

# Growing into the future

Annual Report 2009

VIDULLANKA PLC



# Growing into the future

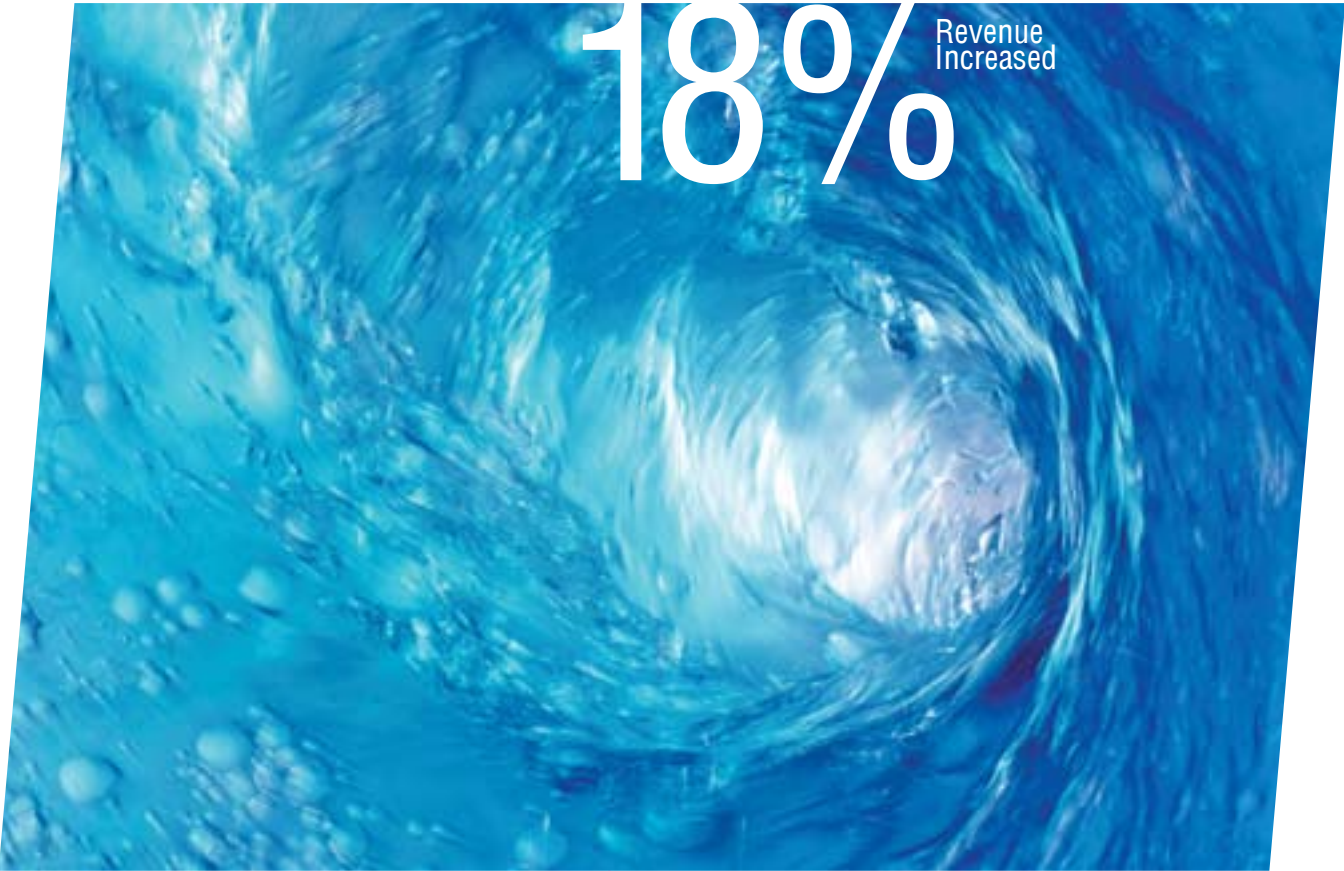
Through its projects in the area of renewable energy, Vidullanka has contributed to the development of new and cleaner forms of energy. In the year ahead, we will continue to introduce new technologies to harness wind power in Sri Lanka, while taking our expertise overseas.

Vidullanka has laid a firm foundation for growth and is looking forward to a brighter & cleaner future by providing our expertise locally and internationally.

<b>Contents</b>	Chairman's Report	2	Profiles of Directors	3	Business Review	4	Financial Review	7
	Investor Information	8	Annual Report of the Board of Director on the Affairs of the Company	11				
	Corporate Governance	14	Audit Committee Report	14	Remuneration Committee Report	15		
	Investment & Strategy Committee	15	Financial Information	16	Auditor's Report	17	Consolidated Balance Sheet	18
	Consolidated Income Statement	19	Consolidated Statement of Changes in Equity	20	Consolidated Cash Flow Statement	21		
	Consolidated Notes to the Financial Statements	22	Five Year Summary	45	Notice of Meeting	46	Form of Proxy	47



**46%** Net Profit Increased



**18%** Revenue Increased

## Chairman's Report

It is my pleasure to warmly welcome you on behalf of the Board of Directors for the Twelfth Annual General Meeting of Vidullanka PLC and present to you the Annual Report and the Audited Financial statements of the Company and its subsidiaries for the financial year ended 31st March 2009.

Your Company reported a group profit of Rs. 68.3 million, which is the highest reported by the group since its inception. The group profit increased by 46.4% compared to last year. The main reason for increase was due to higher generation reported from the two main projects as well as reduction in finance cost.

It is noteworthy to highlight the timely decision taken by the board to sell off its subsidiary Vidul Energy (Pvt) Ltd, which was included in selling of Solar Home Systems, has proved significant as Group Profit has increased significantly for the year in review.

Your Company expanded its portfolio by signing an agreement with Vergnet, a French wind mill manufacturing Company to market its wind turbines in the South Asian region. This was one of the main highlights of the Financial Year 2008/09. This is an ideal stepping stone to harness and develop wind power generation capacity in Sri Lanka and we have obtained initial approvals to set up a Pilot Wind Power Project in Ambewella. We are also in negotiation with one of the regional country's to set up Wind Power Mills.

During the year, the company commenced its Fourth Mini Hydro Power Project, "Ganthuna Mini Hydro Power Project". The Project is located in Kegalle District and is expected to be commissioned in March 2010. The Project will supply 4 gigawatt hours to national grid thus increasing our total energy generation to 24 gigawatt hours.

At the time of this report, we had appointed Dr. T. Senthilvel to the board, who was appointed with effect from 5th May 2009. Dr. T. Senthilvel, who has served in the boards of many companies in Sri Lanka will undoubtedly help structure the strategic outlook of Vidullanka PLC. During the year Vidullanka PLC also moved from Second Board to the Main Board of Colombo Stock Exchange. This is after successfully satisfying all the requirements of Securities & Exchange Commission.

**While taking up the global recession and global credit crunch as a challenge, we are looking forward to further develop & supply cleaner energy, whilst giving our shareholders maximum return.**

The company continues its corporate responsibilities towards the society by providing impetus for communities to empower themselves to attain better livelihoods and lifestyles. Some of the activities carried out during the year include construction of a community centre in Sudagala, Kuruwita and the construction of access roads to villagers at Medagama in Kegalle District.

While taking up the global recession and global credit crunch as a challenge, we are looking forward to further develop & supply cleaner energy, whilst giving our shareholders maximum return.

I take this opportunity to express my gratitude to my fellow board members for all the valuable advice & inputs extended at all times. I would also like to thank management & staff of all levels for their commitment and support which has contributed to a positive operational & financial performance. Last but not least, I wish to thank all the shareholders for the support & trust placed upon us and look forward to your continuous support in the future.



**Osman Kassim**  
Chairman

03rd July, 2009

## Profiles of Directors

### Osman Kassim

Mr. Kassim, the Chairman of Vidullanka Group, is also the Chairman of the Expolanka group of Companies. This is a private family-held Company, which has grown at a tremendous rate to rank among the largest conglomerates in the country. The group consists of over 50 Companies in diverse areas such as Tea, Freight Forwarding, Aviation, Travel, Commodity Trading, Packaging, just to name a few. Mr. Kassim is also the Chairman of the Asia Pacific Institute of Information Technology (APIIT) and the Amana Group. He serves the board as a non-executive director.

### Riyaz Mohamed Sangani - Managing Director

Mr. Riyaz Sangani along with Mr Ranjan Mather founded the Company in 1997. Mr. Riyaz Sangani serves on the Board of several Companies in the Lanka Equities Group. He is a graduate from the University of Colombo and has also completed his MBA at the Post-Graduate Institute of Management (PIM), University of Sri Jayewardenepura. He is also an Associate Member of the Chartered Institute of Management Accountants, UK (ACMA). He also serves as the treasurer for Small Hydro Power Association. He serves the board as the executive director.

### S. Ranjan Mather

Mr. Ranjan Mather has been a Director of Vidullanka PLC from the inception stage and is the Managing Director of Ranmalu Fashions Ltd. He also serves on the Board of Mag Consultants Ltd. and Chesa Swiss Restaurants Ltd. He serves the board as a non-executive director.

### Dr. A. A. M. Haroon

Dr. Haroon is a Medical Practitioner; by profession is also a businessman of repute. He holds the Chairmanship of several private Companies. His business experience encompasses different industries including Garments, Textile Manufacturing and Exports, Health Care and Clinical Diagnostics. He serves the Board as a non-executive director.

### Shahid Mohamed Sangani

Mr. Shahid Sangani is the Managing Director of Lanka Equities (Pvt) Ltd, the holding Company of the Lanka Equities Group.

His experience in the Apparel sector spans over two decades. He is also a Director in several companies within the Lanka Equities group. Mr. Shahid Sangani is an Attorney-at-Law of the Supreme Court of Sri Lanka. He serves the Board as non-executive director.

### M. Zulficar Ghouse

Mr. Zulficar Ghouse is the Chief Executive Officer of Asia bike Industrial Limited, a BOI approved Company, a pioneer in the manufacture of bicycles in Sri Lanka. Zulficar's career spans over seventeen years and he is also a Fellow of the Institute of Chartered Accountant of Sri Lanka with extensive experience in private sector organizations local and overseas. He also serves as Chairman of Liberty Plaza Management Corporation, Director of Liberty Holding Limited, Agri Spice Limited, Kiwanis Club and as the Vice President cum Honorary Treasurer of the International Chamber of Commerce – Sri Lanka Branch. He serves as the non-executive independent Director to the board.

### Hilal R. Pieris

Mr. Hilal Peries is the Chief Executive Officer of Equity Investments Lanka Ltd, an Associate company of Commercial Bank of Ceylon PLC. His is one of the moving forces behind the venture capital industry in Sri Lanka. Hilal's career spans over twenty-five years, including 15 years at Equity Investments Lanka Ltd. He also serves on the Boards of Hayleys MGT Knitting Mills PLC, Ceylon Tapes (Pvt) Ltd., Interex Enterprises (Pvt) Ltd, Unit Energy (Pvt) Ltd, and Blackwater Power (Pvt) Ltd. He serves as the non-executive independent Director to the Board.

### Dr. T. Senthilverl

Dr. T. Senthilverl was appointed to the Board of Directors of Vidullanka PLC on 5th May. He presently holds a number of directorships in CT Land Development PLC, Lanka Ceramics PLC, Blue Diamond Worldwide PLC, Citizens Business Development Finance PLC and MBSL Savings Bank PLC. He is also engaged in project development, construction and management of irrigation tanks. He serves the board as a non-executive director.

## Business Review



### Vidullanka PLC

Vidullanka PLC, incorporated in 1997, has ventured into the development of different renewable energy sources such as hydropower, solar and wind, whilst making a significant contribution to developing the island's renewable energy generation capacity.

Vidullanka PLC currently operates three mini hydro power projects: the Bambarabatuoya Mini Hydro Power Project has a 3.2 MW capacity, the Batatota Mini Hydro Power Project has a 2 MW capacity and the Sheen Mini Hydro Power Project has a capacity of 560 Kwh.

