



# EXPANDING TO ENERGIZE

Annual Report 2023/2024





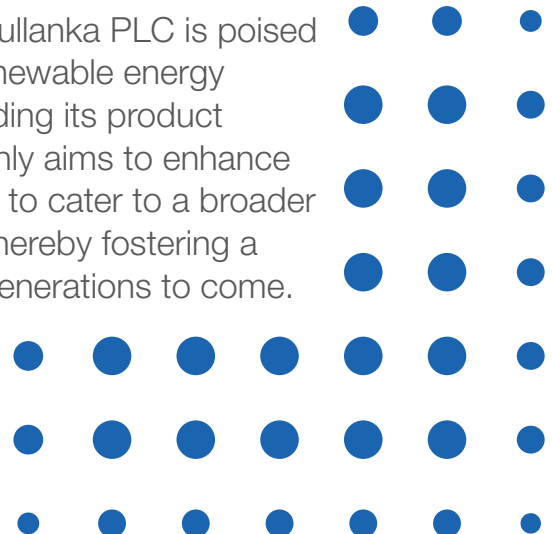
# *expanding to energize*



Vidullanka PLC is a leading renewable energy company based in Sri Lanka, renowned for its innovative approach towards sustainable energy solutions. Having recognized the evolving energy landscape and the increasing demand for diversified renewable sources, Vidullanka has embarked on an ambitious journey to expand its foothold beyond local borders.

Driven by a commitment to environmental stewardship and technological advancement, Vidullanka has strategically diversified its portfolio beyond hydropower. By leveraging its expertise, experience, and resources, Vidullanka aims to contribute significantly to the renewable energy sector's growth while addressing the pressing challenges of climate change and energy sustainability.

Through strategic partnerships, research and development initiatives, and investments in cutting-edge technology, Vidullanka PLC is poised to become a multifaceted renewable energy solutions provider. By expanding its product portfolio, the company not only aims to enhance its competitive edge but also to cater to a broader spectrum of energy needs, thereby fostering a more sustainable future for generations to come.



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## ABOUT VIDULLANKA PLC

### OUR VISION

Sustainably energizing the planet.



### OUR MISSION

Passionate in harnessing renewable energy resources, using innovative engineering solutions.



### OUR VALUES

Work with the passion for excellence while ensuring honesty, integrity and ethics with innovative mindsets by taking risks while providing attention to detail with the entrepreneurial drive through teamwork and professionalism.



### ABOUT US

Vidullanka PLC is a name with a long-established presence in the renewable energy industry in Sri Lanka, known for its ardent pursuit of a green and sustainable future that outlines its upward corporate trajectory.

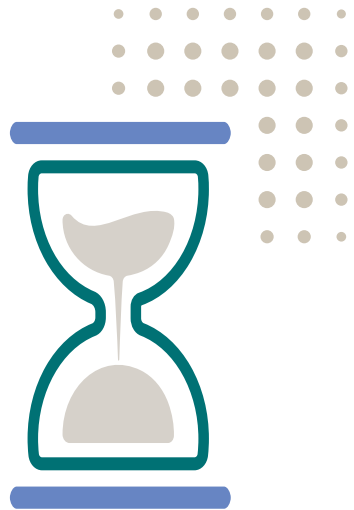
As a pioneering entity at the forefront of the renewable energy industry at home in Sri Lanka and with a growing presence abroad, the company envisions the future of a sustainably energized planet. Since its incorporation in 1997, Vidullanka has made conscientious efforts to promote the generation of renewable energy from indigenous sources and diminish the reliance on fossil fuels for energy and its detrimental impact on the environment.

The Vidul group's cumulative portfolio currently stands at 21 power projects, representing nearly three decades of passion towards harnessing renewable energy resources through innovative engineering solutions. With segments ranging from hydro, solar and dendro, the company currently holds a total energy capacity of 51MW, supplying over 215GWh of energy to the national grids of Sri Lanka and Uganda annually. Vidullanka continues to explore diverse opportunities to expand its reach in the industry, offering technical services for industry players and more recently venturing into Engineering, Procurement and Construction contracts.

The company's contributions to the environment and its communities, employees, shareholders and other stakeholders are driven by the motto "Building on Renewable Energy Sources", which sets the tone for Vidullanka's sustainable endeavors within the industry, setting out a clear path towards its success.

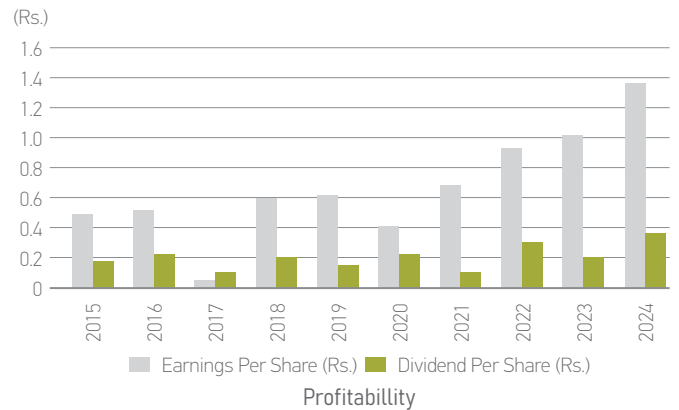
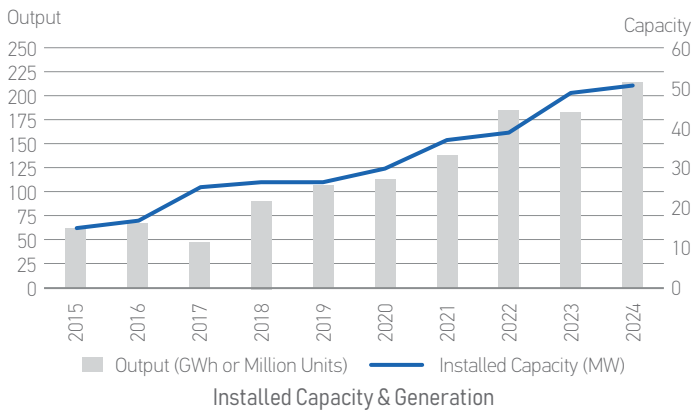
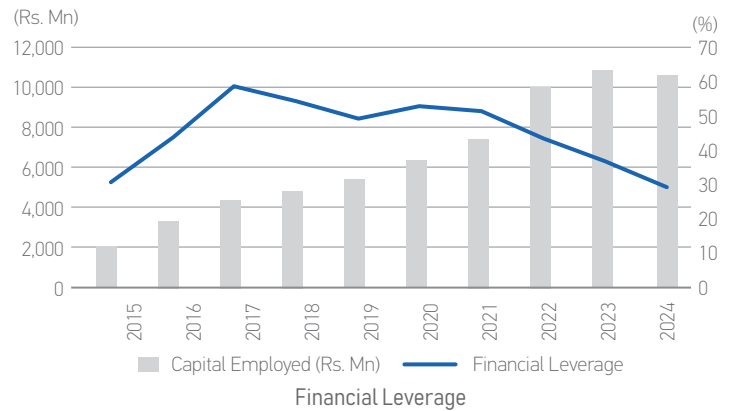
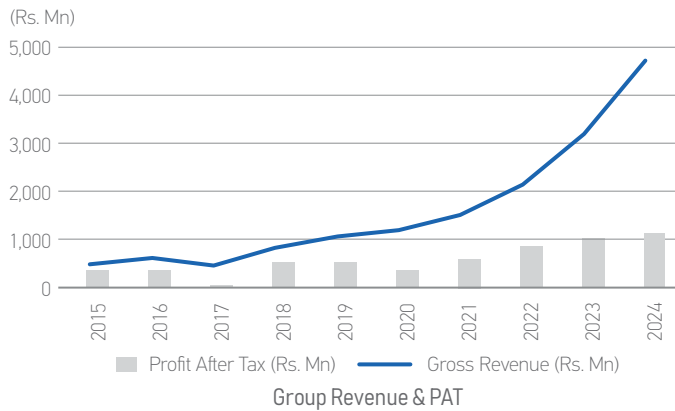
The merging of social responsibility and sustainability in Vidullanka's initiatives supports the company's ability to produce significant value to its stakeholders and drives its commitment to sustain these initiatives in all its goals.

At Vidullanka, we are resolute in our mission to lay the foundation for a future that is powered by clean and green energy, that serves the planet and our communities, leaving a better world for generations to come.



## KEY PERFORMANCE HIGHLIGHTS

	2024	2023	2022	2021	2020
Gross Revenue (Rs. Mn)	5,693	3,836	2,568	1,797	1,440
Gross Profit (Rs. Mn)	3,191	2,720	1,880	1,205	1,062
Profit After Tax (Rs. Mn)	1,353	1,023	866	595	362
Output (GWh or Million Units)	215.2	183.2	185.9	139.6	114.9
Installed Capacity (MW)	51	49	39	37	30
Net Profit Margin	23.8%	26.7%	33.7%	33.1%	25.1%
Return On Equity	18.0%	14.8%	15.1%	16.3%	12.1%
Return On Assets	20.8%	17.3%	14.4%	13.6%	12.2%
Earnings Per Share (Rs.)	1.36	1.02	0.93	0.68	0.41
Dividend Per Share (Rs.)	0.36	0.20	0.30	0.10	0.23
Net Asset Value Per Share (Rs.)	7.69	7.07	5.99	4.21	3.51
Financial Leverage	28.9%	36.6%	43.2%	51.3%	53.1%



## OPERATIONAL HIGHLIGHTS





## PROJECT PORTFOLIO

### HYDRO - LOCAL

Plant Name	Bambarabatuoya MHPP
Installed Capacity	3.2 MW
River	Kalu Ganga
Present Status	SPPA renewed upto June 2036



Plant Name	Lower Kotmale Oya MHPP
Installed Capacity	4.0 MW
River	Kotmale Oya
Present Status	Commissioned on 25th June 2014



Plant Name	Batathota MHPP
Installed Capacity	2.0 MW
River	Kuru Ganga
Present Status	SPPA Renewed upto 2041



Plant Name	Rideepana MHPP
Installed Capacity	1.75 MW
River	Badulu Oya
Present Status	Commissioned on 15th May 2015



Plant Name	Wembiyagoda MHPP
Installed Capacity	1.3 MW
River	Koswathu Ganga
Present Status	Commissioned on 19th March 2013



Plant Name	Udawela MHPP
Installed Capacity	1.4 MW
River	Badulu Oya
Present Status	Commissioned on 29th December 2017





## HYDRO - OVERSEAS

Plant Name	Madugeta MHPP
Installed Capacity	2.5 MW
River	Gin Ganga
Present Status	Commissioned on 1st November 2013



Plant Name	Muvumbe SHPP
Installed Capacity	6.5 MW
River	Muvumbe River
Present Status	Commissioned on 15th March 2017



Plant Name	Ganthuna MHPP
Installed Capacity	1.2 MW
River	Gurugoda Oya
Present Status	Commissioned on 26th March 2010



Plant Name	Bukinda SHPP
Installed Capacity	6.5 MW
River	Nkusi River
Present Status	Commissioned on 31st July 2020



## DENDRO

Plant Name	Dehiyathakandiya Dendro PP
Installed Capacity	3.3 MW
Location	Ampara
Present Status	Commissioned on 30th May 2019



## SOLAR - GROUND MOUNTED

Plant Name	Monaragala Solar PP
Installed Capacity	1MWp
Location	Monaragala
Present Status	Commissioned on 23rd September 2021





## Project Portfolio

### SOLAR – ROOFTOP

Plant Name	Vavunathivu Solar PP
Installed Capacity	10MWp
Location	Vavunathivu, Batticaloa District
Present Status	Commissioned on 11 October 2022



Plant Name	DCL Rooftop Solar PP
Installed Capacity	515kWp
Location	IPZ - Panadura
Present Status	Commissioned on 11th December 2020



Plant Name	Horana Solar PP
Installed Capacity	2.4MWp
Location	Horana, Kalutara District
Present Status	Commissioned on 06th June 2023



Plant Name	TCL Rooftop Solar PP
Installed Capacity	240kWp
Location	Delkanda, Nugegoda
Present Status	Commissioned on 27th March 2021



### EPC

Plant Name	Moco Moco SHPP & Kumu SHPP
Employer	Guyana Energy Agency
Installed Capacity	700KW + 1.5MW
Location	Lethem, Guyana



Plant Name	Emerald Rooftop Solar PP I, II & III
Installed Capacity	938kWp
Location	IPZ- Panadura & Pannipitiya
Present Status	Commissioned during September - November 2021



## AWARDS AND ACCOLADES

2024

### PRESIDENTIAL ENVIRONMENT AWARDS 2023/24

Gold Award: Batathota MHPP  
Silver Award: Ethamala Ella MHPP

### ISO 9001:2015 CERTIFICATION

Quality Management of business development, design and operations

### GREAT PLACE TO WORK®

One of 50 Best Workplaces in Sri Lanka 2024  
Great Place to Work (March 2024 – March 2025)

2022

### PRESIDENTIAL ENVIRONMENT AWARDS 2021/22

Gold Award: Wembiyagoda MHPP

### SLS 1551:2016 CERTIFICATION

Sustainably Produced Fuelwood Management System – Vidul Plantation (Pvt) Ltd.

### GREAT PLACE TO WORK®

One of 50 Best Workplaces in Sri Lanka 2022

2021

### GREEN ENERGY CHAMPION '21

Certificate of Merit: Special Recognition – WeManage

### GREAT PLACE TO WORK®

Great Place to Work (August 2021 - July 2022)

2019

### MOST ADMIRED COMPANIES OF SRI LANKA BY CIMA-ICCSL

Ranked among the Top 15 Companies

### TAIKI AKIMOTO 5S AWARDS

Gold Award: Ethamala Ella MHPP  
Bronze Award: Wembiyagoda MHPP

2018

### PRESIDENTIAL ENVIRONMENTAL AWARDS 2018

Silver Award: Wembiyagoda MHPP

### TAIKI AKIMOTO 5S AWARDS

Sector Award: Wembiyagoda MHPP

### NATIONAL BUSINESS EXCELLENCE AWARDS

Runners-Up: Infrastructure and Utilities Sector

2016

### PRESIDENTIAL ENVIRONMENTAL AWARDS

Bronze Award: Wembiyagoda MHPP

### TAIKI AKIMOTO 5S AWARDS

Merit Award: Batathota MHPP

### ACCA SUSTAINABILITY REPORTING AWARDS

Runner Up: SME Category

2014

### TAIKI AKIMOTO 5S AWARDS

Trade and Service Award: Head Office

### ANNUAL REPORT AWARDS OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA

Silver Award: Power and Energy Sector

2013

### TAIKI AKIMOTO 5S AWARDS

Merit Award: Bambarabatuoya MHPP





**LEADERSHIP  
& PERFORMANCE  
REVIEW**



## CHAIRMAN'S MESSAGE

"With our global and domestic partnerships that facilitate the improvement of our portfolio, and a vigilant team that is united in our mission towards a sustainably powered future, the company is well positioned to achieve greater success in the industry."

*Dear Shareholders,*

It is my pleasure to welcome you to the 28th Annual General Meeting of Vidullanka PLC to mark the end of yet another outstanding year for our company. With the challenges that have arisen in the last few years, we as a company have taken painstaking efforts to adapt to ever evolving situations that affect our industry. This has given us the bearing we need to face the countless obstacles that come our way, so that we continue to stay pragmatic and firm in our pursuits.

The global renewable energy market is now subject to a dynamic landscape as the industry continues to experience a diverse range of highs and lows. The global need for energy security and energy sustainability has very much accelerated the shift to renewables as a source of electricity. Since 2020, there has been a 40% increase in investments in clean energy globally. The capacity of renewable energy added during the calendar year of 2023 is estimated to exceed 500GW, and the number of electric vehicles sold globally has begun to increase every year. These are just a few examples of the global strides made in the recent past and are good reasons to anticipate the success of the net zero goals reiterated at COP28 in 2023.

Vidullanka PLC has held on to its potential as a global player within the renewable energy industry, hitting milestone after milestone in its steady trajectory. This success is a testament to the tremendous efforts made by our team spread across the world, whose commitment cannot go without acknowledgement. We thank our team as well as our stakeholders for having faith in us as we achieve continued growth in this field, in spite of the numerous challenges that come our way.

### GLOBAL OUTLOOK

The recent energy crisis highlights the need for affordable and reliable clean energy supplies, especially in developing countries. The transition to clean energy will require increased focus on electricity security and ensuring a supply from diverse clean energy sources. During the first global stocktake at COP28 at the end of 2023, it was revealed that the trajectory of progress in all areas of climate action is not sufficient in meeting the 2030 goal, and it was envisaged that the world should strive to achieve the ambitious target of 7,900GW in total renewable energy capacity by 2030. This means that efforts should now be made to triple the current renewable energy capacity to achieve this target, which has led to countries taking the collective decision to commit to transitioning away from fossil fuels and investing further in renewable energy. As such, COP28 has made history in terms of sustainability and green initiatives, as it became the first ever COP gathering to collectively agree on transitioning away from fossil fuels.

However, many challenges stand in the way of achieving the goals set out at COP28, from rising costs and supply chain issues, and the future growth rate of clean energy will depend on political stability, government policies and market conditions.

Furthermore, tripling clean power generation by 2030 would require a total annual investment of USD 4.5 trillion in renewable energy, to achieving the limitation of global warming to 1.5C. It is reassuring that the statistics indicate that investments in the energy industry have significantly picked up and sets out the possibilities of more opportunities for companies like Vidullanka to showcase its capabilities as an energy entity.

Vidullanka in its strategic mandate has prioritized the need for global expansion of its foothold in the recent past. The

## Chairman's Message

company is well equipped to capitalize on the numerous opportunities the global renewable energy market provides and will continue to aggressively explore overseas expansion to reap the high returns and rewards available.

### THE PROGRESS OF DOMESTIC GREEN ENERGY

Sri Lanka faced an unprecedented economic crisis in 2022, which resulted in serious socio-economic challenges to the country as well as the populace. Since then the country has picked up its pace in restoring its socio-economic stability following significant structural and policy reforms, including cost reflective utility pricing, reforming of state-owned enterprises etc. While the effects of the crisis persist, positive growth is expected in the coming year, which is a welcome change in contrast to the 2.3% contraction faced by the economy in 2023. However, in spite of these numbers being indicative of the shift that is taking place with the ongoing reforms, there is much yet to be achieved in terms of building a resilient economy.

As per the new Sri Lanka Electricity Act, the Ceylon Electricity Board will be restructured to independent corporate entities which will be granted the responsibility for entity specific matters relating to electricity generation, transmission, distribution, trade, supply and procurement. This proposed restructuring is expected to bring about efficiency and effectiveness in terms of the operations and future development of the local energy industry, which will be a very welcome boost of confidence to the stakeholders of the industry. This sets out a promising future for companies such as ours as it conveys the government's commitment to empower the renewable energy sector.

These vital reforms can further expand an avenue for Vidullanka to contribute towards a greener country, in the company's quest towards a sustainably energized planet. With our global and domestic partnerships that facilitate the improvement of our portfolio, and a vigilant team that is united in our mission towards a sustainably powered future, the company is well positioned to achieve greater success in the industry.

### PERFORMANCE AND ACHIEVEMENTS

While the country has gradually set itself on a path to recover, Vidullanka has maintained its steady pace in our overall performance. Our group was able to generate an output of renewable energy of over 215GWh during the financial year to the national grids. Furthermore, the third ground mounted solar power project of the group, 2.4MW Horana Solar Power Plant was successfully commissioned to the national grid of Sri Lanka in June 2023. Overcoming the significant challenges faced in terms of profitability in previous years, our Biomass and Plantation segment has significantly picked up its pace in the year under review. During the financial year, the segment recorded a profit of Rs. 97 million, a substantial improvement in comparison to the losses faced in previous years. Overseas hydro segment has also been a star performer of the company, contributing Rs. 2.69 billion of revenue during the financial year, which in turn generated Rs. 1.16 billion in profits. The local hydro segment was as steady as ever, which posted figures of Rs. 561 million in revenue and Rs. 420 million in profits for the year under review.

The EPC contract with the Guyana Energy Agency has contributed substantially to the company's revenue amounting to Rs. 1.9 billion during the financial year ended 31st March 2024, from which the segment has up to now reported a profit of Rs. 113 million, with the contract set to realize its intended profit at the end of the project.

Apart from the performance of the group's plant portfolio, Vidullanka has received a number of noteworthy recognitions during year. Following a rigorous survey, the company was recertified as a Great Place to Work and one of the 50 Best Workplaces in Sri Lanka once again for the year 2024/2025 by Great Place to Work® Sri Lanka. In addition, Vidullanka obtained the certification in ISO 9001:2015 in Quality Management for the design, business development and operations of the Hydro and Solar segments. This achievement speaks for the company's commitment to constant improvement in all its processes, particularly in our consistency in the practice of the 5S concept in our activities. The company was also the proud recipient of the Gold Award for its Batathota MHPP and Silver Award for its Ethamala Ella MHPP at the Presidential Environment Awards 2023/24. These accolades and recognitions serve as further motivation to continue to pursue greater standards in all of Vidullanka's operations.

During the financial year, Vidullanka PLC recorded a net profit of Rs. 1.35 billion with a 32% increase in comparison to the previous year, adding to the company's fourth consecutive year of record-breaking profits. Revenue rose by 48%, recording Rs. 5.7 billion compared to the Rs. 3.8 billion recorded last year. With the steady overseas hydro segments, the company's financial performance has shown promise in the potential of Vidullanka's further success, which has also enabled the company to pay dividends amounting to a total of Rs. 339 million during the financial year.

### TEAM AND FUTURE EXPECTATIONS

Vidullanka is committed to a sustainable future. We believe in leading by example and setting high standards of integrity, ensuring that our core values are never compromised. Throughout the year, we've upheld the highest standards of business ethics and code of conduct. Our

unwavering focus on ethics, integrity and core values has been a driving force for success and will continue to guide us.

We understand that to be competitive in this industry, we require constant innovation, a strong commitment to exploring new clean energy options, and investing in both promising technologies and our talented workforce. We strongly believe that the empowering our team to constantly improve their existing skills is key to maintaining our performance driven culture.

I extend my sincere appreciation to the Board members for their steadfast support and guidance. Their expertise has been invaluable in propelling our growth and achieving our current standing. I would like to thank our CEO, Mr. Riyaz Sangani for his discerning and decisive leadership that has guided the company towards its success. His vision for the company has always been the driving force that keeps our team on the path to achieve greater milestones.

Our gratitude also extends to our shareholders, whose trust has been essential to our success. I take this opportunity to convey my heartfelt appreciation to all stakeholders of the company, for their continued support and mutual involvement in company activities.

Finally, I express my deepest gratitude to our incredible employees. Their unwavering commitment, professionalism, and resilience have been instrumental in Vidullanka's success over the years. It's a privilege to lead such a remarkable team as we embark on the next chapter together.

Thank you.  
Sincerely,

*(Sgd.)*  
**Osman Kassim**  
*Chairman*





## CHIEF EXECUTIVE OFFICER'S REVIEW

"The company was also assigned A+ (Ika) National Long-Term Rating, with a Stable Outlook by Fitch Ratings for the second consecutive year, signifying the financial health of the Group."

*Dear Shareholders,*  
Welcome to the 28th Annual General Meeting of Vidullanka PLC, marking the end of yet another successful year at the company. This year, like every year before it, has not been without its challenges, yet Vidullanka has adapted itself and taken each hurdle in its stride, and our performance this year is a sure testament to our determination. I am pleased to stand before you and present our achievements and reinforce our commitment to achieving greater heights in the coming years.

### FINANCIAL PERFORMANCE

The year in review reflects yet another period where the company maintained its pursuit of better profitability. During the period, the group achieved a profit of Rs. 1.35 billion, which is an impressive 32% increase compared to the previous financial year. In addition, the company also posted a remarkable 48% increase in revenue from the Rs. 3.8 billion recorded in previous year to Rs. 5.7 billion this year.

The company was also assigned A+ (Ika) National Long-Term Rating, with a Stable Outlook by Fitch Ratings for the second consecutive year, signifying the financial health of the Group.

The Biomass and Plantation segments have shown a promising shift in profits, after losses recorded in preceding periods, following concentrated attempts to navigate the improvement of this segment. Profits have reached Rs. 97 million, reflecting a noteworthy 39% increase in comparison to the previous year.

Despite having recorded Rs. 19 million in losses in the previous year, the Solar segment also recorded a turnaround in performance, recording a Rs. 59 million profit. This growth speaks for the segment's growing portfolio, after having successfully commissioned the 2.4MWp Horana Solar

Power Plant in June 2023 and with more projects in the pipeline.

As we continue to expand our reach beyond the island, our overseas projects in Uganda, Bukinda MHPP and Muvumbe MHPP, maintain consistent performance, with a revenue of Rs. 2.69 billion recorded for the financial year, resulting in a profit of Rs. 1.16 billion. Meanwhile, the domestic Hydro segment recorded a profit of Rs. 420 million, in comparison to the profit of Rs. 399 million recorded during the previous year.

In addition, our latest EPC venture has made significant progress since its initiation last year. Our first Engineering, Procurement and Construction contract in Guyana to design and build two hydropower plants with a total capacity of 2.2MW is moving forward strongly, adding Rs. 1.9 billion to Vidullanka's total revenue, resulting in a profit of Rs. 113 million. With the completion and handover due in the coming financial year, we are confident that this new segment will meet its expected financial performance.

### CHALLENGES

Vidullanka PLC continued to perform consistently, expanding its portfolio and improving its growth and profitability. While the Sri Lankan power sector faced several challenges due to economic factors and the effects of El Niño, the support of our partners and the efforts of our hardworking team propelled the company forward during the financial year.

Vidullanka experienced a number of difficulties while executing overseas projects during the year, given Sri Lanka's position as a country recovering from a severe economic downturn. The cost of access to financial guarantees and bonds that are required to effectively compete in the international contracts were considerably

high. We also faced challenges in mobilizing the local skilled workforce to Guyana for the contract, as overseas travel and visa restrictions were very constricting on Sri Lanka based travelers. Despite challenges the company has ensured that the project is progressing ahead of the project timelines and is slated to commission months ahead.

The emigration of skilled human capital has had a substantial impact on the country, as the number of Sri Lankans moving overseas has continued to rise over these few years. At Vidullanka, priority is always given to local talent, and this brain drain has affected the company's ability to attract and retain the skilled work force required for the business development and operations of the company.

Structural and policy reforms undertaken by the government following the economic crisis led to initial signs of stabilization in 2023. With the expectation of domestic growth in 2024, from improved foreign exchange liquidity and the appreciation of the Rupee against the US Dollar, the company is ready to approach its investments and developments and explore future ventures with more positivity. The recently drafted Sri Lanka Electricity Act is a step forward in the right direction for the renewable energy space, however the implementation of the proposed reforms is yet to be seen despite the challenges from various stakeholder groups. This pursuit of transforming the energy industry with the aim of instilling efficiency and effectiveness should also set focus on creating a level playing field in the energy procurement process, where parity is ensured among the diverse group of renewable energy developers participating in bids and tenders. Nevertheless, the recent developments are setting the tone for Vidullanka PLC to undertake a crucial role in enhancing the energy security of the country.

## ACHIEVEMENTS

During the year under review, Vidullanka PLC gained recognition in multiple disciplines, locally and internationally. We received the certification for ISO 9001:2015 for Quality Management in the business development, design and operations of our domestic hydro and solar segments. Receiving this accolade is a testament to our concerted efforts to implement standardized processes that ensure that our goals are driven by efficiency and productivity, by ensuring that every branch of the group implements practices such as the 5S concept in all functional areas. While receiving this certification is something we celebrate, I also want to reiterate that our efforts in this regard should be to look beyond the certification and maintain our drive as a company to achieve excellence.



*Vidullanka PLC certified with ISO 9001:2015 for Quality Management*

With our policies directed towards training and targeted skill development programs, we strive to uplift and empower our team to face the new technological developments that arise in our industry. However, excellence cannot be achieved without a team that grows together on its path to success. The hard work, commitment and passion of the members of Vidullanka lends itself to the stream of milestones that we have reached throughout the years, bringing about achievements that we have continued to proudly detail in reports such as these. It serves as a testament to

the company's recertification as a Great Place to Work and one of the 50 Best Workplaces in Sri Lanka once again for the year 2024/2025 by Great Place to Work@ Sri Lanka.

The company also received the Gold Award for the second consecutive year at The Presidential Environment Awards 2023/24 in the 'Renewable Energy Sector' category for Batathota MHPP, along with the Silver Award in the same category by our Ethamala Ella MHPP. These achievements are an emphasis on Vidullanka's resounding commitment to environmental conservation and sustainability.

## CARING FOR OUR COMMUNITIES

At Vidullanka, we prioritize ensuring that our impact reaches beyond our objective as a renewable energy company. We strive to protect the environment and uplift the lives of our communities through our CSR initiatives, aligning those with as many as eleven Sustainable Development Goals throughout the year. Whether it's through education, innovation, medical aid, food or reforestation, our projects are structured to provide the necessary tools to take society forward.

The initiatives carried out during the year include donations and infrastructure developments carried out at hospitals in Maldeniya, Ganthuna and Kalawana, which falls under the CSR initiative ViduSaviya - Gamata Eliyak. We also place focus on uplifting the lives of children through ViduSaviya - Daruwanta Diriyak under which the company donated laptops, school books and other equipment necessary for education to several schools across the island and awards scholarships to exceptional students in need. The members of our team have also taken up the initiative to conduct seminars and workshops for students. The engineers at Dehiattakandiya DPP dedicated their time and knowledge

## Chief Executive Officer's Review

to conduct a series of seminars for students in the locality sitting for the Ordinary Level examinations.

The company also carries out a number of projects centered on sustainable environmental protection and conservation. The Group has continued its initiative to uproot the invasive 'Kalapu Andara' plants that suppresses the biodiversity at Bundala National Park. These invasive plants, which are barbed and thorny in nature drive away the wildlife from these areas and affect the growth of other plant species. The clearing of these plants allows for the regrowth of vegetation and restores mobility to park wildlife. In addition, our reforestation programme under ViduSaviya - Ratata Sewanak aimed at planting 100,000 trees at the catchment areas of hydro power projects by 2025 is currently ongoing, with 18,857 trees planted during the year, reaching a total of 63,738 trees planted and sustained by the end of the year in review.

### IN CONCLUSION

To be able to detail such a dynamic review is a privilege that one cannot take lightly, and I have immense gratitude towards the numerous individuals without whom Vidullanka's success would not be possible. I take this opportunity to thank our shareholders and our partners for the faith that they place in us which supports us in carrying our operations forward. I extend my appreciation to the Management team who have provided invaluable support that has guided the success of the work that we undertake in all our activities. I would also like to thank the Chairman and Board of Directors for the expertise and knowledge that they lend to further the growth of Vidullanka.

As we step into the new financial year, we remain steadfast in our pursuit to provide clean and sustainable energy at home and abroad. With our expanding portfolio and consistent growth, we remain resolved in maintaining our momentum in the renewable energy industry, pursuing further success both locally and internationally.

Thank you.  
Sincerely,

(Sgd.)  
Riyaz Sangani  
CEO

## BOARD OF DIRECTORS



### OSMAN KASSIM

Chairman

Mr. Osman Kassim, the chairman of Vidullanka PLC is an entrepreneurial figurehead with over four decades of senior management experience in leadership, strategy, and business management under his belt. He is well known for his charismatic and visionary leadership style displayed throughout his corporate journey serving countless industries and sectors in Sri Lanka and overseas.

