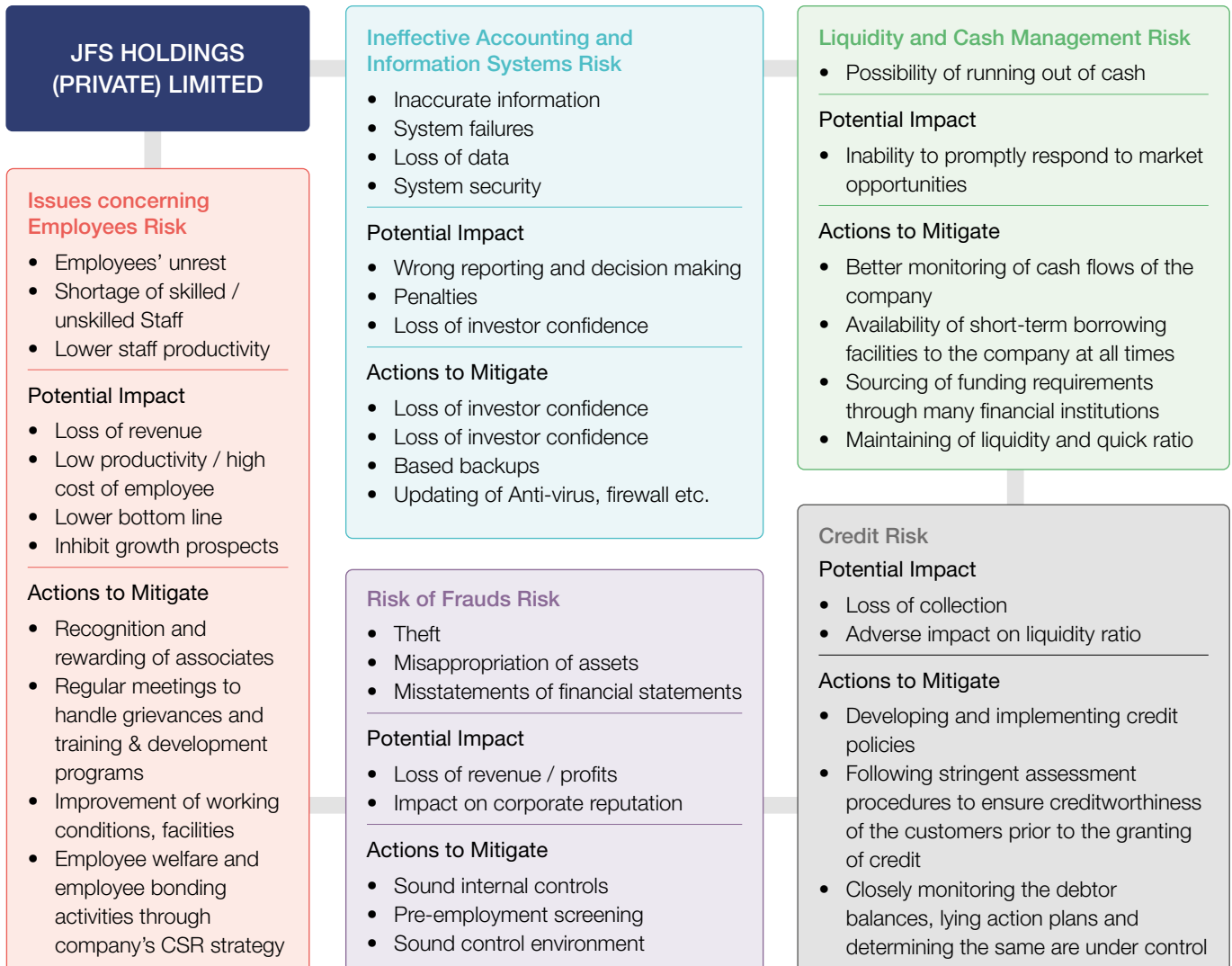
Type of risk	Overall Rating	Probability of Occurrence	Severity of Impact
Issues concerning employees	●	●	●
Ineffective accounting and information systems	●	●	●
Risk of frauds	●	●	●
Project failures	●	●	●
Liquidity and cash management	●	●	●
Currency risk	●	●	●
Credit risk	●	●	●

● High ● Moderate ● Medium ● Low

MANAGING OUR KEY RISKS

Summary of Key Risks

The details of principal risk, potential impact and mitigation actions are given in the below diagram.



Risk Management



RISKS ASSOCIATED WITH COVID-19 AND MITIGATION

COVID 19 pandemic is the single most significant risk event detected during the year ended 31st March 2021. The pandemic impacted globally and has affected on the Sri Lankan economy as well causing some major challenges to social and economic activities. Further, restrictions imposed by the government to respond to the pandemic is also had a negative effect on the business activities of the country. This has subsequently caused financial stress among the retail, SME which has led to credit risk in the short-term.

As a diversified business entity, we were able to successfully manage risk associated with COVID 19 pandemic and continue the business by providing sustainable benefits to our stakeholders.

Response to COVID 19

- Implementation of split working arrangements within the company and facilitating the employees to work from home by providing connectivity to support smooth business operations.
- Employees were provided with health and safety advice and guidance regularly.

Financial Statements

Annual Report of the Board of Directors	52
Independent Auditors' Report	53
Statement of Comprehensive Income	55
Statement of Financial Position	56
Statement of Changes in Equity	57
Statement of Cash Flows	58
Notes to the Financial Statements	59

Annual Report of the Board of Directors

The Directors are pleased to present the 2nd Annual Report of the company which covers the Audited Financial Statements, Chairman's Message, Corporate Governance, Performance Review, and the other relevant information for the year ended 31st March 2021.