In the year under review, Vidullanka PLC, through the company Gurugoda Hydro (Pvt) Ltd, began construction on its fourth mini-hydro power project called the 'Ganthuna Mini Hydro Power Project' that will draw on the Gurugoda Oya as its water source. The project is located in the Kegalle district and on completion will have a capacity of 1.2 MW and is expected to supply 4.12 Gwh of electricity to the National Grid. It is to be commissioned in March 2010 and will enhance the hydropower portfolio of Vidullanka PLC. Gurugoda Hydro (Pvt) Ltd is jointly held by Vidullanka PLC and Hirdaramani (Pvt) Ltd.

Given the success of the Company and its expansion into new areas of renewable energy, it was thought timely to obtain listing on the main board of the Colombo Stock Exchange. Vidullanka PLC became the first hydro power Company to be listed on the Colombo Stock Exchange in 2005.

### Vidul Construction Ltd

Vidul Construction Ltd was incorporated in September 2007 to specialise in construction of mini hydro power projects in addition to carrying out feasibility studies for potential mini hydro power projects.

During the year, Vidul Construction carried out feasibility studies for potential mini hydro power projects and the Company will gradually expand this line of business in the coming year.

Vidul Construction Limited successfully completed its first major contract in October 2008. The Sheen mini-hydro project, which has a 560kW capacity, was completed one month ahead of the scheduled completion date. This achievement is noteworthy because work was carried out under difficult weather conditions and involved penstock path for 1,120 metres in mountainous areas. The project is located in Pundalu Oya in the Nuwara Eliya district.

Vidul Construction Limited is currently engaged in construction of the Ganthuna Mini Hydro Power Project, which is scheduled to be commissioned in March 2010. The project is located in a remote area of the Kegalle District and has a capacity of 1.2 MW.

### Prospects for Sri Lanka's Renewable Industry

Sri Lanka's energy sector depends largely on thermal and large hydro power plants, in addition to contributions from non-conventional renewable sources such as small hydro, wind, solar power and biomass including dendro, biogas and waste, with demand for electricity growing at 7-8% each year.

Sri Lanka has a high potential for renewable energy because of its geographical structure and the island's indigenous resources. In fact, the Government hopes to reach a minimum contribution of 10% to the national grid from non-conventional renewable energy sources by 2015. Not only is there untapped potential in this sector, it is also a promising area for investment due to its attractive returns with moderate business risk. It also reduces dependence on expensive thermal power and offers opportunities for carbon trading.

The market for mini-hydro development has largely been developed, with most locations already identified and steps taken towards development. There is however, a growing market for wind power.



Channel Path - Ganthuna MHPP



Forebay Tank - Ganthuna MHPP

## Business Review Contd.

### Wind Power in Sri Lanka

With four defined wind seasons, wind-mapping results for Sri Lanka indicate many areas that are estimated to have good-to-excellent wind resources. These include:

1. **North-western coastal region**
  - i. From the Kalpitiya Peninsula north to Mannar Island
  - ii. Jaffna Peninsula
2. **Central highlands**

This is in the interior of the country, largely in the Central Province but also in parts of the Sabaragamuwa and Uva Provinces.

Studies estimates that there are nearly 5000 km<sup>2</sup> of windy areas with good-to-excellent wind resource potential in Sri Lanka, which could support an estimated power generation capacity ranging between 20,000 – 50,000 MW. Currently, a 3 MW wind power plant is in operation at Hambantota, which is owned by the Ceylon Electricity Board and this is the only wind plant in operation in the country. Therefore the Sri Lankan market offers a high growth potential for wind power, wind turbines and the related products and services.

The Government also has a policy of promoting renewable energy development, through its Long-Term Non – Conventional Renewable Energy Plan (LTNCREP), which provides interim targets for specific renewable technologies and upper thresholds of pricing. The government is also paying an attractive tariff structure based on the cost, for the wind power developers, which enable the developers to recover the investment during the first 5 years.

Many investors have applied for grid connected wind power projects in Sri Lanka in the past two years, since the potential for renewable energy is high and demand for renewable energy is expected to grow. Several projects are in the pipeline, with the first 10MW project expected to be in operation by mid 2009. A total of 257 Mw of wind power is in the pipeline at various stages of approval and development.

### Harnessing Wind Power

Vidullanka PLC saw an opportunity to move into the area of wind-power generation and has begun an initiative to develop wind power resources in Sri Lanka and the rest of the Asian region, by setting up wind power farms. These operations will enhance the company's renewable energy portfolio.

In the year under review, Vidullanka PLC signed an MOU with Vergnet Sa -the French leader in winder turbine manufacturing, to supply and install its products for clients in Sri Lanka and the surrounding regions. A pioneer in the industry, Vergnet SA, has been designing, manufacturing, installing and operating wind turbines for more than 20 years, and has devised turbines to address the specific challenges of hard-to-reach, insular or hurricane areas.

With more than 650 turbines in operation worldwide, Vergnet has targeted the Farwind™ market - areas where electricity is generated from HFO/LFO. These regions pose constraints in relation to: accessibility, limited logistics and infrastructure and often extreme weather conditions. The WTGs conceived by Vergnet are specifically designed to address these markets; an easy transportation concept in containers, light foundations thanks to guyed tower, no-crane assembly methods and a unique hurricane proof system. The focus on the Farwind™ markets has driven Vergnet to develop its activities particularly in difficult areas such as in the hill country of Sri Lanka, and in other multi-island contexts.

Vidullanka PLC recently incorporated a special purpose project under the name of 'Ambewela Wind Power (Pvt) Ltd' to set up a Pilot Wind Power Plant in collaboration with Vergnet Sa. The project will have a capacity of 1.1 MW and initial approvals have been received and construction work is expected to begin by the end of 2009.



# Financial Review

## Revenue

Our core business activity, Hydro Power Projects has performed well during the financial year in concern. The Group revenue grew by 18.14% to Rs. 230.2 million. The main reason being the increase in generation units as well as the revenue from Vidul Construction Ltd rose to Rs. 44.5 million compared to Rs. 13.2 million last year.

## Other Income

During the year under review, Other Income of the group & company increased significantly. Other income included an insurance claim for Rs. 2.4 million under the Company.

## Finance Cost

The finance cost of the group has fallen compared to last year. The finance cost for financial years 2007/08 & 2008/09 was Rs. 39.5 million & 33.5 million. Most of short term facilities has been repaid during the hence reducing the finance cost.

## Taxation

Vidullanka is BOI approved company where the company is entitled for a 10 year tax holiday which expires in 2011.

## Net Profit

Group Net Profit for the year under review was Rs. 68.3 million. This was an increase of 46.44% compared to last financial year. Increase in other income coupled with fall in finance cost has resulted in increase of net profits.

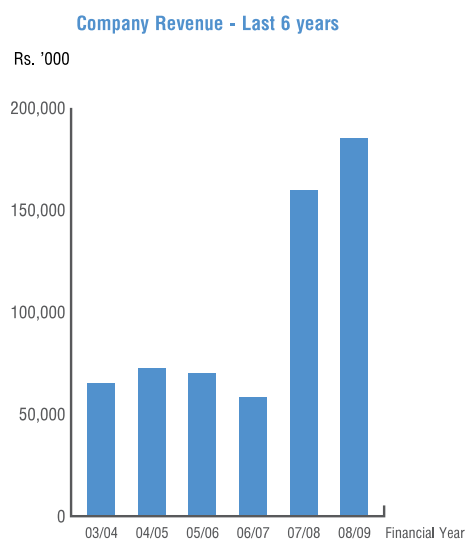
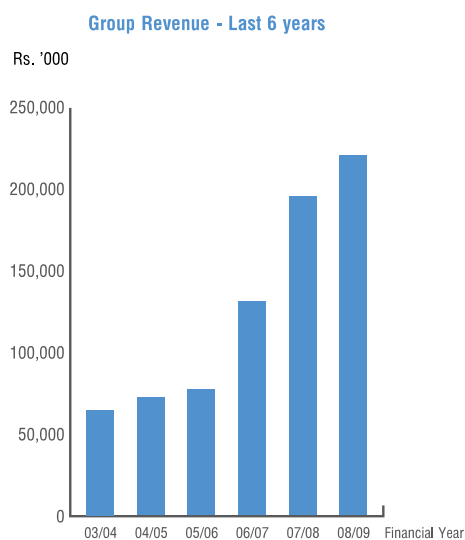
## Earnings per Share

The group recorded basic earnings per share of Rs. 1.90 as against Rs. 1.29 recorded in the previous financial year.

## Capital Structure

The total equity of the group, as at 31st March 2009 was Rs. 491.1 million. The group debt to equity ratio was 32.41% compared to 44.40% for last year.

The total equity of the company as at 31 March 2009 was Rs. 531.3 million. The debt to equity ratio of the company was 29.68% compared to 41.59% for previous year.



# Investor Information

## Summary of Share Market

The price indices of the Colombo Stock Exchange had fallen drastically over the last twelve months, where the All Share Price Index (ASPI) and the Milanka Price Index (MPI) as at 31 March 2009 were at 1638.06 and 1736.20 compared to 2550.50 and 3181.30 recorded at the beginning of the year, respectively.

## Share Information

	2008/09	2007/08
Highest Price	25.50	25.00
Lowest Price	12.00	15.50
Closing Price	21.00	21.50

## Price earnings Ratio

As at 31 March 2009, Price Earnings Ratio of the group was 11.1 times (FY 2007/08 – 16.7 times). This is due to increase in profits of the group not being compensated by an increase in share price.

## Price to book

Price to book ratio of the group as at 31 March 2009 was 1.54 times compared to 1.76 as at 31 March 2008. The fall in price to book ratio was due to marginal fall in share price coupled with increase in Net Assets during the year in review.

## Market Capitalisation

Market capitalisation of the group stood at Rs. 757.5 million as at 31 March 2009 compared to Rs. 775.5 million as at 31 March 2008.

## Twenty largest Shareholders of Vidullanka PLC

Name of the Shareholder	2009		2008	
	No. of Shares	%	No. of Shares	%
Belmonts Agents Ltd	5,854,700	16.23	5,500,000	15.25
Wembley Spirit Ltd	4,605,900	12.77	4,585,900	12.71
Seylan Bank PLC/Thirugnanasambandar Senthiverl	3,140,110	8.71	-	-
Lanka Equities (Pvt) Ltd	2,736,033	7.59	3,204,533	8.88
Growth Lanka (Pvt) Ltd	2,150,000	5.96	2,365,000	6.56
Mrs. R.L. Mather	2,000,060	5.54	1,850,360	5.13
Amana Investments Limited	1,958,112	5.43	2,153,112	5.97
ABC International Ltd	1,595,000	4.42	1,595,000	4.42
Ms. Y. Kunimoto	1,588,125	4.40	1,588,125	4.40
Equity Investments Lanka Ltd	1,443,750	4.00	1,443,750	4.00
Mr. M.S. Mohideen	1,028,500	2.85	1,028,500	2.85
Dynawash (Pvt) Ltd	956,600	2.65	1,051,600	2.92
Mrs. S.R. Sangani	826,115	2.29	-	-
Mr. R.B. Baramecha	557,139	1.54	599,148	1.66
Mr. S.M. Sangani	500,001	1.39	-	-
Vanguard Industries (Pvt) Ltd	447,160	1.24	1,447,160	4.01
Lucky Industries (Pvt) Ltd	412,500	1.14	412,500	1.14
Alchemy Heavy Metals (Pvt) Ltd	400,391	1.11	1,309,871	3.63
Commercial Bank of Ceylon Ltd/Groth Lanka (Pvt) Ltd	385,000	1.07	385,000	1.07
Mrs. B.R.I. Sangani	329,050	0.91	329,050	0.91
Total of Top 20 Shareholders	32,914,246	91.24	30,848,609	85.52
Other	3,158,888	8.76	5,224,525	14.48
<b>Issued Share Capital</b>	<b>36,073,134</b>	<b>100.00</b>	<b>36,073,134</b>	<b>100.00</b>