In addition to his chair position in Vidullanka, Mr. Kassim currently also serves on the board of Amana Takaful Life PLC, Rokfam (Pvt) Ltd., The Goodness Foundation, and Crescentrating (Pte) Ltd, Singapore as Chairman. He is also the Emeritus Chairman of Aberdeen Holdings (Pvt) Ltd. While he serves as a Non-Executive Director on the boards of Amāna Takaful (Maldives) PLC and Maldives Islamic Bank, he previously held positions as the Chairman of the Boards of Expolanka Group, Amāna Bank PLC, Amana Takaful PLC and the Asia Pacific Institute of Information Technology (APIIT), Sri Lanka.

Mr. Kassim is one of the founders of Sri Lanka's first fully-fledged Islamic Bank, Amana Bank PLC, which provides non-interest-bearing participatory banking solutions. He was also instrumental in another significant innovation in the Islamic finance industry: the establishment of Amana Takaful Insurance PLC, the country's first Takaful insurance firm. Mr. Kassim's extensive expertise in Islamic banking and insurance has made him a pioneer in the industry in Sri Lanka.

In recognition of his achievements as a global entrepreneur and visionary educator, he was awarded an Honorary Doctorate from Staffordshire University, UK. Additionally, Mr. Kassim was named one of Sri Lanka's 'Captains of Business' by LMD's A-List of 100 Sri Lankan businesspeople in 2020.

## Board of Directors



**RIYAZ M. SANGANI**  
Chief Executive Officer

Mr. Riyaz Sangani is the founder and Chief Executive Officer of Vidullanka PLC who nurtured the idea of Vidullanka over 25 years ago. With a wealth of senior management experience spanning close to three decades, Mr. Sangani's charisma, discernment and entrepreneurial drive are considered to be the highlights of his leadership style.

Mr. Sangani is a prominent contributor to Sri Lanka's renewable energy industry. As President of the Small Hydro Power Developers Association, he led the renewable energy industry to considerable advancements in small hydro power development. He continues to advocate for renewable energy in the interest of the country, the industry and the public through his roles as a Co-Chair of the Energy Subcommittee of the Ceylon Chamber of

Commerce and as an Ex Officio member of the Board of Management of the Sri Lanka Sustainable Energy Authority.

He holds an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura and is a Fellow of the Chartered Institute of Management Accountants, UK. He also holds a bachelor's degree from the University of Colombo.

Mr. Riyaz Sangani serves as a director in the boards of the companies of the Vidullanka Group. He also holds office as the Chairman of Tradefirst (Pvt) Ltd. and as a Director of Lanka Equities (Pvt) Ltd., Ceylon Jewellery Manufacturers, Autus Chemicals (Pvt) Ltd., Drissq Ventures, Freco Plantation (Pvt) Ltd., Dymec (Pvt) Ltd., Dymec Ceylon (Pvt) Ltd., Diamond Cutters Sales (Pvt) Ltd., Alankara Jewellery (Pvt) Ltd. and Barak Farms Ltd.



**RANJAN MATHER**  
Non-Executive Director

Mr. Ranjan Mather, a Board Member of Vidullanka PLC, played a crucial role in its inception as a seed investor.

Mr. Mather has over three decades of senior management experience in diverse industries including textiles, fast food, and renewable energy and he currently serves as a director of Boruka Power Lanka (Pvt) Ltd. and Chinese Dragon Cafe (Pvt) Ltd.

In addition to being a Non-Executive Director on the Board of Vidullanka PLC, he also serves on the Boards of several other companies within the Vidullanka Group.



**SHAHID M. SANGANI**  
Non-Executive Director

Mr. Shahid Sangani, an Attorney-at-Law of the Supreme Court of Sri Lanka, is a Non-Executive Director of Vidullanka PLC and the Managing Director of Lanka Equities (Pvt) Ltd., Dynawash Ltd., Autus Chemicals (Pvt) Ltd, and Co-Energi (Pvt) Ltd. He also serves as a Director on the boards of Diamond Cutters Sales (Pvt) Ltd., Zig Zag Ltd., Zig Zag Fashions (Pvt) Ltd., Petal palette (Pvt) Ltd. and K Seeds Investments (Pvt) Ltd.

He has over three decades of top management experience across industries such as apparel, jewellery, renewable energy, Investment Banking and trading.



**SATTAR KASSIM**  
Non-Executive Director

Mr. Sattar Kassim is a founder director of the established conglomerate, Expolanka Holdings PLC, which has emerged as the industry leader in the sectors of transportation, manufacturing, travel & leisure, international trade and strategic investments.

Mr. Kassim is the Chairman of Aberdeen Holdings (Pvt) Ltd., parent to leading players in the agriculture and poultry, commodity trading, airline, tea exports, UPS courier agency, general sales agents for Saudi Arabian Airline Cargo and one of the largest corrugated carton manufacturing and solar energy companies. Furthermore, Aberdeen

Holdings have established strategic investments in oceanic fish farming, courier and related services and plantations in Sri Lanka, in addition to several international partnerships and ventures in more than 30 countries.

Mr. Sattar Kassim serves as the Board Chairman for several companies, including Bio Extracts (Pvt) Ltd., the largest black seed extraction company in South East Asia and a pioneer in Sri Lanka; Roar Media (Pte) Ltd., a digital media company with a presence in the Asian region, whose founder was featured in Forbes' 30 Under 30 Asia List for 2020; Ruhunu Farms (Pvt) Ltd., a state-of-the-art poultry farm; Globe Air (Pvt) Ltd., the general sales agents for Saudi Arabian Airlines Cargo; HiEnergy Services (Pvt) Ltd., a leading solar energy service provider in Sri Lanka; Lanka Commodity Holdings (Pvt) Ltd., involved in the end-to-end supply chain solution for importing and distributing agricultural commodities and "Expo Cement" brand ordinary Portland cement in Sri Lanka; Expo Commodities Global (Pvt) Ltd., a leading supply chain specialist for the spice industry; and Expack Corrugated Cartons PLC, the market leader in manufacturing corrugated cartons in Sri Lanka,

Additionally, he holds directorships in Fits Aviation (Pvt) Ltd, Fits Retail (Private) Ltd, Denshun Industries (Pvt) Ltd, Expoceylon Pharmaceuticles (Pvt) Ltd, Expoteas Ceylon (Pvt) Ltd, Ceylon Fusions Private) Ltd, Expo Commodities (Pvt) Ltd, E Z Ware Housing (Pvt) Ltd, Aberdeen Produce (Pvt) Ltd, Colombo Realty (Pvt) Ltd, Classic Enterprises (Pvt) Ltd, Lanka Health Care Foundation, Silver Wing (Pvt) Ltd, Fits Heavy Lift (Pvt) Ltd, The Goodness Foundation, Socializer 360 (Pvt) Ltd, ASK Capital (Pvt) Ltd, K MA Holdings (Pvt) Ltd, B MA Holdings (Pvt) Ltd, Beta Ventures (Pvt) Ltd, Neptune Services (Pvt) Ltd, Expoasia Holding (Pvt) Ltd, Solar City (Pvt) Ltd, Antler Foundry (Private) Ltd, Fairfax Holdings (Pvt) Ltd, Snehadhaana Foundation, Fits Express (Pvt) Ltd, Expo Commodity DMCC, Milepost Property Holdings (Pvt) Ltd, Kolonnawa Property Holdings (Pvt) Ltd, Solar Gradient (Private) Ltd, Vertical Solar (Private) Ltd, Green Accessories Trading (Pvt) Ltd, Globe Air (Pvt) Ltd, Green Rooftop Solutions (Pvt) Ltd, Sky Solar Energy Solutions (Pvt) Ltd, Rooftop Solar Solutions (Pvt) Ltd, Horeca Food Supplies (Pvt) Ltd.

Having joined the Board of Vidullanka PLC in January 2012, Mr. Kassim serves the Board as a Non-Executive Director.



## Board of Directors



**SUJENDRA MATHER**  
Non-Executive Director

Mr. Sujendra Mather currently holds office as the Managing Director - Corporate Finance at PwC Singapore, prior to serving as the CEO and Head of Investment Banking of Asia Securities Advisors Pvt Ltd. He is the co-founder and former Managing Director of York Street Partners Pvt Ltd, a leading boutique Investment Banking firm. Mr. Mather possesses over 20 years of experience specialising in Investment Banking and Corporate Finance, during which he was employed at esteemed institutions such as Houlihan Lokey Howard & Zukin, John Keells Holdings PLC and Deloitte & Touche Corporate Finance in the US, Sri Lanka and Singapore respectively.

Mr. Mather has been instrumental in leading and managing mergers, acquisitions, fund raisings, restructurings and strategic advisory transactions amounting to billions of dollars in the North America and Asia Pacific regions across the consumer, retail, financial services, manufacturing, real estate, hospitality, infrastructure, technology and mining sectors. He has also provided his expert services as an advisor to CEOs and entrepreneurs on key strategic issues across different sectors.

Mr. Sujendra Mather is a holder of a B.A. in Economics-Mathematics from Claremont McKenna College in California, USA.



**DEEPTHIE WICKRAMASURIYA**  
Independent Non-Executive Director

Ms. Deepthie Wickramasuriya, an Independent Non-Executive Director of Vidullanka PLC, serves as the chairperson of the Audit Committee of the group. In addition to being a Director of the Chitrasena Vajira Dance Foundation, Ms. Wickramasuriya also serves as a Independent Non-Executive Director in the boards of the companies Vidul Plantation (Pvt) Ltd., Amana Takaful PLC, Mercantile Investments and Finance PLC and Pelwatte Dairy Industries Ltd. She also offers

independent consultancy services in the areas of Business Process Management (BPM), treasury management, and business counselling.

Ms. Wickramasuriya boasts an abundance of corporate experience spanning a timeline of more than 35 years, establishing her presence in diversified industries in the United Kingdom, Singapore, India, Indonesia, and the Fiji Islands. She is well known for her endeavours and initiatives undertaken encompassing organizational strategy, operations, finance, risk, and governance, both domestically and globally. Her aspirations and leadership have been instrumental in addressing the generation gap prevalent in numerous companies and their management boards.

Ms Wickramasuriya has been a Board member/advisor to the Boards of number of companies including Expolanka Freight (Pvt) Ltd, AHL Business Solutions (Pvt) Ltd, (the Information Technology and Business Process Management arm of Goodhope Asia Holdings Ltd, a part of Carson Cumberbatch PLC), Aviva Global

Services, a member of the Aviva group (formerly known as Norwich Union, UK), GFH Management Company (Galle Face Hotel), Lanka Equities (Pvt) Ltd., Flour Mills of Fiji PLC, AMW Management Company (management company of Associated Motorways Ltd.) and Family Health Services Authority - Oxfordshire, UK.

She served as the Vice President of the Sri Lanka Army Medical Corps Seva Vanitha Unit from 2012 to 2015. She is a Fellow of the Chartered Institute of Management Accountants (CIMA), UK, and holds a MBA from the University of Sri Jayewardenepura, Sri Lanka.





### M. RIZVI ZAHEED

Independent Non-Executive Director

Mr. Rizvi Zaheed currently holds office as the Managing Director of the Halal Assessment Council (HAC) Sri Lanka, Chairman of Oceanpick (Pvt) Ltd. and Director of Hameedia Group.

Mr. Zaheed has held key positions in several corporates. He was the Managing Director of Hayleys Agriculture Holdings Ltd, and a director of Hayleys PLC. He also represented Hayleys as a board member of the Sri Lanka Institute of Nanotechnology (SLINTEC) during his tenure. Additionally, he served as Chairman of the Agriculture and Livestock Steering Committee and Vice Chairman of the Imports Section at the Ceylon Chamber of Commerce. Currently, he remains actively involved as the Agriculture Lead for the Ceylon Chamber of Commerce. He is an active member of the National Agriculture Policy Committee under the Ministry of Agriculture and is a member of the Expert Committee on the Agriculture Modernization Task Force of the Presidential Secretariat playing a crucial role in the development of the agriculture sector in Sri Lanka.

He currently serves as the Chairman of the National Industry Biotechnology Association. Additionally, he is a member of the University Grants Commission (UGC) Standing Committee on Agriculture and Livestock, as well as the UGC's Standing Committee on Technology. He also serves on the Food and Beverage Advisory Committee of the Sri Lanka Export Development Board and is a member of the Economic Policy Committee of the Ceylon Chamber of Commerce. Furthermore, he is on the council of the Faculty of Technology at the University of Colombo. He is also involved with the National Science Foundation's Research and Technology Committees and chairs the NSF's Agriculture Steering Committee.

Mr. Zaheed is currently the Chairman of the Sri Lanka Agripreneurs' Forum and was previously Chairman of the National Agribusiness Council. He is currently Vice Chairman of CSR Lanka (Guarantee) Ltd., an NGO promoted and formed with the active support of USAID with the aim of engaging the wider Corporate Community in addressing national priorities and facilitate necessary resources to bridge the gap between ad hoc CSR projects and creating sustainable value. He also serves in the Advisory Board of the USAID project on Climate Adaptation.

He holds a bachelor's degree from the University of Kelaniya and an MBA from the University of Colombo. He is an alumnus of the Industrial Society, UK and Swedish Institute of Management, Sweden and a JCI International Senator.

He joined the Board of Vidullanka PLC as an Independent Non-Executive Director in July 2018.

## Board of Directors



### **SIDATH FERNANDO**

Independent Non-Executive Director

Mr. Sidath Fernando is the chairman and shareholder of the family-owned business, V.D.P. Fernando Co. Ltd, established in 1938. He is also the Managing Partner of Crystal Holding (Pvt) Ltd.

Mr. Fernando has established his business interests in the sectors of manufacturing, real estate, property management, and information and communications technology. He has generated a wealth of entrepreneurial experience in real estate and property development where he has been extensively involved in the successful development and management of large scale commercial and retail outlets in Colombo, Sri Lanka. Overall, Mr. Fernando possesses three decades of experience in business management, finance, manufacturing, and marketing whilst managing his own small and medium enterprises.

Mr. Fernando has previously served on the boards of Sri Lanka Telecom PLC, Sky Network (Pvt) Ltd, SLT Manpower Solutions (Pvt) Ltd and People's Leasing and Finance PLC as a Director. He has also served as a committee member of the Chamber of Young Entrepreneurs in Sri Lanka and as a Rotarian of the Rotary Club of Colombo.

He has served as a board member of Vidullanka PLC since 2012.

## MANAGEMENT DISCUSSION AND ANALYSIS

### GLOBAL ECONOMIC OUTLOOK

Global economic growth is expected to stabilize at 2.6% this year as per the World Bank, marking the first time in three years it has held steady, despite heightened geopolitical tensions and many negativities related to global economics. The forecast suggests a slight increase to 2.7% by 2025-26, supported by modest gains in the trade and investment sectors. Inflation is anticipated to moderate, although more slowly than previously projected, averaging 3.5% this year. Given persistent inflationary pressures, central banks worldwide are likely to maintain cautious monetary policies.

However global risks remain still lean towards the downside, despite potential upside surprises. Escalating geopolitical tensions may lead to volatile commodity prices, while further trade fragmentation poses risks to global trade networks with trade policy uncertainty reaching unprecedented levels. Continued inflation could delay monetary policy adjustments, potentially prolonging a period of higher interest rates that could dampen global economic activity. Some major economies face slower-than-expected growth due to various domestic challenges, exacerbated by additional external factors such as climate change-related natural disasters.

Given this backdrop, decisive action is needed both globally and nationally to tackle pressing challenges. Globally, priorities should include safeguarding trade, supporting transitions to green and digital economies, providing debt relief, and enhancing food security. Nationally, Emerging Market Developing Economies (EMDE) must maintain focus on price stability amid persistent inflation risks, while addressing high debt and debt-servicing costs through sustainable investment strategies. Structural reforms are crucial to boost productivity, enhance public

investment efficiency, develop human capital, and close gender gaps in labor markets to achieve long-term sustainability and growth objectives.

Public investments present a significant opportunity in EMDEs to stimulate growth and attract private investment, but it has seen a notable slowdown in the past decade in these countries. Effective policies are essential to improve public investment efficiency through enhanced governance and fiscal administration reforms, alongside measures to create fiscal space through revenue generation and expenditure efficiency.

Lower income developing countries in particular, face intensified fiscal challenges exacerbated by the COVID-19 pandemic, international geopolitical turmoil and subsequent global shocks. Many are at high risk of debt distress, with fiscal deficits widening due to increased spending and weakened revenues. Comprehensive fiscal reforms are imperative, focusing on stabilizing revenues, enhancing spending efficiency, and strengthening fiscal frameworks. Increased global support is crucial to help these states build resilience against climate change and other challenges through investment in adaptation and technical assistance in fiscal and debt management.

### GLOBAL CLIMATE ACTION

For decades, the impact of climate change has increasingly devastated global economies, resulting in many forms of extreme weather events such as floods, wildfires, heatwaves etc. NASA officially confirmed that 2023 was the warmest year on record at about 1.4°C warmer than the late 19th century average, with July and August recorded as the hottest months in the year. These occurrences have caused significant losses in human lives, livelihoods, and economic damages

amounting to billions of dollars. Additionally, the year under review has also witnessed record levels of greenhouse gas emissions. These facts highlight the imperative need of immediate remedial action to battle climate change, in terms of its causalities as well as resultant effects. Clean energy backed by renewable sources are deemed to be a major asset that could assist global efforts of tackling climate change. As such, it is high time that all parties involved recognize the importance of renewable energy and direct resources and efforts to build and sustain a healthy renewable energy mix globally, while also ensuring that fossil fuel-based energy production is retired sooner rather than later. On a welcoming note, the previously held COP of UNFCCC, COP 28, was the first COP gathering to mutually resolve on the phasing out of fossil fuels globally.

Conflict and uncertainty cast a bleak shadow over the energy industry. With Russia's invasion of Ukraine and ongoing instability in the Middle East, further disruptions in energy markets and price volatility are anticipated. These events underscore the vulnerabilities of the fossil fuel era and emphasize the advantages of transitioning to a more sustainable energy system for both energy security and emission reductions.

Clean energy initiatives face challenges in various markets, including inflation, supply chain bottlenecks, and higher borrowing costs. Nevertheless, clean energy remains the most dynamic sector for global energy investments. The pace of its growth over the coming years, driven by policies and market stimulus, will significantly influence future trajectories and outcomes across different scenarios.

In all scenarios considered, the momentum behind the clean energy economy is projected to result in demand for coal and oil to peak within this decade, albeit with

## Management Discussion and Analysis

varying rates of decline thereafter. As per the World Energy Outlook - 2023 published by the International Energy Agency, the Stated Policies Scenario anticipates a modest annual growth rate of 0.7% in total energy demand until 2030, contrasting sharply with previous decades. Conversely, the Announced Pledges Scenario foresees stabilized energy demand due to enhanced efficiency and the inherent advantages of electric-powered technologies such as electric vehicles and heat pumps over fossil fuels. The Net Zero Emissions by 2050 Scenario anticipates even more rapid declines in primary energy, with a 1.2% annual reduction expected through 2030.

The recent extreme volatility in energy markets during the global energy crisis underscores the critical need for affordable, reliable, and resilient energy supplies that could take on climate change and its effects head on. This is especially crucial for developing economies experiencing substantial increases in energy demand. The shift towards electrification and the adoption of technologies like wind, solar PV, and batteries are pivotal in enhancing electricity security and diversifying clean technology supply chains. EMDEs are poised to drive nearly 80% of the global growth in electricity demand in the Stated Policies Scenario, and over two-thirds in other scenarios, highlighting their pivotal role in future energy transitions.

Key uncertainties highlighted include China's economic growth trajectory and the potential for accelerated deployment of solar photovoltaic technologies due to a planned surge in manufacturing capacity, primarily driven by China. Additionally, the significant increase in liquefied natural gas export capacity starting in the mid-2020s, led by the United States and Qatar, underscores geopolitical risks that could undermine energy security and hinder swift, cost-effective transitions.

It is now evident that only the swiftest and most significant reductions in carbon emissions can avert a global environmental catastrophe. It is essential that all nations recognize the gravity of this global threat and actively pursue renewable energy as a pivotal strategy in addressing it. Consequently, it is vital to cultivate a strong international initiative against carbon emissions to prevent unparalleled environmental disasters. All world powers should unite their expertise, resources, and efforts to combat this shared adversary, with renewable energy playing a central role in this endeavor.

### LOCAL ECONOMIC OUTLOOK

In 2022, Sri Lanka faced its worst economic crisis post-independence, exacerbated by structural weaknesses, external shocks, and policy errors. Poor governance, restrictive trade policies, and monetary indiscipline contributed to macroeconomic imbalances, leading to high fiscal deficits and unsustainable debt levels. Following a limited access to international markets in 2020, official reserves dwindled, causing severe shortages of essential goods. The economy contracted by 7.3% in 2022, accompanied by high inflation and currency depreciation, doubling poverty rates and widening inequality.

To restore stability, significant structural and policy reforms were undertaken, including cost-reflective utility pricing and debt restructuring. These efforts led to initial signs of stabilization in 2023, with improvements in external and fiscal balances. Foreign exchange liquidity pressures eased, and the currency appreciated against the US Dollar. Inflation decreased, and the government budget for 2023 achieved a surplus primary balance. Economic contraction slowed to 2.3% in 2023, with positive growth expected in 2024, including positive growth in private sector credit.

Continued reform implementation is crucial for sustained recovery, focusing on macroeconomic stability and encouraging private investment. Downside risks persist, including the need for comprehensive debt restructuring, potential reform fatigue and potential political shifts. However, robust implementation of structural reforms could attract capital inflows and provide upside potential. Sustained reform efforts, both pre and post-elections, are essential for building a resilient economy while safeguarding the most vulnerable.

A moderate Sri Lankan economic growth is forecasted due to various factors including the crisis' effects, fiscal adjustments, and skilled worker emigration. Risks include import and consumption driven inflation, potentially reversing poverty reduction efforts. However, sustained implementation of structural reforms is vital, focusing on maintaining stability, encouraging private investment, and addressing issues pertaining to State Owned Enterprises (SOE). Despite resistance, continuing reforms pre and post-elections is crucial for long-term growth and mitigating impact on vulnerable groups.

### LOCAL ENERGY INDUSTRY

Scheduled load-shedding implemented from February 2022, as a result of fuel and coal shortages due to foreign exchange constraints were phased out by mid-February 2023. This highlighted the need for a higher degree of self-reliance in the energy sector. 2023 saw a year-on-year decline of 2.2% in energy generation, which was attributed to weak energy demand influenced by poverty levels and subdued economic activity. The power sector faced challenges in 2023, particularly in the second and third quarters due to delayed monsoon onset caused by the El Niño effect, leading to increased reliance on costly thermal sources. However, conditions improved towards the end of the third quarter with better reservoir levels following substantial rainfall in September 2023.

Cost-reflective pricing reforms improved the financial performance of the Ceylon Electricity Board (CEB) in 2023. The government introduced a semi-annual tariff revision mechanism to address financial challenges. However, due to volatility in the generation mix, three tariff adjustments were carried out during the year: a 66% increase in February, a 14% decrease in July and an 18% increase in October 2023. Responding to these developments, the government shortened the tariff revision cycle to three months starting from the first quarter of 2024, with downward tariff adjustments effective from March 2024. These revisions significantly bolstered CEB's cash flow, leading to a notable profit of Rs. 61.2 billion in 2023 after sustained losses since 2016.

Government initiatives aimed at reforming and restructuring the domestic power sector are ongoing, focusing on enhancing competitiveness and efficiency to meet rising demand. Proposed legislation is expected to drive necessary reforms within SOEs of the energy sector, fostering a more efficient and financially viable sector with a dedicated mission and strategic framework to ensure energy security, efficiency and effectiveness. Moreover, the government has committed to diversifying energy sources with the aim to achieve 70% energy from renewable sources by 2030. This strategy not only promotes energy self-reliance but also contributes to the improved financial performance of key SOEs such as the Ceylon Petroleum Corporation (CPC) and CEB in 2023, thereby alleviating fiscal sector burdens to some extent. By reducing the financial burden on SOEs, valuable financial resources can be redirected to productive sectors of the economy.

Continued implementation of cost-reflective pricing and ongoing reforms in power and energy sectors are crucial to averting future crises. These efforts aim to

enhance diversification, competition, and transparency, ensuring a resilient power sector capable of meeting future challenges effectively.

### Electricity Generation

Sri Lanka experienced an average annual rainfall of 2,536 mm in 2023, an almost 29% increase compared to the 1,996 mm rainfall recorded in 2022.

The total electricity generation throughout the year was 15,576GWh, representing a 2.3% decrease from 2022. While major hydro made up 4,573GWh of this generation, a marked decrease in comparison to the previous year, thermal oil contributed a total of 3,132GWh. Furthermore, coal power generated 4,646GWh while Non-Conventional Renewable Energy (NCRE) made up the remainder with 3,223GWh generated.

This generation comprises of major hydro power accounting for 29%, fuel contributing up to 20%, coal making up 30%, and NCRE constituting 21%. The numbers reflect a significant growth in NCRE's with an increase in capacity reaching 879MW while the rest show a downscale in comparison to the previous year. The capacity of large hydro remained unchanged from its capacity recorded at 1,413MW in the previous year, retaining its contribution to the country's total installed capacity of 4,381MW.

### COMPANY PERFORMANCE

The Vidullanka Group surpassed its performance in the previous year recorded, achieving a profit of Rs. 1.35 billion, marking a significant 32% increase compared to the previous financial year. Additionally, the company reported an impressive 48% growth in revenue, rising from Rs. 3.8 billion last year to Rs. 5.7 billion this year. The group has also improved its annual energy

generation to over 215GWh during the financial year.

The projects in Uganda, Bukinda MHPP, and Muvumbe MHPP continue to perform consistently, generating Rs. 2.69 billion in revenue by the end of the recent year. The segment's profits stood at Rs. 1.16 billion for the financial year.

Meanwhile, the domestic Hydro segment achieved a profit of Rs. 420 million, in comparison to the Rs. 399 million profit recorded during the previous year. The group's domestic joint venture projects Madugeta MHPP, Ganthuna MHPP, and Ethamala Ella MHPP operated by Vidul Madugeta (Pvt) Ltd., Gurugoda Hydro (Pvt) Ltd. and Nilwala Vidulibala Company (Pvt) Ltd. respectively, jointly contributed Rs. 62 million to this year's profits.

In addition, the company concluded the amalgamation of its three wholly owned subsidiaries Lower Kotmale Oya Hydro Power (Pvt) Ltd., Udawela Hydro (Pvt) Ltd., and Rideepana Hydro (Pvt) Ltd. with Vidullanka PLC, with effect from 3rd January 2024. Accordingly, the power projects owned and operated by these entities are now operating under Vidullanka PLC.

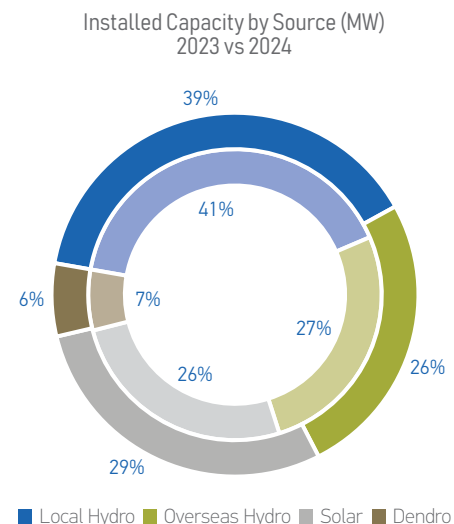
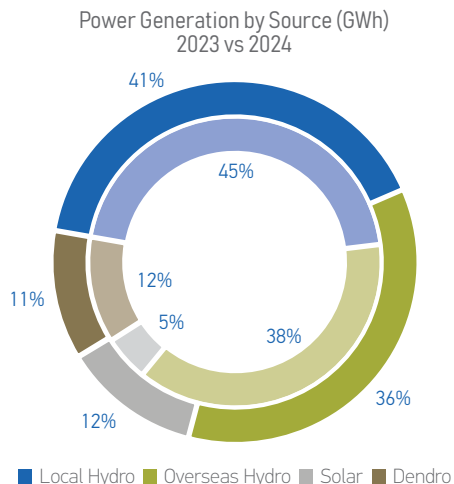
The Biomass and Plantation segment has continued to show promise, transitioning from losses recorded in the initial years to a profit of Rs. 97 million during the year. This remarkable achievement stands out given the severe supply chain challenges faced by the segment during the year.

Furthermore, our new EPC venture has made significant strides since its launch last year. Our first Engineering, Procurement, and Construction contract in Guyana, aimed at designing and building two hydropower plants with a total capacity of 2.2MW, is progressing well and



## Management Discussion and Analysis

contributed Rs. 1.9 billion to Vidullanka's total revenue. The company continues to engage with renewable energy developers overseas, seeking investments and projects in renewable energy plants across its segments with its growing portfolio.



### Segmental Performance

Vidullanka PLC achieved profits across all segments, bolstered by the overseas hydro segment's consistent performance and the significant upscale in the dendro and plantation segment. Similarly, project management and solar, which generated losses in the previous year also recorded profits during the financial year. The overall

group profits, with the addition of the recently initiated EPC segment, indicate a 32% increase at Rs. 1.35 billion.

The domestic hydro power portfolio of the group recorded a contribution of Rs. 420 million from a total revenue of Rs. 561 million.

The overseas hydro power segment has maintained a steady contribution to the group's overall performance, accounting for Rs. 1.16 billion from its total revenue of Rs. 2.69 billion.

The profits of the biomass and plantation segment show a 39% increase with recorded profits at Rs. 97 million.

While the solar segment indicated losses in the previous year, its performance this financial year shows a turnaround, with profits recorded at Rs. 59 million. This reflects the segment's expanding portfolio, particularly following the successful commissioning of the 2.4MWp Horana Solar Power Plant in June 2023.

The Engineering, Consultancy and Project Management segment recorded a profit of Rs. 203 million, compared to the Rs. 4 million loss incurred during the previous financial year, mainly driven by the engineering and design services rendered for the EPC contract in Guyana.

The EPC segment reported a profit of Rs. 113 million from its revenue of Rs. 1.9 billion.