Principal Activities

The principal activities of the company are providing services related to, Business Process Outsourcing, ICT, Food and Extreme Sports. There were no significant changes in the nature of the principal activities during the financial year under review. The company has not engaged in any activities, which contravene laws and relevant regulations.

Future Developments and Impact of COVID-19 Pandemic

The Company has always considered risk arising from the external environment including uncertainty relating to the COVID 19 Pandemic. Future development and assessment considering the current uncertainty relating to the COVID-19 pandemic, is contained in the Chairman's Message and Business Potential Analysis sections of this Annual Report.

Corporate Vision, Mission and Values

The Corporate Vision, Mission and Values are provided on page 03 of this report. The Directors and all Employees are ensured that they are carrying business activities with highest level of ethical standards and integrity in achieving its Vision and Mission.

Review of Operations of the Company

The Company's sense of diversification of its business activities to achieve high level of sustainability, managed to let JFS perform better than its last financial year although most of the SMEs were banished by the Pandemic. More details on our Operating segments, performance analysis and Future outlook are provided in pages 12 to 30 and pages 31 to 35 of this report.

Financial Statements

The Financial Statements of the Company for the period ended on 31st March 2021 has been prepared in accordance with the Sri Lanka Accounting Standards for Small and Medium Sized Enterprises (SLFRS for SME's), issued by the Institute of Chartered Accountants of Sri Lanka. The duly signed Financial Statements are provided on pages 55 to 58 and the Auditors' Report on the Financial Statements is provided on pages 53 to 54 of this Annual Report.

For the year ended 31 March	2021 Rs.	2020 Rs.
Revenue	179.9	172.7
Gross Profit	37.9	36.4
Profit after Tax	16.4	16.0
Retained earnings carried forward to the next year	32.5	16.1

Accounting Policies

The details of accounting policies adopted by the company in preparing these Financial Statements are provided on Pages 59 to 72. There have been no changes in the accounting policies adopted by the company during the year under review.

Board of Directors and Senior Management

Information relating to members of the Board of Directors, Advisors to the Board, Executive Members and Management Committee and their brief profiles are provided on page 40 to 45 of this report.

Directors' Shareholding

The Directors' individual shareholdings in the Company are as follows,

No of Shares as at	31 March 2021	31 March 2020
Mr. R. A. I. Madhushan	773,237	773,237
Ms. T. C. Dilrukshi	334,450	334,450

Human Resources

The company continued to implement appropriate human resource management policies to develop employees and optimize their contribution towards the achievement of corporate objectives. Also, the company adopts equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status, or physical ability/ disability. A brief description of the company's human resource Policy and other relevant information is given in the on pages 36 to 38. The staff strength of the Company as at 31 March 2021 is 98 (2020 – 205).

Auditors

B.R.DE SILVA & COMPANY, Chartered Accountants served as the Auditors of the Company. The Auditors do not have any interest in the Company other than providing Audit services. A sum of Rs. 150,000 is payable by the Company as at 31 March 2021.

Stated Capital

The stated capital of the Company as at 31 March 2021 is Rs. 11,171,830/- representing 1,117,183 ordinary shares.

Capital Expenditure

The Company's capital expenditure on property, plant and equipment amounted to Rs. 1.5 Mn (2020 - Rs. 1.1 Mn) and all other related information and movements have been disclosed in Note 11 to the Financial Statements.

Land Holdings

The Company does not own any freehold land or buildings.

Event After the Reporting Date

No circumstances had arisen, since the balance sheet date which would require adjustments to, or disclosure, in the Financial Statements.

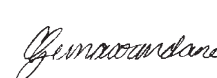
This Annual Report is signed for and on behalf of the Board of Directors by:



Chairman
28 September 2021



Director



Secretaries

Independent Auditor's Report

B.R.DE SILVA & CO.
Chartered Accountants



Private & Confidential

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF J F S HOLDINGS (PRIVATE) LIMITED

Opinion

We have audited the Financial Statements of J F S Holdings (Private) Limited, which comprise the Statement of Financial Position as at 31st March 2021, and the Statement of Profit and 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 a summary of significant Accounting Policies and Other Explanatory Notes.

In our opinion, the Financial Statements give a True and Fair view of the Financial Position of the company as at 31st March 2021 and of its Financial Performance and Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium Sized Entities.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards. 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Sri Lanka, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Sri Lanka. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 company'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 Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Partners – N.S.C.De Silva FCA, FCMA (UK),CGMA, L.C.Piyasena FCA, L.L.S.Wickremasinghe FCA,
E.S.N.Marikkar FCA, S.M.S.S.Bandara MBA, FCA, D.S.De Silva LLLB, Attorney - at -Law
Partner (Kandy) W.L.L. Perera FCA. ACA, ACMA (UK),CGMA

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Independent Auditor's Report

JFS Holdings (Private) Limited- 2021

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 an assurance of high level, but not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at: <http://www.slaasc.lk/auditing/auditorsresponsibility.php> . This description forms part of our auditor's report.

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.


B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.
Date... 28/09/2021
SB/SM/ag



Statement of Comprehensive Income

For the year ended 31 March	Note	Page	2021 Rs.	2020 Rs.	Change %
Revenue	4	61	179,901,383	172,704,732	4
Direct Expenses	5	62	(141,982,249)	(136,286,851)	4
Gross Profit			37,919,133	36,417,881	4
Other Operating Income			2,740,076	1,387,001	98
Administration Expenses	6	62	(19,867,151)	(16,574,295)	20
Selling and Distribution Expenses			(1,110,000)	(522,053)	113
Profit from Operating Activities			19,682,058	20,708,535	(5)
Finance and Other Expenses	7	63	(2,809,870)	(2,461,460)	14
Profit Before Tax	8	63	16,872,188	18,247,075	(8)
Income Tax Expense	9	64	(489,905)	(2,265,448)	(78)
Profit for the Year			16,382,283	15,981,627	3
Other Comprehensive Income, Net of Tax			-	-	-
Total Comprehensive Income for the Year, Net of Tax			16,382,283	15,981,627	3
Basic Earnings Per Share	10	65	14.66	14.31	3
Dividend Per Share			-	-	

Figures in brackets indicate deductions.