## Shareholder's Profile

	2009				2008			
	No. of Shareholders		Total Holdings		No. of Shareholders		Total Holdings	
	Foreign	Local	Foreign	Local	Foreign	Local	Foreign	Local
1 - 1,000	3	446	800	86,519	2	399	750	95,032
1,001 - 5,000	3	183	6,710	386,933	5	188	11,660	362,728
5,001 - 10,000	2	40	20,000	317,364	1	28	6,600	177,969
10,001 - 50,000	3	38	84,700	832,188	1	39	26,200	658,831
50,001 - 100,000	1	3	80,000	252,575	1	5	60,500	379,610
100,001 - 500,000	1	14	176,110	3,980,663	1	9	265,870	2,241,375
500,001 - 1,000,000	1	3	557,139	1,782,716	1	1	599,148	605,000
Over 1,000,000	2	9	10,460,600	17,048,117	2	12	3,183,125	27,398,736
Total	16	736	11,386,059	24,687,075	14	681	4,153,853	31,919,281

## Related Party's Shareholding

Name of the Shareholder	No. of Shares	%
Belmonts Agents Ltd	5,854,700	16.23
Wembley Spirit Ltd	4,605,900	12.77
Growth Lanka (Pvt) Ltd	2,150,000	5.96
Lanka Equities (Pvt) Ltd	2,736,033	7.58
Vanguard Industries (Pvt) Ltd	447,160	1.24
Amana Investments Limited	1,958,112	5.43
Mr. R. Mather	2,000,060	5.54
Equity Investments Lanka Ltd	1,443,750	4.00
Lucky Insutries (Pvt) Ltd	412,500	1.14
Mrs. B.R.I. Sangani	329,050	0.91
Mr. R.M. Sangani	101	0.00
Amana Takaful Ltd	168,389	0.47
Total Related Parties Holding	22,105,755	61.28
Public Holding	13,967,379	38.72
Total Issued Share Capital	36,073,134	100.00

# Corporate Social Responsibility

All corporate citizens have utmost responsibility towards its stakeholders as they are affected positively as well as negatively by the activities of the company. Vidullanka PLC takes this responsibility very seriously, although Vidullanka PLC uses renewable sources to generate electricity which reduces the impact on the environment. Over the years Vidullanka PLC has focused on improving infrastructure facilities in rural areas in which it operates in.

## Society

During the year Vidullanka PLC started off the construction of its Fourth Mini Hydro Power Project “Ganthuna Mini Hydro Power”, by constructing an access bridge which is of 15 meters long and which will provide easy access for villagers between Medagama and Udugama Village.

A community center was also constructed during the year under review. The community center is located in Sudagala, Kuruwita and is being handed over to the villagers.

## Employees

Our Employees are the driving force behind the success of the organization. We recognize and honour the contribution made by the employees towards our sustainability. During the year Vidullanka PLC organized an awards ceremony to recognize the exceptional performance of our staff.

An Avurudu Celebration was held at Kuruwita to celebrate the Sinhala and Tamil New Year. Many of the employees participated in the celebrations along with their families and took part in the traditional avurudu games that were held.



Bridge at Udugama Village



Access Road at Banagoda

# Annual Report of the Board of Director on the Affairs of the Company

The Directors are pleased to submit their report together with the Auditor's Report and Financial Statements for the year ended 31st March 2009, to be presented at the 13th Annual General Meeting of the Company.

## Review of the Year

### Principal Activities / Core Business

The principal activity of the company is to produce electrical energy and transmit to feed the national grid.

### Principal Activities of the Subsidiary

The principal activity of the Subsidiary is to engage in turnkey construction contracts for mini hydro power plants, hydraulic structures and water supply works.

### Principal Activity of the Joint Venture

The Principal Activity of the Joint Venture Company is to produce electrical energy and transmit to feed the national grid.

## Financial Statements

The financial statements prepared in compliance with the requirements of Section 151 of the Companies Act No 7 of 2007, are given on page 18 to 21 in this annual report.

## Independent Auditor's Report

The Auditor's Report on the financial statements is given on page 17 in this report.

## Accounting Policies

The Accounting Policies adopted in preparation of the financial statements is given on page 22 to 26. There were no changes in Accounting Policies adopted by the Company during the year under review.

## Financial Results / Profit and Appropriations

Rs ' 000	Year ended 31.03.2008	Year ended 31.03.2007
Net Profit/(Loss) for the year	68,393	46,702
Add : Accumulated profit/(loss)	43,309	35,958
	<u>111,702</u>	<u>82,660</u>
<b>Appropriations</b>		
Dividends Paid (full and final)	(18,037)	-
Bonus Share issued during the year	-	(39,352)
<b>Accumulated profit / (Loss) carried forward</b>	<u>93,665</u>	<u>43,309</u>

## Property, Plant & Equipment

During the year under review the Group invested a sum of Rs. 21,702,315 (2008 – Rs 28,780,634) in property, plant and equipment of which Rs 18,537,114 is in machinery and equipment, Rs 1,690,600 is in Computer and other equipment, Rs 630,317 is in Furniture and fixtures and Rs. 844,284 is in Land.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 3 to the financial statement.

## Market Value of Freehold Land

There are no freehold land classified as Investment Properties.

## Corporate Governance

The Company has complied with the corporate governance rules laid down under the listing rules of the Colombo Stock Exchange.

## Dividend

The board recommend a dividend of 60 cents a share for the year under review.

## Annual Report of the Board of Director on the Affairs of the Company Contd.

### Reserves

The Reserves and Accumulated Profits as at 31st March 2009 amount to Rs. 93,665,004 vs Rs. 43,307,729 as at 31st March 2008. The breakup and the movement are shown in the Statement of Changes in Equity in the financial statements.

### Stated Capital

As per the terms of the Companies Act No. 7 of 2007, the stated capital of the Company was Rs. 397,477,570 as at 31st March 2009 and was unchanged during the year. The details are given in Note 6 to the financial statement on page 31.

### Post Balance Sheet Events

There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements other than the declaration of dividends for the year under review.

### Statutory Payments

The Director's to the best of their knowledge and belief are satisfied that all statutory payments in relation to the government and the employees have been made on time.

### Interests Register

Details of the transactions with Director-related entities are disclosed in Note 19 to the financial statements on page 42 & 43, and have been declared at the Board meeting, pursuant to Section 192 (2) of the Companies Act No. 7 of 2007.

## BOARD COMMITTEES

### Audit Committee

Following are the names of the Directors comprising the Audit Committee of the Board.

Mr. M. Zulficar. Ghouse (Chairperson)  
Mr. Hilal R. Peiris  
Mr. Shahid.M. Sangani

The report of the Audit Committee on page 14 set out the manner of compliance by the Company in accordance with the requirements of the Rule 7.10.6 of the Rules of the Colombo Stock Exchange on Corporate Governance.

### Remuneration Committee

Following are the names of the Directors comprising the Remuneration Committee of the Board

Mr. Osman Kassim  
Mr. S.Ranjan Mather  
Mr. M.Zulficar Ghouse

The report of the Remuneration committee on page 15 contain a statement of the remuneration policy. The details of the aggregate remuneration paid to the Executive and Non – Executive Directors during the financial year are given in Note 19.2 on page 44 to the financial statement.

### Investor Information and Substantial Shareholdings

Investor information is given on Page 8.

### Major Shareholders

Details of the twenty largest shareholders of the company and the percentages held by each of them are disclosed in the Investor Information Section.

### Directors

The Directors of the Company as at 31st March 2009 and their brief profiles are given on page 3 in this report.

The following Directors retire by rotation and being eligible, have offered themselves for re-election.

Dr. A.A.M. Haroon  
Mr. S. Ranjan Mather

Dr. T.Senthilvel was appointed as a Director of the company on 5th May 2009 subsequent to the last Annual General Meeting and is recommended for election.

## Directors' Shareholding

The interest of the Directors in the shares of the Company as at 31st March were as follows;

	No. of Ordinary Shares	
	As at 31.03.2009	As at 31.03.2008
Mr. Osman Kassim	-	-
Mr. Riyaz M. Sangani	101	419,226
Mr Shahid M. Sangani	1,293	6,293
Mr. Ranjan Mather	-	-
Dr. A.A.M.Haroon	-	-
Mr. Hilal..R. Peiris	-	-
Mr. Zulficar Ghouse	-	-
Dr. T.Senthilverl	4,525,510	-

## Auditors

The resolutions to appoint the present Auditors, Messrs. Ernst & Young Chartered Accountant, who have expressed their willingness to continue in office, will be proposed at the Annual General Meeting.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company other than those disclosed above.

The Audit committee reviews the appointment of the Auditor, its effectiveness and its relationship with the Company including the level of audit and non-audit fees paid to the Auditor. Details on the work on the Audit Committee are set out in the Audit Committee Report.

## Going Concern

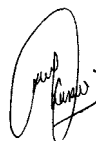
The directors are satisfied that the Company and its subsidiaries and joint ventures; have adequate resources to continue in operational existence for the foreseeable future and to justify adopting the going concern basis in preparing the financial statements.

## Notice of Meeting

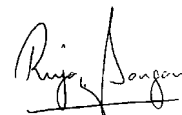
The Annual General Meeting will be held at Galadari Hotel on the 20th of August, 2009 at 3.30 pm.

The Notice of the Annual General Meeting appears on page 46.

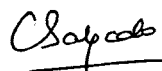
For and on behalf of the Board.



**Osman Kassim**  
Chairman



**Riyaz M. Sangani**  
Director



**Managers & Secretaries (Pvt) Ltd**  
Secretaries

Vidullanka PLC  
03rd July, 2009  
Colombo

## Corporate Governance

Governance is the process by which companies are managed to enhance shareholder wealth and meet the obligation of all other stakeholders, with whom the company interacts. Governance is therefore the responsibility of the board of directors for competent and ethical operation of the business on a day to day basis and to generate value for shareholders.

Vidullanka PLC adheres to the Corporate Governance requirements under the listing rules published by the Colombo Stock Exchange.

The board of Directors comprise of six non Executive Directors, of which two are non Executive Independent Directors and one executive director. As per the Articles of Association of the company, two directors should retire by rotation at every Annual General Meeting. The person who has served for the longest period has to retire but is eligible for reappointment. The Managing Director is not subject to rotation.

## Audit Committee Report

The Board appointed the Audit Committee comprising the following non-executive Directors of the company :

Mr. Zulficar Ghouse  
Mr. Shahid Sangani  
Mr. Hilal Pieris

The committee is chaired by Mr. Zulficar Ghouse, an independent director and the committee has met six times during the year in concern. The Managing Director and Senior Management team attends the meetings by invitation.

One of the main responsibilities of the Audit committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the accounting and financial reporting process of the company. Other main responsibilities include reviewing the performance of the internal audit function and making recommendations on the appointment of External and Internal Auditors.

During the year, the committee has reviewed and discussed the company's quarterly and annual financial statements prior to publication with the management as well as the external auditors.

An internal audit function was carried out during the year in concern where the main focus was to obtain an independent assurance on the overall system of internal controls, risk management and governance.

Based on reports submitted by the External Auditors and Internal Auditors, the Audit Committee is satisfied that the Group's accounting policies and operational controls are in order and are being followed.



**M. Zulficar Ghouse**  
Chairman



## Remuneration Committee Report

The remuneration committee is appointed by the board of Directors and consists of three non executive directors. Mr Osman Kassim is the chairman of the committee, which also include Mr Ranjan Mather and Mr Zulficar Ghouse. The Managing Director Mr Riyaz Sangani attended meetings by invitation.

The committee held two meetings during the year to review the compensation structures and the performance evaluation procedures of the senior management staff. The group policy is designed to attract and retain qualified staff in order to achieve strategic goals of the company.

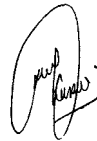
The committee regularly interacts with the MD time to time on Human Resources Management process to meet the needs of the company in order to foster growth.