### Constraints and Challenges

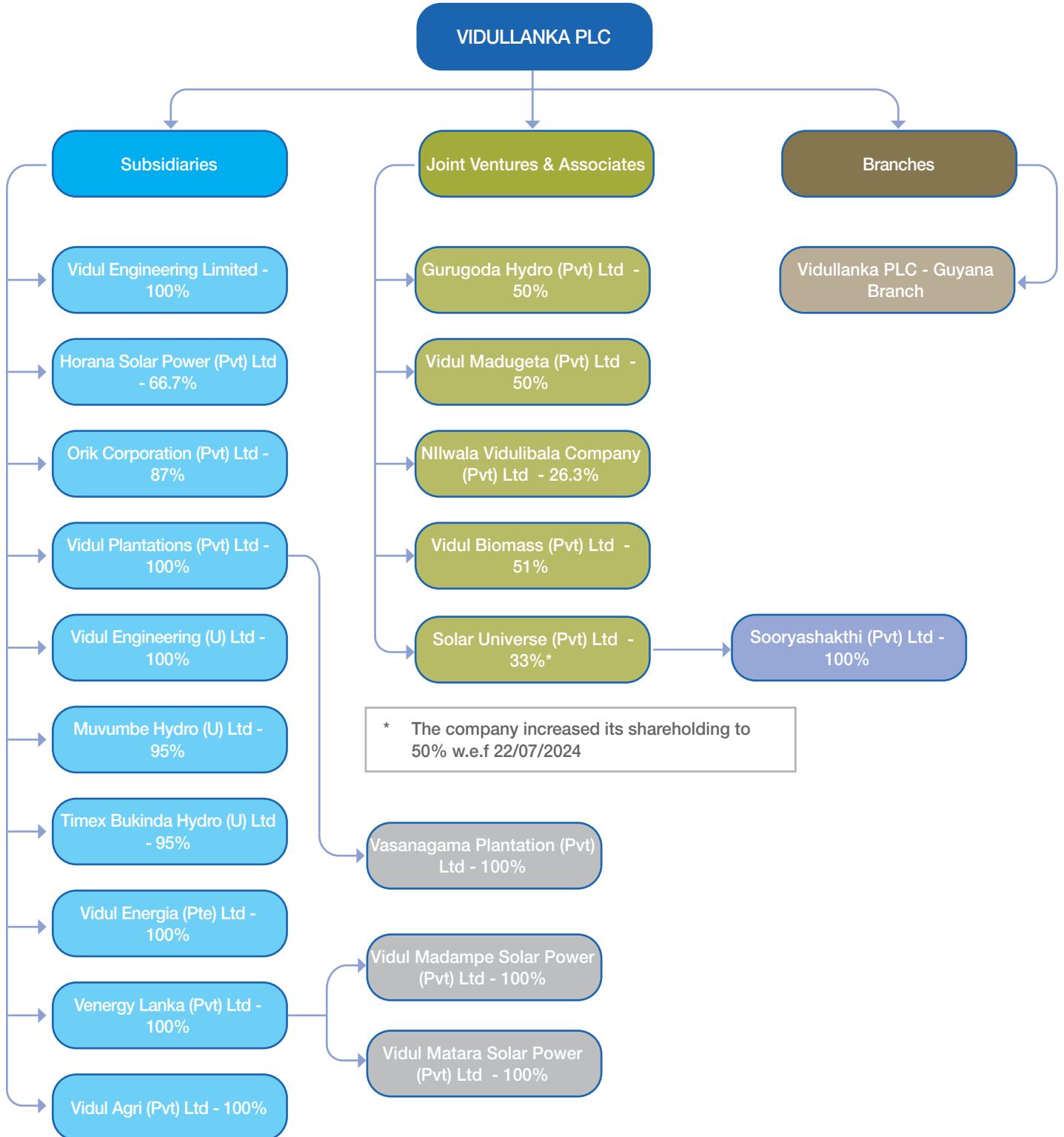
The company's profitability continues to be affected by its aging hydro power plant portfolio in Sri Lanka. The Bambarabatuoya Mini Hydro Power Plant (MHPP) completed its initial Power Purchase Agreement (PPA) term in 2016 and continues to generate and supply electricity under a renewed tariff with an extended 20-year term. Similarly, during

the financial year the Batathota MHPP completed the renewal of its Standardized Power Purchase Agreement (SPPA) for 20 more years, which initially concluded in 2022. Both plants have shifted from a higher avoided cost tariff to a lower renewal tariff with their SPPAs. The seven remaining local hydro power plants and the dendro power plant have more time before their PPAs expire, allowing them to currently benefit from a higher three-tiered tariff.

The Ceylon Electricity Board (CEB), fell to its worst position as a counterpart for the company, during the previous financial year, where payments in arrears for energy generated to the company at one point stood at a high of 14 months. The CEB has now been able to completely regularize these dues and continues to facilitate on time payments, mainly due to the cost reflective electricity tariff revisions undertaken during the year. This positive development is expected to continue to the foreseeable future, which could be further substantiated by the proposed reforms set out in the draft Electricity Act. However, the company remains ever so vigilant, continuously monitoring the performance of CEB as a paymaster.

During the quarter, the Uganda Electricity Transmission Company Limited (UETCL) notified both Ugandan hydro power plants of their decision to withhold Deemed Energy Payments owed for the period from October 2022 to October 2023. This decision was based on the actual plant factor of these plants being higher than the plant factor projected during the project development stage. Both companies are currently contesting this decision in light of the terms of the Power Purchase Agreement (PPA) and Implementation Agreement, with the support of legal and professional advisors. The group has currently made provisions worth up to 65% of the disputed deemed energy revenue receivable from UETCL to both power plants.

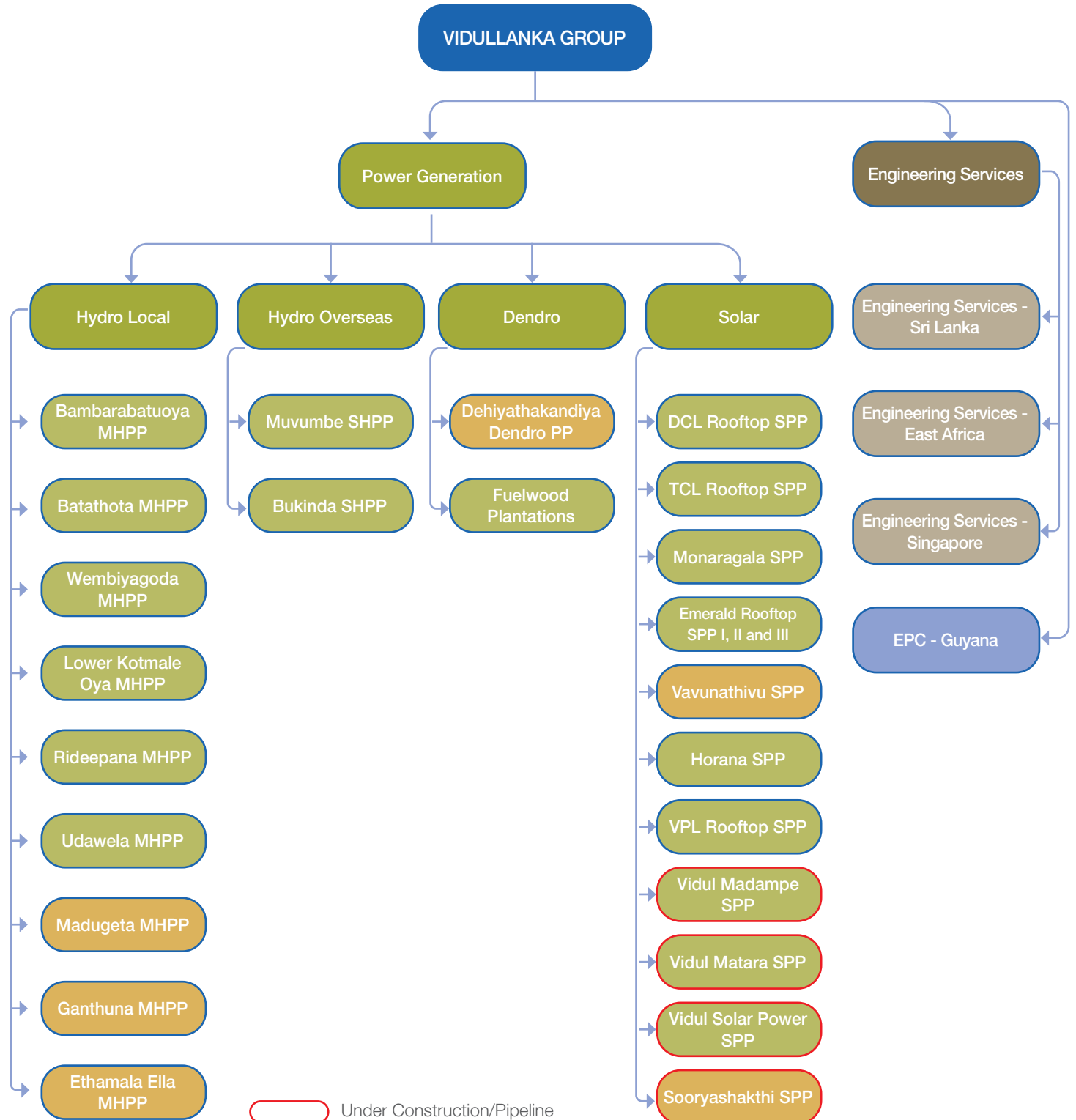
VIDULLANKA GROUP OWNERSHIP STRUCTURE



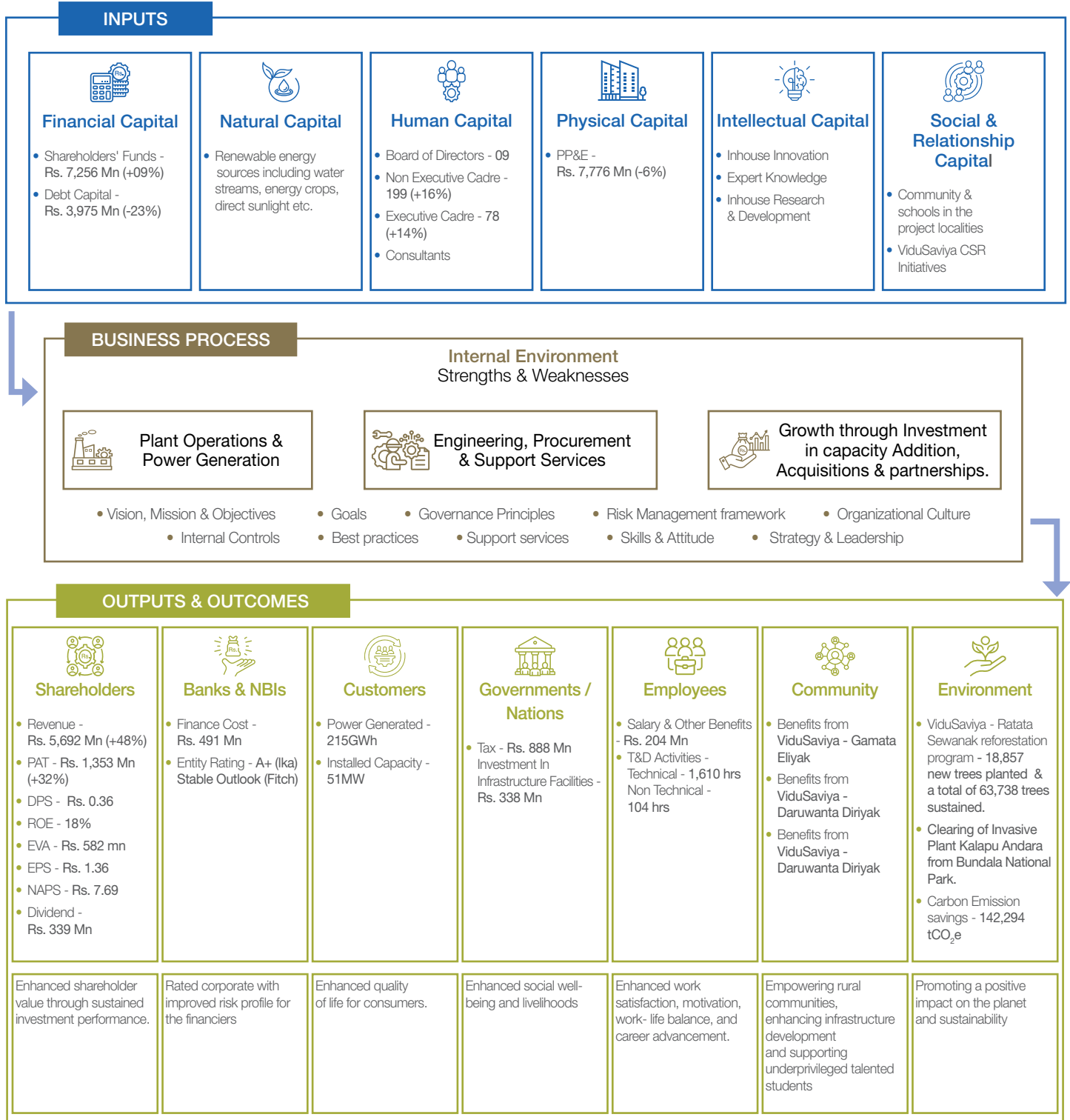


# Management Discussion and Analysis

## VIDULLANKA GROUP IN BUSINESS SEGMENTS



VALUE CREATION MODEL



## Management Discussion and Analysis

### Dividend

The company paid interim dividends of Rs. 0.11 per share on 16th June 2023, Rs. 0.25 per share on 07th December 2023, totaling Rs. 339 Mn.

### Future Outlook

Looking ahead, Vidullanka will continue to focus on expanding its portfolio of power generation projects in Sri Lanka and extending its presence overseas by developing renewable energy projects in other parts of Asia and Africa. The company is well-positioned for the ongoing transition towards a decarbonized world in the energy sector. The Group's strong performance in this challenging environment showcases its ability to adapt to challenges and its resilience in addressing current and future realities.

The diversified portfolio of local and international businesses acts as a safeguard against unfavorable market conditions. With strong financials, the company leverages this strength to gain a competitive edge in a challenging business environment, driving long-term value for its shareholders and building sustainable business platforms.

### CARING FOR OUR PEOPLE

Human Resources management at Vidullanka plays a key role in not only overseeing the management of the workforce, but also in the empowerment that we consider crucial to the success of the company. Our policy aimed at broadening the capabilities of our team has sought to create a workplace that is positively challenging, immersing in a productive environment that allows them to thrive. Having seen the fruits of this policy through consistent implementation over the years, we remain committed to the personal development and upliftment of our employees.



The Team

Training and skill enhancement programmes are offered regularly, covering a range of areas that pertain to both specific and general knowledge. With the use of specially allocated resources, employees are offered the chance to learn from industry professionals as well as from their own colleagues, who share their expertise on the topics that they excel at. From awareness programmes, workshops for digital literacy, soft and hard skills as well as knowledge-sharing sessions on a range of topics and more.

### Great Place to Work®

Vidullanka was recertified as a Great Place to Work and one of the 50 Best Workplaces in Sri Lanka once again for the year 2024/2025 by Great Place to Work® Sri Lanka, standing as a testament to the company's commitment to inculcating a positive work culture. It also speaks for the company's attempts to ensure the welfare and efficiency of employees and the trust and support that is returned by them in turn.

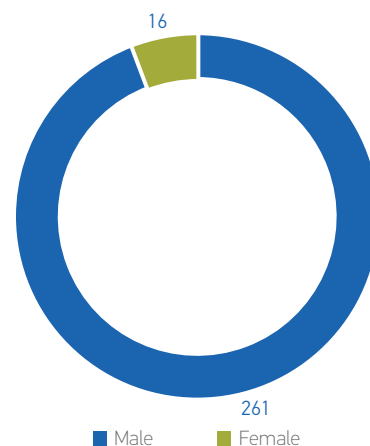
### Staff Profile

The workforce of Vidullanka PLC comprises a total of 277 employees, including an Executive Director, 77 executive staff and 199 non-executive staff. All the female employees serve and represent 21% of the executive cadre, and work primarily at the Head Office. Out of the total, 37 employees are stationed overseas in Uganda.

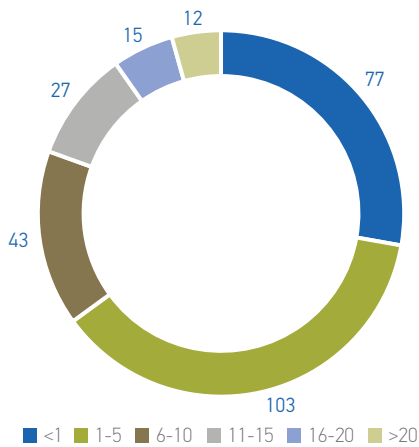
The highest percentage within the age composition of Vidullanka's staff indicate an emphasis on a younger team, with the highest group being between 26 to 30 years of age, with a total of 66 employees accounting to close to 25% of the total workforce, followed by ages 31-35 at a count of 55 and 53 employees within the 36-40 age group. The age groups 41-45 and 46-50 comprise of 41 and 23 employees respectively. In contrast, there are 26 employees above the age of 50, with only one individual aged over 60.

Furthermore, 180 employees have been employed at the company for less than five years while a considerable 43 employees have been at Vidullanka for 6 to 10 years. In addition, up to 27 employees have dedicated over 15 years of service and 12 employees have been part of the organization for more than 20 years, an exceptional record of the dedicated service of our personnel.

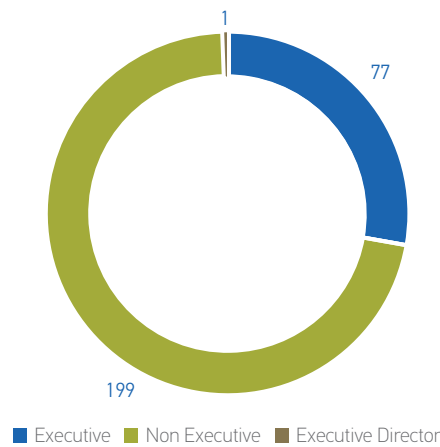
Employee Composition by Gender



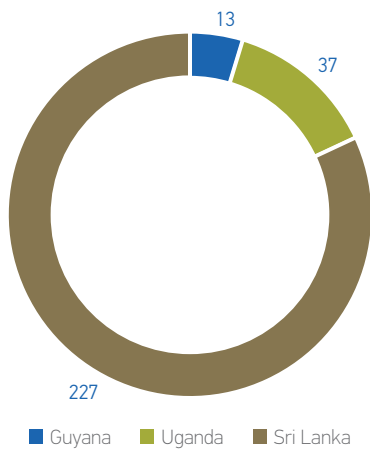
Employee Composition by Service Years



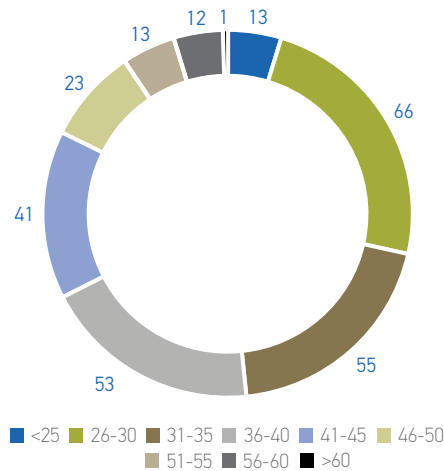
Employee Composition by Employee Category



Employee Composition by Demography



Employee Composition by Age Group



### Performance Based Culture

**Executive Awards Ceremony:** The Executive Awards Ceremony was held on the 26th April 2024 at the Colombo Lotus Tower. The ceremony recognized the performance of the executive cadre based on criteria predetermined by the management, bestowing awards, certificates and financial rewards to the top achievers.



Executive Award Winners

**Non-Executive Awards Ceremony:** The service and performance of the company's non-executive staff are also recognized annually for their work throughout the year. The ceremony for 2023 took place at Pearl Bay in Bandaragama on the 2nd of August 2023, and the on-site employees were awarded for their performance based on productivity, site safety, innovation, environmental initiatives and talent.

## Management Discussion and Analysis



*Non-Executive Awards Ceremony*

**Long Service Awards:** The dedicated service of employees who have been with the company for a period of 5 and 10 years received awards and certificates.

### Employee Training and Development

At Vidullanka, employee development is a strategic priority that benefits both the company and individuals. The company fosters open communication through regular one-on-one meetings, engages employees in collaborative goal-setting, and promotes upward mobility with comprehensive training and leadership development programs. Vidullanka supports higher education with scholarships and celebrates employee achievements. The company also encourages self-driven learning, knowledge sharing, cross-functional training, and mentoring, creating a diverse and inclusive workplace. These initiatives help retain top talent and demonstrate that growth opportunities are available to all employees, regardless of background.

Over the past year, a total of 1,714 man hours of training were conducted, a noteworthy increase of over 90% in comparison to the training hours conducted the year before. These training initiatives included 1,610 hours dedicated to technical training and 104 hours focused on soft skills training. Various programs were organized for the executive cadre on topics such as Net Zero to Carbon Neutrality, corporate aspects of Japanese culture, corporate software packages, IT security and finance for non-finance professionals.



*Internal Training Sessions*

**Annual Trip:** During the month of August 2023, a company trip was organized for team members and their families, who boarded the Cordelia for a one-night cruise from Matara to Trincomalee.



*Annual Family Trip*

**Annual Cricket Tournament:** The Vidul Trophy 2024 Annual Cricket Tournament was held on 10th February 2024, comprising of both head office and power plant employees.



SUSTAINABILITY



As a renewable energy company with a vision to energize the planet, sustainability is encompassed in every area of Vidullanka's operations and has been the case since its incorporation. Over 215 GWh of energy was generated by the company in during the financial year, reducing over 142,294 tCO<sub>2</sub>e of carbon emissions through renewable energy generation. However, our sustainability initiatives extend beyond our operations as a business entity, reaching towards greater community empowerment and environmental conservation. Over the years, we have developed a structured approach to implementing our corporate social responsibility to both the communities and the environment that our work impacts.

Our Commitment and Approach

Our policies ensure adherence to high standards of conduct, social and environmental sustainability, and beyond, shaping the sustainable practices executed in our operations. These are now consolidated under four key pillars that frame the structure of Vidullanka's approach towards sustainability, guiding our capacity to generate prolonged value in our performance through our ability to positively impact the environment and our communities.



1. Digitized Operations for Efficiency, Innovation and Optimum Resource Utilization for Renewable Energy Solutions - Utilizing digital technologies to improve operational efficiency, foster innovation, and optimize resource utilization, including strategic and predictive maintenance, and environmental assessment. This is done to enhance performance, predict maintenance needs, and improve energy efficiency. In addition, secure cybersecurity solutions protect critical infrastructure from cyber threats, ensuring the integrity and reliability of renewable energy systems.
2. Sustainable Practices for Greener Energy and Environmental Stewardship - Focus is placed on implementing sustainable practices, such as renewable energy generation, reducing carbon emissions, and integrating eco-friendly technologies to minimize environmental impact and to promote environmental stewardship. Vidullanka also supports carbon offset projects such as reforestation, afforestation, and renewable energy initiatives to compensate for unavoidable carbon emissions and achieve carbon neutrality. Waste reduction, recycling, water-saving technologies and composting programs are also implemented to minimize waste generation and promote resource conservation.

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Over 40 tons of trash cleaned and recycled annually from the Badulu Oya and Kulu Ganga using inhouse designed trash cleaning equipment



# Management Discussion and Analysis

<p>6 CLEAN WATER AND SANITATION</p>	<p>Cleaning and recycling over 40 tons of trash annually from the Badulu Oya and Kulu Ganga</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>215GWh of clean energy generated through hydro, solar and dendro power projects</p>
<p>13 CLIMATE ACTION</p>	<p>142,294 tCO<sub>2</sub>e of emissions saved through energy generation</p>
<p>15 LIFE ON LAND</p>	<p>63,738 trees planted around the catchment area of power plant sites to date</p>
<p>Clearing up to 130 hectares of Mesquite plant at Bundala National Park</p>	

<p>1 NO POVERTY</p>	<p>Provided 18 secondment opportunities to employees in our overseas sites</p>
<p>2 ZERO HUNGER</p>	<p>Facilitated Robin Hood Army Sri Lanka to distribute over 17,500 meals to the needy</p>
<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Assisted 3 hospitals through donations and infrastructure developments</p>
<p>4 QUALITY EDUCATION</p>	<p>Granting of monthly scholarships to over 30 students from employee and plant locality families</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Zero landfill initiatives implemented at all hydro power plants</p>

3. **Fostering an Empowered and Sustainable Workplace Culture and Society** - The workplace at Vidullanka PLC is structured to promote a sustainable work culture and foster environmental and social consciousness. The company recognizes the long-term impact of the wellbeing of employees on its holistic sustainability. Vidullanka prioritizes their development and upward mobility on the corporate ladder, which is encouraged through regular training initiatives, further education and self-driven learning, knowledge sharing and mentoring. The company also ensures the wellbeing of the employees and their families, through practiced policies, provisions and other forms of support. In addition, participation in CSR initiatives is encouraged across the board to inculcate sustainable and charitable practices.

4. **Transparency, Good Governance, and Partnership for Accountability** - Promoting transparency, accountability, and good governance principles within the Group, fostering partnerships and collaboration, and adhering to ethical standards, is crucial for achieving sustainability goals while expanding in the sector.

<p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Collaborative work with governmental bodies and NGOs such as the Central Environmental Authority, the Forest Department Sri Lanka and the International Union for Conservation of Nature Sri Lanka.</p>
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These pillars guide Vidullanka's focus on environmental protection and social empowerment in its business endeavors

and sustainability initiatives, aligning with the United Nations 2030 Agenda for Sustainable Development and its outlined goals (SDGs).

## CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility initiatives implemented under the flagship project ViduSaviya play a key role in Vidullanka's sustainability strategy and contributing to the above adopted Sustainable Development Goals.

### ViduSaviya - Daruwanta Diriyak



Recognizing children as invaluable assets to society and the future, the ViduSaviya - Daruwanta Diriyak program emphasizes education for school children and aims to foster sustainable living practices in the long term. The program's objective is to motivate children to excel academically while offering essential support and encouragement.



Scholarships Awarded to Students

This is carried out through the donation of essentials to both schools and students and the awarding of scholarships to 30

promising students from employee families and project localities. Annual donations under this arm include a range of essentials, from shoes and school bags to laptops and other necessities, which went to schools as far as Vavuniya. The yearly art competition "Vidul Sithuwam Dekma" was conducted in February 2024, where the children of our employees showcased their artistic talents. Around 160 stationery packs were distributed as rewards to the participants. Vidullanka also collaborates with schools near its power plant localities to cultivate a stronger society for the future, providing training on sustainable living practices for teachers and students.



Young Participants of the Annual 'Vidul Sithuwam Dekma' Art Competition

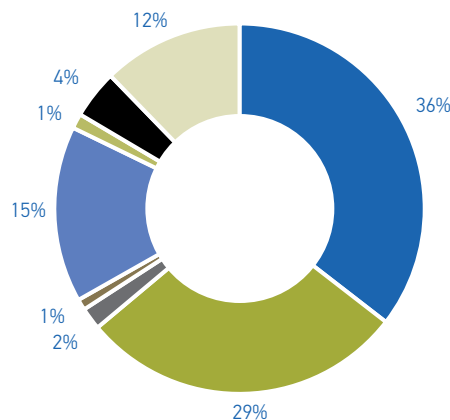
ViduSaviya - Ratata Sevanak



The primary objective of Ratata Sevanak is to conserve, protect, and enhance environmental biodiversity and ensure ecosystem sustainability. This arm of the ViduSaviya project is one of the largest initiatives carried out by Vidullanka PLC,

with an ongoing project to plant 100,000 trees by 2025. The company is well over the half-way point with a total of 63,738 trees planted as of the end of the financial year. The company manages a diverse range of flora, including Kumbuk, Mahogany, Medicinal, Mee, Naa, Agarwood, fruit-bearing trees, and native plants. During the year, the company successfully planted a total of 18,857 new trees. Furthermore, in order to reach this milestone, plant nurseries have been established at each domestic power plant, each capable of producing 5,000 plants per annum.

Fruit-bearing plants make up the largest share of the reforestation initiative - ViduSaviya - Ratata Sevanak



- Fruits Trees
- Kumbuk Tree
- Mahogany Trees
- Medicinal Trees
- Mee Trees
- Naa Trees
- Native Plants
- Others

Adding to the group's initiatives towards sustainability is the project conducted by Vidul Plantations at the Bundala National Park, where over 130 hectares of land have been cleared of the invasive Mesquite plant species. This particular plant's notoriety for negatively impacting the lush biodiversity of Sri Lanka led to the initiation of this project, which aims to improve the cleared areas of the park with ongoing reforestation projects.



Reforestation Project in Collaboration with the Forest Department and Aranayake Divisional Secretariat

ViduSaviya - Gamata Eliyak



Vidullanka takes a practical, organized and accountable approach to engaging with its local communities. The company views communities near its power plants as vital stakeholders and understands the importance of their support for business continuity and success. Consequently, Vidullanka has developed a mutually beneficial partnership with these communities, through the various initiatives carried under its CSR arm ViduSaviya - Gamata Eliyak.

This initiative aims to enhance social welfare and infrastructure in the power plant areas, improving the livelihoods of local villagers uplifting their standard of living. The goal is to implement infrastructure developments that involve all stakeholders associated with the organization, ensuring comprehensive coverage and meaningful impact. The

## Management Discussion and Analysis

Gamata Eliyak program encompasses a broad spectrum of initiatives beyond those mentioned above, including donations to local communities, hospitals, charitable institutions, and individuals with special needs.



*Distribution of Dry Rations*

### ViduSaviya - Lowata Aruthak



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The ViduSaviya - Lowata Aruthak initiative marks our fourth endeavor dedicated to fostering innovation. Its primary aim is to encourage community participation in generating social innovations and fostering a sustainable future for both employees and local communities. This program is driven by the belief in a collaborative approach within communities, aiming to spur social innovations that contribute to environmental and community well-being. By providing support to employees pursuing innovative ideas, we seek to facilitate process improvements while also fostering social innovation that benefits the broader community and nation.

We understand that the success of a sustainable business is intertwined with the

well-being of our communities. Therefore, we remain committed to supporting educational development, meeting basic community needs, and championing environmental protection and stewardship. Through initiatives like ViduSaviya, we strive to address societal needs while promoting a sustainable environment.

### Presidential Environment Awards 2023/24

The Presidential Environment Awards, organized annually by the Central Environmental Authority, celebrates organizations and individuals dedicated to environmental conservation and sustainable production practices. The Gold Award for Sustainability was awarded to Batathota Mini Hydro Power Plant of Vidullanka PLC for excellent contribution towards environmental conservation in the renewable energy sector, marking the second consecutive year the company received this distinction. The Silver Award was also won by another plant in Vidullanka's portfolio, the Ethamala Ella Mini Hydro Power Plant. These achievements highlight the company's resounding commitment to environmental conservation and sustainability.



*Batathota MHPP awarded the Gold Award at Presidential Environmental Awards 2023*

# GOVERNANCE & STEWARDSHIP





## CORPORATE GOVERNANCE

Corporate Governance encompasses the systematic mechanism which standardizes the rules, policies, procedures, practices and systems through which good governance and control is promulgated in a corporate entity. Corporate Governance thus primarily involves managing the various interests of the diverse stakeholder groups of an entity, being and not limited to the shareholders, employees, senior management, customers, suppliers, financiers, regulatory authorities, governments, the local community and the wider populace.

As such, Corporate Governance overarches every facet of management within an organization which may take the form of action plans, internal controls, performance measures and corporate disclosures. The Board of Directors of Vidullanka PLC serves as the primary force that influences Corporate Governance on the Group.