All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee.

The accounting policies and notes on pages 59 to 72 form an integral part of these financial statements.

Statement of Financial Position

As at 31 March	Note	Page	2021 Rs.	2020 Rs.
ASSETS				
Non Current Assets				
Property, Plant and Equipment	11	65	19,419,866	21,645,033
Intangible Assets			-	81,849
			19,419,866	21,726,882
Current Assets				
Inventories	12	67	3,270,253	1,326,399
Trade and Other Receivables	13	67	30,117,414	17,808,384
Financial Investments	14	68	27,771,760	7,741,442
Income Tax		72	185,695	-
Cash and Cash Equivalents	15	69	3,407,523	5,634,019
			64,752,645	32,510,244
Total Assets			84,172,511	54,237,126
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	16	69	11,171,830	11,171,830
Retained Earnings			32,521,613	16,139,330
Total Equity			43,693,443	27,311,160
Non Current Liabilities				
Retirement Benefit Obligation	17	70	1,961,695	2,948,033
Interest Bearing Loans and Borrowings	18	71	13,426,825	7,405,625
			15,388,520	10,353,658
Current Liabilities				
Bank Overdraft	15	69	9,907,027	4,296,016
Interest Bearing Loans and Borrowings	18	71	10,094,049	5,813,370
Income Tax Payable		72	-	1,628,352
Trade and Other Payables	19	72	5,089,471	4,834,570
			25,090,547	16,572,308
Total Equity and Liabilities			84,172,511	54,237,126

The accounting policies and notes on pages 59 to 72 form an integral part of these financial statements.

All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee.

I certify that these Financial Statements are in accordance with the requirements of the Companies Act No. 7 of 2007.



Chief Financial Officer / Accountant

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
signed on behalf of the Board;



Director



Director

Statement of Changes in Equity

For the year ended 31 March	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31 March 2019	11,171,830	157,703	11,329,533
Profit for the year	-	15,981,627	15,981,627
Other comprehensive income	-	-	-
Balance as at 31 March 2020	11,171,830	16,139,330	27,311,160
Profit for the year	-	16,382,283	16,382,283
Other comprehensive income	-	-	-
Balance as at 31 March 2021	11,171,830	32,521,613	43,693,443

All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee.

The accounting policies and notes on pages 59 to 72 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 March	2021 Rs.	2020 Rs.
Cash Flows from / (Used in) Operating Activities		
Profit before taxation	16,872,188	18,247,075
Adjustments for;		
Interest Income	(672,473)	(1,186,937)
Amortization	81,849	150,856
Depreciation	3,726,701	3,382,420
Interest Expense	2,809,870	2,461,460
Gratuity Provision	(803,588)	(173,166)
Operating Profit Before Working Capital Changes	22,014,547	22,881,708
(Increase) / Decrease in Inventories	(1,943,854)	773,448
(Increase) / Decrease in Trade and Other Receivables	(12,309,027)	(9,881,539)
Increase / (Decrease) in Trade and Other Payables	254,901	(1,832,840)
Cash Generated from Operations	8,016,567	11,940,778
Interest Income	672,473	1,186,937
Finance Cost Paid	(2,809,870)	(2,461,460)
Retiring gratuity paid	(182,750)	(270,000)
Tax paid	(2,303,952)	(658,542)
Net Cash Flows from Operating Activities	3,392,468	9,737,713
Cash Flows from / (Used in) Investment Activities		
Acquisition of Property, Plant and Equipment	(1,501,535)	(1,123,057)
Acquisition of Financial Assets	(20,030,318)	(7,741,442)
Net Cash Flows from / (Used in) Investment Activities	(21,531,853)	(8,864,499)
Cash Flows from / (Used in) Financing Activities		
Increase / (Decrease) Interest Bearing Loans and Borrowings	10,301,879	(3,533,200)
Increase / (Decrease) Amounts Due to Related Parties	-	-
Net Cash Flows Used in Financing Activities	10,301,879	(3,533,200)
Net Increase / (Decrease) in Cash and Cash Equivalents	(7,837,506)	(2,659,986)
Cash and Cash Equivalents at the Beginning of the Year	1,338,002	3,997,987
Cash and Cash Equivalents at the end of the Year	(6,499,504)	1,338,002
Cash and Cash Equivalents as at 31 March		
Cash at Bank - Favorable Balance	3,405,949	5,623,669
Cash at Bank - Overdraft	(9,907,027)	(4,296,016)
Cash In Hand	1,574	10,349
	(6,499,504)	1,338,002

Figures in brackets indicate deductions.

All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee

The accounting policies and notes on pages 59 to 72 form an integral part of these financial statements.

Notes to the Financial Statements

1 Corporate Information

1.1 Reporting Entity

J F S Holdings (Private) Limited is a Private Limited Liability Company incorporated in Sri Lanka 2012 under the Companies Act No. 7 of 2007. The registered office of the Company is located at No.193/3/2A, Borella Road, Depanama, Pannipitiya.

1.2 Principal Activities and The Nature of Operations

The principal activities of the Company are providing services related to. There were no significant changes in the nature of the principal activities during the financial year under review.

1.3 Number of Employees

The staff strength of the Company as at 31 March 2021 is 98 (2020 was 205).