**Osman Kassim**  
Chairman

## Investment & Strategy Committee

The Investment committee comprises of three Non-Executive directors and is headed by the Chairman of the group, which includes the Managing Director as well. The main responsibility of the committee is to manage its asset portfolio and to establish long term strategy and monitor the achievement of these set targets that will enhance creation of wealth to the shareholders. The Committee has met a total of 3 times for the year under review.



**Osman Kassim**  
Chairman

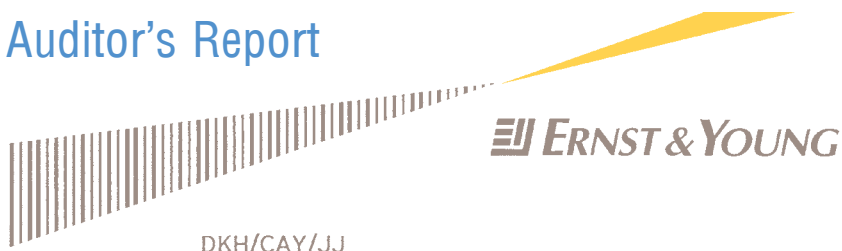


## Financial Information

Auditor's Report **17**  
Consolidated Balance Sheet **18**  
Consolidated Income  
Statement **19** Consolidated  
Statement of Changes in Equity  
**20** Consolidated Cash Flow  
Statement **21** Consolidated Notes  
to the Financial Statements **22**



# Auditor's Report



DKH/CAY/JJ

## Chartered Accountants

201 De Saram Place  
P.O. Box 101  
Colombo 10  
Sri Lanka

Tel : (0) 11 2463500  
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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VIDULLANKA PLC

### Report on the Financial Statements

We have audited the accompanying financial statements of Vidullanka PLC ("Company"), the consolidated financial statements of the company and its subsidiary, which comprise the balance sheets as at 31 March 2009, the income statements, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining relevant internal control to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Scope of Audit & Basis of opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting

principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

### Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2009 and the financial statements give a true and fair view of the Company's state of affairs as at 31 March 2009 and its profit and cash flows for the year ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs as at 31 March 2009 and the profit and cash flows for the year ended, in accordance with Sri Lanka Accounting Standards, of the company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

### Report on Other Legal and Regulatory Requirements

In our opinion, these financial statements also comply with the requirements of Sections 151 (2) and 153 (2) to 153 (7) of the Companies Act No. 07 of 2007.

A handwritten signature in black ink, appearing to be 'W. R. H. Fernando', is written above the date.

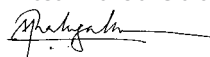
Colombo  
03rd July, 2009

**Partners:** A D B Talwatte FCA FCMA M P D Cooray FCA FCMA Ms. Y A De Silva ACA W R H Fernando FCA FCMA W K B S P Fernando FCA ACMA  
A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) A S M Ismail FCA FCMA  
H M A Jayasinghe FCA FCMA Ms. G G S Manatunga ACA Ms. L C G Nanayakkara FCA FCMA B E Wijesuriya ACA ACMA

# Consolidated Balance Sheet

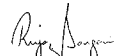
As at March 31st, 2009	Note	Group		Company	
		2009 Rs	2008 Rs	2009 Rs	2008 Rs
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant & Equipment	3	584,207,848	576,156,901	578,850,309	574,282,872
Investments in Subsidiaries		-	-	25,000,000	25,000,000
Investment in Joint Ventures		-	-	7,412,412	-
Goodwill - Gurugoda Hydro (Pvt) Ltd		6,737,412	-	-	-
		<u>590,945,260</u>	<u>576,156,901</u>	<u>611,262,721</u>	<u>599,282,872</u>
<b>Current Assets</b>					
Inventories	4	1,767,347	5,386,346	-	-
Trade and Other Receivables	5	67,407,829	50,899,942	83,590,594	56,607,365
Cash and Bank Balances		7,543,601	20,888,373	7,155,000	18,889,871
		<u>76,718,777</u>	<u>77,174,661</u>	<u>90,745,954</u>	<u>75,497,236</u>
<b>Total Assets</b>		<u>667,664,037</u>	<u>653,331,562</u>	<u>702,008,675</u>	<u>674,780,108</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Stated Capital	6	397,477,570	397,477,570	397,477,570	397,477,570
Retained Earnings		93,665,004	43,307,729	133,882,343	70,004,163
Total Equity		<u>491,142,574</u>	<u>440,785,299</u>	<u>531,359,913</u>	<u>467,481,733</u>
<b>Non-Current Liabilities</b>					
Ijara Facilities (Finance Leases)	7	99,698,884	134,217,794	99,698,884	133,680,643
Defined Benefit Liability	8	1,688,379	1,704,575	1,532,259	1,593,075
		<u>101,387,263</u>	<u>135,922,369</u>	<u>101,231,143</u>	<u>135,273,718</u>
<b>Current Liabilities</b>					
Trade and Other Payables	9	15,656,686	15,142,119	11,430,001	11,281,658
Ijara Facilities (Finance Leases) and Murabaha Facilities (Trade Finance)	7	59,477,514	61,481,775	57,987,620	60,742,999
		<u>75,134,200</u>	<u>76,623,894</u>	<u>69,417,621</u>	<u>72,024,657</u>
<b>Total Equity and Liabilities</b>		<u>667,664,037</u>	<u>653,331,562</u>	<u>702,008,675</u>	<u>674,780,108</u>

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



**Sandun Thalagala**  
Finance Manager

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by,



**Riyaz M. Sangani**  
Director



**M. Zulficar Ghouse**  
Director

The accounting policies and notes on pages 22 to 44 form an integral part of the financial statements.  
Colombo,  
03rd July, 2009

## Consolidated Income Statement

Year ended 31st March 2009	Note	Group		Company	
		2009 Rs	2008 Rs	2009 Rs	2008 Rs
<b>Revenue</b>	11	230,265,967	194,896,155	185,667,324	158,759,206
Cost of Sales		(75,949,014)	(62,926,036)	(31,277,833)	(27,525,300)
<b>Gross Profit</b>		154,316,953	131,970,119	154,389,491	131,233,906
Other Income	12	7,421,655	2,473,615	7,421,106	2,554,591
Administrative Expenses		(59,631,869)	(46,264,676)	(46,459,724)	(29,708,689)
Selling & Distribution Expenses		-	(1,157,285)	-	-
Finance Cost	14	(33,623,571)	(39,545,715)	(33,346,800)	(33,787,179)
<b>Profit / (Loss) Before Tax</b>	13	68,483,168	47,476,058	82,004,073	70,292,629
Income Tax Expense	15	(89,326)	(773,497)	(89,326)	(327,561)
<b>Profit / (Loss) for the year</b>		68,393,842	46,702,561	81,914,747	69,965,068
Earnings Per Share - Basic	16	1.90	1.29		

The accounting policies and notes on pages 22 to 44 form an integral part of the financial statements.

Colombo,  
03rd July, 2009

## Consolidated Statement of Changes in Equity

GROUP	Share Capital Rs.	Share Premium Rs.	Stated Capital Rs.	Accumulated Profit Rs.	Total Rs.
<b>Year ended 31st March 2009</b>					
<b>Balance as at 01 April 2006</b>	298,125,090	374,980	-	9,975,210	308,475,280
Shares issued during the year - For Cash	29,812,500	29,812,500	-	-	59,625,000
Profit/ (Loss) for the period	-	-	-	25,982,458	25,982,458
<b>Balance as at 31st March 2007</b>	327,937,590	30,187,480	-	35,957,668	394,082,738
Transferred to Stated Capital	(327,937,590)	(30,187,480)	358,125,070	-	-
Profit/ (Loss) for the Year	-	-	-	46,702,561	46,702,561
Shares issued during the year - For Non Cash	-	-	39,352,500	(39,352,500)	-
<b>Balance as at 31st March 2008</b>	-	-	397,477,570	43,307,729	440,785,299
Profit/ (Loss) for the Year	-	-	-	68,393,842	68,393,842
Dividend	-	-	-	(18,036,567)	(18,036,567)
<b>Balance as at 31st March 2009</b>	-	-	397,477,570	93,665,004	491,142,574

COMPANY	Share Capital Rs.	Share Premium Rs.	Stated Capital Rs.	Accumulated Profit Rs.	Total Rs.
<b>Year ended 31st March 2009</b>					
<b>Balance as at 01st April 2006</b>	298,125,090	374,980	-	12,940,137	311,440,207
Shares issued during the year - For Cash	29,812,500	29,812,500	-	-	59,625,000
Profit for the year	-	-	-	26,451,458	26,451,458
<b>Balance as at 31st March 2007</b>	327,937,590	30,187,480	-	39,391,595	397,516,665
Transferred to Stated Capital	(327,937,590)	(30,187,480)	358,125,070	-	-
Profit for the year	-	-	-	69,965,068	69,965,068
Shares issued during the year - For Non Cash	-	-	39,352,500	(39,352,500)	-
<b>Balance as at 31st March 2008</b>	-	-	397,477,570	70,004,163	467,481,733
Profit for the year	-	-	-	81,914,747	81,914,747
Dividend	-	-	-	(18,036,567)	(18,036,567)
<b>Balance as at 31st March 2009</b>	-	-	397,477,570	133,882,343	531,359,913

The accounting policies and notes on pages 22 to 44 form an integral part of the financial statements.

Colombo,  
03rd July, 2009

# Consolidated Cash Flow Statement

Year ended 31st March 2009	Note	Group		Company	
		2009 Rs	2008 Rs	2009 Rs	2008 Rs
<b>Cash Flows From / (Used in) Operating Activities</b>					
		68,483,168	47,476,058	82,004,073	70,292,629
		Profit from Ordinary Activities Before Tax			
		Adjustments for			
		Depreciation			
	13	19,223,668	16,148,707	18,483,014	15,660,543
	12	663,195	89,238	663,195	89,238
	12	(2,438,550)	-	(2,438,550)	-
		Gain from Divestment of Subsidiary			
		(5,037,589)	278,052	(5,037,589)	(387,365)
	13	283,804	833,165	239,187	721,665
		Bad Debts Written off			
		1,317,441			
	14	33,623,571	39,545,715	33,346,800	33,787,179
		<b>Operating Profit Before Working Capital Changes</b>	<b>116,118,709</b>	<b>104,370,935</b>	<b>120,163,889</b>
		(Increase)/Decrease in Inventories			
		3,618,999	13,830,304	-	-
		(Increase)/Decrease in Trade & Other Receivables			
		(16,567,171)	(8,311,343)	(26,983,589)	(33,565,694)
		Increase/(Decrease) in Other Payables			
		1,520,642	(21,691,114)	1,796,854	(10,936,301)
		<b>Cash Generated from Operations</b>	<b>104,750,462</b>	<b>88,198,782</b>	<b>75,661,894</b>
		Finance Costs			
		(31,871,157)	(39,545,715)	(31,594,387)	(33,787,179)
		Defined Benefit Plan Cost Paid			
		(300,000)	(78,750)	(300,000)	(78,750)
		Income Tax Paid			
		(125,573)	-	(125,573)	-
		<b>Net Cash From Operating Activities</b>	<b>72,453,732</b>	<b>48,574,317</b>	<b>41,795,965</b>
<b>Cash Flows from/(Used in) Investing Activities</b>					
	3	(21,702,315)	(28,780,634)	(18,728,151)	(28,606,829)
	3	-	8,000	-	8,000
		Insurance Claim			
		2,438,550	-	2,438,550	-
		Investment in Subsidiary			
		(12,000,000)	-	(12,000,000)	(25,000,000)
		Divestment of Subsidiary			
		6,000,000	4,387,365	6,000,000	4,387,365
		<b>Net Cash Flows Used in Investing Activities</b>	<b>(25,263,765)</b>	<b>(22,289,601)</b>	<b>(49,211,464)</b>
<b>Cash Flows from/(Used in) Financing Activities</b>					
		Dividend Payments			
		(18,036,567)	-	(18,036,567)	-
	7	(14,352,747)	(11,459,973)	(13,629,214)	(11,125,460)
	7	(312,500)	(37,697,942)	-	-
	7	(8,130,583)	(5,045,762)	(8,130,583)	(5,045,762)
	7	(17,202,341)	(46,583,941)	(17,202,341)	(37,697,942)
	7	(2,500,000)	-	(2,500,000)	-
		Proceeds from Murabaha Facilities (Trade Finance)			
		-	16,332,921	-	-
		Proceeds from Mudarabaha Facilities			
		-	23,800,000	-	23,800,000
		Proceeds from Musharakah Facilities			
		-	55,000,000	-	55,000,000
		<b>Net Cash Flows Used in Financing Activities</b>	<b>(60,534,738)</b>	<b>(59,498,705)</b>	<b>24,930,836</b>
		<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>18,534,351</b>	<b>(11,734,871)</b>	<b>17,515,337</b>
		<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>2,354,021</b>	<b>18,889,871</b>	<b>1,374,534</b>
	10	<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>20,888,372</b>	<b>7,155,000</b>	<b>18,889,871</b>

The accounting policies and notes on pages 22 to 44 form an integral part of the financial statements.