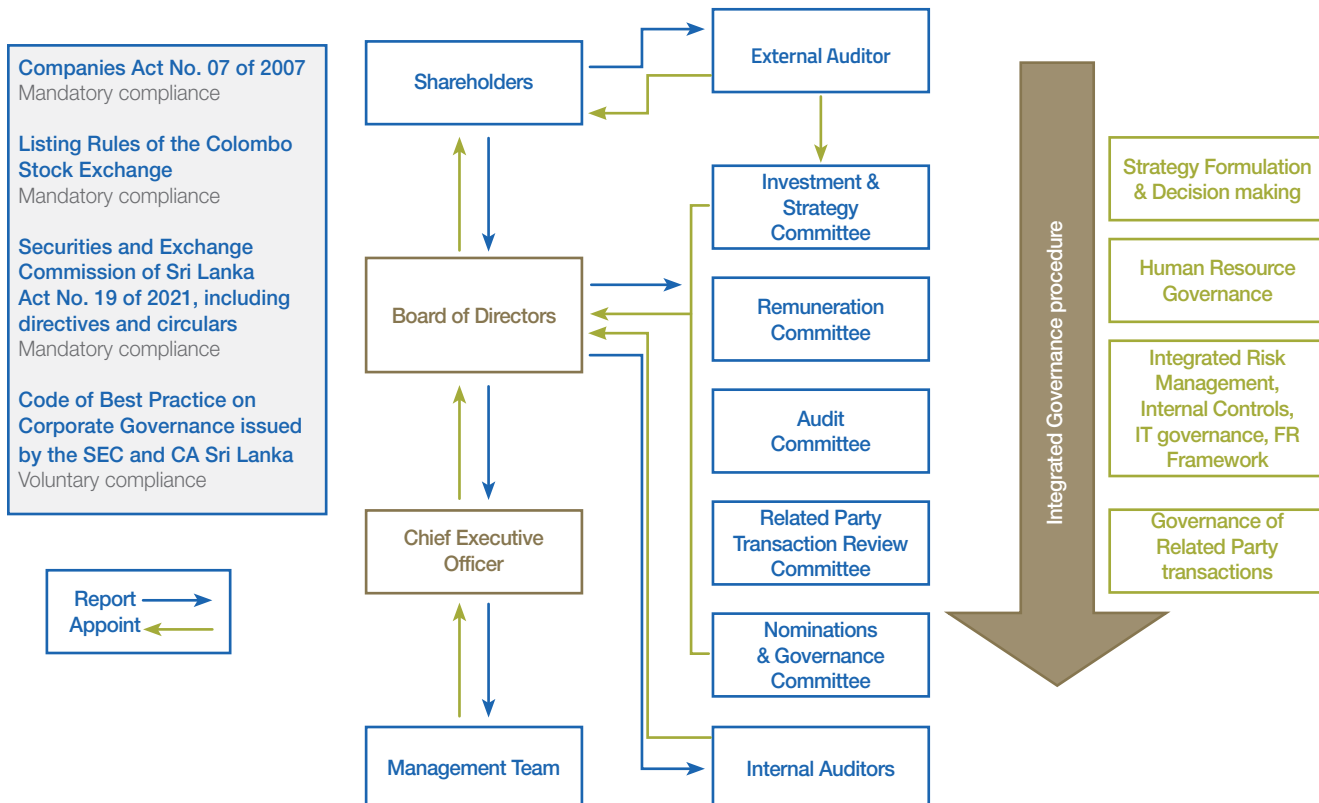
### COMPLIANCE SUMMARY

Principle/Codes	Observance
The Companies Act No. 07 of 2007 and regulations	Mandatory provisions
Listing Rules of the Colombo Stock Exchange (CSE)	Mandatory provisions
Securities and Exchange Commission of Sri Lanka Act, No. 19 Of 2021, including directives and circulars	Mandatory provisions
Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka	Voluntary provisions

### Key Internal Controls and Procedures

1. Recruitment and selection policies
2. Articles of Association of the company
3. Standard Operating Procedures
4. HR policies and procedures
5. IT framework, policies, and procedures

The diagram below explains the governance structure of Vidullanka PLC.





## THE BOARD

The critical tasks of developing and establishing strategic direction, as well as safeguarding shareholder interests, are the responsibilities of the Board of Directors of Vidullanka PLC. Therefore, the board prioritizes ensuring that Vidullanka's corporate journey follows the set strategic direction, adhering to all relevant rules, regulations, ethical standards, internal controls, and laws.

## THE BOARD COMPOSITION

Vidullanka PLC's Board of Directors composition is made up of one Executive Director and nine Non-Executive Directors. As a result, the board is in compliance with rule 9.8.1 of the Section 9 of the Listing Rules of Colombo Stock Exchange, which stipulates that the Board of Directors shall at a minimum consist of five directors and with rule 9.8.2, which requires that the higher of two or 1/3 of the directors be independent. The Chairperson of the company is a Non-Executive Director, whereas the Chief Executive Officer is an Executive Director. The company therefore complies with the listing rule 9.6.1.

All the Independent Non-Executive Directors of the Board have diligently submitted annual filings on their declaration of independence, achieving compliance with the Listing Rule 9.8.5 (a). As such, two Non-Executive Directors are therefore deemed to be independent having fulfilled all required the criterion. Mr. Sidath Fernando, a Non-Executive Director of the Board was resolved to be independent by the board till 31st December 2024, taking into account his unbiased and objective approach towards the board's affairs and the revised provisions of the Listing Rules of the Colombo Stock Exchange. Accordingly the Board is in compliance with Listing Rule 9.8.2, which requires the higher of either 2 or 1/3 of directors to be independent. All directors of the Board, including the CEO and Chairman have provided declarations confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria during the financial year concerned, as stipulated in Listing Rule 9.7.4. As such, it is thereby confirmed that the Directors, CEO and Chairman of the company satisfy the stipulated Fit and Proper Assessment Criteria is as per the listing rules of the Colombo Stock Exchange.

The organization is of the firm view that all directors, individually and in whole as the Board, possess the necessary experience, leadership, knowledge, exposure, skill set and business acumen to guide the group and its business activities in terms of its operations and growth strategies. The profiles of each individual director is set out on Pages 17 to 22, in compliance with 9.10.4 of the Listing Rules of the Colombo Stock Exchange.

During the year under review, the Board convened four times at the Head Office premises to conduct board meetings, during which they reviewed the company's operational performance and determined its future direction. Additionally, the Board of Directors participated in 15 subcommittee meetings throughout the financial year, with details provided in the table below.

Name	Directorship Status	Board Meetings	Audit Committee Meetings	Strategy Committee Meetings	Related Party Transactions Review Committee Meetings	Remuneration Committee Meetings
Mr. Osman Kassim	Board Chairman	3/4		3/4		
Mr. Riyaz M. Sangani	Chief Executive Officer	4/4	4/4	4/4	4/4	3/3
Mr. Ranjan Mather	Non-Executive Director	4/4		4/4		3/3
Mr. Sujendra Mather	Non-Executive Director	4/4			4/4	
Mr. Shahid M. Sangani	Non-Executive Director	2/4	3/4			
Mr. Sattar Kassim	Non-Executive Director	4/4				
Mr. Rizvi Zaheed	Independent	4/4		4/4		3/3
Ms. Deepthie Wickramasuriya	Independent	4/4	4/4		4/4	
	Non-Executive Director					
Mr. Sidath Fernando	Independent	4/4	3/4		3/4	3/3
	Non-Executive Director					

## Corporate Governance

The Board rigorously examines the potential impacts of corporate decisions on stakeholders' interests when making plans and decisions. It ensures that sufficient time, knowledge, effort, and resources are dedicated to strategic decisions, supplemented by the support and insight of the respective subcommittees. Listed below are the functions and roles performed by the board during the financial year, with a focus on protecting and promoting sound corporate governance.

1. Formulating and reviewing of business strategy through collaboration, brainstorming and business insight.
2. Establishing and maintaining a monitoring and evaluation process for the implementation of strategy, budgets, plans and forecasts while managing the related risks.
3. Ensuring that effective internal control systems are in place to secure integrity of information and internal controls.
4. Fostering sustainable value to stakeholders in the long run by overseeing the overall operations.
5. Delegating authority to subcommittees and the senior management to make decisions and monitoring the decision-making process.
6. Analysing and approving the annual business plan to ensure the allocation of sufficient resources and time.

Furthermore, Vidullanka PLC ensures that new appointments to the Board of Directors receive induction training and that subsequently, every director receives appropriate training regularly. The roles of the Chairman and the Chief Executive are separated within Vidullanka's Board to demonstrate the company's good corporate citizenship status. Mr Osman Kassim holds the position of Board Chair whilst Mr. Riyaz Sangani serves as the Chief Executive Officer of the group.

### BOARD COMMITTEES

The Board of Vidullanka PLC has established five sub-committees to assist in fulfilling its fiduciary duties. These committees include the Audit Committee, Remuneration Committee, Related Party Transaction Review Committee, and Investment and Strategy Committee. The company is therefore in compliance with the listing rule 9.3.1. In addition to the above, the company formed the Nominations and Governance Committee on 21st March 2024, in compliance with the latest listing rules published by the Colombo Stock Exchange. The subcommittees regularly convened during the financial year to perform tasks related to financial reporting, risk identification and management, corporate governance, internal controls, personnel and remuneration policies, related party transactions, and strategic direction. Attendance by the directors at their respective Board and subcommittee meetings is detailed on Page 39.

### AUDIT COMMITTEE

Vidullanka's Audit Committee comprises of three Non-Executive Directors, which is chaired by Ms. Deepthie Wickramasuriya, an Independent Non-Executive Director who is a fellow member of CIMA, UK and MBA holder from PIM, USJ. The remaining members of the committee are Independent Non-Executive Director, Mr. Sidath Fernando and Non-Executive Director, Mr. Shahid Sangani. Thereby, the committee fulfils the requirement stipulated that the majority of the committee be Independent Non-Executive Directors. All Committee meetings undertaken during the financial year were also attended by the Chief Executive Officer and Chief Financial Officer by way of invitation. Considering the above facts, the Audit Committee thereby is in compliance with Listing Rules 9.13.3 of the Colombo Stock Exchange.

The Audit Committee convened a total of four times during the review period. The committee's objective was to oversee and provide guidance to the board regarding financial reporting, internal controls, risk management, and audit functions of Vidullanka PLC.

### INVESTMENT AND STRATEGY COMMITTEE

The Investment and Strategy Committee is an optional committee setup by the board of Vidullanka, which comprises of four directors. Whilst Mr. Osman Kassim chairs the committee, Chief Executive Officer, Mr. Riyaz Sangani, Independent Non-Executive Director, Mr. Rizvi Zaheed and Non-Executive Director, Mr. Ranjan Mather make up the rest of the composition. The committee is assigned with the responsibility of evaluating prospective business and investment opportunities tabled by the management and determining whether they fit the strategic direction and goals of the company. The committee is also tasked with monitoring and reviewing existing group investments in operational and future projects in terms of their performance and perceived returns.

The committee then provides input to the Board of Directors based on their evaluations to facilitate strategic decision making. The committee also advises the Board on strategy formulation, growth, diversification, and asset allocation, ensuring that shareholder interests are protected.

The Investment and Strategy Committee held four meetings over the course of the reporting period.

#### REMUNERATION COMMITTEE

Vidullanka's Remuneration Committee consists of three members; the Committee Chairman and Independent Non-Executive Director, Mr. Rizvi Zaheed, Independent Non-Executive Director, Mr. Sidath Fernando and Non-Executive Director, Mr. Ranjan Mather. As such, the composition of the committee thereby adheres to the Listing Rule 9.12.6 of the Colombo Stock Exchange. The remuneration committee met thrice during the financial year, with the Chief Executive Officer attending as well through invitation by the committee.

The Remuneration Committee is established to setup corporate policies governing the compensation of Executive Directors, including the Chief Executive Officer. The committee determines fair and appropriate performance-related pay, share schemes, and comprehensive compensation packages, encompassing salaries, bonuses, incentives, and share schemes for Executive Directors and senior management. This determination is guided by operational outcomes, individual performance assessments, and current market benchmarks.

#### RELATED PARTY TRANSACTION REVIEW COMMITTEE

During the year under review, the Related Party Transaction Review Committee was reconstituted in March. Independent Non-Executive Director Mr. Rizvi Zaheed was appointed as a replacement to Non-Executive Director Mr. Sujendra Mather and named as the chairman of the committee. The committee's remaining members are Independent Non-Executive Directors Mr. Sidath Fernando and Ms. Deepthie Wickramasuriya. Accordingly, the committee is in compliance with listing rule 9.14.2 of the Colombo Stock Exchange.

The committee is tasked with the responsibility of reviewing and monitoring transactions, dealings and engagements the group undertakes with its related parties. The committee reviews the interests of related parties, changes in status of related parties and transactions between Vidullanka PLC, companies under the group and its related parties.

During the period under review, the committee convened four times.

Detailed reports of the above subcommittees are given in the Board Committees section of the Annual Report.

#### NOMINATIONS AND GOVERNANCE COMMITTEE

Recruitments to the Board of Directors of the company were previously evaluated and approved at the board level. In line with the latest listing rules of the Colombo Stock Exchange, the company constituted a Nominations & Governance Committee on 21st March 2024 to oversee, evaluate and recommend appointments to the board, consisting of the following composition:

Ms. Deepthie Wickramasuriya - Chairperson (Independent Non-Executive Director)  
Mr. Rizvi Zaheed (Independent Non-Executive Director)  
Mr. Shahid Sangani (Independent Non-Executive Director)

#### BOARD POLICIES

In line with the latest listing rules of the Colombo Stock Exchange, Vidullanka PLC is currently undertaking the process of reformulating its company policies, which will be published on the company's website before the stipulated due date as per the listing rules. These policies overarch many important facets of the organization on which strenuous focus should be placed as to how they are governed. These policies are being prepared with expert external assistance, taking into account the current corporate landscape of Vidullanka PLC and its business processes, with the aim of achieving sound corporate governance, stakeholder satisfaction and robust systems and processes. The company commits to take all necessary measures to comply with the provisions of these policies and integrate them into the day-to-day business activities.

Following listed are the policies currently being formulated by the company, which will be available on the company website: [www.vidullanka.com](http://www.vidullanka.com) before the due date.

- a) Policy on the matters relating to the Board of Directors
- b) Policy on Board Committees
- c) Policy on Corporate Governance, Nominations and Re-election
- d) Policy on Remuneration

## Corporate Governance

- e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- f) Policy on Risk management and Internal controls
- g) Policy on Relations with Shareholders and Investors
- h) Policy on Environmental, Social and Governance Sustainability
- i) Policy on Control and Management of Company Assets and Shareholder Investments
- j) Policy on Corporate Disclosures
- k) Policy on Whistleblowing
- l) Policy on Anti-Bribery and Corruption

As such the company will be in compliance with the rules 9.2.1, 9.2.3 of Section 9 of the Listing Rules of the Colombo Stock Exchange before the deadline set as per these rules.

### COMPLIANCE MANAGEMENT

Vidullanka PLC, as a listed entity and reputable corporate citizen, places high importance on adhering to regulatory standards set by governing bodies and institutions. Various departments within the organization are tasked with ensuring compliance with specific regulations relevant to their areas of responsibility.

The Finance Department of Vidullanka PLC ensures adherence to accounting, financial reporting, and auditing standards, as well as the Listing Rules of the Colombo Stock Exchange. They also comply with directives from the Securities and Exchange Commission of Sri Lanka (SEC), regulations from the Central Bank of Sri Lanka, and tax laws in countries of operation.

The Human Resource Department ensures compliance with employment laws, health and safety regulations in Sri Lanka, and other countries where Vidullanka PLC

operates and employs personnel. The Legal Department, in collaboration with Company Secretaries, ensures compliance with the Companies Act and other relevant legislation, including overseas regulations where applicable. Compliance reports and checklists are regularly updated and presented at Audit Committee and Board meetings for review and decision-making.

The Audit Committee oversees group compliance under the direction of the Board, focusing on continuous improvement. Periodic self-assessments, surprise checks, and internal audits are conducted to evaluate compliance with Standard Operating Procedures (SOPs) for financial and accounting functions regularly updated based on internal auditor recommendations.

In power plant operations, Vidullanka PLC adheres to safety and operational standards mandated by electricity off-takers such as the Ceylon Electricity Board (CEB) in Sri Lanka and the Uganda Electricity Transmission Company Limited (UJETCL) in Uganda. The company sets its own internal best practices standards to exceed mandatory requirements, ensuring compliance through plant-wise internal audits, robust internal controls, and clearly defined chains of responsibility within the Operations Department.

As a renewable energy company, Vidullanka PLC acknowledges its responsibility to society, communities, and the environment. Compliance with regulations set by Sri Lanka's Central Environment Authority, Mahaweli Authority, and regional offices is essential for operations in Sri Lanka. Similarly, adherence to standards from Uganda's National Environment Management Authority and Ministry of Energy and Mineral Development is crucial for operations in Uganda. The company also complies with taxation and regulatory requirements set by institutions like the Ugandan Revenue Authority.

Vidullanka PLC is committed to being a responsible corporate entity and strives for full compliance with laws and regulations across all countries of operation. The company remains vigilant in monitoring changes in the regulatory landscape and promptly seeks legal and professional advice to ensure ongoing compliance.

## CORPORATE GOVERNANCE COMPLIANCE

Listing Rule	Requirement	Compliance	Reference
<b>Policies</b>			
9.2.1 Policies	Establish and maintain following policies and publish on the company website: (a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk management and Internal controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption	Yes	Effective from 01/10/2024. Corporate Governance report on Page 38.
9.2.2 Waivers from Compliance with Internal Code of Business Conduct and Ethics	A disclosure in the annual report on waivers from compliance with Internal Code of Business Conducts and Ethics.	N/A	No such Waivers of Compliance took place during the financial year.
9.2.3 Disclosure regarding policies	The list of policies should be disclosed on the annual report with reference to its website.	Yes	Effective from 01/10/2024. Corporate Governance report on Page 38.
<b>Board Committees</b>			
9.3.1 Board Committees	A listed company shall have the following board committees: (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	Yes	Annual Report of Board of Directors is given on Page 73.
9.3.2 Compliance of Board Committees	Board Committees shall comply with the composition, responsibilities and disclosure required.	Yes	Report of the Board Committees is given on Page 78.
9.3.3 Chairperson of Board Committees	Chairperson of the Board of Directors shall not be the Chairperson of the Board Committees.	Yes	Report of the Board Committees is given on Page 78.
<b>General Meeting Procedures</b>			
9.4.2 (a) Policy on Relations with Shareholders and Investors	A listed company shall have a policy on communication and relations with shareholders and investors and disclose the same in the Annual Report and website.	Yes	Effective from 01/10/2024. Corporate Governance report on Page 38.



## Corporate Governance

Listing Rule	Requirement	Compliance	Reference
9.4.2 (b) Contact Person	A listed company shall disclose the contact person for communication.	Yes	Corporate Information given on the inner back cover.
<b>Policy on Matters relating to the Board of Directors</b>			
9.5.1 Policy governing matters relating to the Board of Directors	A listed company shall have a formal policy governing matters relating to the Board of Directors.	Yes	Effective from 01/10/2024. Corporate Governance report on Page 38.
9.5.2 Compliance with Policy governing matters relating to the Board of Directors	A listed company shall confirm compliance with the requirements of the policy in the Annual Report.	Yes	Effective from 01/10/2024. Corporate Governance report on Page 38.
<b>Chairperson and CEO</b>			
9.6.1 Chairperson and CEO	Chairperson of a Listed company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual.	Yes	Corporate Governance report on Page 38.
<b>Fitness of Directors and CEOs</b>			
9.7.1 Fitness and Propriety of Directors	A listed company shall ensure that their Directors and the CEO are, at all times, meet the fit and proper criteria.	Yes	Corporate Governance report on Page 38.
9.7.2 Fitness and Propriety of New Directors	The Nominations and Governance Committee shall ensure that Directors recommended are fit and proper.	Yes	Effective from 01/10/2024. Corporate Governance report on Page 38.
9.7.4 Director declarations on their fit and propriety	A listed company shall obtain declarations from Directors on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria during the financial year concerned.	Yes	Corporate Governance report on Page 38.
<b>Disclosures in the Annual Report of Listed Entities</b>			
9.7.5 (a) Disclosures in the Annual Report of Listed Entities	A listed company shall disclose in the annual report a statement that the Directors and CEO satisfy the Fit and Proper Assessment Criteria stipulated.	Yes	Corporate Governance report on Page 38.
<b>Board Composition</b>			
9.8.1 Minimum number of Directors	The Board of Directors shall, at a minimum, consist of five (05) Directors.	Yes	Corporate Governance Report on Page 38.
9.8.2 (a) Minimum number of Independent Directors	The Board of Directors shall, include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors, whichever is higher.	Yes	Corporate Governance report on Page 38.
<b>Independent Directors</b>			
9.8.5 (a) Declaration of Independence by Independent Directors	Each Independent Director shall submit a signed and dated declaration annually of his or her "independence" or "non-independence"	Yes	Corporate Governance report on Page 38.
9.8.5 (b) Determination of Independence of Directors	Make an annual determination as to the "independence" or "non-independence" of each Independent Director and set out the names of Directors determined to be 'independent' in the Annual Report.	Yes	Corporate Governance report on Page 38.
<b>Disclosures relating to Directors</b>			
9.10.1 Maximum number of Directors	Listed Entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold.	Yes	Effective from 01/10/2024. Corporate Governance report on Page 38.

Listing Rule	Requirement	Compliance	Reference
9.10.2 Appointment of New Director	Listed Entities shall, upon the appointment of a new Director, make an immediate Market Announcement.	N/A	No new directors appointed during the year
9.10.4 Director Profiles	Listed Entities shall disclose information in relation to the Directors in the Annual Report.	Yes	Director Profiles given in page 17.
<b>Nominations and Governance Committee (NGC)</b>			
9.11.1 Nominations and Governance Committee	Listed Entities shall have a Nominations and Governance Committee.	Yes	Annual Report of the Board of Directors is presented on Page 73.  Effective From 01/10/2024. Corporate Governance report on Page 38.
9.11.2 Appointment and Re-election of Directors	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Committee.	Yes	Effective From 01/10/2024. Corporate Governance report on Page 38.
9.11.3 Terms of Reference of the NGC	The Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Yes	Effective From 01/10/2024. Corporate Governance report on Page 38.
9.11.4 Composition of the NGC	(1) The members of the Committee shall; (a) comprise of a minimum of three (03) Directors, out of which a minimum of two (02) members shall be Independent Directors. (b) not comprise of Executive Directors. (2) An Independent Director shall be appointed as the Chairperson of the NGC.	Yes	Effective From 01/10/2024. Corporate Governance report on Page 38.
9.11.5 Functions of the NGC	The Committee shall perform the functions of the committee as set out in the listing rule 9.11.5	Yes	Effective From 01/10/2024. Corporate Governance report on Page 38.
9.11.6 Disclosures in Annual Report regarding NGC	Annual Report shall contain a report of the NGC signed by its Chairperson.	Yes	Effective From 01/10/2024. Corporate Governance report on Page 38.
<b>Remuneration Committee</b>			
9.12.2 Remuneration Committee	Listed Entities shall have a Remuneration Committee.	Yes	Annual Report of the Board of Directors is presented on Page 73.  Report of the Remuneration Committee is presented on Page 81.
9.12.3 Procedure for developing remuneration policy	The Committee shall establish and maintain a procedure for developing the remuneration policy on Executive Directors' remuneration. No Director shall be involved in fixing his/her own remuneration.	Yes	Report of the Remuneration Committee is presented on Page 81.
9.12.4 Remuneration for Non-Executive Directors	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Yes	Report of the Remuneration Committee is presented on Page 81.

## Corporate Governance

Listing Rule	Requirement	Compliance	Reference
9.12.5 Terms of Reference of the Remunerations Committee	The Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Yes	Report of the Remuneration Committee is presented on Page 81.
9.12.6 Composition of the Remuneration Committee	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors, out of which a minimum of two (02) members shall be Independent Directors (b) not comprise of Executive Directors (3) An Independent Director shall be appointed as the Chairperson of the Committee.	Yes	Report of the Remuneration Committee is presented on Page 81.
9.12.7 Functions of the Remuneration Committee	The Committee shall perform the functions of the committee as set out in the listing rule 9.12.7	Yes	Report of the Remuneration Committee is presented on Page 81.
9.12.8 Disclosure in the Annual Report	The Annual Report should set out the following: (a) Names of the Chairperson and members of the Committee and the nature of directorships held by such members (b) A statement regarding the remuneration policy (c) The aggregate remuneration of the Executive and Non-Executive Directors.	Yes	Report of the Remuneration Committee is presented on Page 81.  Details of remuneration of Key Management Personnel available on Page 136.
<b>Audit Committee</b>			
9.13.1 Audit Committee performing risk functions	Where separate Committees are not maintained to perform the Audit and Risk Functions, the Audit Committee of shall additionally perform the Risk Functions.	Yes	Report on the Audit Committee is presented on Page 78.
9.13.2 Terms of reference of the Audit Committee	The Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Yes	Report on the Audit Committee is presented on Page 78.
9.13.3 Composition of the Audit Committee	The Committee shall comprise of a minimum of three directors, out of which a minimum of two or a majority of the members, whichever higher, shall be Independent Directors. The committee shall not comprise Executive Directors as members, whereas The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) shall attend the Committee meetings by invitation. An Independent Director who is a member of a recognized professional accounting body shall be appointed as the Chairperson.	Yes	Report on the Audit Committee is presented on Page 78.
9.13.4 Functions of the Audit Committee	The Committee shall perform the functions of the committee as set out in the listing rule 9.13.4	Yes	Report on the Audit Committee is presented on Page 78.
9.13.5 Disclosures in Annual Report	(1) The Committee shall prepare an Audit Committee Report which shall be included in the Annual Report.	Yes	Report on the Audit Committee is presented on Page 78.

Listing Rule	Requirement	Compliance	Reference
<b>Related Party Transactions Review Committee (RPTRC)</b>			
9.14.1 RPTRC Committee	Listed Entities shall have a Related Party Transactions Review Committee.	Yes	Annual Report of the Board of Directors available on Page 73.  Report on the RPTRC is presented on Page 81.
9.14.2 Composition of RPTRC Committee	(1) The Committee shall comprise of a minimum of three Directors, out of which two (02) members shall be Independent Directors. An Independent Director shall be appointed as the Chairperson of the Committee.	Yes	Report on the RPTRC is presented on Page 81.
9.14.3 Functions of the RPTRC Committee	(4) The Committee shall establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations.	Yes	Report on the RPTRC is presented on Page 81.
9.14.4 General Requirements	The Committee shall comply with the General Requirements of the committee as set out in the listing rule 9.14.4	Yes	Report on the RPTRC is presented on Page 81.
9.14.5 Review of Related Party Transactions by the RPTRC Committee	The Committee shall review all in advance all proposed related party transactions as set out in the listing rule 9.14.5	Yes	Report on the RPTRC is presented on Page 81.
9.14.6 Shareholder Approval	The company shall seek shareholder approval, on related party transactions meeting criteria set in listing rule 9.14.6	N/A	No such transactions took place during the year  Report on the RPTRC is presented on Page 81.
9.14.7 Immediate Disclosures	The company shall make immediate disclosures on related party transactions meeting criteria set in listing rule 9.14.7	N/A	No such transactions took place during the year  Report on the RPTRC is presented on Page 81.
9.14.8 Disclosures in the Annual Report	The company shall include required disclosures in the Annual Report on related party transactions as per the requirements set out in listing rule 9.14.8	N/A	No such transactions took place during the year  Report on the RPTRC is presented on Page 81.
9.14.9 Acquisition and Disposal of Assets from/to Related Parties	The company shall comply with the requirements of listing rule 9.14.9 with regard to Acquisition and Disposal of Assets from/to Related Parties.	N/A	No such transactions took place during the year  Report on the RPTRC is presented on Page 81.
9.16 Additional Disclosures	The Annual Report shall include declarations by the Board of Directors as specified in the Listing rule 9.16:	Yes	Annual Report of the Board of Directors available on Page 73.

## Corporate Governance

### Compliance with the Code of Best Practices on Corporate Governance issued by the SEC and CA Sri Lanka

Rule	Requirement	Compliance	Explanatory Notes
<b>A. Directors</b>			
A.1 The Board	Company should be headed by an effective Board, which should direct, lead, and control the Company.	Yes	The majority of the board is made up of Non-Executive Directors, with the only Executive Director being the Chief Executive Officer. Notable Board functions are given in Page 38.
A 1.1	Board should regularly meet. Board meetings should be held at least once every quarter.	Yes	Four board meetings were conducted during the financial year, once every quarter. The details of meetings conducted are given in Page 38.
A 1.2	Role of the Board: <ul style="list-style-type: none"> <li>• Formulation and implementation of business strategy</li> <li>• Approving budgets and major capital expenditure</li> <li>• Ensuring the integrity of the information, internal controls, and risk management</li> <li>• Ensuring compliance with laws and regulations</li> <li>• Ensuring all stakeholders' interest.</li> </ul>	Yes	Adopted
A 1.3	The Board collectively and the Directors individually act in accordance with the laws of the country of operation which are applicable to the business enterprise. The Board of Directors ensures that procedures and processes are in place to ensure that the Company complies with all applicable laws and regulations.	Yes	Adopted
A 1.4	The Directors have access to the advice and services of the Board Secretary. The Board Secretary ensures that Board procedures, relevant statutory obligations and other applicable rules and regulations are in compliance.	Yes	All Directors individually, and together as the board, have unrestricted access to advice and services of the Corporate Secretary of the company with respect to company affairs.
A 1.5	All Directors should bring independent judgement related to their duties and responsibilities on matters relating to strategy implementation, performance, resource allocation, risk management and compliance.	Yes	The Directors of the company have a range of unique skill sets and expertise and deliver unbiased judgment with respect to their duties and company affairs.  Refer Corporate governance on Page 38.
A 1.6	The members of the Board dedicate adequate time and effort to fulfill their duties and responsibilities as Directors of the Company.	Yes	Directors diligently attend to their respective board and subcommittee meetings and dealings as and when required. Details relating to the meetings are given in Page 38.
A 1.7	One third of the Directors can call for a resolution to be presented to the Board where they feel it is in the best interests of to the Company to do.	Yes	Adopted. However, no such requests were made during the period.
A 1.8	Every Director should receive appropriate training when first appointed to the Board.	Yes	Adopted. However, no additions in Directors were made to the Board during the year in purview.
A 2 Division of power	Clear division of responsibilities between the Chairman and the Chief Executive Officer.	Yes	The board is chaired by Mr. Osman Kassim and Mr. Riyaz Sangani acts as the Chief Executive Officer.



Rule	Requirement	Compliance	Explanatory Notes
A 3 The Chairman's role	The Chairman is responsible for running the Board and should preserve order and facilitate the effective discharge of Board functions.	Yes	Profile of the Chairman is given on Page 17.
A 3.1	The Chairman leading the Board facilitates the effective discharge of Board proceedings. Directors are encouraged to participate in decision- making taking into consideration their views on the affairs of the Company.	Yes	The Chairman's message is given on Page 11. The Annual Report of the Board of Directors is given on Page 73.
A 4 Financial Acumen	The Board should ensure the availability of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	Yes	The Board includes Directors with sufficient financial knowledge, acumen and experience who provide appropriate advice and support when required.  Profiles of the Directors are given on Page 17.
A 5 Board Composition	There should be a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision making.	Yes	The Board comprises of 9 Non-Executive Directors of which 3 are Independent Non-Executive Directors.
A 5.1	The Board should include Non-Executive Directors of sufficient calibre and numbers for their views to carry out the Board's decision making.	Yes	Profiles of the Directors are given in Page 17.
A 5.2	Composition of the Board of Directors.	Yes	Details of the Board composition are given in Page 38.
A 5.3	Independence of the Directors.	Yes	
A 5.4	Each Non-Executive Directors should submit a signed declaration annually of independence or non-independence.	Yes	
A 5.5	Criteria to evaluate the independence of Non-Executive Directors.	As per the criteria set in the listing rules 9.8.3 of the Colombo Stock Exchange.	
A 5.6	If an alternate Director is appointed by a Non-Executive Director, such alternate director should not be an executive of the company.	Yes	No Director acts as an Alternate Director to another Director on the board.
A 5.7 & A 5.8	Appointment of a Senior Independent Director, in the event that both Chairman and the Chief Executive are the same person.	N/A	The positions of Chairman of the Board and the Chief Executive Officer are held by two Directors.
A 5.9	The Chairman should hold meetings with the Non-Executive Directors only, without Executive Directors as necessary and at least once each year.	No	During the financial year, no specific meetings took place between the Chairman and Non-Executive Directors.
A 5.10	In the event that the Directors have concerns that cannot be unanimously resolved, the concerns need to be recorded in the Board minutes.	Yes	Proceedings of a Board meeting are duly documented by the secretaries and approved at the subsequent Board meetings.
A 6 Provision of Information	The Board should be provided with information in a timely manner in form and quality.	Yes	The management presents financial and non-financial information to the Board for review and decision making.
A 6.1	The Management has an obligation to provide the Board with appropriate and timely information.	Yes	Senior management participates in the Board meetings and subcommittee meetings as and when required by way of invitation by the Board and provide the information required for such proceedings in a timely manner.