1.4 Financial Period

The financial period of the Company represents a twelve months period from 1st April to 31st March.

2 Basis Of Preparation

2.1 Statement of Compliance

The Financial Statements of J F S Holdings (Private) Limited comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Accounting Policies and Notes to the Financial Statements. These Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards for Small and Medium Sized Enterprises (SLFRS for SME's) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

2.2 Going Concern

In determining the basis of preparing the Financial Statements for the year ended 31 March 2021, based on all available information, the management has assessed the prevailing and anticipated effects of COVID-19 pandemic on the Company's operations and the appropriateness of the use of the going concern basis.

Based on the available information and after due consideration of the range and likelihood of outcomes, the management is satisfied that the Company has the resources and ability to continue its business into the foreseeable future and they do not intend either to liquidate or to cease trading. Furthermore, the management is not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as a going

concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

2.3 Approval of Financial Statements

The Financial Statements for the year ended on 31 March 2021 were authorized for issue by the Board of Directors on 28 September 2021.

2.4 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of these Financial Statements as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

2.5 Basis of Measurement

The Financial Statements have been prepared on the historical cost and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements.

2.6 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees (LKR) which is the functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee, unless stated otherwise.

There was no change in the Company's presentation and functional currency of the primary economic environment in which the Company operates during the year under review.

2.7 Use of Estimates and Judgments

The preparation of financial statements in conformity with the Sri Lanka Accounting Standards for Small and Medium Sized Enterprises (SLFRS for SME's) require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospective.

The items which have most significant effect on accounting judgements, estimate, and assumptions are as follows,

- Going Concern Basis
- Revenue Recognition
- Provision for Impairment of Trade Receivables
- Leases

Notes to the Financial Statements

- Employee Benefit Liabilities
- Impairment of Non-Financial Assets
- Provisions and Contingent Liabilities
- Useful Life Time of Property, Plant and Equipment

2.8 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.9 Comparative Information

The presentation and classification of the Financial Statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of the current year.

3 Summary Significant Accounting Policies

The significant accounting policies set out below have been applied consistently to all periods presented in the Financial Statements of the Company.

Accounting Policy	Note	Page
Foreign Currency Transactions	3.1	60
Provisions	3.2	60
Impairment of Financial Assets	3.4	60
Impairment of Non-Financial Assets	3.4	60
Dividend Payable	3.5	61
Comparative Information	3.5	61
Statement of Comprehensive Income		
Revenue Recognition	4	61
Expenditure Recognition	5	62
Administration Expenses	6	62
Finance and Other Expenses	7	63
Taxation	9	64
Earnings Per Share	10	65
Statement of Financial Position		
Property, Plant and Equipment	11	65
Inventories	12	67
Trade and Other Receivables	13	67
Financial Investments	14	68
Cash and Cash Equivalents	15	69
Share Capital	16	69
Retirement Benefit Obligation	17	70
Interest Bearing Loans and Borrowings	18	71
Trade and Other Payables	19	72

3.1 Foreign Currency Transactions

All foreign currency transactions are translated into the functional currency (LKR) at the exchange rate at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortized cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.2 Provisions

A provision is recognized as a result of a past event of the Company and 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.

3.3 Impairment of Financial Assets

At the end of each reporting period, all financial assets are assessed to ascertain whether there is any objective evidence of impairment. If there is objective evidence of impairment, impairment loss is recognized in the Statement of Comprehensive Income Immediately.

3.4 Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than investment property and deferred tax assets are on review at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated, and impairment is recognized in the Statement of Comprehensive Income.

The recoverable amount of an asset or CGU 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 CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognized 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 amortization, if no impairment loss had been recognized.

3.5 Dividend Payable

Provision for final dividends is recognized at the time the dividend recommended and declared by the Board of Directors, is approved by the shareholders. Interim dividends payable is recognized when the Board approves such dividend in accordance with the Companies Act No. 7 of 2007.

3.6 Comparative Information

The accounting policies applied by the company are, unless otherwise stated, consistent with those used in the previous year. Previous year figures and phrases have been re-arranged, wherever necessary to conform to the current year's presentation. Re-classifications done in the current year have been disclosed in note no (22) to the Financial Statements.

4 Revenue

Accounting Policy

Revenue from the services in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. Revenue excludes value added taxes or other sales taxes.

(a) Rendering of Services

Revenue from rendering of services is recognized when the Company satisfies all performance obligations by transferring a promised service to the customer.

(b) Other Operating Income

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income on available-for-sale investment securities calculated on an effective interest basis is also included in interest income. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Exchange gain or loss on foreign currency transactions are recognized in according to the Note 3.1 and it was included in finance income in the Statement of Comprehensive Income.

Notes to the Financial Statements

For the year ended 31 March	2021 Rs.	2020 Rs.
Revenue from,		
Outsourcing Services		
Local	32,108,390	69,611,693
Overseas	17,460,554	9,128,239
Supply of Information Technology Services	125,299,298	82,496,905
Recruitment Services	1,708,084	2,354,835
Extreme Sports Sector	745,681	9,113,061
Food and Agri	2,579,376	-
	179,901,383	172,704,732

5 Direct Expenses

Accounting Policy

Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency have been charged to the Statement of Comprehensive Income. For the purpose of presentation of the Statement of Comprehensive Income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's performance.