Colombo,

03rd July, 2009

# Consolidated Notes to the Financial Statements

## 1. CORPORATE INFORMATION

### 1.1 General

Vidullanka PLC (“Company”) is a public quoted Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at Level 04, Access Towers, No.278, Union Place, Colombo 02 and the principal place of business is situated at Bambarabatuoya, Rathnapura and Batatota, Kuruwita.

#### Subsidiary Company

Vidul Construction Ltd

The Fully Owned Subsidiary, Vidul Construction Limited was Incorporated on the 3rd September 2007 under the Companies Act. 7 of 2007. The registered office of the subsidiary is located at Level 04, Access Tower, No. 278, Union Place, Colombo 02.

Gurugoda Hydro (Pvt)Ltd

Vidullanka PLC fully acquired Gurugoda Hydro (Pvt) Ltd and disposed 50% of the stake to Hirdramani (Pvt) Ltd., during the financial year. The registered office is Level 04, Access Towers, No 278, Union Place, Colombo 2.

### 1.2 Principal Activities and Nature of Operations

The principal activities of the company are to produce electrical energy and transmit to feed the national grid. For this purpose the company has constructed two Hydro power plants at Bambarabatuoya, Rathnapura and Batatota, Kuruwita. The Bambarabatuoya Mini Hydro power plant commenced its operation during June 2001 and the Batatota Mini Hydro power plant commenced its operation during February 2007.

#### Subsidiary

The Principal Activities of the Vidul Construction Limited is ‘Construction’ which specializes civil works related to hydro power plants & hydraulic structure and is also engaged in assembling and installation of Solar Systems.

#### Joint Venture

The principal activities of the Gurugoda Hydro (Pvt)Ltd is to produce electrical energy and transmit to feed the national grid.

### 1.3 Date of Authorization for Issue

The Financial Statements of Vidullanka PLC and Vidul Construction Limited, for the year ended 31st March 2009

were authorized for issue in accordance with a resolution of the Board of Directors on the 03rd of July 2009.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 General Policies

In the report of the Directors and in the Financial Statements, “The Company” refers to Vidullanka PLC as the Holding Company and “The Group” refers to the Consolidated results of Vidullanka PLC and its Subsidiaries Vidul Construction Limited and Gurugoda Hydro (Pvt.) Ltd.

#### 2.1.1 Basis of Preparation

The Financial Statements, have been prepared on a historical cost basis. The Financial Statements are presented in Sri Lankan Rupees, The preparation and presentation of theses Financial Statement is in compliance with the Companies Act No 07 of 2007.

#### 2.1.2 Principles of Consolidation

The Financial Statement of the Group represent the Consolidation of Financial Statements of the Company and its subsidiary over which it has control after elimination of all material inter group transactions.

The total profit and losses of the company and its subsidiary are shown in the Consolidated Income Statement.

All the assets and liabilities of the company and of its subsidiary included in the Consolidation are shown in the Consolidation Balance sheet.

#### 2.1.3 Statement of Compliance

The Balance Sheet, Statements of Income, Changes in Equity and Cash Flows, together with Accounting Policies and Notes, (“Financial Statements”) i.e. Consolidated Financial Statements and separate financial Statements of the company as at 31st March 2009, and for the year then ended been prepared in accordance with the Sri Lanka Accounting Standards (SLAS).

#### 2.1.4 Comparative Information

The accounting policies adopted and comparative information are consistent with those of the previous financial year except where the Company has made changes to be compliant with Sri



Lanka Accounting Standard No 16 Employee Benefits (Revised 2006), which is discussed below:

#### **Measurement of Defined Benefit Plans**

During the year ended 31st March 2009, the Company changed its accounting policy for the measurement of Retirement Gratuities (Defined Benefit Plan). The Company now performs the computation based on Gratuity Formula in Appendix E of SLAS 16 (Revised 2006). This formula measures the liability, using the Projected Unit Credit Method.

#### **2.1.5 Significant Assumptions and Estimates**

The financial statements are sensitive to assumptions and estimates made in measuring certain carrying amounts represented in the Balance Sheet and amounts charged to the Income Statement. These could result in a significant risk of causing material adjustments to the carrying amounts of assets and liabilities which are disclosed in the relevant Notes to the financial statements.

#### **Defined Benefit Plans**

The Defined Benefit Obligation and related charge for the year is determined using assumptions required under actuarial valuation techniques. The valuation involves making assumptions about discount rates, future salary increases, staff turnover rates etc. Due to the long term nature of such obligations these estimates are subject to significant uncertainty. Further details are given in Note 8 to these financial statements.

#### **2.1.6 Foreign Currency Translation**

The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### **2.1.7 Taxation**

##### **Current Taxes**

The Board has granted Vidullanka PLC an additional time period of 6 months with effective from the 30th of September 2006 to complete the Batatota Mini Hydro Power Plant. Also the BOI has permitted the company to import project related items on duty free basis during the above-mentioned period. (BOI Letter dated 21.09.2006). With effective of this extension and if the total investment is enhanced to over Rs. 500 Million on or before 31st March 2007, the company is entitled for a ten year tax holiday of its commercial operations as per the agreement dated 15th July 2005.

##### **Subsidiary**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act.

##### **Deferred Taxation**

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and

## Consolidated Notes to the Financial Statements Contd.

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognised as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the Balance Sheet.

### 2.1.8 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of that asset.

## 2.2 VALUATION OF ASSETS AND THEIR MEASUREMENT BASES

### 2.2.1 Inventories

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

less the estimated cost of completion and the estimated cost necessary to make the sale.

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

- Raw Materials - At actual cost on first-in first-out basis.
- Finished Goods - At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity.
- Goods in Transit - At actual cost.

### 2.2.2 Trade and Other Receivables

Trade receivables are stated at the amounts they are estimated to realize net of allowances for bad and doubtful receivables.

Other receivables and dues from Related Parties are recognized at cost less allowances for bad and doubtful receivables.

### 2.2.3 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

### 2.2.4 Property, Plant and Equipment

#### a) Cost and Valuation

All items of Property, Plant & Equipment are initially recorded at cost. Where items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the balance sheet date. Subsequent to the initial recognition as an asset at cost, revalued Property, Plant and Equipment are carried at revalued amounts less any subsequent depreciation thereon. All other Property, Plant and Equipment are stated at historical cost less depreciation.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset.

#### b) Depreciation

The provision for depreciation is calculated by using a straight line method on the cost or valuation of all property, plant and equipment other than freehold land, in order to write off such amounts over the following estimated useful lives by equal installments.

Office Furniture	10 Years
Office Equipment	05 Years
Plant & Machinery	05 Years – 60 Years
Computer & Computer Equipments	03 - 04 Years
Vehicles	05 Years

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

#### 2.2.5 Leases –Company as a Lessee

Property, Plant and Equipments on finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged reflected in the income statement.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership

by the end of the lease term. the depreciation policy for depreciable leased assets is consistent with that for depreciable asset that are owned as described in 2.2.7

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

#### 2.2.6 Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset, except for property previously re-valued where the revaluation was taken to equity.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

## Consolidated Notes to the Financial Statements Contd.

Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.3 Liabilities and Provisions

#### 2.3.1 Retirement Benefit Obligations

##### a) Defined Benefit Plan – Gratuity

During the year ended 31st March 2009, the Company changed its accounting policy for the measurement of Retirement Gratuities (Defined Benefit Plan). The Company now performs the computation based on Gratuity Formula in Appendix E of SLAS 16 (Revised 2006). This formula measures the liability, using the Projected Unit Credit Method.

##### b) Recognition of Actuarial Gains & Losses

Actuarial gains and losses are recognized as income or expenses when net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at the date.

The gains/losses are recognized over the expected average remaining working lives of the employees participating in the plan.

##### c) Recognition of Past Service Cost

Past Service Costs are recognized as an expense on a straight line basis over the average period and until the benefits become vested.

##### d) Funding Arrangements

The gratuity liability is not externally funded.

#### 2.3.2 Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

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

#### 2.3.3 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event,

where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### 2.4 Income Statement

#### 2.4.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

##### a) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

##### b) Others

Other income is recognized on an accrual basis.

Net Gain and losses of a revenue nature of the disposal of property, plant and equipment and non current assets including investments have been accounted for in the income statement, having deducted from proceed on disposal, the carrying amount of the assets and related selling expenses.

#### 2.4.2 Expenditure Recognition

a) Expenses are recognize in the income statement on the basis of direct association between the cost incurred and the earning of specific item of income. All expenditure incurred in the running of the business and in maintaining the property , plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

b) For the purpose of presentation of Income Statement the Directors are of the opinion that function of expenses method presents fairly the elements of the Company's performance, and hence such presentation method is adopted.

c) Finance expense are recognized in the income statement on an accrual basis.

### 3 PROPERTY, PLANT & EQUIPMENT

#### GROUP

	Balance As at 01.04.2008 Rs.	Additions/ Transfers/ Acquisitions Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2009 Rs.
<b>GROSS CARRYING AMOUNTS</b>				
<b>3.1 At Cost</b>				
Freehold Land	24,259,175	844,284	-	25,103,459
Office Furniture & Fittings	2,432,902	254,097	-	2,686,999
Office Equipments	124,164	376,220	-	500,384
Computers & Computer Equipments	2,544,137	1,690,600	-	4,234,737
Plant & Machinery	514,298,650	13,997,593	(1,105,325)	527,190,918
Motor Vehicles	2,402,740	-	-	2,402,740
	<u>546,061,768</u>	<u>17,162,794</u>	<u>(1,105,325)</u>	<u>562,119,237</u>
<b>3.2 On Finance Lease</b>				
Plant & Machinery	60,982,446	1,250,000	-	62,232,446
Motor Vehicle	15,069,870	4,985,495	-	20,055,365
	<u>76,052,316</u>	<u>6,235,495</u>	<u>-</u>	<u>82,287,811</u>
<b>Total Value of Depreciable Assets</b>	<u>622,114,084</u>	<u>23,398,289</u>	<u>(1,105,325)</u>	<u>644,407,048</u>
<b>3.3 In the Course of Construction</b>				
Capital work in Progress - Other Projects	4,585,479	4,539,521	-	9,125,000
	<u>4,585,479</u>	<u>4,539,521</u>	<u>-</u>	<u>9,125,000</u>
<b>Total Gross Carrying Value</b>	<u>626,699,563</u>	<u>27,937,810</u>	<u>(1,105,325)</u>	<u>653,532,048</u>