## Corporate Governance

Rule	Requirement	Compliance	Explanatory Notes
A 6.2	Adequate time for Board meetings.	Yes	The minutes of previous meetings, reports, and Board papers are provided to the Directors in advance and a meeting agenda is used to conduct meetings in accordance.
A 7 Appointments to the Board	There should be a formal and transparent procedure for the appointment of new Directors to the Board.	Yes	There were no new appointments during the year. The Strategy Committee and Remuneration Committee collaborate to assess candidates for their suitability and potential contribution, providing appointment recommendations to the Board.
A 7.1 & A 7.2	A nomination committee should be established to make recommendations to the Board on all new Board appointment.	Yes	No new appointments were made to the Board during the financial year.
A 7.3	Disclosure to the shareholders on the appointment of new Directors to the shareholders.	Yes	
A 8 Re-election & Resignation	All Directors should be required to submit themselves for re-election at regular intervals and at least once every three years.	Yes	Directors who are retiring by rotation offered themselves for re-election, details of which are given in the annual report of the Board of Directors on Page 73.
A 8.1	Non-Executive Directors should be appointed for specific terms subject to re-election and to the provisions of the Companies Act.	Yes	All Non-Executive Directors are appointed for a period of three years, which when lapsed subjects them to re-election.
A 8.2	All Directors of the Board should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years.	Yes	No new appointments to the Board were made during the financial year.  All Non-Executive Directors are appointed for a period of three years, which when lapsed subjects them to re-election.
A 8.3	The Director should provide written communication to the Board on his reasons for resignation.	N/A	No resignations from the Board of Directors during the financial year.
A 9 Performance Appraisal	The Board should periodically appraise its own performance to ensure that Board responsibilities are satisfactorily discharged.	No	The performance appraisal of the Board and Directors is outsourced to an external specialist who thereby makes recommendations to the Board on the assessments.
A 10	Disclosure of information in respect of Directors		
A 10.1	Disclosure of each Director in the Annual Report including the name, qualifications, brief profile, nature of expertise in relevant functional areas, immediate family and material business relationships, category of executive and non-executive, names of the listed companies in Sri Lanka which the Director concerned is a Director, the number of Board meetings of the company attended during the year, total number of Board seats held by each Director, the names of the Board committees which the Director acts as the chairman.	Yes	Profile of the Directors is given in Page 17.  Details of the meetings held and the attendance is given on Page 39.
A 11 Appraisal of CEO	Appraisal of the Chief Executive Officer should be done at least annually by the Board.		

Rule	Requirement	Compliance	Explanatory Notes
A 11.1	At the commencement of each year, the Board should consult the CEO regarding targets in the short, medium, and long term to be achieved during the year.	Yes	Organizational goals and targets are set at the annual brainstorming session held at the beginning of each calendar year. Budgets and plans are then prepared with due consideration for the goals and targets, which are approved by the Board.
A 11.2	The performance of the CEO should be evaluated by the Board at the end of each fiscal year to ascertain whether the targets are achieved or not.	Yes	The Board deliberates on the performance of the Chief Executive Officer against the set targets during the last Board meeting of the financial year.
<b>Directors' Remuneration</b>			
B 1 Remuneration Procedure	Companies should establish a formal and transparent procedure for developing policies on executive remunerations. No Directors should be involved in deciding his own remuneration.		
B 1.1	Directors should set up a Remuneration Committee.	Yes	Remuneration Committee report given on Page 81.
B 1.2 & B 1.3 Composition	Remuneration Committee should consist exclusively of Non-Executive Directors with a minimum of three Non-executive Directors of whom the majority should be independent. The Chairman should be an Independent Non-Executive Director.  The Chairman and members of the Remuneration Committee should be listed in the annual report each year.	Yes	
B 1.4	The Board as a whole shall determine the remuneration of the Non-Executive Directors, including members of remuneration committee, within the limits of the article. The Board may delegate the function to a subcommittee, which might include the CEO.	Yes	
B 1.5	The Remuneration Committee should consult the Chairman and the CEO about its proposals relating to the remuneration of the other Executive Directors.	N/A	The Chief Executive Officer is the only Executive Director on the company Board.
B 2 Internal & External equity of remuneration	Levels of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors.		
B 2.1 B 2.3	An Executive Director's remuneration should be designed to promote the long-term success of the Company and should be comparable with other companies.	Yes	Remuneration Committee report given on Page 81.
B 2.4	The committee should consider remuneration and employment conditions elsewhere within the Group.	Yes	Remuneration Committee report given on Page 81.
B 2.5	The performance-related elements of remuneration of Executive Directors should be designed in a manner that is transparent and appropriate.	Yes	Remuneration Committee report given on Page 81.
B 2.6	Executive share options should not be offered at a discount.	N/A	

## Corporate Governance

Rule	Requirement	Compliance	Explanatory Notes
B 2.7	In deciding the remuneration related to the performance, the remuneration committee should follow the provisions set out in schedule E.	Yes	Remuneration Committee report given on Page 81.
B 2.8	Remuneration Committee should consider the compensation commitments in the event of early termination.	N/A	N/A
B 3 Remuneration Policy	The Company's Annual Report should contain a statement of remuneration policy and details of the remuneration of the Board.	Yes	Remuneration Committee report on Page 81.  The details of the remuneration to the Board of Directors and the Key Management Personnel given in Note 26.5 on Page 136.
B 3.1	The Annual Report should set out the names of the Directors and contain a statement of remuneration policy and the aggregate remuneration paid to Executive and Non-Executive Directors.	Yes	
<b>Relationships with shareholders</b>			
C 1 Annual General Meeting	The Board should use the AGM to communicate with shareholders and should encourage their participation.		
C 1.1, C 1.2, C 1.3, C 1.4 & C 1.5	<p>The Company should propose a separate resolution at the AGM on each separate issue to the shareholders.</p> <p>For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote.</p> <p>Chairmen of the Audit, Remuneration, Nomination and Related Party Transactions review committees and Senior Independent Directors to be available to answer questions at the AGM.</p> <p>The Company should circulate along with every notice of AGM regarding the procedures of the voting.</p>	Yes	<p>Annual General Meeting of the company for the Financial Year 2022/23 was successfully held on 10/08/2023 via the Zoom Platform using audio/visual technology.</p> <p>Notice of meeting, form of proxy and other relevant documents were dispatched to the shareholders in advance and also made available via the Company website.</p> <p>All committee chairpersons of the Company were present at the AGM.</p> <p>The procedures of the voting at the AGM are circulated along with the notices of meeting.</p>
<b>Accountability &amp; Audit</b>			
D.1 Financial reporting	The Board should present a balanced and understandable assessment of the company's financial position, performance, governance structure, risk management and internal controls.		
D 1.1 , D 1.2 & D 1.3	<p>The Board should present an annual report including FS that is true and fair, balanced, and prepared in accordance with applicable laws &amp; regulations.</p> <p>The Board is responsible to present interim, other price sensitive public reports and statutory requirements.</p> <p>The Board should obtain a declaration from the CEO and the Chief Financial Officer mentioning that financial records of the entity have been properly maintained and give a true and fair view.</p>	Yes	<p>Financial Statement for the Financial Year 2023/24 presented on Page 86.</p> <p>Interim Financial Statements and applicable disclosures were duly published on the Colombo Stock Exchange on time.</p> <p>Directors' responsibilities for annual reporting is given on Page 83.</p>

Rule	Requirement	Compliance	Explanatory Notes
D 1.4	Declarations by the Directors should be included in "Directors' report".	Yes	The Annual Report of the Board of Directors is given on Page 73.
D 1.5	Statement of Directors' and Auditors' responsibility for the Financial Statements.	Yes	Statement of Directors' responsibilities in relation to the Annual Financial Statements is given on Page 83.  Independent Auditors' Report is given on Page 86.
D 1.6	The annual report should contain a "Management Discussion & Analysis"	Yes	Management Discussion & Analysis is found from Page 23 to 36.
D 1.7	Directors shall summon an Extraordinary General Meeting to notify the shareholders in the event of net assets falling below 50% of the value of the Company's shareholders' funds.	N/A	N/A
D 1.8	The Board should adequately and accurately disclose Related party transactions in its Annual Report.	Yes	The Company complies with the requirements of the Sri Lanka Accounting Standard-24 (LKAS 24) in the financial statements and the annual report.  The report on Related Party Transaction Review Committee is presented on Page 81.
D 2 Risk Management & Internal Control	The Board is responsible for determining the nature and extent of the principal risks, it also should have a risk management process and sound internal controls that would give reasonable assurance on the achievement of organisational goals and objectives.		
D 2.1	The Board should review and ensure the effectiveness of the risk management and internal control systems at least annually. Report on the review to be presented in the annual report.	Yes	During the Financial Year, the Board examined various risk categories that could impact the company, in consultation with the Audit Committee, and implemented necessary controls and risk mitigation measures.  Risk Management report of Vidullanka PLC is given on Page 59.
D 2.2	Assessment of principle risks facing the Company that would threaten future performance, solvency, and liquidity.	Yes	The Audit Committee employs various risk assessment and mapping techniques to continuously evaluate key risks, providing advice to the Board based on these assessments.  The Risk Management report of Vidullanka PLC is given on Page 59.
D 2.3	The Company should have an internal audit function.	Yes	Internal audits are conducted by Messer, BDO partners. Additionally, the finance department conducts spot audits at the power plants.
D 2.4 & D 2.5	Review of the process and effectiveness of the risk management and internal controls by the audit committee.	Yes	Details are given in the Risk Management Report on Page 59.  The Audit Committee Report is presented on Page 78.



## Corporate Governance

Rule	Requirement	Compliance	Explanatory Notes
D 3 Audit Committee	The Board should have a formal and transparent arrangement in applying the accounting policies, structure, and content of corporate reporting, implementing internal control and risk management principles.		
D 3.1	The Audit Committee should comprise a minimum of three Non-Executive Directors, of whom at least two should be independent. The committee should be chaired by an independent Non-Executive Director.	Yes	The committee, which is chaired by an Independent Non-Executive Director, is made up with a total of three Non-Executive Directors, of whom two are Independent.
D 3.2	The audit committee should have a written term of reference, with its authority and duties.	Yes	The Audit Committee complies with the charter put forth in the Corporate Governance Best Practices published jointly by the Securities and Exchange Commission & CA Sri Lanka. The committee also complies with the listing rules of the Colombo Stock Exchange.  The authority and role of the committee are included in the Audit Committee Report on Page 78.
D 3.3	Disclosure of the audit committee responsibility.	Yes	Audit Committee Report is given on Page 78.
D 4 Related party transactions review committee	The Board should establish a procedure to ensure that the Company does not engage in transactions with “related parties” in a manner that would grant such parties “more favourable treatment” than that accorded to third parties in the normal course of business.		
D 4.1	Related party transactions will be as defined in LKAS 24.	Yes	The Company applies the conditions of LKAS 24 when preparing and presenting financial statements.
D 4.2	The committee should comprise exclusively of Non-Executive Directors, the majority of who should be independent. The committee should be chaired by an independent Non-Executive Director.	Yes	The report on the affairs of the Related Party Transaction Review Committee is given on Page 82.
D 4.3	Disclosures on the Related Party Transaction Review Committee.	Yes	The report on the affairs of the Related Party Transaction Review Committee is given on Page 82.
D 5 Code of Conduct and Ethics	The Company must adopt a code of business conduct and ethics for Directors, key management personnel that should include dealing in the shares of the company, compliance, bribery and corruption, confidentiality, unethical behaviour etc.		
D 5.1	The company shall have a code of business conduct and ethics.		Report of Corporate Governance is given on Page 38.
D 5.2	The company should have a process in place to ensure that all material and price sensitive information are promptly identified.	Yes	The company quickly detects material and price-sensitive information as per applicable regulations, ensuring immediate and appropriate actions are taken to address and manage such information effectively.
D 5.3	The company should establish a policy/ process for monitoring and disclosure of shares purchased by any Director, key management personnel or any other employee involved in FR.	Yes	All share transactions carried out by the Directors are disclosed to the market as directed by the Listing Rules of the Colombo Stock Exchange.
D 5.4	Disclosure by the Chairman that there is no violation of the code of conduct and ethics.	Yes	Chairman’s Message is given on Page no 11.

Rule	Requirement	Compliance	Explanatory Notes
D6 Corporate governance Disclosures	Directors should be required to disclose the extent to which the company adheres to established principles and practices of Corporate Governance.		
D 6.1	The Director should include in the company's annual report, a corporate governance report setting out the principles and provisions of this code.	Yes	Corporate Governance report is given on Page 38.
<b>Investor Relations</b>			
E 1 Investor Relations - institutional Investors	Institutional shareholders have a responsibility to make considered use of their votes and encouraged to ensure their voting intentions are translated into practice.  A listed company should conduct a regular and structure dialogue with shareholders.	Yes	The Company fosters a strong corporate relationship with its investors. The Annual General Meeting serves as an effective communication platform, allowing the company to engage with shareholders, present the year's performance, and gather any feedback they may have. Additional disclosures are made through the Colombo Stock Exchange.
E 2	Institutional investors are encouraged to give due weight to all relevant factors drawn to their attention when evaluating the governance structure in relation to Board structure and composition.	Yes	
F 1 Investor relations - Other investors	Individual shareholders should be encouraged to carry out analysis on investing or divesting decisions of individual shareholders.	Yes	The Company coordinates and corporates with investment analysts and investment advisors who carry out company specific, sector wise and market wide share analysis.
F 2	All the shareholders should be encouraged to participate in general meetings of companies and exercise their voting rights.	Yes	All shareholders are invited and encouraged to attend general meetings held by the company. The required communication tools and associated instructions are provided beforehand to the shareholders in order to facilitate their active participation.
<b>Internet and Cybersecurity</b>			
G 1	The Board should have a process to identify how the organisation's business model, IT devices within and outside the organisation and consequent cybersecurity risks may affect the business.	Yes	Risk Report is given on Page 59.
G 2	The Board should appoint a Chief Information Security Officer (CISO) with sufficient expertise and authority to implement a cyber security risk management policy that could be approved by the Board.	Yes	The CISO role is not carried in-house by any member of the board. It is outsourced to a third party.
G 3	The Board should allocate regular and adequate time on the Board meeting agenda for discussions about cyber risk management.	Yes	Risk Management report is given on Page no 59. Audit Committee Report is given on Page 78.
G 4	The Board should ensure the effectiveness of the cybersecurity risk management through periodic review.	Yes	Risk Management report is given on Page no 59.
G 5	The Board should disclose in the annual report, the process and management of cyber security risks.	Yes	Risk Management report is given on Page no 59.
<b>Environment, Society and Governance (ESG)</b>			

## Corporate Governance

Rule	Requirement	Compliance	Explanatory Notes
H 1	The Company's annual report should contain sufficient information for investors and stakeholders to assess how ESG risks and opportunities are recognised and reported.	Yes	The ESG aspect of Risk Management is addressed in detail in the Risk Management and Corporate Governance frameworks, with further information shared through the Management Discussion and Analysis detailed from Page 23 to 36.  Risk Management report is given on Page no 59.  Corporate Governance report is given on Page 38.
H 1.1	The Company should provide information in relation to the relevance of environmental, social factors to the business, how ESG may affect their business, how risks and opportunities pertaining to the ESG are recognised, managed, and reported.	Yes	The relevant information are given in the Chairman's Message, CEO's Review and Management Discussion and Analysis on Pages 11, 14 and 23 respectively.

### Disclosures required by the Companies Act No. 07 of 2007 in the Annual Report

Section	Description	Status of compliance	Reference in the Annual report
168 (1) (a)	The state of the Company's affairs or of its subsidiaries, any changes during the period in the nature of the business.	Yes	Plant Portfolio is given in Page 06.  Organisational Profile is given in Page 03.
168 (1) (b)	Financial statements of the Company and the Group in accordance with sections 151, 152 for the accounting period completed.	Yes	Financial statements and notes are included in Page no 86.
168 (1) (c)	Auditors' report on the financial statements of the group financial statements.	Yes	Auditors' report is given in Page 86.
168 (1) (d)	Changes in accounting policies made during the year.	Yes	Accounting policies are included with the changes in Page 95.
168 (1) (e)	Particulars of the entries in the interests register made during the accounting period.	Yes	Annual Report of the Board of Directors is given in Page 73.
168 (1) (f)	Remunerations and other benefits of Directors during the accounting period.	Yes	The details of the remuneration to the Board of Directors and the Key Management Personnel given in Note 26.5 on Page 136.
168 (1) (g)	Amounts of donations made by the Company during the accounting period.	Yes	Management Discussion and Analysis is given in Pages 23 to 36.
168 (1) (h)	Name of the persons holding office as Directors and who ceased to hold office during the accounting period.	Yes	Directors' profiles are given in Page 17.  Annual Report of the Board of Directors is given in Page 73.
168 (1) (i)	Amounts payable to the external auditors as audit fees and other fees for other services.	Yes	Refer notes no. 14 on page 128.
168 (1) (j)	Any relationships and interests with the auditors and the Group.	Yes	Audit Committee Report is given in Page 78.  Annual Report of the Board of Directors is given in Page 73.
168 (1) (k)	Signatures on behalf of the Board by two Directors and the Secretary of the Company.	Yes	Annual Report of the Board of Directors is given in Page 73.

## Compliance with Section 7.6 - Continuing Listing Rules issued by the Colombo Stock Exchange (CSE)

Section	Description	Status of compliance	Reference in the Annual report
7.6 (i)	The names of the persons who were the Directors during the year of the entity.	Yes	Annual Report of the Board of Directors is given in Page 73.
7.6 (ii)	Principal activities of the entity and its subsidiaries and changes thereon.	Yes	Company Profile is given in Page 03. Management Discussion and Analysis is given in Pages from 23 to 36.
7.6 (iii)	The names and the numbers of shares held by the 20 largest holders and the percentage of such shares.	Yes	Investor Information is given in Page 143.
7.6 (iv)	The float adjusted market capitalization, public holding %, number of public shareholders	Yes	Investor Information is given in Page 143.
7.6 (v)	A statement of each Director's holding and the Chief Executive Officer's holding of shares in the beginning and the end of the year.	Yes	Annual Report of the Board of Directors is given in Page 73.
7.6 (vi)	Information pertaining to material foreseeable risk factors of the entity.	Yes	Risk Management Report is given in Page 59.
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the entity.	N/A	The Company did not encounter any material events during the year.
7.6 (viii)	Extents, locations, valuations, and the number of buildings of the entity's land holdings and investment properties.	Yes	Given in note no 4 and in financial statements in Page 109.
7.6 (ix)	Numbers of shares representing the entity's stated capital	Yes	Annual Report of the Board of Directors given is in Page 73.
7.6 (x)	A Description schedule of the number of holders in each class of equity securities and the percentage of total holdings	Yes	Investor information is given in Page 143.
7.6 (xi)	The following ratios and the market price information need to be disclosed. 1. Dividend per share 2. Dividend pay out 3. Net asset value per share 4. Market value per share	Yes	Ten year summary and investor information is given in Page 147 and 143 respectively.
7.6 (xii)	Significant changes in the entity's or its subsidiaries' fixed assets and market value of land.	Yes	Annual Report of the Board of Directors is given in Page 73.
7.6 (xiii)	If the entity has raised funds during the year through a public issue, rights issue, and private placement, <ul style="list-style-type: none"> <li>• Statement as to the manner in which the proceeds of such issue has been utilised,</li> <li>• Number, classes of shares and reason for the issue,</li> <li>• Any material changes of the funds raised through an issue of securities.</li> </ul>	N/A	

## Corporate Governance

Section	Description	Status of compliance	Reference in the Annual report
7.6 (xiv)	Disclosures of each employee share option scheme and employee share purchase scheme.		No employee share option schemes were operational during the year.
7.6 (xv)	Disclosures pertaining to corporate governance practices in terms of rules 7.10.3,7.10.5 and 7.10.6 of the section 7 of the rules.	Yes	Corporate Governance report is given in Page 32.
7.6 (xvi)	<p>Related party transactions exceeding 10% of the equity or 5% of total assets of the entity as per audited financial statements, whichever is lower.</p> <p>The details shall include, as a minimum,</p> <ol style="list-style-type: none"> <li>1. The date of the transaction</li> <li>2. The name of the related party</li> <li>3. The relationship between the entity and the related party</li> <li>4. The amount of the transaction and terms of the transaction</li> <li>5. The rationale for entering into the transaction</li> </ol>	Yes	<p>Related party transactions occurred did not exceed the limits specified in the rules.</p> <p>Report of the Related Party Transactions Committee is given in Page 82.</p>



## RISK MANAGEMENT

The world economy has seen its fair share of ups and downs in the past few years, with various calamities propping up in the nature of military conflicts, viral pandemics, macroeconomic crises and so forth, contributing to country, regional and global level destabilisation. Sri Lanka was no stranger to such experiences, with the domino effect of the COVID-19 pandemic followed by the national economic crisis in 2022 resulting in a severe collapse of the Sri Lankan economy which drastically affected its constituents. Sri Lanka now seems to be rising from this economic downfall, with inflationary pressures easing and the economy slowly yet steadily picking up. Currently, the country is at the positive onset of forecasting a growth in its GDP for the upcoming financial year, which if it comes to fruition, could be considered a rare case of economic turnaround a country has achieved, considering the harsh recession it faced in the recent past. This forecasted recovery is still subject to many challenges as it is evident as experienced in the past that uncertainties are always expected.

A business can reliably predict future risk occurrences and the associated implications they could bring about, if it adopts a risk management framework that is process oriented, forward thinking and proactive and also substantiates it with sound strategic initiatives. Such a framework will allow the business to formulate and establish robust systems and processes to address challenges posed by these risks and achieve its goals and objectives. A business should also explore and establish their risk appetite levels and ensure that the risks they take on align with the set appetite.

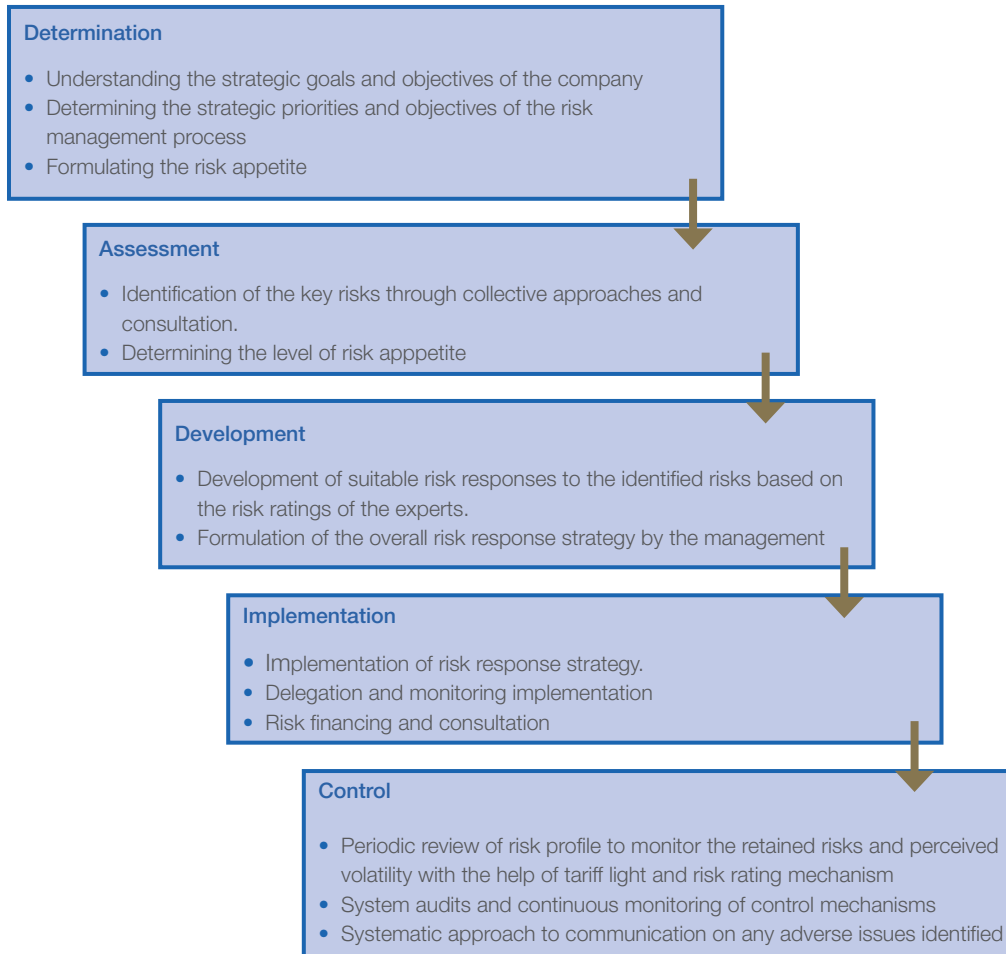
Vidullanka PLC, a prominent player in the renewable energy industry with a presence in a number of countries including Sri Lanka, Uganda, and Guyana, firmly believes in the critical importance of continuously monitoring and enhancing its risk management framework.

The company periodically reviews its environment to identify the relevant risks it faces and ensuring proper alignment of the identified risks with company's risk appetite. These reviews take place in the form of periodic risk assessments undertaken externally as well as within the organisational departments, where the primary purpose of such assessments is to compile and collate data and information regarding the risks the company is exposed to. The identified risks are then evaluated and ranked in terms of the probability of occurrence and likely impact on current and future businesses. Then the Board, in consultation with senior management, consultants, and industry experts, determines and implements appropriate interventions to address the identified risks. Any residual risks are monitored continuously for any changes or developments. This proactive approach to risk management allows the company to stay informed and take necessary actions to mitigate risks and safeguard its operations.

Vidullanka PLC's Audit Committee, working closely with the Operations Team, ensures that the adopted risk framework is well-suited to the evolving business landscape. Representatives from various departments play an active role in the ongoing refinement of the internal risk framework, integrating it into a robust risk management system.

## Risk Management

The Enterprise Risk Management (ERM) Framework adopted by Vidullanka PLC is as follows:



The following major risks are addressed throughout the company's business:

### BUSINESS RISK

Business Risk encompasses the challenges and threats Vidullanka PLC is likely to face in terms of the industries it engages in as well as the countries in which it has set its operational foothold and is planning to enter in to as well. Such risks if materialized at critical levels could result in sub-par performance in terms of company operations as well as underperforming investments in new projects. This could in turn result in reduced profitability, loss of capital and limited organisational growth. As such, Vidullanka PLC regularly reviews, reports and monitors on the countries it currently operates in and the countries it has planned expansion in to, with the aim of identifying the threats, challenges and adversities the company is exposed to.

### WEATHER RISK

As Vidullanka PLC's core business activity of renewable energy generation draws from the natural resources of water, sunlight and biomass, it inherently exposes the company to weather related risks, especially in terms of rainfall and sunlight. Drastic fluctuations in rainfall and sunlight could severely impact hydro generation and solar generation respectively, which directly affects revenue and thereby profitability. Almost all renewable energy power producers face this risk and have little to no control over it, as weather is non-controllable in nature,

rendering the associated weather risk also non-controllable. Even though weather risk is evidently non-controllable, the risk could be diversified technologically and geographically. As such, within Vidullanka's risk management framework, weather risk is classified as a high impact and high priority risk.

Technology wise, Vidullanka PLC has taken measures to diversify its power plant portfolio beyond the hydro power sector which is considered to be its core strength. As the first step of this strategy, the company successfully commissioned its inaugural biomass power plant, the Dehiattakandiya 3.3MW biomass power plant in 2019. Further technology diversification into the solar power industry commenced in 2020, which has now resulted the company in adding over 14MW of solar power to its generation portfolio. These diversification endeavours have helped the company to manage its weather risks successfully.

Vidullanka PLC materialized its overseas expansion in 2017, where the 6.5MW Muvumbe SHPP was commissioned in Uganda, followed by the 6.5MW Bukinda SHPP in 2020. Geographically, investing in overseas power plants like Muvumbe SHPP and Bukinda SHPP in Uganda are effective ways to mitigate the effects from seasonal and cyclical fluctuations.

These strategies exemplify Vidullanka's effective weather risk management in power generation and operations. The company has been able to rely on cash flows from its overseas operations when adverse weather conditions have affected power generation in Sri Lanka. Moving forward, group revenue will be further bolstered by incorporating additional revenue streams such as EPC contracts and Operations and Maintenance consultancy services in the renewable energy sector, along with more diversified power sources and international projects.

### FOREIGN EXCHANGE RISK

Foreign Exchange Risk refers to the potential loss in the value of assets held overseas and the perceived effect currency fluctuations bear on foreign currency denominated transactions. As Vidullanka PLC currently has established its operational presence in multiple countries, it inherently exposes itself to the foreign exchange risks stemming from those countries. As the company relies heavily on foreign currencies for its offshore operations, the fluctuations in currencies and its effects are diligently monitored and accounted for in decision making.

Vidullanka PLC possesses a net positive asset base denominated in foreign currency, established through its overseas operations. Since the rupee has appreciated in the recent past, this has resulted in the group reporting a foreign currency translation loss of Rs. 370 million for the financial year.

Major capital expenditure undertaken in terms project development are comprised of imports, which exposes such expenditure to foreign exchange related risks. Whilst the drastic rupee depreciation experienced some time back has eroded the perceived returns of the projects in pipeline, the company has taken this into account and engaged in tariff negotiations, which have made most of these projects viable and as such the development of these projects have resumed.

Vidullanka continuously monitors its foreign assets and transactions to ensure alignment with its profitability and strategic objectives. Under the guidance of the board, the senior management regularly reviews trends and developments in foreign exchange markets, establishing appropriate strategies to capitalize on potential forex gains while avoiding possible forex losses.

### LEGAL AND REGULATORY RISK

As the company is now engaged in multiple countries and locations, all necessary initiatives are taken to ensure that the company and its operations adhere to the stipulations of the legal and regulatory framework of each country.

As a company domiciled in Sri Lanka, Vidullanka PLC complies with the mandatory provisions set out in the Company's Act No. 07 of 2007. As a listed company in the Colombo Stock Exchange of Sri Lanka, the company also adheres to the Listing Rules and Directives issued by the Securities and Exchange Commission of Sri Lanka. Furthermore, the company also complies with the corporate governance practices recommended by the Code of Best Practice on Corporate Governance 2017, issued by The Institute of Chartered Accountants of Sri Lanka. The company continues to identify new ways and means to improve its affairs to be in compliance with the above regulations and codes.

Vidullanka's Audit Committee is responsible for ensuring the company's compliance with relevant codes, rules, and regulations. At each meeting, the committee reviews a comprehensive compliance checklist. The findings and recommendations from these reviews are then submitted to the Board to guide their decisions. The finance and legal departments focus on meeting financial reporting, taxation, and legal obligations, while other departments ensure compliance within their respective operational areas. The Board is regularly updated on ongoing litigation and consults experts as needed to make well-informed decisions.

### COUNTRY RISK

Country Risk entails the national level threat a country exerts on the investments made in the country. This risk encompasses a wide array of risks such as political risk, legal risk, economical risk, transfer risk and

## Risk Management

social instability risk. The perceived level of risk posed differs in every country due to varying factors such as the government, political system, legal and judicial system, established infrastructure and economic status.

Vidullanka PLC has undertaken diligent efforts in terms of managing the country risks faced by the company stemming from its overseas operations. Both hydro power plants set up in Uganda have a good working relationship with Ugandan authorities and the government and they are protected by sound Power Purchasing Agreements and Investment Protection Agreements. It is Standard Operating Procedure for Vidullanka PLC to obtain, secure, maintain and renew all necessary approvals, permits and licenses with due care pertaining to all operational projects as well as projects in development in the pursued countries. Over the years, the company has been able to foster a sustainable and mutually beneficial relationship with a wide array of parties in the renewable energy value chain, including governments, regulatory authorities, development agencies, developers, banks, donors and other stakeholders.