For the year ended 31 March	2021 Rs.	2020 Rs.
Direct Labor Expenses	137,594,730	132,577,203
Other Direct Expenses	4,387,520	3,709,649
	141,982,249	136,286,851

6 Administration Expenses

Refer Note 5 for Accounting Policy

For the year ended 31 March	Note	2021 Rs.	2020 Rs.
Professional Charges		12,859,902	7,334,729
Staff Related Expenses		1,137,027	1,281,653
Building Rent Expense		715,000	645,000
Utility Expenses		757,960	822,872
Maintenance Expenses		500,772	2,623,374
Donation		-	165,313
Other Expenses		87,940	168,079
Depreciation	6.1	3,808,550	3,533,276
		19,867,151	16,574,295

For the year ended 31 March		2021	2020
		Rs.	Rs.
6.1	Depreciation		
	Motor Vehicle	2,712,018	2,707,643
	Office Equipment	526,368	343,872
	Computers and Accessories	350,203	240,458
	Furniture and Fittings	8,345	5,898
	Website	81,849	150,856
	FMT Equipment	84,549	84,549
	Machinery	37,270	-
	Other	7,948	-
		3,808,550	3,533,276

7 Finance and Other Expenses

For the year ended 31 March		2021	2020
		Rs. '000	Rs. '000
	Over Draft Interest Expenses	576,920	424,192
	Bank Charges	333,074	158,705
	Interest Expenses on Lease Liabilities	1,515,955	1,844,035
	Interest Expenses Loans	383,921	34,527
		2,809,870	2,461,460

8 Profit Before Tax

Profit before tax is stated after charging all expenses including the followings;

For the year ended 31 March		2021	2020
		Rs. '000	Rs. '000
Costs of Employee Benefits			
	Defined Contribution Plan Cost - EPF	10,616,896	10,975,712
	Defined Contribution Plan Cost - ETF	2,654,224	2,743,929
	Training Expenses	-	349,933
	Salaries and Wages	89,101,118	92,046,281
	Audit Fee	150,000	80,500
	Director's Emoluments	4,500,250	-
	Depreciation of Property, Plant and Equipment	3,808,550	3,533,276
	Donations	-	165,313

Notes to the Financial Statements

9 Income Tax Expense

Accounting Policy

(a) Current Tax

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted on the reporting date, and any adjustment to tax payable in respect of previous years.

Accordingly, provision for taxation is made on the basis of the accounting profit for the year as adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act and subsequent gazette notifications. According to the Inland Revenue Act, the Company is liable for current tax at 14% (for other income 24%)

For the year ended 31st March,	2021 Rs. '000	2020 Rs. '000
Current Tax Expense for the Year	489,905	2,265,448
(Over) / Under Provision for Prior Year	-	-
	489,905	2,265,448

9.1 Reconciliation between the Tax Expenses / (Income) and the Accounting Profit

For the year ended 31 March	2021 Rs. '000	2020 Rs. '000
Profit/(Loss) before Income Tax	16,872,188	18,247,075
Income from Other Sources & Exempt Income	(672,473)	(208,337)
Disallowable Expenses	4,655,203	5,550,477
Allowable Expenses	(3,974,190)	(7,547,673)
Taxable Business Profit	16,880,728	16,041,542
Less : Qualifying Payments	-	(105,310)
Less : Exempt Amount	(13,381,410)	-
Assessable Income from Business	3,499,318	15,936,232
Tax Rate	14%	14%
Taxation for Business Income	489,905	2,231,072
Tax from Foreign Currency Interest Income	-	208,338
Tax for First Nine months	-	14%
Tax for Last Three months	-	24%
Taxation for Investment Income	-	34,376
Income Tax for the Year	489,905	2,265,448

10 Basic 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.

For the year ended 31 March	2021	2020
Profit for the Year Attributable to Ordinary Shareholders (Rs.)	16,382,283	15,981,627
Weighted Average Number of Ordinary Shares as at 31 March	1,117,183	1,117,183
Basic Earnings Per Share (Rs.)	14.66	14.31

11 Property, Plant and Equipment

Accounting Policy

Property plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purpose and are expected to be uses during more than one period.

(a) Basis of Recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Company and cost of the assets can be reliably measured.

(b) Measurement

An item of Property, Plant and Equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of, or service it. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

(c') Cost Model

The Company applies cost model to property, plant and equipment and records at cost of purchase or' construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses except for lands.

(d) Subsequent Cost

The subsequent cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be reliably measured. The costs of day-to-day servicing of property, plant and equipment are charged to the Statement of Income as incurred. Costs incurred in using or redeploying items are not included under carrying amount of an item.

(f) Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in Statement of Income when the item is derecognized.

(g) Depreciation

The Company provides depreciation from the date the assets are available for use up to the date of disposal, at the following rates on a straight-line basis over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Company of the different types of assets, except for which are disclosed separately. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

(h) Borrowing Costs

Borrowing costs are recognized as an expense, when incurred for the period ended.

Notes to the Financial Statements

Accounting Policy

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows.

Assets category	Estimated useful life
Website	04 Years
Office Equipment	04 Years
Furniture and Fittings	04 Years
Computers and Accessories	04 Years
Motor Vehicles	10 Years
Extreme Sports Equipment	04 Years

(g) Leased Assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased assets are measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

The cost of improvements to or on leased property is capitalized and depreciated over the unexpired period of the lease or the estimated useful lives of improvements, whichever is shorter.