	Balance As At 01.04.2008 Rs.	Charge for the year/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2009 Rs.
<b>DEPRECIATION</b>				
<b>3.4 At Cost</b>				
Office Furniture & Fittings	385,225	256,486	-	641,711
Office Equipments	68,803	77,962	-	146,765
Computers & Computer Equipments	1,602,940	898,419	-	2,501,359
Plant and Machinery	42,081,505	12,290,416	(442,130)	53,929,791
Motor Vehicle	126,873	127,362	-	254,235
	<u>44,265,346</u>	<u>13,650,645</u>	<u>(442,130)</u>	<u>57,473,861</u>
<b>3.5 On Finance Lease</b>				
Plant & Machinery	4,510,355	2,205,994	-	6,716,349
Motor Vehicle	1,766,961	3,367,029	-	5,133,990
	<u>6,277,316</u>	<u>5,573,023</u>	<u>-</u>	<u>11,850,339</u>
<b>Total Depreciation</b>	<u>50,542,662</u>	<u>19,223,668</u>	<u>(442,130)</u>	<u>69,324,200</u>

## Consolidated Notes to the Financial Statements Contd.

NET BOOK VALUES	2009 Rs	2008 Rs
<b>3.6 At Cost</b>		
Freehold Land	25,103,459	24,259,175
Office Furniture and Fittings	2,045,288	2,047,677
Office Equipment	353,619	55,361
Computers & Computer Equipments	1,733,378	941,197
Plant and Machinery	473,261,127	472,217,145
Motor Vehicles	2,148,505	2,275,867
	<u>504,645,376</u>	<u>501,796,422</u>
<b>3.7 On Finance Lease</b>		
Plant and Machinery	55,516,097	56,472,091
Motor Vehicles	14,921,375	13,302,909
	<u>70,437,472</u>	<u>69,775,000</u>
<b>3.8 In the Course of Construction</b>		
Capital Work-in-Progress -Other Projects	9,125,000	4,585,479
	<u>9,125,000</u>	<u>4,585,479</u>
<b>Total Carrying Amount of Property, Plant &amp; Equipment</b>	<u>584,207,848</u>	<u>576,156,901</u>

**3.9** During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 21,962,810/- (2008 - Rs. 38,704,554/-) of which Rs. 6,235,495/- (2008 -Rs. 10,000,000/-) was acquired by means of Ijarah & Murabaha facilities. Cash payments amounting to Rs. 20,918,031/- (2008 - Rs. 28,780,633/-) were made during the year for purchase of Property, Plant & Equipment.

**3.10** Property, Plant & Equipment includes fully depreciated assets having a gross carrying amount of Rs. 3,341,015/- (2008 - 2,756,936/-)

COMPANY	Balance As at 01.04.2008 Rs.	Additions/ Transfers/ Acquisitions Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2009 Rs.
<b>GROSS CARRYING AMOUNTS</b>				
<b>3.11 At Cost</b>				
Freehold Land	24,259,175	60,000	-	24,319,175
Office Furniture & Fittings	2,408,302	254,097	-	2,662,399
Office Equipments	90,271	348,254	-	438,525
Computers & Computer Equipments	2,261,845	627,900	-	2,889,745
Plant & Machinery	513,513,564	12,898,379	(1,105,325)	525,306,618
Motor Vehicles	2,252,700	-	-	2,252,700
	<u>544,785,857</u>	<u>14,188,630</u>	<u>(1,105,325)</u>	<u>557,869,162</u>

	Balance As at 01.04.2008 Rs.	Additions/ Transfers/ Acquisitions Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2009 Rs.
<b>3.12 On Finance Lease</b>				
Plant & Machinery	60,744,940	-	-	60,744,940
Motor Vehicle	14,589,870	4,985,495	-	19,575,365
	75,334,810	4,985,495	-	80,320,305
<b>Total Value of Depreciable Assets</b>	<u>620,120,667</u>	<u>19,174,125</u>	<u>(1,105,325)</u>	<u>638,189,467</u>
<b>3.13 In the Course of Construction</b>				
Capital work in Progress - Other Projects	4,585,479	4,539,521	-	9,125,000
	4,585,479	4,539,521	-	9,125,000
<b>Total Gross Carrying Value</b>	<u>624,706,146</u>	<u>23,713,646</u>	<u>(1,105,325)</u>	<u>647,314,467</u>

	Balance As At 01.04.2008 Rs.	Charge for the year/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2009 Rs.
<b>DEPRECIATION</b>				
<b>3.14 At Cost</b>				
Office Furniture & Fittings	383,175	251,566	-	634,741
Office Equipments	66,933	65,590	-	132,523
Computers & Computer Equipments	1,574,343	699,036	-	2,273,379
Plant and Machinery	42,054,011	11,939,946	(442,130)	53,551,827
Motor Vehicle	119,370	97,354	-	216,724
	<u>44,197,832</u>	<u>13,053,492</u>	<u>(442,130)</u>	<u>56,809,194</u>
<b>3.15 On Finance Lease</b>				
Plant & Machinery	4,498,481	2,109,994	-	6,608,475
Motor Vehicle	1,726,961	3,319,528	-	5,046,489
	6,225,442	5,429,522	-	11,654,964
<b>Total Depreciation</b>	<u>50,423,274</u>	<u>18,483,014</u>	<u>(442,130)</u>	<u>68,464,158</u>

## Consolidated Notes to the Financial Statements Contd.

NET BOOK VALUES	2009 Rs.	2008 Rs.
<b>3.16 At Cost</b>		
Freehold Land	24,319,175	24,259,175
Office Furniture and Fittings	2,027,658	2,025,127
Office Equipment	306,002	23,338
Computers & Computer Equipments	616,366	687,502
Plant and Machinery	471,754,791	471,459,553
Motor Vehicles	2,035,976	2,133,330
	<u>501,059,968</u>	<u>500,588,025</u>
<b>3.17 On Finance Lease</b>		
Plant and Machinery	54,136,465	56,246,459
Motor Vehicles	14,528,876	12,862,909
	<u>68,665,341</u>	<u>69,109,368</u>
<b>3.18 In the Course of Construction</b>		
Capital Work-in-Progress -Other Projects	9,125,000	4,585,479
	<u>9,125,000</u>	<u>4,585,479</u>
<b>Total Carrying Amount of Property, Plant &amp; Equipment</b>	<u>578,850,309</u>	<u>574,282,872</u>

**3.19** During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 18,728,646/- (2008 - Rs. 38,704,554/-) of which Rs. 4,985,995/- (2008 -Rs. 10,000,000/-) was acquired by means of Ijarah facility. Cash payments amounting to Rs. 18,728,151/- (2008 - Rs. 28,606,829/-) were made during the year for purchase of Property, Plant & Equipment.

**3.20** Property, Plant & Equipment includes fully depreciated assets having a gross carrying amount of Rs. 3,341,015/- (2008 - 2,756,936/-).

## 4 INVENTORIES

Year ended 31st March 2009	Group		Company	
	2009 Rs	2008 Rs	2009 Rs	2008 Rs
Raw Materials	-	4,532,278	-	-
Finished Goods	1,703,149	512,525	-	-
Goods in Transit	39,345	341,543	-	-
Work-in-Progress	24,853	-	-	-
	<u>1,767,347</u>	<u>5,386,346</u>	<u>-</u>	<u>-</u>



## 5 TRADE AND OTHER RECEIVABLES

As at 31st March 2009	Group		Company	
	2009 Rs	2008 Rs	2009 Rs	2008 Rs
Trade Debtors	52,602,237	27,123,488	13,438,557	19,697,681
Advances & Prepayment	7,001,762	8,840,137	4,246,120	4,463,460
VAT Receivable	459,206	11,978,302	459,206	11,259,350
Facilities given to Company Officers (5.1)	227,650	156,650	197,650	156,650
Other Debtors	7,057,691	2,801,364	7,057,691	2,801,364
Current Account - Gurugoda Hydro (Pvt) Ltd	59,283	-	118,567	-
Current Account - Vidul Construction Ltd	-	-	58,073,163	18,228,859
	<u>67,407,829</u>	<u>50,899,942</u>	<u>83,590,954</u>	<u>56,607,365</u>
<b>5.1 Loans to Company Officers:</b>				
<b>Summary</b>				
Balance at the beginning of the Year	156,650	243,300	156,650	30,985
Loans Granted During the Year	237,500	234,400	187,500	234,400
Less: Repayments	(166,500)	(321,050)	(146,500)	(108,735)
Balance at the end of the Year	<u>227,650</u>	<u>156,650</u>	<u>197,650</u>	<u>156,650</u>

## 6 STATED CAPITAL

	At the Beginning of the Year 01.04.2008 Number	Issued for Cash During the Year Number	Issued for Non Cash Consideration Number	End of the Year 31.03.2009 Number
<b>Issued and Fully Paid</b>				
Number of Shares - Ordinary Shares	36,073,134	-	-	36,073,134
	<u>36,073,134</u>	<u>-</u>	<u>-</u>	<u>36,073,134</u>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Value - Ordinary Shares	397,477,570	-	-	397,477,570
	<u>397,477,570</u>	<u>-</u>	<u>-</u>	<u>397,477,570</u>

The Authorised Capital and Par Value concept in relation to share capital were abolished by the Companies Act No 07 of 2007. The total amount received by the company or due and payable to company in respect of the issue and calls of the shares are referred to as Stated Capital.

## Consolidated Notes to the Financial Statements Contd.

### 7 IJARA (FINANCE LEASES), MURABAHA (TRADE FINANCE) AND MUDARABAHA INVESTMENT FACILITIES

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Amount 2009 Total Rs.	Amount Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	2008 Total Rs.
<b>GROUP</b>						
Ijara Facilities/ Finance Leases (7.1)	15,013,509	20,842,955	35,856,464	13,988,105	31,496,106	45,484,211
Extended Murabaha (7.2)	10,525,265	29,855,929	40,381,194	8,290,089	40,221,688	48,511,777
Diminishing Musharakah (7.3)	13,500,000	49,000,000	62,500,000	2,500,000	62,500,000	65,000,000
Mudarabah Facilities (7.4)	19,501,240	-	19,501,240	36,703,581	-	36,703,581
Murabaha Facilities (7.5)	937,500	-	937,500	-	-	-
	<u>59,477,514</u>	<u>99,698,884</u>	<u>159,176,398</u>	<u>61,481,775</u>	<u>134,217,794</u>	<u>195,699,569</u>

#### 7.1 Ijara Facilities(Finance Leases)

Relationship	As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2008 Rs.
<b>a. From Related Parties</b>				
Amana Investments Limited      Affiliate Company	41,710,219	-	12,209,521	29,500,698
	<u>41,710,219</u>	<u>-</u>	<u>12,209,521</u>	<u>29,500,698</u>
<b>b. From Others</b>				
Peoples Leasing Company Limited	1,275,927	-	723,533	552,394
Ceylease Financial Services Ltd	2,498,065	-	1,237,466	1,260,599
Muslim Commercial Bank	-	4,725,000	182,227	4,542,773
	<u>3,773,992</u>	<u>4,725,000</u>	<u>2,143,226</u>	<u>6,355,766</u>
	<u>45,484,211</u>	<u>4,725,000</u>	<u>14,352,747</u>	<u>35,856,464</u>
Gross Liability	56,115,670			42,738,363
Finance Charges on Ijara Facilities allocated to future periods	(10,631,459)			(6,936,814)
Net Liability	<u>45,484,211</u>			<u>35,856,464</u>

#### 7.2 Extended Murabah Facilities

Relationship	As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2009 Rs.
<b>a. From Related Parties</b>				
Amana Investments Limited      Affiliate Company	48,511,777	-	8,130,583	40,381,194
	<u>48,511,777</u>	<u>-</u>	<u>8,130,583</u>	<u>40,381,194</u>

## 7.2 Extended Murabah Facilities Contd.

	As at 01.04.2008 Rs.			As at 31.03.2009 Rs.
Gross Liability	66,936,316			51,293,196
Finance Charges on Murabaha Facilities allocated to future periods	<u>(18,424,539)</u>			<u>(10,912,002)</u>
Net Liability	<u>48,511,777</u>			<u>40,381,194</u>