Before establishing operations and developing projects overseas, a thorough country study is conducted to understand the political, social and economic landscape of the country and their impact on the proposed project. This information helps the company make well informed decisions within its risk appetite, lowering the margin for error. This also facilitates the implementation of mitigatory measures when the perceived risk exceeds acceptable levels.

### COUNTERPARTY RISK

Counterparty Risk is the risk of potential losses arising towards a party from the failure/default by the other party of a

contract. Vidullanka PLC predominantly contracts with the energy off-takers, Ceylon Electricity Board (CEB) in Sri Lanka and Uganda Electricity Transmission Company Limited (UETCL) in Uganda, to whom the energy generated from the respective power plants in the country are sold to. The payment mechanism related to this electricity supply to the national utilities are detailed clearly in the Power Purchasing Agreements and Investment Protection Agreements the company has entered into with these counterparties. The strength and the profile of the electricity off-taker, be it the national utility or any other equivalent counterparty, is a major area of concern that is subject to rigorous review and research by the company when a new project investment is being evaluated. The evaluation also takes into consideration the presence of a renewable energy development framework and actions of agencies promoting green investments in the respective countries.

The company in the past had to experience many hardships due to the poor payment track record of the CEB on their payments owed to Vidullanka PLC for electricity supplies. All independent power producers within Sri Lanka had to face this significant problem, and at its worst the outstanding arrears receivable from CEB stood at 14 months. However, with the effects of government policy changes and the new cost reflective consumer tariffs imposed, the CEB was able to expedite all due payments and clear all outstanding debts to the power suppliers. Currently the CEB is facilitating payments on time, as agreed to in the Power Purchasing Agreements, which is a very welcome turnaround. The UETCL on the other hand had been very good paymasters of the Ugandan projects until the recent past. However, UETCL notified both Muvumbe SHPP and Bukinda SHPP in February 2024 of their decision to withhold Deemed Energy Payments owed for the period from October 2022 to

October 2023. The reasoning behind this decision was said to be the actual plant factor of these projects being higher than the plant factor projected during the project development stage. There are no provisions in the agreements entered into with regards to the projects that allow for such actions. As such both companies are currently contesting this decision in light of the terms of the signed Power Purchase Agreements and Implementation Agreements, with the support of legal and professional advice.

The Counterparty mix of the company has now changed considerably, with the addition of the Guyana Energy Agency (GEA) as a revenue source. The Guyana Energy Agency is the client who has employed Vidullanka PLC on an EPC contract to design and construct two hydro power plants in Lethem, Guyana. The counterparty credit risk associated with this contract is deemed to be low as the contract is funded by a multilateral lending institution and as the relevant payments from GEA for the contract works are being settled in a prudent manner as agreed to without fail. Vidullanka PLC is actively seeking for new EPC contract opportunities overseas to further capitalize on the above advantages associated with such contracts.

This diversified counterparty portfolio of the company has helped to minimize the effects it could face arising from failures of individual counterparties. Owing to the above facts, the Counterparty Risk of Vidullanka PLC is categorized as moderate.

### OPERATIONAL RISK

Operational risk refers to the potential for changes in value resulting from actual losses incurred due to inadequate or failed internal processes, personnel, systems, as well as unexpected external events. This type of risk can manifest in any business activity or process, encompassing internal failures like system malfunctions, human

errors, and process breakdowns, as well as external risks arising from customer and supplier actions, regulatory implications, natural disasters and more. Legal risks, risks to human capital, business assets and overall business performance may also fall under operational risk. Failure to address and mitigate operational risks in a timely manner can adversely affect an organization's long-term strategies.

Vidullanka PLC primarily engages in renewable energy power generation, involving operational activities susceptible to failures and disruptions from human errors, system failures, and procedural shortcomings. The operations department is responsible for regularly reviewing machinery, equipment, processes and procedures related to power plant operations, implementing proactive and reactive measures to minimize associated risks. New ventures involving EPC contracts introduce unique operational risks, particularly the need to meet client-specific deliverables while ensuring stringent compliance and environmental performance.

Under the direction of the management, the department heads of the company guide their employees towards achieving individual and collective goals while minimizing risks. Internal controls are established to govern operational processes, aiding in the identification and management of operational risk. These controls are complemented by a robust continuous monitoring system to detect plant-specific machinery breakdowns, process failures or other significant events.

The Audit Committee of Vidullanka PLC periodically reviews the group's risk profile and devises appropriate measures to minimize the impact of realized risks. Given the crucial role of risk management in the

company's current operations and future progress, the Audit Committee places significant emphasis on this area.

**STAKEHOLDER RISK**

Prudent stakeholder management is a catalyst for the survival and growth of any corporate. Stakeholders, who have the ability to directly or indirectly impact the company's affairs, pose inherent risks that need to be addressed before any undesired materializations. It is essential to manage these stakeholder groups based on the perceived level of risk associated with them.

Pertaining to the power plants in the operational phase, several initiatives are undertaken by Vidullanka PLC to engage with the rural and local communities in the vicinity. These programs take the shape of different welfare and development programs aimed at the betterment of these communities.





Various CSR initiatives encompassed under the umbrella, ViduSaviya, the company's CSR arm, engages a vast array of stakeholders in the project localities including efforts such as community welfare, medical and health care development, promoting education and athletics, safeguarding the environment and ecology and preserving the rule of law and order. Each of such programs helps the company to engage the stakeholders and meet their expectations in a satisfactory manner.

Further risk management strategies are devised based on the stakeholder profiles identified and risk is mitigated accordingly.

**Risk rating matrix used**

Impact	Extreme	High Risk (R)	High Risk (R)	High Risk (R)	High Risk (R)	High Risk (R)
	High Impact	Medium Risk (A)	Medium Risk (A)	High Risk (R)	High Risk (R)	High Risk (R)
	Moderate	Low Risk (G)	Medium Risk (A)	Medium Risk (A)	High Risk (R)	High Risk (R)
	Minor	Low Risk (G)	Low Risk (G)	Medium Risk (A)	Medium Risk (A)	High Risk (R)
	Low	Low Risk (G)	Low Risk (G)	Low Risk (G)	Low Risk (G)	Medium Risk (A)
		Rare	Unlikely	Possible	Likely	Almost certain
		Probability of Occurrence				

**Legend**

- High Risk Ranking (R) 
- Medium Risk Ranking (A) 
- Low Risk Ranking (G) 
- Volatile Outlook 



## Risk Management

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
1	Financial and Economic	Counterparty Credit Risk	Risk of loss of principal or financial reward stemming from a debtor's failure to repay a due amount or to meet contractual obligations.	Significant	Electricity generated by the power plants in Sri Lanka and Uganda are sold to the CEB and UETCL respectively, the national utilities of each country. The payments made for this supply of electricity are governed through Power Purchase Agreements entered into between the utility and the plant, which is further supported via Investment Protection Agreements entered into with the respective country. Receivables from UETCL are further supported by way of bank guarantees provided by UETCL, which are claimable by the projects in an event of non-payment. The CEB has significantly improved its repayment track record, as they have now settled all outstanding payments, with current payments being made on time, in line with the provisions of the Power Purchase Agreements. The UETCL payments for the net electricity supplied are in order. However, UETCL informed both Ugandan projects in February 2024 of their decision to dispute payments due for the deemed energy supply since October 2022 to October 2023. This direction is currently being contested with the backing of legal and professional support, as the agreements entered into pertaining to these projects do not allow for such rejection of payments. As a prudent step approximately 65% of the amount in dispute is provisioned for any potential negative outcome. The contract with the new counterparty, Guyana Energy Agency is backed by a funding line from an international Multilateral Development Bank.	CFO	Adopted	

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
		Financial Risk	Risk of losing shareholders' wealth because of the Company's incompetence to match liquidity with financial obligations.	Critical	In an effort to manage its liquidity efficiently and effectively, Vidullanka closely monitors changes in the weather, macroeconomic environment, and strategic investments and their impact on business. The group's topline is diversified across three dimensions; the country of operations, type of business model and the renewable energy source/technology. The Audit Committee of the company regularly assesses the company's position in relation to its debt servicing and contingent liabilities. The country faced an unforeseen predicament in 2022 due to the exchange rate challenges associated with LKR, coupled with increased inflationary and high finance cost implications. However, this situation has now improved significantly, where the downturn of costs of funding and operations have eased the outlook and potential risk level associated.	CEO	Adopted	
		Economic Risk	The chances of the investments and financial operations being affected by regulations, macroeconomic conditions, interest rates, exchange risk and political stability.	Critical	Vidullanka ensures that all proposed investments are only entertained after conducting a thorough, satisfactory study of the investment environment and economic stability of the country. To protect these investments, the company seeks to secure Investment Protection Agreements directly with the government. However, country-level economic risk remains partially uncontrollable due to its macro nature. Concerns persist that instability associated with interest and exchange rates could impede ongoing project developments.	CEO & COO	Adopted	
		Interest Rate Risk	Adverse impact on the profitability of the Company due to interest rate fluctuations.	Significant	Interest rates in Sri Lanka are now eased and stable compared to the high rates experienced during the recent economic crisis. The company will continue to hold a proper mix of fixed and variably priced sources of funds in its portfolio to further mitigate any risks.	CFO	Adopted	

## Risk Management

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
		Liquidity Risk	Potential difficulties faced in meeting short-term financial obligations. Arises when sufficient liquid assets or readily available cash is not available to cover immediate financial needs.	Critical	During the previous years, the industry faced issues in terms of accessing funds due to high interest rates and the high risk perception banks held on the energy industry. Vidullanka was able to manage its requirements through its access to funds from multiple geographies through its operations. More recently, with the normalising of the interest rates and the expediting of CEB payments, the company has been able to mitigate the cost of managing liquidity risks.	CFO	Adopted	
		Exchange Rate Risk	The risk of losses due to the fluctuation of exchange rates. This also brings in translation, transaction and economic risk to the business.	Significant	The company possesses a balance sheet with a healthy mix of LKR and USD denominated assets and liabilities. Additionally, with the company's accelerated overseas and local growth efforts, a number of projects are currently being pursued in the development pipeline, which cost wise involve a considerable portion of foreign sourced equipment and supplies. Vidullanka takes all necessary measures to monitor exchange rate movements and take remedial action if needed.	CFO	Adopted	

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
<b>2 Environment, Health and Safety</b>								
		Health & Safety Risk	The risk of employees being exposed to dangers during working hours on the power plant construction sites and the office.	Critical	Vidullanka PLC prides itself on successfully adopting and upholding sound workplace health and safety initiatives. The company has established policies and procedures that aim to promote and sustain a healthy and safe labour force as per the SOPs established, in both the head office and work sites. Plant employees are provided with necessary state-of-the-art personal protection and safety equipment, which are strictly utilized during both construction and operations phases of the projects. Voluntary management and efficiency initiatives such as 5S and Kaizen initiatives are adopted across the group, where comprehensive training is provided to all employees on said initiatives. Work sites are also set up with visual cues, signages, image signals and operating instructions to promote a healthy and safe workplace.	Director - Operations	Adopted	High
		Environment & Disaster Risk	The risks of potential adverse disaster events occurring during the operations/ disrupting the operations.	Critical	The company has setup a dynamic internal team of environment and social specialists who monitor such risks. If and when the need arises, further assistance and advice are obtained from external specialists and consultants, ensuring that all related risks and their implications are accounted for. The company actively seeks to secure the best possible insurance coverages for its operations.	Director - Operations	Adopted	
		Epidemic Risk	Risk of adverse operational and economic impact stemming from epidemic/ pandemic outbreaks.	Significant	Based on previous learnings with regard to the COVID-19 pandemic, the company has updated its SOPs and is more prepared to respond to any epidemic risks that could materialize.	COO & Director - Operations	Adopted	Low

## Risk Management

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
		Weather Risk	Risk of disruptions and financial losses due to changing weather conditions.	Critical	The group's operations and plant portfolio have been subjected continuous diversification initiatives which minimize the impact of weather-related risks. The inclusion of hydro power plants from different geographic regions of the world helps to offset the seasonal and cyclical fluctuations caused by weather conditions. Additionally, dendro and solar power plants performs as a natural hedge to the effects of weather on hydro power output ensuring a consistent performance. The effect of weather on the EPC contract is substantially different and challenging given the distinct nature of the venture.	COO & Director - Operations	Adopted	
<b>3 Stakeholder Relations</b>								
		Public Relations Risk	This is the risk of losing reputation which can lead to conflicts with stakeholders.	Low	The company's primary CSR arm, ViduSaviya has played a crucial role throughout the year, engaging in numerous social and environmental projects that have boosted public confidence in the company. These initiatives included reforestation and afforestation programs, donations of medical equipment, scholarships for students and other student donations, blood donation drives, distribution of essential items, dansals, and many more.	Operations Department	Adopted	

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
		Stakeholder Risk	The risk of failure to adequately manage stakeholder expectations.	Significant	Every department of the company is delegated with the responsibility to identify stakeholder expectations and manage those in the best interest of all parties involved. The effects of such stakeholder activities are determined by identifying their importance and probable impact on the company. The company has formulated long lasting relationships with these stakeholders, and they are further bolstered through the CSR initiatives of ViduSaviya.	CEO & Heads of Departments	Adopted	
<b>4 Operational Environment</b>								
		Operational Risk	This involves the risk of losses arising from internal activities, processes, and procedures.	Significant	Within the company, the main focus of operations lie within the activities of Project Development, Power Generation and Engineering, which is followed by the supporting functions of Finance, Procurement, Human Resource, Administration, Legal and Information Technology. These functions are provided with well-established Standard Operating Procedures and performance manuals by the company. The purpose of these guidelines is to streamline department processes and maximize efficiency and effectiveness. Regular internal audits are performed to evaluate departmental compliance with established standards. The audit results are utilized to pinpoint areas needing improvement, and appropriate actions are taken to enhance overall operations.	CFO & Heads of Departments	Adopted	



## Risk Management

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
		Fraud Risk	Possible losses from the suboptimal use of company assets, corruption etc.	Significant	In collaboration with the Internal Auditors and the Audit Committee, the company has established a rigorous fraud detection and management program. This includes policies on segregation of duties, guidance for optimal asset utilization, and detailed protocols for asset usage.	All Heads of Departments	Adopted	
<b>5 Information Technology</b>								
		Information Risk	Risk of unauthorised access, manipulation and dissemination to the public of confidential information relating to the company.	Critical	The company has delegated the Chief Security Officer role to a specialized external entity, thereby utilizing their advanced expertise and resources to enhance security measures. Furthermore, stringent controls are enforced to manage access to confidential data, ensuring that only authorized personnel have access.	IT Department	Adopted	
<b>6 Regulatory Environment</b>								
		Regulatory & Legal Risk	Risk of changes in laws and regulations which have a material impact on the business and the viability of its investments.	Low	The company implements stringent measures to monitor and ensure compliance with applicable rules and regulations in all the countries where it operates. To facilitate this process and ensure thorough due diligence for new transactions, the company engages the services of tax, legal, and other regulatory advisors. Furthermore, the company adopts and adheres to both mandatory and voluntary corporate governance best practices, ensuring robust and effective governance across its operations.	Finance & Legal	Adopted	

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
7	Global Business Environment							
		Competition Risk	The risk of failure to adapt to the changing business environment amidst the increased competition between renewable energy developers.	Low	The Board of Vidullanka PLC comprises a diverse group of Directors with extensive expertise across various industries and sectors. Their broad business acumen has enabled the company to anticipate the evolving dynamics of the renewable energy industry. Strategic partnerships have also been carefully established, allowing the company to stay ahead of the market and gain a competitive edge both locally and internationally. The Investment and Strategy Committee supports the board in setting the strategic direction of the company.	Senior Management & Board of Directors	Adopted	
		Country & Political Risk	A collection of risks associated with investing in foreign countries, including political risk, economic risk, exchange rate risk, sovereign risk, and repatriation risk.	Low	The company conducts thorough feasibility studies and obtains external professional advice if necessary, when evaluating investment opportunities in new countries. The company assesses tax, legal and political risks and rigorous due diligence is performed before finalizing any investment commitments. Drawing on past experiences, the company aims to reinforce these investments by negotiating investment protection agreements with host governments. Nevertheless, navigating foreign transactions has proven challenging, particularly given Sri Lanka's current default status.	CEO, CFO, COO	Adopted	

## Risk Management

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
		Geographical & Diversification Risk	Geographical risk is the potential negative impact on a company due to its exposure to specific locations. Diversification risk is the potential negative impact on a company if it fails to spread its investments or operations across various assets or markets.	Low	Within Sri Lanka, the company is actively involved in efforts to take part in large scale tenders for power projects, particularly with regard to solar and wind power. This would increase the potential exposure of the company to Sri Lanka as a geography. The company also continues to achieve progression in its overseas development pipeline, which increases its exposure to the regions of Africa, South Asia and South America.	CEO, CFO, COO	Adopted	

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors are pleased to submit their report together with the Auditor's Report and Financial Statements for the year ended 31st March 2024, to be presented at the 28th Annual General Meeting of the Company.

## REVIEW OF THE YEAR

### Principal Activity of the Company / Core Activity

The business activity of the company is to engage in renewable energy business including renewable energy generation, project development, installation & construction, operation & maintenance, consultancy services and turnkey solutions. For this purpose, the company operates six hydro power plants namely Bambarabatuoya MHPP, Batathota MHPP, and Wembiyagoda MHPP in Ratnapura District, Rideepana MHPP and Udawela MHPP in Badulla District and Lower Kotmale Oya MHPP in Nuwara Eliya District.

The business operations of the company encompass the business operations of Vidullanka PLC along with the now amalgamated Walagamba Balashakthi (Pvt) Ltd. with effect from 01st January 2022, and Lower Kotmale Oya Hydro Power (Pvt) Ltd., Rideepana Hydro (Pvt) Ltd. and Udawela Hydro (Pvt) Ltd. with effect from 03rd January 2024.

### Principal Activity of the Branch in Guyana

The principal activity of Vidullanka PLC-Guyana Branch is to design, engineer, construct and commission both Moco Moco MHPP and Kumu MHPP located in Lethem, Guyana for the Guyana Energy Agency.

### Principal Activity of the Subsidiaries

The principal activity of Vidul Engineering Ltd. is the provision of construction and engineering services related to renewable energy plants and related structures. It also

invests and operates rooftop solar power plants (SPP) on Build Own & Transfer terms with industrial clients.

The principal activity of Muvumbe Hydro (U) Ltd. is to produce electricity and transmit to the National grid of Uganda from the Muvumbe Small Hydro Power Plant (SHPP) in Kabale District of Republic of Uganda. The power plant commenced commercial operation on 15th March 2017.

The principal activity of Vidul Plantation (Pvt) Ltd. is to engage in agribusiness relating to fuel wood supply to the Dendro power plants and other industries including Dehiattakandiya Dendro power plant operated by Vidul Biomass (Pvt) Ltd. through its own fuelwood plantations and out-grower schemes.

The principal activity of Timex Bukinda Hydro (U) Ltd. is to produce electricity and transmit to the National grid of Uganda from the Bukinda SHPP in Kigadi District of Republic of Uganda. The power plant commenced commercial operations on 31st July 2020.

The principal activity of Orik Corporation (Pvt) Ltd. is to produce electricity and transmit to the National grid from its Monaragala SPP located in Monaragala. The power plant was commissioned to the national grid on 23rd September 2021.

The principal business activity of Venergy Lanka (Pvt) Ltd. is to engage in project development and new business initiatives. The company is yet to commence commercial operations.

The principal business activity of Vidul Energia Pte. Ltd., Singapore is to provide engineering consultancy and O&M services to the renewable energy industry overseas.

The principal business activity of Horana Solar Power (Pvt) Ltd. is to own and operate the Horana SPP in the Kalutara District.

The principal business activity of Vidul Agri (Pvt) Ltd. is to engage in sustainable fuelwood business serving the industrial sector.

The principal activity of Vidul Engineering (U) Ltd. is the provision of EPC, construction management and engineering services related to renewable energy plants and related structures in Uganda & other countries in Africa. During the year the company remained dormant without any active business activities taking place.

### Principal Activity of Indirectly Owned Subsidiaries

Principal business activity of Vidul Matara Solar Power (Pvt) Ltd. is to build, own, and operate the proposed Matara Solar Power plant in Matara District. The company has yet to develop the power plant and commence commercial operation.

The principal business activity of Vidul Madampe Solar Power (Pvt) Ltd. is to build own and operate the proposed Madampe Solar Power plant in Puttalam District. The company has yet to develop the power plant and commence commercial operation.

The principal business activity of Vasanagama Plantation (Pvt) Ltd. is to engage in sustainable fuelwood plantation activities and fuelwood trade.

### Principal Activity of the Joint Venture & Associates

The principal activity of Gurugoda Hydro (Pvt) Ltd. is to produce electricity and transmit to the National grid. The company's power plant, Ganthuna MHPP is located in Aranayake, Kegalle.

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

The principal activity of Vidul Madugeta (Pvt) Ltd. is to produce electricity and transmit to the National grid. The plant owned and operated by the company, Madugeta MHPP is situated in Neluwa, Galle.

The principal business activity of Vidul Biomass (Pvt) Ltd. is to produce electricity and transmit to the National grid. The company's power plant is located in Dehiattakandiya.

The principal business activity of Nilwala Vidulibala Company (Pvt) Ltd. is to produce electricity and transmit to the National grid from the Ethamala Ella MHPP. The project was commissioned to the National grid on 30 September 2016.

The principal business activity of Solar Universe (Pvt) Ltd. is to electricity and transmit to the National grid from the Vavunativu SPP in Batticaloa.

## Material Business Transactions

During the period under consideration, no material business transactions were entered into by the company, other than the amalgamation of three wholly owned subsidiaries namely, Lower Kotmale Oya Hydro Power (Pvt) Ltd., Rideepana Hydro (Pvt) Ltd. and Udawela Hydro (Pvt) Ltd. with Vidullanka PLC.

## 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 90 to 142 of this annual report.

## Independent Auditor's Report

The Auditor's Report on the financial statements is given on page 86 of this report.

## Accounting Policies

The Accounting Policies adopted in

preparation of the financial statements is given on page 95 to 108 There were no changes in Accounting Policies adopted by the Company during the year under review, other than those given in note no. 03 to the financial statements on page 107.

## Financial Results / Profit and Appropriations

The Group recorded a Profit After Tax of Rs. 1,353,186,008/- of which Rs. 1,281,745,266/- is attributed to the equity shareholders.

During the year under review, the Company distributed a first Interim dividend of Rs 0.11 per share amounting to Rs. 103,808,105/- and a second interim dividend of Rs 0.25 per share amounting to Rs. 235,927,512/-.

## Property, Plant & Equipment

During the year under review the Group invested a sum of Rs. 267,376,725/- (2023 - Rs. 89,572,226/-) in property, plant & equipment of which Rs. 87,146,794/- (2023 - Rs. 40,761,223/-) is in plant & Rs. 107,442/- (2023 - Rs. 13,942,291/-) is in plant & machinery-Solar, Rs. 14,146,735/- (2023- Rs. 16,690,311/-) is in Computer and other equipment and Rs. 2,639,651/- (2023-Rs. 2,132,287/-) is in furniture and fixtures.

Further Rs. 1,043,134/- (2023 - Rs. 5,594,957/-) is invested in office equipment, Rs. 105,793,969/- (2023 - Rs. 9,600,000/-) in Motor Vehicles and Rs. 42,886,098/- (2023 - Rs. 514,586,956/-) in Power plants work - in - progress. Investment in freehold land amounts to Rs. 56,499,000/- (2023 -Rs. 851,157/-).

In addition, the Group invested Rs. 68,940/- (2023 -Rs. 385,110 /-) in bearer biological assets.

The exchange rate differences caused a total decrease of Rs. 519,342,626/- in the Group property, plant and equipment.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 04 to the financial statement.

## Market Value of Freehold Land

There was no freehold land classified as investment properties.

## Investments

Details of long-term Investments held by the Group are given in Note 05 to the financial statements on page 113.

## Impairments

The details relating to the impairment provisions are given in notes 5.2 and 6.1 to the financial statements on pages 115 & 119.

## Directors' Responsibilities

The Statement of the Directors' Responsibilities is given on page 83 of this report.

## Corporate Governance (Revised w.e.f. 1st October 2023)

The Board of Directors declare that the company has complied with the revised corporate governance rules laid down under section 9 of the Listing Rules of the Colombo Stock Exchange and the report on extent of compliance with the Corporate Governance best practices is given in page 38.

## Reserves

The Reserves and Accumulated Profits as at 31st March 2024 amount to Rs. 4,082,365,801/- vs Rs. 3,143,660,370/- as at 31st March 2023.

The breakup and the movement are shown in the Statement of Changes in Equity in the financial statements.

### Stated Capital

The stated capital of the company was Rs. 1,825,593,926/- The movements are shown in the Statement of Changes in Equity in the financial statements.

### ESOS

The ESOS scheme operated by the company concluded on 31st March 2023. The company announced the proposal to launch another ESOS scheme subsequent to the end of Financial Year 2024, which is awaiting the listing/shareholder approval.

### Material Issues Pertaining to Employees and Industrial Relations of the Company

The company did not come across any material issues pertaining to employees and industrial relations during the year.

### Post Balance Sheet Events

There has been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements.

The Fitch Ratings Agency reaffirmed the rating of A+ (SL) with a stable outlook for Vidullanka PLC in July 2024.

Vidullanka PLC increased its share of ownership in Solar Universe (Pvt) Ltd from 33.3% to 50%, by way of an acquisition of shares held by HiEnergy Services (Pvt) Ltd. in the company in July 2024.

### Statutory Payments

The Directors, 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 26.1 to the Financial Statements on page 135 and

have been circulated to the Board on 28th August 2024 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;

Ms. Deepthie Wickramasuriya (Chairperson)  
Mr. Shahid M. Sangani  
Mr. Sidath Fernando

The report of the Audit Committee on page 78 set out the manner of compliance by the Company in accordance with the requirements of Rule 9.13 of the Listing 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. Rizvi Zaheed (Chairperson)  
Mr. Sidath Fernando  
Mr. Sathiendra R. Mather

The report of the Remuneration Committee on page 81 contains a statement of the remuneration policy. The details of the aggregate remuneration paid to the Executive, Non - Executive Directors and other key management personals during the financial year are given in note 26.5 to the financial statement on page 136.

#### Investment and Strategy Committee

Following are the names of the Directors comprising the Investment and Strategy Committee of the Board;

Mr. Osman Kassim (Chairperson)  
Mr. Ranjan Mather  
Mr. Rizvi Zaheed  
Mr. Riyaz M. Sangani

The report of the Investment and Strategy Committee on the strategic direction and the investment policy is given on page 80.

#### Related Party Transaction Review Committee

Following are the names of the Directors comprising the Related Party Transaction Review Committee of the Board;

Mr. Rizvi Zaheed (Chairperson)  
w.e.f 21st March 2024  
Ms. Deepthie Wickramasuriya  
Mr. Sidath Fernando

The report of the Related Party Transactions Review Committee is given on page 82.

The Board of Directors declare that there were no related party transactions during the financial year falling within the ambit of rule 9.14.8 of Listing Rules of the Colombo Stock Exchange.

All other related party transactions that could be classified as related party transactions in terms of LKAS 24- 'Related Party Disclosures', are given in note 7.1, 11.1 and 26 In terms of section 9.14.8 (4) of the Listing Rules of the Colombo Stock Exchange the Board confirms that the company has complied with all requirements pertaining to Related Party Transactions.

#### Nominations and Governance Committee

Following are the names of the Directors comprising the Nominations and Governance Committee of the Board;

Ms. Deepthie Wickramasuriya (Chairperson)  
Mr. Rizvi Zaheed  
Mr. Shahid Sangani

The report of the Nominations and Governance Committee is given on page 79 in accordance with the requirements of Rule 9.11 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.



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

## Investor Information and Shareholdings

The investor information is given on page 143.

## Major Shareholders

Details of twenty largest shareholders of the company and percentage held by each of them are disclosed in page 144.

## Directors

The Directors of the company as at 31st March 2024 and their brief profiles are given on page 17 in this report. Following proposals are presented to the shareholders at the AGM for approval with regard to the Directors of the company.

It is proposed that Mr. W. D. A. S. Wijayapala be appointed to the Board at the AGM in terms of Article 20.2 of the Articles of Association of the Company.

It is proposed to re-elect Mr. Sujendra Mather and Mr. M. R. Zaheed who retire by rotation and offered themselves for re-election to the Board in terms of Article 20.5 of the Articles of the Association of the Company.

It is proposed to re-elect Mr. O. Kassim and Mr. S. Ranjan Mather who retire in terms of section 211 of the Companies Act No. 07 of 2007 and being eligible, offered themselves for re-election.

## Independence of Directors

In accordance with Rule 9.8.5 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance ('CSECG Rules'), Mr. Osman Kassim, Mr. Shahid M. Sangani, Mr. Ranjan Mather, Mr. Sidath Fernando, Mr. Sattar Kassim, Mr. Sujendra Mather, Mr. M. Rizvi Zaheed and Ms. Deepthie Wickramasuriya who are Non-Executive Directors of the company have submitted a signed and dated declaration to the Board on the status of their Independence.

Whereas, the Board of Directors of Vidullanka PLC having noted that Mr. Sidath Fernando has served on the Board of the company continuously for a period exceeding nine years from the date of the first appointment, and having declared that all Directors have made a formal declaration of all their interests on an annual basis, resolves as follows, in terms of Rule no.9.1.4 (3) of the Listing Rules of CSE.

IT IS HEREBY RESOLVED that, based on the declaration made as noted above and notwithstanding that Mr. Sidath Fernando has completed more than 9 consecutive years as a Director, nevertheless, considers him "Independent" given his impartial approach to the deliberations of the Board.

## Directors' Shareholding

The interest of the Directors in the shares of the Company as at 31st March of 2024 and 2023 were as follows:

Director	No of Ordinary Voting Shares	
	As at 31/03/2024	As at 31/03/2023
Amana Bank PLC / Mr. Osman Kassim	89,000,000	89,000,000
Mr. Osman Kassim / Mrs. K. Kassim	38,120,144	39,962,734
Mr. Riyaz M. Sangani	65,850,420	50,565,448
Amana Bank PLC/ Mr. Riyaz M. Sangani	98,747,751	88,166,014
National Development Bank PLC/ Riyaz M. Sangani	14,600,000	14,600,000
Mr. Shahid M. Sangani	3,114,471	3,114,471
Amana Bank PLC/ Mr. Shahid M. Sangani	4,300,000	4,300,000
Mr. S. Ranjan Mather	100,000,000	100,727,711
Mr. C. F. Fuhrer	-	110,041,770
Mr. Sidath Fernando	33,663,568	29,180,000
Mr. Sattar Kassim	94,135,861	94,135,861
Mr. Sujendra Mather	20,626,246	20,626,246
Mr. Rizvi Zaheed	40,000	40,000
Ms. D. Wickramasuriya	-	-

Director	No of Ordinary Non-Voting Shares	
	As at 31/03/2024	As at 31/03/2023
Amana Bank PLC / Mr. Osman Kassim	7,181,419	7,181,419
Mr. Osman Kassim / Mrs. K. Kassim	2,260,008	2,409,198
Mr. Riyaz M. Sangani	966,317	4,447,460
Hatton National Bank PLC/ Mr. Riyaz M. Sangani	-	3,418,857
Mr. Shahid M. Sangani	296,707	296,707
Amana Bank PLC/ Mr. Shahid M. Sangani	366,894	366,894
Mr. S. Ranjan Mather	1,520,705	1,520,705
Mr. S.S.V Fernando	441,980	441,980
Mr. Sattar Kassim	-	-
Mr. Sujendra Mather	-	-
Mr. Rizvi Zaheed	3,413	3,413
Ms. D. Wickramasuriya	-	-

### Auditors

The resolutions to appoint the present Auditors, Messrs. Ernst & Young Chartered Accountant, who has 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 on 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, its subsidiaries and associates have adequate resources to continue in operational existence for the foreseeable future to justify adopting the going concern basis in preparing the financial statements.