	Furniture and Fittings Rs.	Computers and Accessories Rs.	Office Equipment Rs.	Motor Vehicle Rs.	Machineries & Equipment Rs.	Total Rs.	2020 Rs.
As at 01 April 2020							
Cost	1,028,712	2,409,179	2,978,696	27,076,434	338,197	33,831,218	33,458,160
Additions	-	228,590	184,649	175,000	913,296	1,501,535	1,123,057
Disposal	-	-	-	-	-	-	-
As at 31 March 2021	1,028,712	2,637,769	3,163,345	27,251,434	1,251,493	35,332,753	34,581,217
Accumulated Depreciation							
As at 01 April 2020	1,001,232	1,587,945	1,566,047	7,855,839	175,121	12,186,184	9,321,059
Depreciation Charge	8,345	350,203	526,368	2,712,018	129,767	3,726,701	3,533,276
Disposal	-	-	-	-	-	-	-
As at 31 March 2021	1,009,577	1,938,148	2,092,415	10,567,857	304,888	15,912,885	12,854,335
Carrying amount as at 31 March 2020	27,480	821,234	1,412,649	19,220,595	163,076		21,726,882
Carrying amount as at 31 March 2021	19,135	699,621	1,070,930	16,683,576	946,605	19,419,866	

11.1 Fully-Depreciated Property, Plant and Equipment

The cost of fully-depreciated property, plant and equipment of the Company which are still in use is as follows:

As at 31 March	2021 Rs.	2020 Rs.
Furniture and Fittings	995,334	995,334
Computer and Accessories	965,960	965,960
Office Equipment	1,208,770	1,208,770
	3,170,064	3,170,064

12 Inventories

Accounting Policy

Inventories are valued at the lower of cost and net realizable value. Cost is generally determined by reference to weighted average cost. Net realizable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

As at 31 March	2021 Rs.	2020 Rs.
Paintball Guns	1,120,359	1,120,359
Paintballs	1,231,685	206,040
Agri Food	918,209	-
	3,270,253	1,326,399

13 Trade and Other Receivables

Accounting Policy

(a) Trade Receivables

Trade receivables are measured at the undiscounted amount of cash expected to be received (net of impairment) unless the arrangement constitute a financial transaction. Sales are made on normal credit terms and trade receivables do not bear interest. When there is objective evidence that the carrying amount of receivables are not recoverable, an impairment loss is recognized in the Statement of Comprehensive Income. If collection is expected within one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Notes to the Financial Statements

As at 31 March	2021 Rs.	2020 Rs.
Trade Receivables	22,887,211	15,452,877
Prepayments	908,691	801,463
Loans and Advance to Employee	5,281,104	1,386,810
Interest Receivables	585,566	117,394
Other Receivables	49,842	49,841
Refundable Deposits	405,000	-
	30,117,414	17,808,384

14 Financial Investments

Accounting Policy

(a) Initial Recognition and Measurement

The Company initially recognizes loans and advances, deposits on the date on which they are originated. All other financial instruments are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

The Company's principal financial assets comprise fixed deposits, trade and other financial receivables and cash and cash equivalents. A financial asset initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price. The fair value of a financial instrument at initial recognition is generally its transaction price.

(b) Classification

The financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold it to maturity. Accordingly, the Company classified fixed deposits under held to maturity financial assets category.

(c) Subsequent Measurement

The Company's financial assets (Held to Maturity) subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

(d) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of an asset of similar financial assets) is de-recognized when:

- The rights to receive cash flows from the asset have been expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either.

As at 31 March	2021 Rs.	2020 Rs.
Fixed Deposits		
Hatton National Bank PLC	10,769,453	3,053,942
Sampath Bank PLC	17,002,307	4,687,500
	27,771,760	7,741,442

All these deposits are denominated in foreign currency and were translated into the functional currency at the exchange rate at the reporting date. The gains or losses on foreign currency conversion are recognized in the Statement of Comprehensive Income.

15 Cash and Cash Equivalents

Accounting Policy

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

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

The cash flow statements are reported based on the indirect method.

As at 31 March	2021 Rs.	2020 Rs.
Favourable Balances		
Cash at Bank	3,405,949	5,605,696
Other cash equivalents	-	10,349
Cash in hand	1,574	17,974
Cash and Cash Equivalents in the Statement of Financial Position	3,407,523	5,634,019
Unfavourable Balances		
Bank Overdrafts	(9,907,027)	(4,296,016)
Cash and Cash Equivalents in the Statement of Cash Flows	(6,499,504)	1,338,002

16 Stated Capital

Accounting Policy

Equity instruments are measured at the fair value of the cash or other resources received or receivable. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

As at 31 March	2021 Rs.	2020 Rs.
Ordinary Shares (No of Ordinary Shares- 1,117,183)	11,171,830	11,171,830
	11,171,830	11,171,830

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are eligible to one vote per share at the General Meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes to the Financial Statements

17 Retirement Benefit Obligation

Accounting Policy

(a) Defined Contribution Plan

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with the respective statutes and regulations. The company contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

(b) Defined Benefit Plan – Gratuity

The retirement benefit obligation of the company is calculated using the formula method issued by the Institute of Chartered Accountants of Sri Lanka which complies with the section 28 "Employee Benefits" of SLFRS for SMEs.

The company recognizes all gains and losses arising from the defined benefit plan immediately in the Statement of Comprehensive Income. The liability is disclosed under non - current liabilities in the Statement of Financial Position.

(c) Short Term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Defined Benefit Plan

The company is liable to pay retirement benefits under the payment of Gratuity Act, No. 12 of 1983. Under the said Act, the liability to an employee arises only on the completion of 5 years of continued service.

The company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits the employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets (if applicable) are deducted.

The discount rate is the yield at the reporting date on high quality corporate bonds, which have maturity dates approximating the terms of the company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

The Company recognizes all actuarial gains and losses arising from the defined benefit plan in Other Comprehensive Income (OCI) and all other expenses related to defined benefit plans are recognized as personnel expenses in profit or loss.

The calculation is performed annually using the projected unit credit method.