## 7.3 Diminishing Musharakah Facilities

	As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2009 Rs.
<b>a. From Related Parties</b>				
Amana Investments Limited      Affiliate Company	65,000,000	-	2,500,000	62,500,000
	<u>65,000,000</u>	<u>-</u>	<u>2,500,000</u>	<u>62,500,000</u>
Gross Liability	112,756,566			96,030,525
Finance Charges on Murabaha Facilities allocated to future periods	<u>(47,756,566)</u>			<u>(33,530,525)</u>
Net Liability	<u>65,000,000</u>			<u>62,500,000</u>

## 7.4 Mudarabaha Facilities

	As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2009 Rs.
<b>a. From Related Parties</b>				
Amana Asset Management Limited      Affiliate Company	31,703,581	-	14,702,341	17,001,240
<b>b. From Non Related Parties</b>				
Others	5,000,000	-	2,500,000	2,500,000
	<u>36,703,581</u>	<u>-</u>	<u>17,202,341</u>	<u>19,501,240</u>

## Consolidated Notes to the Financial Statements Contd.

### 7.5 Murabaha Facilities

Relationship		As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2009 Rs.
<b>a. From Related Parties</b>					
Amana Asset Management Limited	Affiliate Company	-	1,250,000	312,500	937,500
		-	1,250,000	312,500	937,500
Gross Liability		-			1,143,700
Finance Charges on Murabaha Facilities allocated to future periods					(206,200)
Net Liability		-			937,500

### IJARA (FINANCE LEASES), MURABAHA (TRADE FINANCE) AND MUDARABAHA INVESTMENT FACILITIES

COMPANY	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2009 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2008 Total Rs.
Ijara Facilities (7.6)	14,461,115	20,842,955	35,304,070	13,249,329	30,958,955	44,208,284
Extended Murabaha (7.7)	10,525,265	29,855,929	40,381,194	8,290,089	40,221,688	48,511,777
Diminishing Musharakah (7.8)	13,500,000	49,000,000	62,500,000	2,500,000	62,500,000	65,000,000
Mudarabah Facilities (7.9)	19,501,240	-	19,501,240	36,703,581	-	36,703,581
	<u>57,987,620</u>	<u>99,698,884</u>	<u>157,686,504</u>	<u>60,742,999</u>	<u>133,680,643</u>	<u>194,423,642</u>

### 7.6 Ijara Facilities(Finance Leases)

Relationship		As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2009 Rs.
<b>a. From Related Parties</b>					
Amana Investments Limited	Affiliate Company	41,710,219		12,209,521	29,500,698
		41,710,219	-	12,209,521	29,500,698

## 7.6 Ijara Facilities(Finance Leases) Contd.

Relationship	As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2009 Rs.
<b>b. From Others</b>				
Ceylease Financial Services Ltd	2,498,065	-	1,237,466	1,260,599
Muslim Commercial Bank		4,725,000	182,227	4,542,773
	<u>2,498,065</u>	<u>4,725,000</u>	<u>1,419,693</u>	<u>5,803,372</u>
	<u>44,208,284</u>	<u>4,725,000</u>	<u>13,629,214</u>	<u>35,304,070</u>
Gross Liability	54,617,017			42,180,988
Finance Charges on Ijara Facilities allocated to future periods	(10,408,733)			(6,876,918)
Net Liability	<u>44,208,284</u>			<u>35,304,070</u>

## 7.7 Extended Murabah Facilities

Relationship	As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2009 Rs.
<b>a. From Related Parties</b>				
Amana Investments Limited	48,511,777		8,130,583	40,381,194
Affiliate Company	<u>48,511,777</u>	<u>-</u>	<u>8,130,583</u>	<u>40,381,194</u>
Gross Liability	66,936,316			51,293,196
Finance Charges on Murabaha Facilities allocated to future periods	(18,424,539)			(10,912,002)
Net Liability	<u>48,511,777</u>			<u>40,381,194</u>

## 7.8 Diminishing Musharakah Facilities

Relationship	As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2009 Rs.
<b>b. From Related Parties</b>				
Amana Investments Limited	65,000,000	-	2,500,000	62,500,000
Affiliate Company	<u>65,000,000</u>	<u>-</u>	<u>2,500,000</u>	<u>62,500,000</u>

## Consolidated Notes to the Financial Statements Contd.

### 7.8 Diminishing Musharakah Facilities Contd.

	As at 01.04.2008 Rs.			As at 31.03.2009 Rs.
Gross Liability	112,756,566			96,030,525
Finance Charges on Murabaha Facilities allocated to future periods	(47,756,566)			(33,530,525)
Net Liability	<u>65,000,000</u>			<u>62,500,000</u>

### 7.9 Mudarabaha Facilities

	As at 01.04.2008 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2009 Rs.
<b>a. From Related Parties</b>				
Amana Asset Management Limited      Affiliate Company	31,703,581	-	14,702,341	17,001,240
<b>b. From Others</b>				
Others	5,000,000		2,500,000	2,500,000
	<u>36,703,581</u>	<u>-</u>	<u>17,202,341</u>	<u>19,501,240</u>
Gross Liability	36,703,581			19,501,240
Finance Charges on Murabaha Facilities allocated to future periods	-			-
Net Liability	<u>36,703,581</u>			<u>19,501,240</u>

## 8 DEFINED BENEFIT LIABILITY

	2009 Rs.	Group 2008 Rs.	2009 Rs.	Company 2008 Rs.
Balance as at the beginning of the year	1,704,575	950,160	1,593,072	950,160
Amount charged for the year (18.1)	283,804	833,165	239,187	721,662
Payments during the year	(300,000)	(78,750)	(300,000)	(78,750)
Balance as at the end of the year	<u>1,688,379</u>	<u>1,704,575</u>	<u>1,532,259</u>	<u>1,593,072</u>

## 8.1 Expenses on Defined Benefit Plan

	2009 Rs.	2008 Rs.	2009 Rs.	2008 Rs.
Current Service Cost for the year	432,802	833,165	369,670	721,665
Interest cost for the year	205,602	-	191,004	-
Recognition of Transition Liability (Gain)/Loss arising from changes in the assumptions of the previous year	(419,562)	-	(399,296)	-
	64,964	-	77,809	-
	<u>283,804</u>	<u>833,165</u>	<u>239,187</u>	<u>721,665</u>

## 8.2 Assumptions

Discount Rate	16%		16%	
Salary increment	12%		12%	
Retirement age	55		55	
Staff Turnover	3%		3%	

## 9 OTHER PAYABLES

	Group		Company	
	2009 Rs	2008 Rs	2009 Rs	2008 Rs
Trade Payable	1,539,282	2,382,563	-	-
Sundry Creditors Including Accrued Expenses	14,117,404	12,759,556	11,430,001	11,281,658
	<u>15,656,686</u>	<u>15,142,119</u>	<u>11,430,001</u>	<u>11,281,658</u>

## 10 CASH AND CASH EQUIVALENTS

### 10.1 Favourable Cash & Cash Equivalents Balance

#### Components of Cash and Cash Equivalents

Cash & Bank Balances	7,543,601	20,888,373	7,155,000	18,889,871
<b>Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement</b>	<u>7,543,601</u>	<u>20,888,373</u>	<u>7,155,000</u>	<u>18,889,871</u>

## Consolidated Notes to the Financial Statements Contd.

### 11 REVENUE

Year ended 31st March 2009	Group		Company	
	2009 Rs	2008 Rs	2009 Rs	2008 Rs
Revenue	230,265,967	194,896,155	185,667,324	158,759,206
	<u>230,265,967</u>	<u>194,896,155</u>	<u>185,667,324</u>	<u>158,759,206</u>

### 12 OTHER INCOME & GAINS

Profit from Mudarabaha Investment	405,366	439,992	405,366	424,666
Write back of Gratuity	-	167,750	-	-
Revenue from other Energy Projects/ Other Sales	-	1,737,454	-	1,737,454
Amana Takaful Surplus	18,547	5,106	18,547	5,106
Commercial Bank	549	-	-	-
MCB Islamic Banking	101,163	-	101,163	-
Profit/(Loss) on Disposal of Property, Plant & Equipment	(663,195)	14,000	(663,195)	-
Insurance Claim	2,438,550	-	2,438,550	-
Gain from Divestment of Subsidiary	5,037,589	109,313	5,037,589	387,365
Management Fee	83,086	-	83,086	-
	<u>7,421,655</u>	<u>2,473,615</u>	<u>7,421,106</u>	<u>2,554,591</u>

### 13 PROFIT BEFORE TAX

Year ended 31st March 2009	Group		Company	
	2009 Rs	2008 Rs	2009 Rs	2008 Rs
Stated after Charging/(Crediting)				
Depreciation	19,223,667	16,148,707	-	16,015,440
Staff Costs (Include the following Retirement Benefit Costs)	22,156,569	15,295,048	18,403,739	13,785,700
Defined Benefit Plan Costs - Gratuity	283,805	833,165	239,184	721,665
Defined Contribution Plan Costs - EPF and ETF	2,703,976	2,375,782	2,283,923	1,747,655
CEO/Managing Director's Emolument	3,240,000	2,040,000	3,210,000	2,040,000
	<u>32,508,017</u>	<u>36,692,602</u>	<u>23,936,646</u>	<u>33,310,460</u>



## 14 FINANCE COST

Year ended 31st March 2009	Group		Company	
	2009 Rs	2008 Rs	2009 Rs	2008 Rs
Finance Cost: (Lease Markup on Ijara / Murabaha Facilities)	33,346,800	39,395,937	33,346,800	33,787,179
Exchange Loss of GEF Grant		4,750	-	-
PLC - Car	177,469	122,406	-	-
PLC - Baby Dumper	30,501	17,322	-	-
First Global Investment - Excavator	68,801			
Lease Rental - Bike	-	5,300	-	-
	<u>33,623,571</u>	<u>39,545,715</u>	<u>33,346,800</u>	<u>33,787,179</u>

## 15 INCOME TAX

The major components of income tax expense for the year ended March 31, 2009 are as follows:

### Current Income tax

Current Income Tax Charge	89,326	327,561	89,326	327,561
<b>Deferred Tax</b>				
Deferred taxation Charge/(Reversed)	-	445,936	-	-
	<u>89,326</u>	<u>773,497</u>	<u>89,326</u>	<u>327,561</u>
Income Tax expense reported in the Income statement	88,442	324,318	88,442	324,318
Social Responsibility Levy 1 %	884	3,243	884	3,243
	<u>89,326</u>	<u>327,561</u>	<u>89,326</u>	<u>327,561</u>

### 15.1 A reconciliation between tax expense and the accounting profits multiplied by Statutory tax rate is as follows

Year ended 31st March 2009	Group		Company	
	2009 Rs	2008 Rs	2009 Rs	2008 Rs
Accounting profit before income tax/(loss) tax	68,483,168	47,476,058	86,232,716	70,292,629
At the statutory income tax rate of 15% (2007 : 15%)	10,272,475	7,121,409	12,934,907	10,543,894
Tax effect of Disallowed expenses	2,202,557	4,243,979	-	-
Tax effect of Income exempt from tax	(12,386,590)	(10,595,154)	(12,846,465)	(10,219,576)
At the effective income tax rate of 15% (2007 : 15%)	<u>88,442</u>	<u>770,234</u>	<u>88,442</u>	<u>324,318</u>
Social Responsibility Levy 1%	884	3,243	884	3,243
	<u>89,326</u>	<u>773,477</u>	<u>89,326</u>	<u>327,561</u>

## Consolidated Notes to the Financial Statements Contd.

### 16 EARNINGS PER SHARE

**16.1** Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2009	Group 2008
<b>16.2 Amounts Used as Numerator</b>		
Net Profit Attributable to Ordinary Shareholders for Basic Earnings per Share	68,393,842	46,702,560
<b>Number of Ordinary Shares Used as Denominator</b>		
Weighted Average Number of Ordinary Shares in Issue	36,073,134	36,073,134

### 17 COMMITMENTS & CONTINGENCIES

There are no significant commitments and contingencies as at the Balance Sheet date.