### Declarations

Being the Directors of Vidullanka PLC; We hereby declare the following.

- They have declared all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which were materially interested;
- They have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and ,if unable to make any of these declarations an explanation on why it is unable to do so;

- They made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;
- Disclosed the relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.

### Notice of Meeting

The Annual General Meeting will be held at 9.00 am on 26th September 2024 at the registered office of the company with participation via audio visual technology.

The Notice of the Annual General Meeting appears on page 148.

For and on behalf of the Board,

*(Sgd.)*  
**Osman Kassim**  
*Chairman*

*(Sgd.)*  
**Riyaz Sangani**  
*CEO*

*(Sgd.)*  
**Managers & Secretaries (Pvt) Ltd**  
*Secretaries*  
Vidullanka PLC

30 August 2024  
Colombo

## BOARD COMMITTEES

Vidullanka PLC has established five sub-committees under the supervision of the Board of Directors; Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, Nominations and Governance Committee and Investment and Strategy Committee. Each subcommittee which is chaired by a board member, has been granted authority and responsibility to assist the board in decision-making within their respective disciplines and work scopes. These subcommittees are comprised of board members who possess the applicable expertise and knowledge pursuant to the purpose of each committee.

The subcommittees: Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, Nominations and Governance Committee are setup as per the listing rules of the Colombo Stock Exchange and other applicable regulations, with the purpose of achieving compliance and adherence with the rules and regulations set forth. The Investment and Strategy Committee is a voluntary committee setup by the Board, with the aim of developing and operationalizing the strategic and growth initiatives of the group.

### AUDIT COMMITTEE

Report On the Affairs of The Audit Committee During the Financial Year 2023/24

The Audit Committee of Vidullanka PLC is tasked with the crucial duty of monitoring and managing financial reporting, auditing, internal controls, legal compliance and all processes and procedures associated with these facets. Furthermore, the committee is also held responsible to regularly review the established risk and governance framework, ensuring alignment with the risk appetite, controls and directives set forth by the framework.

Being the main governing arm of the company, the Audit Committee oversees and directs the company on how sound corporate governance should be enforced in terms of direction, control and accountability. While the committee overlooks all internal and external audits, financial reporting, legal and regulatory compliance, the committee also performs another essential task by way of assisting the management in identifying and analyzing risks faced by the company and developing management and control procedures to manage and minimize the identified risks as per the set framework.

### Composition of Audit Committee

Ms. Deepthie Wickramasuriya - Chairperson (Independent Non-Executive Director)

Mr. Sidath Fernando (Independent Non-Executive Director)

Mr. Shahid Sangani (Non-Executive Director)

In compliance with the listing rules of CSE and corporate governance best practices, the committee is comprised of 3 Non-Executive Directors, of whom two are independent. The Chairperson of the Audit Committee, Ms. Deepthie Wickramasuriya, is an Independent Non-Executive Director, which complies with the requirements of the listing rules of the Colombo Stock Exchange. Ms. Wickramasuriya is a professional in the finance field and a member of a professional accounting body. All Audit Committee proceedings undertaken during the year were attended by both the Chief Executive Officer and the Chief Financial Officer by way of invitation by the committee.

### Role of the Committee

The primary responsibility of the Audit Committee is to oversee and ensure that the financial statements prepared and published, as well as the disclosures made to the public, adhere to and comply with the

controls and standards established by the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange, the Regulations of the Securities Exchange Commission, Corporate Governance Best Practices, and the Companies Act.

The committee met four times during the year in consideration. Information on the attendance of these meetings is given in page 39.

In accordance with the Terms of Reference of the Audit Committee, the following duties were carried out by the committee during the period under review:

1. Reviewed and authorized the quarterly financial statements prior to publication.
2. Quarterly reviewed the risk profile of the company through risk mapping and analysis and assisting the board on decision making by providing information obtained.
3. Reviewed the internal control and risk management framework and advised the management as appropriate;
  - a. Reviewed and approved the risk management procedures and measures established by the group.
  - b. Reviewed the inputs provided by the heads of department regarding the risks faced by the respective departments and risk minimization techniques adopted.
  - c. Assessed the status of compliance of Vidullanka PLC and its risk management framework with its tax, regulatory and operations standards, legislations and acts.
4. Reviewed and approved the new Standard Operating Procedures relating to the local and overseas operations of the group.
5. Reviewed and evaluated the progress of projects in pipeline and made recommendations on any related write-offs proposed.

6. Reviewed and approved the corporate submissions made to regulatory authorities such as the Securities and Exchange Commission, Colombo Stock Exchange and Sri Lanka Accounting and Auditing Standards Monitoring Board.
7. Reviewed and discussed Internal and External Audit related issues and findings and the performance, objectivity and independency of the Auditors and initiating necessary measures as and when required.
8. Reviewed the annual Audited Financial Statements in consultation with the management and External Auditor.
9. Reviewed and confirmed the reappointment of Messer BDO East Africa of 6th Floor, Block C, Nakawa Business Park, Plot 3-5 New Portbell Road, Nakawa, P.O Box 9113, Kampala, Uganda as the External Auditor of Muvumbe Hydro (U) Ltd. and Timex Bukinda Hydro (U) Ltd.
10. Reviewed and confirmed the appointment of Messer HLB Jim Roberts, Plot 9,10,11 Buganda Road, P.O Box 10639, Kampala, Uganda as the External Auditor of Vidul Engineering (U) Ltd.
11. Reviewed and confirmed the appointment of Messer BDO Professional Services Inc. of Unit 1, Upper level, 127 Quamina Street, South Cummingsburg, Georgetown, Guyana as the External Auditor of Vidullanka PLC - Guyana Branch.
12. Reviewed and confirmed the appointment of Messer AG Assurance PAC, 111 North Bridge Road, #07-11, Singapore 179098 as the External Auditor of Vidul Energia (Pte) Ltd.
13. Evaluated whether the operations of the company needed any changes, amendments and additions stipulated by new policies, procedures and standards adopted by the company.
14. Solicited confirmation from senior management on a quarterly basis regarding internal controls, reporting and compliance.
15. Reviewed the work of the External Auditors of the group; Messer Ernst & Young, Chartered Accountants, Rotunda Towers, 109, Galle Road, Colombo 03 and made recommendations to the board based on their performance and independence.

#### Independent Auditors

Having carefully evaluated their performance, independence, accountability and other aspects, the committee has recommended to the Board of Directors to reappoint Messer Ernst & Young, Chartered Accountants, Rotunda Towers, 109, Galle Road, Colombo 03 as the External Auditor of the group companies in Sri Lanka and Messer BDO East Africa of 6th Floor, Block C, Nakawa Business Park, Plot 3-5 New Portbell Road, Nakawa, P.O Box 9113, Kampala, Uganda as the External Auditor of Muvumbe Hydro (U) Ltd. and Timex Bukinda Hydro (U) Ltd. The committee has also recommended to the Board of Directors to appoint Messer BDO Professional Services Inc. of Unit 1, Upper level, 127 Quamina Street, South Cummingsburg, Georgetown, Guyana as the External Auditor of Vidullanka PLC - Guyana Branch, Messer HLB Jim Roberts, Plot 9,10,11 Buganda Road, P.O Box 10639, Kampala, Uganda as the External Auditor of Vidul Engineering (U) Ltd and Messer AG Assurance PAC, 111 North Bridge Road, #07-11, Singapore 179098 as the External Auditor of Vidul Energia (Pte) Ltd.

I hereby confirm that the committee received adequate and relevant information from the management in assisting the committee in fulfilling its duties and responsibilities to the board.

*(Sgd.)*  
**Deepthie Wickramasuriya**  
 Chairperson - Audit Committee.

#### NOMINATIONS AND GOVERNANCE COMMITTEE

In line with the latest listing rules of the Colombo Stock Exchange, the company constituted a Nominations & Governance Committee on 21st March 2024 to oversee nominations, recruitments and appointments to the board, with the following composition:

- Ms. Deepthie Wickramasuriya - Chairperson (Independent Non-Executive Director)
- Mr. Rizvi Zaheed (Independent Non-Executive Director)
- Mr. Shahid Sangani (Non-Executive Director)

## Board Committees

### INVESTMENT AND STRATEGY COMMITTEE

#### Report On the Affairs of The Investment and Strategy Committee During the Financial Year 2023/24

The Investment and Strategy Committee's primary responsibility is to evaluate and appraise new investment proposals tabled, develop new business strategies and handle related matters pertaining to such initiatives. The committee's main goal is to advise the Board on appropriate action by asserting the contribution these affairs make towards the achievement of organizational goals and determine how well aligned these affairs are with the strategic and growth initiatives of the company.

All investments consolidated within Vidullanka's investment portfolio are regularly monitored by the committee on their performance, where any underperforming investments are subject to necessary scrutiny and corrective measures. The committee constantly evaluates the external business environment of the company to identify potential challenges to its investments, as well as to uncover and capitalize on any new market opportunities, emerging technologies and industry trends. Based on its findings, the committee formulates investment and growth strategies and advises the Board of Directors on how to capitalize on opportunities and navigate threats.

The Investment and Strategy Committee consist of the following four members:

Mr. Osman Kassim - Chairman (Non-Executive Director)

Mr. Ranjan Mather (Non-Executive Director)

Mr. Rizvi Zaheed (Independent Non-Executive Director)

Mr. Riyaz Sangani (Chief Executive Officer)

The committee met four times during the year of review. The primary areas of concern the committee dealt with were: New investment opportunities in the Renewable Energy space in Africa and South Asia, new opportunities in EPC/Consulting business building renewable energy projects overseas, overseeing current EPC operations in Guyana and challenges in local fuel supply business. The committee carries out its duties to advise the board on formulating action plans and strategies as response to these concerns.

*(Sgd.)*

**Osman Kassim**

*Chairperson - Investment and Strategy Committee.*

## REMUNERATION COMMITTEE

### Report On the Affairs of The Remuneration Committee During The Financial Year 2023/24

The Remuneration Committee of Vidullanka PLC carries out the responsibility of tailoring the remuneration policies and procedures of the executive and senior management cadre of the group, while ensuring parity with industry norms and best practices. These policies and procedures should be able to attract and retain a talented pool of human capital within the organization. As such, the committee is therefore tasked with designing and recommending appropriate, market standard and flexible remuneration packages for the executive cadre, senior management, Executive Directors and the CEO to the Board. These are also regularly reviewed by the committee to ensure alignment with changes in the markets.

The committee's composition was changed during the financial year and is now chaired by Mr. Rizvi Zaheed and consists of the following members, with the Chief Executive Officer attending the proceedings by way of invitation.

Mr. Rizvi Zaheed - Chairman (Independent Non-Executive Director)

Mr. Sidath Fernando (Independent Non-Executive Director)

Mr. Ranjan Mather (Non-Executive Director)

The Remuneration Committee operates as per the established Terms of Reference of the committee. The Remuneration Committee met thrice during the financial year during which the organization's remuneration policies, procedures and scales were reevaluated to ensure that adherence to organizational goals, objectives and long term direction is achieved. The committee also evaluated the human resource-related policies and procedures, providing management with recommendations for any necessary improvements. In light of the skilled migration taking place in Sri Lanka, the committee has formulated plans and measures to address any issues that could arise pertaining to it.

The committee also evaluated and approved the remuneration and compensation packages for senior management and Executive Directors. No Director was involved in fixing his/her own remuneration. The remuneration set for Non-Executive Directors are governed by non-discriminatory pay practices which helps the company to ensure that the independence of Non-Executive Directors is not impaired through their remuneration. The remuneration for senior management was based on the committee's analysis of their performance throughout the year. Details of Key Management Personnel compensation are provided in note 26.5 of the financial statements on page 136. Non-Executive Directors on the board are not eligible for any performance-based compensation.

*(Sgd.)*

**Rizvi Zaheed**

*Chairperson - Remuneration Committee.*



## Board Committees

### RELATED PARTY TRANSACTION REVIEW COMMITTEE

#### Report On the Affairs of The Related Party Transaction Review Committee During The Financial Year 2023/24

The primary activity of the Related Party Transactions Review Committee is to oversee transactions involving related parties of Vidullanka PLC, ensuring they are conducted on an arm's length basis in accordance with the requirements outlined in Section 09 of the Listing Rules of the Colombo Stock Exchange and LKAS 24 of the Sri Lanka Accounting Standards. The committee comprises three Non-Executive Directors, with a majority (two) being independent. The committee is mandated to meet at least once a calendar quarter during the financial year. The members of the Committee possess a wealth of knowledge and expertise that they apply during the review, approval and monitoring of related party transactions. Where necessary, the committee also refers to the Board, to obtain approval for certain proposed Related Party transactions under review. The committee held a total of four meetings during the year. No related party transactions falling within the ambit of the rules 9.14.6, 9.14.7, 9.14.8 and 9.14.9 of Section 09 of the Listing Rules of the Colombo Stock Exchange took place during the year under review.

During the year under review, the committee was reconstituted with Mr. Rizvi Zaheed replacing Mr. Sujendra Mather and subsequently appointed as the chair of the committee with effect from 21st March 2024. The present composition of the committee is as follows:

Mr. Rizvi Zaheed - Chairman  
(Independent Non-Executive Director)

Mr. Sidath Fernando  
(Independent Non-Executive Director)

Ms. Deepthie Wickramasuriya  
(Independent Non-Executive Director)

Duties and Responsibilities of The Related Party Transaction Review Committee of Vidullanka PLC are as follows:

1. Establish and maintain a standardized policy and procedure for the identification, clarification and reporting the Related Party Transactions.
2. Review in advance and approve all non-recurring and ad hoc intercompany and related party transactions that took place during the financial year.
3. Review and ratify recurring intercompany transactions and make any suggestions/recommendations on changes if and when necessary.
4. Review and approve proposed Related Party transactions and commissioned an independent expert study to ensure the transactions are executed on an arm's length basis.
5. Review and approve material changes taking place regarding previously approved related party transactions.
6. Review the effectiveness of internal controls, policies and procedures placed governing related party transactions and the compliance of these transactions with these measures.
7. Solicit assistance from the management team and expert opinion from external consultants to assess the implications of the related party transactions.
8. Review financial statements to ensure that disclosures of related party transactions are adequate and accurate.
9. Review and confirm management approvals before related party transactions are initiated.
10. Identify scenarios that require shareholder approval and advise the board accordingly.
11. Recommend to the board on the disclosures to be made in the annual report of the company.

#### Declaration

A declaration by the Board of Directors as a negative statement to the effect that no related party transaction falling within the ambit of the rule 9.14.8 of the listing rules of the Colombo Stock Exchange was entered into by the Company during the year, is given in the Annual Report of the Board of Directors on page 73. The relevant disclosures as required are given in the note 5.1.1 to the financial statements on page 113. All other related party transactions that could be classified as related party transactions & balances in terms of LKAS 24-'Related Party Disclosures', are given in Note 7, 11 and 26 to the Financial Statements.

(Sgd.)

**Rizvi Zaheed**

*Chairperson - Related Party Transaction Review Committee*

## DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors' responsibility in relation to the Financial Statements is detailed below. The report of the Auditors sets out their responsibility in relation to the Financial Statements.

The Companies Act No. 07 of 2007 requires that the Directors prepare Financial Statements for each financial year, which reflect a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and the profit for that financial year. In preparation of these statements the Directors are required to ensure that,

1. Appropriate accounting policies have been selected and applied on a consistent basis. Material anomalies, if any, are disclosed and explained.
2. Ensure that all applicable accounting standards have been followed.
3. The adjustments and estimates are reasonable and prudent.
4. The Directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and that of the Group and to enable them to ensure that the Financial Statements comply with the Companies Act. They are also responsible for taking reasonable steps to safeguard the assets of the Company and to establish appropriate systems of internal controls, which provide reasonable though not absolute assurance to the Directors that assets are safe guarded and internal controls, are in place with a view to the prevention and detection of fraud and error.
5. The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to take whatever steps, and undertake whatever inspection they consider to be appropriate for the purpose of enabling them to give their audit report.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

### COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies and taxes payable on behalf of and in respect of employees of the Company and its group companies, and all other known statutory dues as were due and payable by the Company and its group companies as at the balance sheet date have been paid or where relevant provided for.

By order of the Board,

Managers & Secretaries (Pvt) Ltd  
*Secretaries*

Vidullanka PLC  
30th August 2024



# FINANCIAL REPORTS



## FINANCIAL REPORTS

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## INDEPENDENT AUDITOR'S REPORT



Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka

Tel : +94 11 246 3500  
Fax : +94 11 768 7869  
Email: eysl@lk.ey.com  
ey.com

DNG / MAR

### TO THE SHAREHOLDERS OF VIDULLANKA PLC

#### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Vidullanka PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiaries (“the Group”), which comprise the statement of financial position as at 31 March 2024, and the Statement of Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for opinion

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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

Principals: T P M Ruberu FCCA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paravitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp), W D P L Perera ACA

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of Impairment of Goodwill</b>                      The Group's Statement of Financial Position includes an amount of Rs. 204 Mn relating to Goodwill acquired on the business combinations as further described in Notes 5.2 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount determined by Management using value in use computations (VIU).</p> <p>Such Management VIU calculations are based on the discounted future cashflows of each Cash Generating Unit (CGU) to which Goodwill has been allocated. A deficit between the recoverable value and the carrying value of the CGUs including Goodwill would result in an impairment.</p> <p>Impairment testing of Goodwill was a key audit matter due to :</p> <ul style="list-style-type: none"> <li>• The degree of management assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations.</li> <li>• A Key areas of significant management judgments, estimates and assumptions included key inputs and assumptions related to the value in use computations of future cash flows, tariff rates used for extrapolation purposes, plant load factor and discount rates as disclosed in Notes 5.2 to the financial statements.</li> </ul>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• We gained an understanding of how management has forecast its discounted future cash flows.</li> <li>• We tested the calculations of the discounted future cash flows and the completeness and accuracy of the underlying data used by Management to relevant underlying accounting records.</li> <li>• We assessed the reasonableness of significant management assumptions including tariff rates, discount rates and plant load factor. We also performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations.</li> <li>• We evaluated the forecasted cash flows by focusing on plausible changes in the key assumptions and analyzing the impact on the recoverable amount.</li> </ul> <p>We have also assessed the adequacy of the disclosures made in Note 5.2 to the financial statements.</p>
<p><b>Estimated Depreciation of plant &amp; machinery</b>                      Property, plant and equipment of the Group include hydro and solar plant &amp; machinery - totalling Rs. 7,430,342,882 which represent 57% of the Group's total assets as of reporting date.</p> <p>Depreciation on hydro and solar plant &amp; machinery - totalling Rs. 335,209,029 for the year ended 31 March 2024. The Group's policy is to calculate the depreciation of these assets on the straight-line method over their estimated useful life as described in Note 2.3.9 to the financial statements.</p> <p>Estimation of the useful life of plant &amp; machinery - hydro and solar was considered a Key Audit Matter due:</p> <ul style="list-style-type: none"> <li>• The degree of management assumptions and judgment required over the determination of remaining useful lives, underlying lease agreements and renewal options contained in power purchase agreements.</li> </ul>	<p><b>Our audit procedures included the following;</b></p> <ul style="list-style-type: none"> <li>• We obtained the understanding of management's policies and procedures developed over the estimation of the remaining useful lives of plant &amp; machinery - hydro &amp; solar</li> <li>• We assessed the reasonableness of management assumptions and judgments applied in developing expectations of remaining useful lives of plant &amp; machinery - hydro and solar and checked the agreement terms in the power purchase agreements entered</li> <li>• We checked the arithmetical accuracy of the depreciation recorded during the year</li> </ul> <p>We have also assessed the adequacy of disclosures made in Notes 2.3.9 and 4.1.3 to the financial statements.</p>



## Independent Auditor's Report

### Other Information included in the 2024 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the management and those charged with governance

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

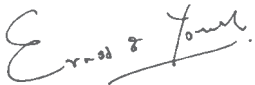
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

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

#### Report on other legal and regulatory requirements

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

The Institute of Chartered Accountants of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4169.



30th August 2024  
Colombo

## STATEMENT OF FINANCIAL POSITION

As at 31 March	Notes	Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	4	7,775,876,852	8,282,245,724	1,995,284,919	622,996,975
Bearer Biological Assets	4.1.8	37,291,251	41,759,181	-	-
Right of Use Assets	4.3	189,994,883	197,503,111	33,123,926	20,629,367
Investments in Subsidiaries	5.1	-	-	1,028,201,089	1,453,896,133
Investment in Joint Ventures and Associates	5.3	1,127,498,300	772,119,886	770,624,883	530,624,883
Other Project Investments	6	49,807,147	76,378,350	49,807,147	76,378,350
Goodwill	5.2	204,818,392	206,883,411	-	-
Deferred Tax Asset	10.3	13,523,075	39,165,831	13,523,075	38,243,775
		9,398,809,900	9,616,055,494	3,890,565,039	2,742,769,483
<b>Current Assets</b>					
Inventories		150,045,901	134,700,607	37,438,293	24,745,319
Trade and Other Receivables	7	2,454,872,165	2,327,697,987	1,060,087,352	833,565,282
Other Financial Assets	5.4.1	317,718,360	405,765,413	56,441,500	128,390,782
Cash and Cash Equivalents	20	698,018,574	539,558,534	284,133,636	315,265,255
		3,620,655,000	3,407,722,541	1,438,100,781	1,301,966,638
<b>Total Assets</b>		<b>13,019,464,900</b>	<b>13,023,778,035</b>	<b>5,328,665,820</b>	<b>4,044,736,121</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Stated Capital	8	1,825,593,926	1,825,593,926	1,825,593,926	1,825,593,926
Retained Earnings		4,082,365,801	3,143,660,370	684,748,998	251,830,514
Other Components of Equity		1,348,498,544	1,699,979,032	948,545,349	-
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>7,256,458,271</b>	<b>6,669,233,328</b>	<b>3,458,888,273</b>	<b>2,077,424,440</b>
Non Controlling Interest		272,382,022	220,051,912	-	-
<b>Total Equity</b>		<b>7,528,840,293</b>	<b>6,889,285,240</b>	<b>3,458,888,273</b>	<b>2,077,424,440</b>
<b>Non-Current Liabilities</b>					
Loans and Borrowings	9	2,052,876,012	2,645,632,788	298,882,308	492,322,867
Defined Benefit Liability	12	69,519,508	54,022,943	59,175,829	42,202,078
Deferred Tax Liability	10.2	1,029,050,965	1,135,854,203	-	-
Lease Liability	21.1	86,466,734	80,724,183	35,811,894	16,764,641
		3,237,913,219	3,916,234,117	393,870,031	551,289,586
<b>Current Liabilities</b>					
Trade and Other Payables	11	1,095,239,224	851,791,776	784,592,121	587,148,825
Loans and Borrowings	9	1,002,197,031	1,330,314,796	606,078,256	827,324,703
Lease Liability	21.1	16,316,551	7,898,101	3,887,703	1,548,567
Income Tax Liabilities		138,958,582	28,254,005	81,349,436	-
		2,252,711,388	2,218,258,678	1,475,907,516	1,416,022,095
<b>Total Equity and Liabilities</b>		<b>13,019,464,900</b>	<b>13,023,778,035</b>	<b>5,328,665,820</b>	<b>4,044,736,121</b>
<b>Net Asset Value Per Share (Rs.)</b>		<b>7.69</b>	<b>7.07</b>	<b>3.67</b>	<b>2.20</b>

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No :07 of 2007.

(Sgd.)  
Mafaz Ansar  
CFO

The Board of Directors is responsible for these Financial Statements.  
Signed for and on behalf of the Board by,

(Sgd.)  
Riyaz M Sangani  
CEO

(Sgd.)  
Rizvi Zaheed  
Director

The accounting policies and notes on pages 95 through 142 form an integral part of these Financial Statements.

30 August 2024  
Colombo

## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Notes	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	13	5,692,545,652	3,836,435,350	2,237,582,579	235,752,886
Cost of Sales		(2,501,220,777)	(1,116,114,005)	(1,668,877,656)	(91,472,823)
<b>Gross Profit</b>		<b>3,191,324,875</b>	<b>2,720,321,345</b>	<b>568,704,923</b>	<b>144,280,063</b>
Other Income and Gains / (Losses)	17	177,207,388	(10,644,676)	960,793,582	658,116,401
Administrative Expenses		(868,972,293)	(501,546,365)	(572,614,570)	(292,394,868)
Finance Cost	15	(491,742,307)	(601,465,024)	(168,443,282)	(231,437,108)
Finance Income	16	19,413,249	2,458,253	9,638,460	2,283,108
Investment Income from Joint Ventures / Associates		214,774,684	40,619,289	-	-
<b>Profit / (Loss) Before Tax</b>	14	<b>2,242,005,596</b>	<b>1,649,742,822</b>	<b>798,079,113</b>	<b>280,847,596</b>
Income Tax Expense	10	(888,819,588)	(626,732,669)	(21,682,738)	54,199,422
<b>Profit / (Loss) for the Year</b>		<b>1,353,186,008</b>	<b>1,023,010,153</b>	<b>776,396,375</b>	<b>335,047,018</b>
<b>Other Comprehensive Income (OCI)</b>					
<b>Other Comprehensive Income that not will be Reclassified to Profit or Loss in Subsequent Period</b>					
Net Actuarial Gain / (Loss) on Defined Benefit Plan		(5,553,181)	5,524,000	(5,346,106)	6,545,145
Income Tax Effect on Net Actuarial Gain / (Loss) on Defined Benefit Plan		1,603,378	(1,795,380)	1,603,832	(1,963,544)
<b>Other Comprehensive Income that may be Reclassified to Profit or Loss in Subsequent Period</b>					
Exchange Differences on Translation of Foreign Operations		(369,996,012)	312,112,706	1,340,466	(2,966,470)
Share of Other Comprehensive Income of Equity Accounted Investees (Net of Tax)		(473,771)	258,863	-	-
Other Comprehensive Income for the Year, Net of Tax		(374,419,586)	316,100,189	(2,401,808)	1,615,131
<b>Total Comprehensive Income for the Year, Net of Tax</b>		<b>978,766,422</b>	<b>1,339,110,342</b>	<b>773,994,567</b>	<b>336,662,149</b>
<b>Profit Attributable to :</b>					
Equity Holders of the Parent		1,281,745,266	957,026,495	776,396,375	335,047,018
Non-Controlling Interest		71,440,742	65,983,658	-	-
		1,353,186,008	1,023,010,153	776,396,375	335,047,018
<b>Total Comprehensive Income Attributable to :</b>					
Equity Holders of the Parent		925,841,204	1,257,455,578	773,994,567	336,662,149
Non-Controlling Interest		52,925,218	81,654,764	-	-
		978,766,422	1,339,110,342	773,994,567	336,662,149
Earning Per Share- Basic		1.36	1.02	0.82	0.36
Earnings Per Share - Diluted	18	1.36	1.02	0.82	0.36
Dividend Per Share		-	-	0.36	0.20

The accounting policies and notes on pages 95 through 142 form an integral part of these Financial Statements.

## STATEMENT OF CHANGES IN EQUITY

Group	Notes	Stated Capital	Retained Earnings	Foreign Currency Translation Reserve	Non-Controlling Interest	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2022		1,786,069,350	2,406,968,789	1,403,537,432	128,551,007	5,725,126,578
Profit for the Year		-	957,026,495	-	65,983,658	1,023,010,153
Other Comprehensive Income		-	3,987,483	296,441,600	15,671,106	316,100,189
Total Comprehensive Income for the Year		-	961,013,978	296,441,600	81,654,764	1,339,110,342
Subscription of NCI Shares		-	(35,435,952)	-	36,344,556	908,604
Exercise of Share Options		39,524,576	-	-	-	39,524,576
Dividend Paid During the Year	19	-	(188,886,445)	-	(26,498,415)	(215,384,860)
Balance as at 31 March 2023		1,825,593,926	3,143,660,370	1,699,979,032	220,051,912	6,889,285,240
Balance as at 01 April 2023		1,825,593,926	3,143,660,370	1,699,979,032	220,051,912	6,889,285,240
Profit for the Year		-	1,281,745,266	-	71,440,742	1,353,186,008
Other Comprehensive Income		-	(4,423,574)	(351,480,488)	(18,515,524)	(374,419,586)
Total Comprehensive Income for the Year		-	1,277,321,692	(351,480,488)	52,925,218	978,766,422
Subscription of NCI Shares		-	1,853,344	-	68,146,656	70,000,000
Acquisition of Subsidiary		-	(1,785,613)	-	-	(1,785,613)
Acquisition of NCI		-	1,051,625	-	(16,051,625)	(15,000,000)
Dividend Paid during the Year	19	-	(339,735,617)	-	(52,690,139)	(392,425,756)
Balance as at 31 March 2024		1,825,593,926	4,082,365,801	1,348,498,544	272,382,022	7,528,840,293

Company	Notes	Stated Capital	Retained Earnings	Amalgamation Reserve	Foreign Currency Translation Reserve	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2022		1,786,069,350	104,054,810	-	-	1,890,124,160
Profit for the Year		-	335,047,018	-	-	335,047,018
Other Comprehensive Income		-	1,615,131	-	-	1,615,131
Total Comprehensive Income for the Year		-	336,662,149	-	-	336,662,149
Exercise of Share Options		39,524,576	-	-	-	39,524,576
Dividend Paid during the Year		-	(188,886,445)	-	-	(188,886,445)
Balance as at 31 March 2023		1,825,593,926	251,830,514	-	-	2,077,424,440
Balance as at 01 April 2023		1,825,593,926	251,830,514	-	-	2,077,424,440
Profit for the Year		-	776,396,375	-	-	776,396,375
Other Comprehensive Income		-	(3,742,274)	-	1,340,466	(2,401,808)
Total Comprehensive Income for the Year		-	772,654,101	-	1,340,466	773,994,567
Transfer of Reserves from Amalgamation (Net of Goodwill)		-	-	947,204,883	-	947,204,883
Dividend Paid during the Year	19	-	(339,735,617)	-	-	(339,735,617)
Balance as at 31 March 2024		1,825,593,926	684,748,998	947,204,883	1,340,466	3,458,888,273

The accounting policies and notes on pages 95 through 142 form an integral part of these Financial Statements.