Salary Increment	8%
Rate of Discount	10%
Staff Turnover	4%
Retirement Age	55

As at 31 March	2021 Rs.	2020 Rs.
At the Beginning of the Year	2,948,033	3,391,199
Provision / (Reversal)	(803,588)	(173,166)
Benefits Paid	(182,750)	(270,000)
At the end of the Year	1,961,695	2,948,033

18 Interest Bearing Loans and Borrowings

Accounting Policy

Interest Bearing Loans and Borrowings

Borrowings are recognized initially at the transaction price (that is, the present value of cash payable and transaction costs). Borrowings are subsequently stated at amortized cost. Interest expense is recognized based on the effective interest method and is included in finance costs. If settlement is due within one year or less, they are classified as current liabilities. If not, they are presented as non-current liabilities in the Statement of Financial Position. Financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires.

As at 31 March	Note	2021 Rs.	2020 Rs.
Non Current Liabilities			
Lease Liabilities		10,106,825	6,405,625
Bank Loan	18.1	2,320,000	-
Other Borrowings	18.2	1,000,000	1,000,000
		13,426,825	7,405,625
Current Liabilities			
Lease Liabilities		5,414,049	5,123,061
Bank borrowings		4,680,000	690,309
		10,094,049	5,813,370
		23,520,874	13,218,995

18.1 ASSETS PLEDGED

Lien over fixed deposit no "5192 6000 0123" for USD 39,980/- in the name of the company of the company together with letter of set off .

18.2 Other Borrowings

Payable to Mr. M. L. A. De Silva

Mr. M. L. A. De Silva was an initial shareholder of the Company Monsoon Leisure and Adventure Lanka (Private) Limited and he has transferred his total shareholding of 10 number of shares to Job Factory (Private) Limited at a consideration of Rs. 1.15Mn; which was assumed as a liability of the Company and subsequently, the investment has not been cancelled upon amalgamation of the companies without any payment consideration.

Notes to the Financial Statements

19 Trade and Other Payables

Accounting Policy

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. These liabilities are recorded at the amounts that are expected to be paid.

As at 31 March	2021 Rs.	2020 Rs.
Staff Related Payables	1,178,753	1,108,101
Government Levies	1,798,204	1,855,123
Professional Fees	1,085,600	533,712
Rent Payable	195,000	150,000
Other Liabilities and Accruals	195,094	550,813
Amounts Due to Related Parties	636,820	636,820
	5,089,471	4,834,570

20 Income Tax Payable

Refer Note 10 for Accounting Policy

As at 31 March	2020 Rs.	2019 Rs.
At the Beginning of the Year	1,628,352	21,446
Provision made During the Year	489,905	2,265,448
Tax Paid During the Year	(2,303,952)	(24,746)
Claimable Tax Credits	-	-
Economic Service Charges	-	(631,131)
Withholding Tax	-	(2,665)
Income tax (Assets) / Liabilities	(185,695)	1,628,352

21 Related Party Transactions

The Company carried out transactions in the ordinary course of business on arm's length basis with parties who are defined as related parties as per the Sri Lanka Accounting Standards.

21.1 Key Management Personnel Information

JFS Holdings (Private) Limited (the company) considers its Board of Directors as the Key Management Personnel of the Company. During the year there were no transactions held with Key Management Personnel and their close family members, which require disclosure as per the Related Party Disclosures .

Name of the Director

Mr. R. A. I. Madhushan

Ms. T. C. Dilrukshi

21.2 Transactions with Related Parties

Terms and Conditions

Transactions with related parties are carried out in the ordinary course of the business at commercial rates. Outstanding balances at the year-end is unsecured and no interest was charged during the year (2020 - Nil).

Summary of the Transactions

Name of The Related Party	Nature of Interest	Nature of Transaction	Amount (Paid) Received Rs.	Receivable/ (Payable) Balance as at 31.03.2021 Rs.	Receivable/ (Payable) Balance as at 31.03.2020 Rs.
Mr. R.A.I.Madhushan	Director	Incurring expenses on behalf of the company	-	(636,820)	(636,820)
		Director Remuneration	(4,500,250)	-	-

22 Comparative Information

22.1 Property, Plant and Equipment

Below prior year account balances have been reclassified from Property plant and Equipment to Intangible asset , due to the nature of assets .These reclassifications had no effect on the reported results of operations.

Finance Expenses

Below prior year account balances have been reclassified from Finance Expense to Other Income, due to the nature of income. These reclassifications had no effect on the reported results of operations.

Non-Current Liabilities

Below prior year account balances have been reclassified from Non-Current Liabilities to Current liabilities, due to the nature of liabilities. These reclassifications had no effect on the reported results of operations.

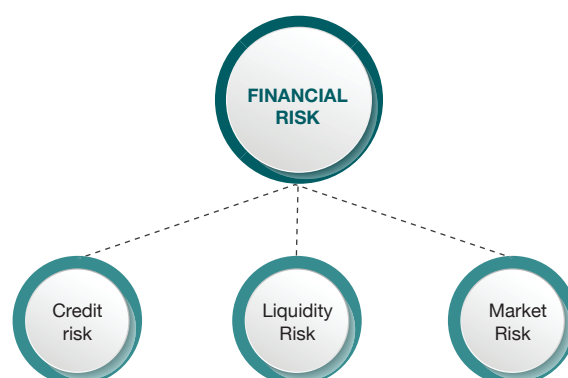
As at 31 March	Adjustment Rs.	2020 - Reclassified Rs.	2020 Prior year presented Rs.
Property, Plant and Equipment	(81,849)	21,645,033	21,726,882
Intangible assets	81,849	81,849	-
	-	21,726,882	21,726,882
Finance Expenses	(1,186,937)	2,461,460	1,274,522
Other Income	1,186,937	1,387,001	200,064
		(1,074,458)	(1,074,458)
Non Current Liabilities	(636,820)	-	636,820
Current Liabilities	636,820	636,820	-
		636,820	636,820

Notes to the Financial Statements

23 Financial Risk Management

The Company's risk management policies are established to identify and analyze the risks encountered by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities.