## 18 ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of assets	Nature of Liability	Carrying Amount Pledged		Assets Pledged
		2009 Rs.	2008 Rs.	
<b>GROUP</b>				
Leased Assets	Charge over Leased Assets on Finance Lease Liabilities	35,856,464	45,484,211	Property, Plant & Equipment
Ijara Facilities and Murabaha Facilities	Murabaha Facility, working capital and Motor Vehicle	102,881,194	113,511,777	Property, Plant & Equipment and Land at Bambarabatuoya
Assets - Excavator	Murabaha Facility	937,500	-	Assets itself
<b>Total carrying value of Assets Pledged</b>		<u>139,675,158</u>	<u>158,995,988</u>	
<b>COMPANY</b>				
Leased Assets	Charge over Leased Assets on Finance Lease Liabilities	35,304,070	44,208,284	Property, Plant & Equipment
Extended Murabaha	Murabaha Facility	40,381,194	48,511,777	Property, Plant & Equipment
Diminishing Musharakah	Working Capital	55,000,000	55,000,000	Land at Bambarabatuoya
Diminishing Musharakah	Motor Vehicle	7,500,000	10,000,000	Motor Vehicle
		<u>138,185,264</u>	<u>157,720,061</u>	

## Consolidated Notes to the Financial Statements Contd.

### 19 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

#### 19.1.(a) Transaction with Related Entities

Name of the Company and Relationship	Vidul Energy ( Pvt ) Ltd Subsidiary(VEPL)		Vidul Construction (Pvt)Ltd Subsidiary(VCL)		Celcius Solution (Pvt)Ltd Affiliate Company		Lanka Equities (Pvt) Ltd Affiliate Company	
	2009	2008	2009	2008	2009	2008	2009	2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Nature of Transaction</b>								
As at 1 April 2008	-	(1,179,703)	18,228,859				(200,000)	(450,000)
Fund transfer to VLL		250,000	(8,933,194)	7,753,578			(263,903)	
Repayment by VLL								
Fund transfers by VLL		(1,150,000)	22,797,865					
LEL Balance T/fer to VCL							(859,948)	
Bonus Payment			404,350					
Salary Payment			4,598,543					
Statutory Payment			947,966					
Telephone , Fax & Lease Line Expenses			784,494					
Electricity			754,768				81,696	
Rent			4,513,864					
Maintenance Expenses			30,771				7,000	
IT fee & Equipment			49,500				530,000	600,000
Asset transfer							298,800	
Loans - Office Staff			75,000					
Expense incurred on behalf of the Company		2,079,703					(785,645)	
Part Settlement to VLL				(3,898,721)				
Softlogic Ltd			12,750	12,750	-			
Settlement Amana Takaful PLC			95,133					
Facility Settlement of PLC & Amana				39,374,076				
Issue of Shares				(25,000,000)				
ESC Payments			342,693					
Refundable deposit							686,000	
Received Money / (Settlement)						108,000		(350,000)
Finance Charges			(43,773)					
Service by External party							56,000	
Car Maintenance			9,000					
Agreement with Energy Net			96,600					
VAT Payment			1,492,712					
PSS Renewables			53,674					
Audit Fee Payment			413,471					
Lawyers Payment			157,500					
Training & Development			4,200					
Co. Secreterial Payment - Managers & Secretaries			11,411					
Payment to Subcontractors			9,319,299					
Innovatec			828,000					
Sales of furniture						(8,000)		
Project Consultant Payments			505,000					
Reimbursement of Transportation						(100,000)		
Extended Mudarabha								
Murabaha Facility - First Global Investment			127,100					
Ijaraha Facility - People's Leasing			395,605					
Ijara Facilities (Repayment)								
Mudarabaha settlements			(14,702,340)	(14,702,340)	-			
Diminishing Musharakah Facility								
Murabaha & Mudarabah Facilities (Net Liabilities)								
<b>As at 31 March 2009</b>	<b>-</b>	<b>-</b>	<b>58,073,163</b>	<b>18,228,933</b>	<b>-</b>	<b>-</b>	<b>(450,000)</b>	<b>(200,000)</b>

Diamond Cutters Ltd Affiliate Company		Growth Lanka (Pvt) Ltd Affiliate Company		Amana Investments Ltd Affiliate Company		Amana Assets Management Ltd Affiliate Company		Total	Total
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	77,563		787,060	155,221,999	105,117,996	31,703,581	50,601,613	204,954,439	154,954,529
								(9,197,097)	8,003,578
								-	-
								22,797,865	(1,150,000)
								(859,948)	-
								404,350	-
								4,598,543	-
								947,966	-
								784,494	-
								836,464	-
								4,513,864	-
								37,771	-
								579,500	600,000
								298,800	-
								75,000	-
								(785,645)	2,079,703
								-	(3,898,721)
								95,133	-
								-	39,374,076
								-	(25,000,000)
								342,693	-
								686,000	-
	(77,563)		(787,060)					-	(1,106,623)
								(43,773)	-
								56,000	-
								9,000	-
								96,600	-
								1,492,712	-
								53,674	-
								413,471	-
								157,500	-
								4,200	-
								11,411	-
								9,319,299	-
								828,000	-
								-	(8,000)
								505,000	-
								-	(100,000)
				(8,130,583)				(8,130,583)	-
								127,100	-
								395,605	-
				(12,209,521)	(14,895,997)		(37,698,032)	(12,209,521)	(52,594,029)
				(2,500,000)	65,000,000			(2,500,000)	65,000,000
							18,800,000	-	18,800,000
								-	-
				132,381,895	155,221,999	17,001,241	31,703,581	207,078,135	204,954,513

## Consolidated Notes to the Financial Statements Contd.

### 19.2 Transactions with Key Management Personnel of the Company

19.2(a) The Key management personnel of the company are the members of the its Board of Directors.

No other transaction had been taken place during the year with the parties/entities in with key management personnel or their close family member have control or significant influence.

Key management personnel compensation

	2009 Rs.	2008 Rs.
Short-term Employee Benefits	5,740,000	2,040,000

### 19.2(b) Transaction with Other Related Parties

Transactions with close members of the family of Key Management Personnel and shareholders who have either control, significant influences or joint control over the company.

Amana Investment Limited and Amana Assets Management Limited are two companies in which the key management personal have significant influence over financial and operating decision. Transaction had with those companies are detailed in Note 19.2(a).

### 20 DIVIDENDS PROPOSED

	2009 Rs.	2008 Rs.
Proposed for approval at AGM (not recognised as a liability as at 31st March 2009)	-	-
Equity dividends on ordinary shares	-	-
Final dividend for 2009: 60 cents per share	21,643,880	18,036,567

# Five Year Summary

## Operating Results

Year ended 31 March 2009	Company			Group	
	2005	2006	2007	2008	2009
Revenue	71,915,190	76,849,258	130,627,223	194,896,155	230,265,967
Gross Profit	66,018,624	59,591,611	68,879,902	131,970,119	154,316,953
Operating Profit	51,179,829	40,863,312	30,010,901	87,299,825	102,106,739
Profit Before Tax	51,179,829	38,864,206	26,133,272	47,754,110	68,483,168
Profit After Tax	51,098,294	39,235,083	25,982,457	46,702,560	68,393,842
<b>Equity</b>					
Stated Capital	238,500,070	298,125,090	327,937,590	397,477,570	397,477,570
Reserves	60,552,635	10,350,190	66,145,147	43,307,728	93,665,004
<b>Liabilities</b>					
Long Term Debt	-	42,161,529	92,307,035	134,217,794	99,698,884
Other Non - Current Liabilities	315,287	492,859	1,117,910	1,704,575	1,688,379
Short term Debt	-	16,943,189	98,997,851	61,481,775	59,477,514
Current Liabilities	7,664,567	9,089,352	36,833,233	15,142,119	15,656,686
<b>Assets</b>					
Non Current Assets	290,684,141	347,236,359	555,167,473	576,156,901	590,945,260
Current Assets	16,348,418	29,925,850	68,171,293	77,174,661	76,718,777
<b>Key Indicators</b>					
Total Assets/Equity	1.03	1.22	1.58	1.48	1.36
Net Profit Margin	0.71	0.51	0.2	0.24	0.3
Turnover/ Assets	0.23	0.2	0.21	0.3	0.34
Return on Equity(%)	17.11%	12.60%	6.63%	10.83%	13.94%
Return on Assets (%)	16.67%	10.30%	4.19%	7.31%	10.26%
Current Ratio	2.13	1.15	0.5	1.01	1.02
Earnings Per Share	2.14	1.3	0.8	1.3	1.9

## Notice of Meeting

NOTICE IS HEREBY GIVEN that the 13th Annual General Meeting of shareholders of the Company will be held on 20th August, 2009 at Galadari Hotel, Colombo 01 at 3.30 p.m. for the following purposes:

1. To , consider and adopt the Audited Financial Statements for the year ended 31st March 2009 together with the Annual Report of the Directors thereon.
2. To re-elect Dr. A. A. M. Haroon as a Director of the Company, who retires by rotation.
3. To re-elect Mr. S. Ranjan Mather as a Director of the Company, who retires by rotation.
4. To elect Dr. T. Senthilverl, who was appointed as a Director, of the Company subsequent to the last Annual General Meeting.
5. To re-appoint the retiring auditors M/s. Ernst & Young, Chartered Accountants for the ensuing year and authorize Directors to determine their remuneration.

By Order of the Board

**MANAGERS & SECRETARIES (PRIVATE) LIMITED**

Secretaries

03rd July, 2009

**Note:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him.
2. A Proxy need not be a member of the Company.
3. A form of proxy accompanies this notice.



# Form of Proxy

I/We ..... of .....

Being member/s of Vidullanka PLC, do hereby appoint ..... of .....

as my /our proxy to represent me/us and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 20th August 2009 and at any adjournment thereof.

	For	Against
1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March 2009 together with the Reports of the Auditors and Directors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Dr.Aboobacker Admani Mohamed Haroon as a Director of the Company who retires by rotation.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. Ranjan Mather as a Director of the Company, who retires by rotation.	<input type="checkbox"/>	<input type="checkbox"/>
4. To elect Dr. Thirugnanasambandar Senthilverl who was appointed a Director of the Company, subsequent to the last annual general meeting.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint the retiring auditors M/s Ernst & Young, Chartered Accountants for the ensuing year and authorize directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this ..... day of ..... 2009

.....  
Signature of shareholder/s

## Form of Proxy Contd.

### Instructions to Complete the Form of Proxy

1. Kindly perfect the Form of Proxy, by filling in legibly your full name and address, signing in the space provided, and filling in the date of signature.
2. In the case of a company/corporation, the Proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
3. The completed Form of Proxy should be deposited at the Registered Office of Vidullanka PLC at Level 4, Access Towers, 278, Union Place, Colombo 2 not less than 48 hours before the time fixed for the Meeting.

# Corporate Information

## COMPANY STATUS & CAPITAL

Legal Status

Public Limited Liability Company listed in the Colombo Stock Exchange on 10th June 2005.

### Re - registration Date & Number

27th September 2007

PQ 83

### Stated Capital

Rs. 397,477,570/-

### Issued Capital

36,073,134 shares

## BOARD OF DIRECTORS

Mr. Osman Kassim (Chairman)

Mr. Riyaz M. Sangani (Managing Director)

Mr. Shahid M. Sangani

Mr. S. Ranjan Mather

Dr. A. A. M. Haroon

Mr. Hilal R. Peiris

Mr. M. Zulficar Ghouse

Dr. T. Senthilverl

## COMPANY SECRETARY

Managers & Secretaries (Pvt) Limited

## REGISTERED OFFICE

Level 04, 'Access Towers'

No 278 Union Place, Colombo 2.

## AUDITORS

M/s. Ernst & Young, Chartered Accountants

## BANKERS

Commercial Bank of Ceylon PLC

VIDULLANKA PLC



Level 04, Access Towers, # 278 Union Place, Colombo 2, Sri Lanka.

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