The Company has exposure to the following risks from financial instruments;



23.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments.

The carrying amount of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk as of 31 March 2021 and 2020 are present in below.

As at 31 March	2021 Rs.	2020 Rs.
Financial Investments	27,771,760	7,741,442
Trade Receivables	22,887,211	15,452,877
Loans and Advance	5,281,104	1,386,810
Interest Receivables	585,566	117,394
Refundable Deposits	405,000	-
Cash and Cash Equivalents	3,407,523	5,634,019
	60,338,163	30,332,541

Response to Credit Risk

- The Company's investment policy to diversification of bank deposits and cash at bank. The bank deposits held with the Hatton National Bank PLC and Sampath Bank PLC which are rated "AA+" and "AA-" respectively by Fitch Ratings Lanka Ltd. As at 31 March 2021, the Company hold cash and cash equivalents in the banks, which are rated "AA-" or above.
- The credit policy of the Company is regularly reviewed by the senior management and take necessary actions to change to reflect the changes in the risk environment.
- The Company implemented credit policies and procedures, with credit approval authorities delegated from the Board of Directors.
- Regularly monitor trade receivables and get hold of necessary actions to recover long outstanding balances.

23.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Company's operations and investments.

The following are the contractual maturities of financial assets and financial liabilities.

	As at 31 March 2021			As at 31 March 2020		
	Carrying Value Rs.	One Year or Less Rs.	More Than one Year Rs.	Carrying Value Rs.	One Year or Less Rs.	More Than one Year Rs.
Financial Assets						
Financial Investments	27,771,760	27,771,760	-	7,741,442	7,741,442	-
Trade Receivables	22,887,211	22,887,211	-	15,452,877	15,452,877	-
Loans and Advance	5,281,104	5,281,104	-	1,386,810	1,386,810	-
Interest Receivables	585,566	585,566	-	117,394	117,394	-
Refundable Deposits	405,000	405,000	-	-	-	-
Cash and Cash Equivalents	3,407,523	3,407,523	-	5,634,019	5,634,019	-
	60,338,163	60,338,163	-	30,332,541	30,332,541	-
Financial Liabilities						
Lease Liabilities	15,520,874	5,414,049	10,106,825	11,528,686	5,123,061	6,405,625
Other Borrowings	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Amounts Due to Related Parties	636,820	-	636,820	636,820	-	636,820
Bank Borrowings	7,000,000	4,680,000	2,320,000	690,309	690,309	-
Trade and Other Payables	4,452,651	4,452,651	-	4,197,750	4,197,751	-
Bank Overdraft	9,907,027	9,907,027	-	4,296,016	4,296,016	-
	38,517,372	24,453,727	14,063,645	22,349,581	14,307,137	8,042,445

Response to Liquidity Risk

- Review cash flow projections regularly
- Availability of overdraft facilities to be used to fulfil short term and emergency funding requirements.
- Diversification of financial assets portfolio.
- Maintaining sufficient cash balances and short-term investments to accomplish expected obligations
- Appropriate strategies have been implemented to closely monitor trade receivables and minimized trade payable period.

23.3 Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk.



Notes to the Financial Statements

Currency Risk

The Company's exposure to foreign currency risk at the end of the reporting period is as follows,

As at 31 March	2021 Rs.	2020 Rs.
USD Investments		
Fixed Deposits	27,168,662	7,741,442
Cash and Cash Equivalents	3,137,563	4,883,868
EURO Investments		
Fixed Deposits	603,098	-
Cash and Cash Equivalents	1,181	533,573
	30,910,504	13,158,883

Interest Rate Risk

As at the reporting date the Company has not holds floating rate financial assets and financial liabilities. Therefore, the Company has not exposed to Interest rate risk as at the reporting date.

Equity Price Risk

At the reporting date the Company has not exposed to equity price risk.

24 Contingent Liabilities

There are no contingent liabilities as at the reporting date that require to disclosure in these financial statements.

25 Capital Commitments

There are no capital commitments as at the reporting date that require to disclosure in these financial statements.

26 Event After the Reporting Date

No circumstances had arisen, since the balance sheet date which would require adjustments to, or disclosure, in the Financial Statements.

26.1 Impact from COVID-19

The management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amount of trade receivables, inventories, and fixed assets. In developing the assumptions and estimates relating to the uncertainties as at the reporting date in relation to the recoverable amounts of these assets, the management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The management concluded that the range of possible outcomes considered in arriving at this judgement does not give rise to material uncertainties related to event or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

However, as the duration of the COVID-is pandemic remains unclear at this time, it is not possible to reliably estimate the duration and severity of the effect of this pandemic, as well as the impact on the financial position and results of the company for future periods.

Corporate Information

Name of the Company

JFS Holdings (Private) Limited

Legal Form

The Company is a Private Limited Liability Company
Incorporated in 2012 under the Companies Act No. 7 of 2007

Company Registration Number

PV 84601

Board of Directors

Mr. R. A. I. Madhushan
Ms. T. C. Dilrukshi

Registered Office/Head Office

No. 193/3, 2A, Borella Road, Depanama, Pannipitiya.

Telephone

0115 927 723 - 5 / 0115 927 914

Website

www.jfsholdings.com

Auditors

B. R. De Silva & CO., (Chartered Accountants)
No. 22/4, Vijaya Kumaratunga Mw, Colombo 05.
Telephone – (+94) 112 513 420 - 22
(+94) 114 510 268

Bankers

Sampath Bank PLC
Hatton National Bank PLC
Commercial Bank of Ceylon PLC

Designed & Produced by