## STATEMENT OF CASH FLOWS

Year ended 31 March	Notes	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Operating Activities</b>					
Profit / (Loss) Before Tax		2,242,005,596	1,649,742,822	798,079,113	280,847,596
<b>Adjustments for</b>					
Depreciation Property, Plant and Equipment	4	378,148,179	348,838,615	73,137,468	34,509,434
Depreciation Bearer Biological Assets		4,536,870	4,418,980	-	-
Depreciation of Right of Use Assets	4.3.2	25,803,941	24,665,153	5,865,653	5,179,259
(Profit) / Loss on Disposal of Property, Plant and Equipment	17	(8,264,483)	(1,096,917)	(6,964,483)	(1,099,264)
(Profit) / Loss on Disposal of ROU Asset		(11,098,565)	-	(9,648,565)	-
Expenses on Defined Benefit Plan	12.1	15,484,590	12,230,618	11,810,011	9,476,878
Impairment / Written Off of New Projects		39,753,026	24,000,000	39,753,026	24,000,000
Impairment -Goodwill / Receivables	5.2	242,065,019	52,471,596	-	988,982
Net Gains on Translation of Foreign Currency		(46,612,546)	152,005,353	(19,610,562)	-
Share of Profits from Joint Ventures		(214,774,684)	(40,619,289)	-	-
Dividend Income	17	-	(97,500)	(922,674,967)	(641,007,867)
Finance Income	16	(19,413,249)	(2,458,253)	(9,638,460)	(2,283,108)
Finance Cost	15	491,742,307	601,465,024	168,443,282	231,437,108
<b>Operating Profit Before Working Capital Changes</b>		<b>3,139,376,001</b>	<b>2,825,566,202</b>	<b>128,551,516</b>	<b>(57,950,982)</b>
(Increase) / Decrease in Inventories		3,675,268	(2,384,086)	2,485,042	(3,140,746)
(Increase) / Decrease in Trade & Other Receivables		(489,431,930)	(662,721,069)	185,623,363	(99,200,132)
Increase / (Decrease) in Other Payables		259,390,129	458,532,370	187,527,319	396,049,662
<b>Cash Generated from / (Used in) Operations</b>		<b>2,913,009,468</b>	<b>2,618,993,417</b>	<b>504,187,240</b>	<b>235,757,802</b>
Finance Cost Paid		(484,522,280)	(599,088,118)	(165,698,399)	(230,491,815)
Defined Benefit Plan Cost Paid	12	(5,463,420)	(1,487,200)	(5,463,420)	(1,487,200)
Income Tax Paid		(761,082,416)	(423,067,704)	(8,200,000)	(24,031,397)
<b>Net Cash from / (Used in) Operating Activities</b>		<b>1,661,941,352</b>	<b>1,595,350,395</b>	<b>324,825,421</b>	<b>(20,252,610)</b>
<b>Investing Activities</b>					
Acquisition of Property, Plant and Equipment		(338,658,896)	(604,159,182)	(163,706,731)	(28,426,501)
Acquisition of Bearer Biological Assets		(68,940)	(385,110)	-	-
Acquisition of Right to Use Asset		(27,861,472)	(11,765,605)	-	(11,765,605)
Proceeds from Sale of Property, Plant and Equipment		8,300,000	4,585,939	7,000,000	4,585,939
Proceeds from Sale of Right to Use Asset		11,450,000	-	10,000,000	-
Investment in New Projects, net of cash acquired		(13,181,823)	(22,734,145)	(13,181,823)	(22,734,145)
Investment on Other Financial Assets	5.4.1	65,589,910	(246,959,212)	71,949,282	(87,038,310)
Finance Income Received		19,035,672	2,446,670	9,372,908	2,275,303
Dividend Received		98,922,500	9,022,500	922,674,967	641,007,867
Acquisition of Subsidiary, net of cash acquired		(14,724,984)	-	(15,000,000)	-
Investment in Subsidiaries		-	-	(140,000,000)	(125,000,000)
Investment in Joint Ventures		(240,000,000)	(116,333,333)	(240,000,000)	(116,333,333)
<b>Net Cash Flows from / (Used in) Investing Activities</b>		<b>(431,198,033)</b>	<b>(986,281,478)</b>	<b>449,108,603</b>	<b>256,571,215</b>



## Statement of Cash Flows

Year ended 31 March	Notes	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Financing Activities</b>					
Share Issue-Proceeds from ESOS		-	39,524,576	-	39,524,576
Share Issue-NCI		70,000,000	909,676	-	-
Dividend Payments		(392,425,756)	(215,384,860)	(339,735,617)	(188,886,445)
Principal Payment under Ijarah Leases (Motor Vehicle)	21.1	(6,340,152)	(9,172,808)	(1,649,687)	(2,824,626)
Principal Payment under SLFRS 16 - Non- Motor		(14,707,752)	(12,039,439)	(131,156)	(2,121,000)
Principal Payment under Diminishing Musharakah Facilities	9.1.1	(576,973,545)	(1,400,021,586)	(256,654,308)	(116,276,150)
Principal Payment under Short Term Facilities	9.1.2	(723,862,634)	(568,763,789)	(655,207,634)	(556,763,789)
Proceeds from Ijarah Leases (Motor Vehicle)	21.1.1	-	-	-	-
Proceeds from - Leases (Non-Motor Vehicle)		30,752,974	11,765,605	-	11,765,605
Proceeds from Diminishing Musharakah Facilities	9.1.1	56,250,000	306,184,230	-	70,393,544
Proceeds from Short Term Facilities	9.1.2	485,023,586	923,055,961	431,740,639	786,874,153
<b>Net Cash Flows from / (Used in) Financing Activities</b>		<b>(1,072,283,279)</b>	<b>(923,942,434)</b>	<b>(821,637,763)</b>	<b>41,685,868</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>158,460,040</b>	<b>(314,873,517)</b>	<b>(47,703,739)</b>	<b>278,004,473</b>
Cash and Cash Equivalents at the Beginning of the Year		539,558,534	854,432,051	315,265,255	37,260,782
Cash Balance from Amalgamation		-	-	16,572,120	-
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>20</b>	<b>698,018,574</b>	<b>539,558,534</b>	<b>284,133,636</b>	<b>315,265,255</b>

The accounting policies and notes on pages 95 through 142 form an integral part of these Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

### 1.1 General

Vidullanka PLC (“the Company”) is a public quoted Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at Level 4, Access Towers, No.278, Union Place, Colombo 02 and the principal places of business are situated in Rathnapura, Badulla and Nuwara Eliya Districts of Sri Lanka and branch operations in Guyana, South America.

The Consolidated financial statements of the Company for the year ended 31 March 2024 comprise the Company and its Subsidiaries (together referred as the “Group”).

#### Subsidiaries

Vidullanka PLC has investments in the following direct subsidiaries.

Subsidiary	Date of Incorporation	The Act	Registered Address	% ownership
Vidul Engineering Ltd	03 Sep 2007	Companies Act No.07 of 2007 of Sri Lanka	Level 04, Access Tower, No, 278, Union Place, Colombo 02	100%
Vidul Plantation (Pvt) Ltd	20 Feb 2015			100%
Venergy Lanka (Pvt) Ltd	08 July 2020			100%
Horana Solar Power (Pvt) Ltd	22 Mar 2021			66.7%
Vidul Agri (Pvt) Ltd	29 Oct 2020			100%
Orik Corporation (Pvt) Ltd	11 Nov 2010			87%
Muvumbe Hydro (U) Ltd	07 Feb 2011	Companies Act No 110 of 2012 of Uganda	3rd Floor Unicalo House. Plot 11, Archer Road, Kololo P. O. Box 100326, Kampala.	95%
Timex Bukinda Hydro (U) Ltd	30 May 2011			95%
Vidul Engineering (U) Ltd	11 Jan 2019			100%
Vidul Energia Pte. Ltd	21 Sep 2020	Section 164 of the Companies Act 1967 of Singapore.	2 Havelock Road, #06-08 Havelock2, Singapore 059763.	100%

Additionally, Vidul Plantation (Pvt) Ltd acquired control of Vasanagama Plantations (Pvt) Ltd during the financial year 2019/20. Vasanagama Plantations (Pvt) Ltd is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the company is located at Level 04, Access Tower, No. 278, Union Place, Colombo 02, and the principal place of business is located in Kandaketiya, Badulla District. Vidul Plantation (Pvt) Ltd holds 100% equity stake in the company.

Similarly, Venergy Lanka (Pvt) Ltd incorporated Vidul Matara Solar Power (Pvt) Ltd and Vidul Madampe Solar Power (Pvt) Ltd during the financial year 2023/24. Vidul Matara Solar Power (Pvt) Ltd and Vidul Madampe Solar Power (Pvt) Ltd are limited liability companies incorporated and domiciled in Sri Lanka. The registered office of the companies is located at Level 04, Access Tower, No. 278, Union Place, Colombo 02, and the principal places of business are located in Matara and Madampe, respectively. Venergy Lanka (Pvt) Ltd holds 100% equity stake in both companies.

#### Joint Ventures

Vidullanka PLC has investments in the following joint venture companies;

Joint Venture	Holding Percentage	Joint Venture Partner
Gurugoda Hydro (Pvt) Ltd	50%	RenewGen (Pvt) Ltd
Vidul Madugeta (Pvt) Ltd	50%	RenewGen (Pvt) Ltd
Vidul Biomass (Pvt) Ltd	51%	OC Energy Lanka (Pvt) Ltd

The registered offices of the above companies are located at Level 4, Access Tower, No. 278, Union Place, Colombo 02.

## Notes to the Financial Statements

### Associates

Vidullanka PLC has investments in the following Associate companies.

Associates	Holding Percentage	Registered Address
Nilwala Vidulibala Company (Pvt) Ltd	26.3%	50/8A Siripa Road Colombo 05
Solar Universe (Pvt) Ltd *	33.3%	334, T B Jaya Mawatha, Colombo 10

The Company increased shareholding in Solar Universe (Pvt) Ltd to 50% by acquiring a further 16.7 % from an existing shareholder on 22 July 2024

### 1.2 Principal Activities and Nature of Operations

#### Company

The principal business activity of the company is to engage in renewable energy business including renewable energy generation, project development, installation & construction, operation & maintenance, consultancy services and turnkey solutions. For this purpose, the company operates six hydro power plants namely Bambarabatuoya MHPP, Batathota MHPP, and Wembiyagoda MHPP in Ratnapura District, Rideepana MHPP and Udawela MHPP in Badulla District and Lower Kotmale Oya MHPP in Nuwara eliya District

The principal activity of Vidullanka PLC - Guyana Branch is to design, engineer, construct and commission both Moco Moco MHPP and Kumu MHPP located in Lethem, Guyana for the Guyana Energy Agency.

#### Subsidiaries

The principal activity of Vidul Engineering Ltd is the provision of construction and engineering services related to renewable energy plants and related structures. It also invests and operate rooftop solar power plants on Build Own & Transfer terms with industrial clients.

The principal business activity of Vidul Energia Pte. Ltd, Singapore is to provide engineering consultancy and O&M services to the renewable energy industry overseas.

The principal business activity of Venergy Lanka (Pvt) Ltd is to engage in project development, mobility and related business activities. The company is yet to commence commercial operations.

The principal activity of the Vidul Plantation (Pvt) Ltd is engage in agribusiness relating to the supply of fuel wood to the Dendro power plant operated by Vidul Biomass (Pvt) Ltd, in Dehiyathakandiya.

The principal business activity of Vidul Agri (Pvt) Ltd is to engage in sustainable fuelwood business serving the industrial sector.

The principal activity of Horana Solar Power (Pvt) Ltd is to produce electrical energy and transmit to the national grid from the ground mounted solar power plant in Kaluthara District.

The principal activity of Orik Corporation (Pvt) Ltd is to produce electrical energy and transmit to the national grid from the ground mounted solar power plant in Monaragala District.

The principal activity of Muvumbe Hydro (U) Ltd is to produce electrical energy and transmit to the national grid from the Muvumbe small hydro power plant in Kabale District of Republic of Uganda.

The principal activity of Timex Bukinda Hydro (U) Ltd is to produce electrical energy and transmit to the national grid from the Bukinda small hydro power plant in Kagadi District of the Republic of Uganda.

The principal activity of Vidul Engineering (U) Ltd is the provision of EPC, construction management and engineering services related to renewable energy plants and related structures in Uganda & other countries in Africa.

Vidullanka PLC amalgamated its 3 wholly owned subsidiaries namely Lower Kotmale Oya Hydro Power (Pvt) Ltd., Udawela Hydro (Pvt) Ltd., and Rideepana Hydro (Pvt) Ltd. with Vidullanka PLC with effect from 3rd January 2024. The amalgamation was carried out without any considerations and in accordance with the provisions of Section 242 (short-form amalgamation) of the Companies Act No. 7 of 2007

#### Joint Ventures

The principal activity of Gurugoda Hydro (Pvt) Ltd is to produce electrical energy and transmit to feed the national grid from its Ganthuna mini hydro power plant in Aranayaka, Kegalle.

The principal activity of Vidul Madugeta (Pvt) Ltd is to produce electrical energy and transmit to feed the national grid from its Madugeta mini hydro power plant in Neluwa, Galle.

The principal activity of Vidul Biomass (Pvt) Ltd is to produce electrical energy and transmit to feed the national grid from the Dehiyathakanidiya dendro power plant in Nawamedagama, Ampara .

#### **Associates**

The principal activity of Nilwala Vidulibala Company (Pvt) Ltd is to produce electrical energy and transmit to the national grid from its Ethamala Ella mini hydro project in Morawaka, Matara.

The Principal activity of Solar Universe (Pvt) Ltd is to produce electrical energy and transmit to the national grid from the Vavunathivu ground mounted solar power plant in Vavunathivu, Batticaloa.

### **1.3 Date of Authorization for Issue**

The Consolidated Financial Statements of Vidullanka PLC, for the year ended 31 March 2024 was authorized for issue in accordance with a resolution of the Board of Directors on 30 August 2024.

## **2. BASIS OF PREPARATION AND OTHER ACCOUNTING POLICIES**

### **2.1 Basis of Preparation**

#### **2.1.1 Statement of Compliance**

The Consolidated Financial Statement of the Group and the separated Financial Statement of the Company, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRSs) laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No 7 of 2007.

#### **2.1.2 Basis of Measurement**

The consolidated financial statements have been prepared on a historical cost basis, except financial instruments at fair value through profit or loss that have been measured at fair value and defined benefit obligations is recognised as the present value of the defined benefit obligation.

#### **2.1.3 New accounting standards, interpretations and amendments adopted by the group**

There are several Interpretations and amendments which are effective for the current financial year. However, Group does not have significant impact from them.

#### **2.1.4 Functional and Presentation Currency**

The consolidated financial statements are presented in Sri Lankan Rupees (Rs.) and all values are rounded to the nearest rupee, except when otherwise indicated.

#### **2.1.5 Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control.

To support this presumption and when the Group has less or more than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements.

#### **2.1.6 Materiality and Aggregation**

In compliance with Sri Lanka Accounting Standard - LKAS 01, (Presentation of Financial Statements), each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately unless they are immaterial.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of comprehensive income unless required or permitted by an Accounting Standard.

## Notes to the Financial Statements

### 2.1.7 Comparative Information

The comparative information is restated or reclassified wherever necessary to confirm to the current year's presentation.

### 2.2 Significant Accounting Judgments, Estimates and Assumptions

The preparation of Financial Statements of the Group in conformity with Sri Lanka Accounting Standards (SLFRSs) requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements of the Group and the Company are as follows:

#### 2.2.1 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the Financial Statements continue to be prepared on the going concern basis.

### 2.2.2 Useful lives of Property, Plant and Equipment

The Group reviews the assets' residual values, useful lives and methods of depreciation at each reporting date. Contractual terms as per SPPAs and probabilities of renewals were also considered in assessing the appropriateness of useful life span of the plant. Judgement by the management is exercised in the estimation of these values, rates and methods and hence they are subject to uncertainty.

#### 2.2.3 Measurement of the Recoverable Amount of Cash-Generating Units Containing Goodwill

The Group tests annually whether goodwill requires impairment, in accordance with the accounting policy stated in Note 2.3.1. The basis of determining the recoverable amounts of cash generating units and key assumptions used are given in Note 5.2.1 to the Financial Statements.

### 2.3 Summary of Material Accounting Policy Information

#### 2.3.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value at the date of acquisition and the amount of any non-controlling interest in the acquiree.

Acquisition related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised as a profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

#### 2.3.2 Interest on Equity Accounted Investees - Joint ventures and Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. The Company discloses the cost less any accumulated impairment loss of the investment in the individual financial statements.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of comprehensive income outside operating profit.

The financial statements of the associate and joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is

necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from the disposal is recognised in profit or loss.

In the separate financial statements, investments in joint ventures and associates are accounted at cost.

### 2.3.3 Foreign Currency

#### 2.3.3.1 Foreign Currency Translation

The Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling as 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 reporting 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.

#### 2.3.3.2 Net Gain or Loss on Conversion of Foreign Operation

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated into Sri Lanka Rupees at spot exchange rates at the reporting date. The income and expenses of foreign operations are translated into Sri Lanka Rupees at spot exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI, and accumulated in the foreign currency translation reserve (Translation reserve), except to the extent that the translation difference is allocated to NCI.

### 2.3.4 Taxation

#### Current Taxes

Current income tax assets and liabilities for 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 law used to compute the amount are those that are enacted or substantively enacted at the reporting 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.

Vidullanka PLC is subject to income tax at a rate of 30%, as specified in the Inland Revenue Act No. 24 of 2017 and its subsequent amendments. The profits earned by the branch operations in Guyana are subject to income tax at a rate of 25%, in accordance with the income tax regulations of the Republic of Guyana.



## Notes to the Financial Statements

Additionally, a branch dividend withholding tax (WHT) at a rate of 20% on the profit after tax is applicable.

Gurugoda Hydro (Pvt) Ltd, Vidul Madugeta (Pvt) Ltd, Nilwala Vidulibala Company (Pvt) Ltd, and Vidul Biomass (Pvt) Ltd are companies approved under the Board of Investment Act. As such, these companies enjoy a tax holiday for five years, effective from the year in which the company begins to generate profits or any year of assessment not later than two years from the commencement of commercial operations, whichever is earlier, as per the agreements dated 28 May 2009, 29 September 2011, 22 April 2010, and 07 April 2016, respectively. After the expiration of the tax exemption period, the income of the aforementioned entities shall be taxed at a concessionary rate of 10% for a period of two years, and at 20% thereafter.

Given the amalgamation of Lower Kotmale Oya Hydro Power (Pvt) Ltd, Udawela Hydro (Pvt) Ltd, and Rideepana Hydro (Pvt) Ltd with Vidullanka PLC, effective from 3 January 2024, the income tax rate applicable to Vidullanka PLC shall apply, regardless of the agreements these companies have signed with the Board of Investment for their respective power plant investments.

Unless specifically stated otherwise herein, group entities incorporated in Sri Lanka shall be subject to income tax at the general corporate income tax rate applicable under the Inland Revenue Act No. 24 of 2017 and any subsequent amendments.

Muvumbe Hydro (U) Ltd, Timex Bukinda Hydro (U) Ltd, and Vidul Engineering (U) Ltd are subject to the provisions of the Uganda Revenue Act No. 10 of 2017 and are therefore liable for tax at a rate of 30% on taxable income.

Vidul Energia Pte. Ltd. is liable for income tax at a rate of 17%, as per the provisions of the Income Tax Act of 1947 and any subsequent amendments.

Management has used its judgment on the application of tax laws, including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

### *Deferred Taxation*

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

Deferred 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 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 reporting date and reduced to the extent that it is no

longer probable that sufficient taxable profit will be available to allow all or part of the deferred 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 reporting date.

### *IFRIC 23 Uncertainty over income tax treatments*

The IFRIC 23 interpretation on Uncertainty over income tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes specifically determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

### **2.3.5 Borrowing Costs**

Borrowing costs are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **2.3.6 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 costs incurred in bringing the inventories to its present location and the conditions are accounted as follows:-

Raw Materials - At actual cost on first-in, first-out basis (FIFO).

### 2.3.7 Financial Instruments - Initial Recognition and Subsequent Measurement

#### 2.3.7.1 Financial Assets

##### Initial Recognition and Measurement

Financial assets within the scope of SLFRS 9 are classified as amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the Solely Payment of Principal and Interest (SPPI) test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in income statement.

The Group's financial assets include cash and cash equivalents, short-term investments and trade and other receivables.

##### Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### a) Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial Assets at amortized cost comprise of trade and other receivables, amounts due from related parties, and deposits.

##### b) Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not have any debt instruments at fair value through OCI.

##### c) Financial assets at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument- by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from

## Notes to the Financial Statements

such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

However, the Group does not have any Financial assets at fair value through OCI.

### d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial Assets at fair value through profit or loss comprise of equity investments in non-listed companies.

### De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset and the Group has transferred substantially all the risks and rewards of the ownership.

### Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

#### 2.3.7.2 Financial Liabilities

##### Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as

hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

### Subsequent Measurement

The measurement of financial liabilities depends on their classification as described below:

#### Finance Payables

After initial recognition, finance payable are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

### Fair value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each

reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques.

**2.3.8 Cash and Cash Equivalents**

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

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

**2.3.9 Property, Plant and Equipment**

**Recognition and Measurement**

All items of Property, Plant and Equipment are initially recorded at cost. Subsequent to the initial recognition the Group records assets at cost less any accumulated depreciation and accumulated impairment loss thereon.

**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 instalments.

Office Furniture	5 - 10 Years
Office Equipment	2 - 5 Years
Plant & Machinery - Hydro	5 - 40 Years
Plant & Machinery - Solar	5 - 20 years
Solar - Control Units	Term of PPA or Build, Own, Operate, Transfer (BOOT) agreement of the Project
Solar Cable & Others	Term of PPA or Build, Own, Operate, Transfer (BOOT) agreement of the Project
Computer and Computer Equipment	4 Years
Vehicles	5 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 the management.

**2.3.10 Maturement on Bearer Biological Asset and biological produce and related**

**2.3.10.1 Biological assets**

Biological Assets are classified as either mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications, and Gliricidia plants and plants in the nurseries are classified as biological assets.

Biological assets are further classified as Bearer biological assets and consumable biological assets. Bearer biological asset include gliricidia trees, being biological assets that are not intended to be sold or harvested, but are used to grow for purpose of harvesting agricultural produce from such biological assets. Example of consumable biological assets includes managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

**2.3.10.2 Bearer Biological Assets**

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - Property Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets which comes into bearing during the year, is transferred to mature plantations.

## Notes to the Financial Statements

### 2.3.10.3 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

Infilling costs that are not capitalised have been charged to the Income Statement in the year in which they are incurred.

Initial recognition	Cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - Property Plant & Equipment.
Immature Plantations	Immature plantations are shown at direct costs plus attributable overheads The expenditure incurred on bearer biological assets which comes into bearing during the year, is transferred to mature plantations.
Mature Plantations	Converted to mature plantations after 2 years of planting or ready for commercial harvest. Depreciated over the remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.
Impairment Loss	Loss of more than 35% plants will be treated as impairment loss
Inventory valuation	Fair value less cost to sell in terms of LKAS 41.

### 2.3.11 Leases

#### Recognition

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

- the contract involves the use of an identified asset
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset

The company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### 2.3.11.2 Right-of-use Asset

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

After the commencement date, Company measures the right-of-use asset on cost model.

#### 2.3.11.3 Depreciation

Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the underlying asset. If the ownership of the leased asset transfers to the Company at the end of the lease term, or the cost of the right-of-use asset reflects the exercise a purchase option the asset is depreciated over the useful life of the underlying asset.

The right-of-use assets are subject to impairment.

#### 2.3.11.4 Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

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

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee.



- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method.

After the commencement date, Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### **2.3.11.5 Short-term Leases And Leases of Low-Value Assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

#### **2.3.11.6 Presentation in the statement of financial position**

The Company presents right-of-use assets separately from other assets and lease liabilities separately from other liabilities in its statement of financial position.

#### **2.3.12 Other Project Investments**

The Group's investments in the development of various power generating projects are included under this category. Other Project Investments are stated at cost or lower of management's estimation

of realizable value. The Group assesses the viability of the projects at each reporting date for any indications of impairment. Any impairment recognized will be charged to the statement of comprehensive income.

#### **2.3.13 Impairment of Non Financial Assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for individual assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Whereby, 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 assets. 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 recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to equity. In this case, impairment is also recognized in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation. Had no impairment loss been recognized for the asset in prior years such reversal is recognized in the statement of comprehensive income unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase.

#### **2.3.14 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.



## Notes to the Financial Statements

### 2.3.15 Defined Benefit Plan - Gratuity

The Group annually measures the present value of the promised retirement benefits for gratuity, which is a defined benefit plan using the Projected Unit Credit Actuarial Valuation method.

This item is stated under the Defined Benefit Liability in the Statement of Financial Position.

#### a) Recognition of Actuarial Gains and Losses

Actuarial gains and losses are recognized as other comprehensive income/expense in the year in which it arose itself.

#### b) Funding Arrangements

The gratuity liability is not externally funded.

### 2.3.16 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 Group contributes 12 % and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

### 2.3.17 Share-based payments

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions). In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identifiable goods or services received at the grant date.

The Group applies SLFRS 2, Share based payments in accounting for employee remuneration in the form of shares.

## 2.4 Statement of Comprehensive Income

### 2.4.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Under SLFRS 15, revenue is recognised upon satisfaction of performance obligations.

The following specific criteria are used for the purpose of recognition of revenue.

#### a) Energy Supplied

Revenue from energy supplied is recognized, upon delivery of energy from the power plant and the adjustment for transmission line losses shall be adjusted monthly upon receiving the meter reading by the Power Purchasing Company at the metering point. Delivery of Electrical Energy shall be completed when Electrical Energy meets the specifications as set out in the power purchase agreement is received at the metering point. As per the Standard Power purchasing agreement, the power plants are to be operated as a must run facility and the tariff/price is also governed by the same agreement.

#### b) Interest

Interest Income is recognised as the interest accrues (taking into account the effective interest rate) unless collectibles are doubtful.

#### c) Rendering of Services

Revenue from rendering of services is recognized by reference to the stage of completion. At contract inception, the Group determines whether it satisfies the performance obligation over time or at a point in time. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer. For each performance obligation satisfied over time, the Group recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

#### d) Dividend Income

Dividend income is recognised when the right to receive payment is established.

#### e) Other Income

Other income is recognized on an accrual basis. Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other non-current assets, including investments have been accounted for in the statement of comprehensive income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material are aggregated, reported and presented on a net basis.

### 2.4.2 Expenditure Recognition

a) Expenses are recognized 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 the maintenance of 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 Statement of comprehensive income, the Directors are of the opinion that function of expenses method presents fairly the elements of the Group's performance, and hence such presentation method is adopted.
- c) Finance expenses are recognized in the statement of comprehensive income on effective interest cost basis.

### 2.4.3 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relating to transactions with any of the Group's other components.

The Group comprises of six major business segments: Power Generation (Local), Power Generation (Overseas), Dendro & Plantation, Solar, EPC and Engineering, Consultation & Project Management. Details of the segment reporting are shown in Note 22 to the Financial Statements.

### 2.4.4 Net Asset Per Share

The Net Asset Per Share is arrived by dividing the net asset attributable to the equity holders of the Company by the number of shares of the company.

### 2.4.5 Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 2.4.6 Dividend Per Share

The Company presents its dividend per share (DPS) for its ordinary shares. The DPS is calculated by dividing the total dividend by the number of ordinary shares.

### 2.4.7 Business Combination

#### *Amalgamation of Businesses with a Common Control Combination*

Amalgamation of Lower Kotmale Oya Hydro (Pvt) Ltd, Rideepana Hydro (Pvt) Ltd and Udawela Hydro (Pvt) Ltd an entity under common control is accounted by adding assets and liabilities as at the amalgamated date to entity which is Vidullanka PLC and directly recognizing the excess in the statement of changes in equity as amalgamation reserve.

#### *2.4.7.1 Application of the pooling of interests method*

The pooling of interests method, except in the context of rejecting it as a method of accounting for business combinations generally. Various local standard-setters have issued guidance and some allow or require a pooling of interests-type method (sometimes known as 'predecessor accounting', 'merger accounting' or 'carry over accounting') to account for business combinations under common control. The pooling of interests method is generally considered to involve the following:

- The assets and liabilities of the combining parties are reflected at their carrying amounts.

No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method. The only adjustments made are to align accounting policies.

- No 'new' goodwill is recognised as a result of the combination.

The only goodwill that is recognised is any existing goodwill relating to either

of the combining parties. Any difference between the consideration transferred and the acquired net assets is reflected within equity.

- The income statement reflects the results of the combining parties.

Different practice exists as to where in equity any difference between the consideration transferred and acquired net assets is presented (e.g. in retained earnings or a separate merger reserve). Does generally not prescribe presentation within equity. Also, this is often influenced by legal or regulatory requirements in an entity's jurisdiction.

## 3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued up to the date of issuance of the Company's financial statements but are not effective for the current annual reporting period are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable when they become effective.

### Classification of Liabilities as Current or Non-current - Amendment to LKAS 1

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

The amendments are effective for annual periods beginning on or after 01 January 2024.

## Notes to the Financial Statements

### Disclosures: Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

The amendments are effective for annual periods beginning on or after 01 January 2024.

### Lease Liability in a Sale and Leaseback - Amendment to SLFRS 16

The amendments to SLFRS 16 Leases specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application.

The amendments are effective for annual periods beginning on or after 01 January 2024.

### International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments are effective for annual periods beginning on or after 01 January 2024.

## 4. PROPERTY, PLANT AND EQUIPMENT

### 4.1 Group

#### 4.1.1 Gross Carrying Amounts

	Balance as at 01.04.2023 Rs.	Additions Rs.	Transfers/ Disposals Rs.	Exchange Differences Rs.	Balance as at 31.03.2024 Rs.
Freehold Land	89,193,947	56,499,000	-	(1,458,066)	144,234,881
Office Furniture and Fittings	31,983,389	2,639,651	(61,213)	(794,759)	33,767,068
Office Equipment	45,056,198	1,043,134	(543,897)	(2,085,260)	43,470,175
Computers and Computer Equipment	60,889,646	14,146,735	-	(1,451,544)	73,584,837
Plant and Machinery	8,982,833,237	154,654,923	91,316	(510,790,286)	8,626,789,190
Plant and Machinery-Solar	288,730,236	471,397,622	-	-	760,127,858
Motor Vehicles	70,288,950	105,793,969	(17,786,068)	(2,762,711)	155,534,140
<b>Total Value of Depreciable Assets</b>	<b>9,568,975,603</b>	<b>806,175,034</b>	<b>(18,299,862)</b>	<b>(519,342,626)</b>	<b>9,837,508,149</b>

#### 4.1.2 In the Course of Construction

	Balance as at 01.04.2023 Rs.	Additions Rs.	Transfers/ Disposals Rs.	Exchange Differences Rs.	Balance as at 31.03.2024 Rs.
Work-in-Progress	533,126,548	42,886,098	(538,798,309)	(816,215)	36,398,122
	533,126,548	42,886,098	(538,798,309)	(816,215)	36,398,122
<b>Total Gross Carrying Value</b>	<b>10,102,102,151</b>	<b>849,061,132</b>	<b>(557,098,171)</b>	<b>(520,158,841)</b>	<b>9,873,906,271</b>

#### 4.1.3 Depreciation

	Balance as at 01.04.2023 Rs.	Charge for the Year Rs.	Transfers/ Disposals Rs.	Exchange Differences Rs.	Balance as at 31.03.2024 Rs.
At Cost					
Office Furniture and Fittings	14,234,330	3,409,310	-	(517,537)	17,126,103
Office Equipment	28,961,845	5,406,008	(79,362)	(1,511,555)	32,776,936
Computers and Computer Equipment	30,713,867	12,998,561	-	(1,146,635)	42,565,793
Plant and Machinery	1,661,070,596	288,497,607	(3,142,688)	(77,272,188)	1,869,153,327
Plant and Machinery-Solar	37,678,813	46,711,422	3,030,604	-	87,420,839
Motor Vehicles	47,196,976	21,125,271	(17,754,965)	(1,580,861)	48,986,421
<b>Total Depreciation</b>	<b>1,819,856,427</b>	<b>378,148,179</b>	<b>(17,946,411)</b>	<b>(82,028,776)</b>	<b>2,098,029,419</b>

## Notes to the Financial Statements

### 4.1.4 Net Book Values

At Cost	2024	2023
	Rs.	Rs.
Freehold Land	144,234,881	89,193,947
Office Furniture and Fittings	16,640,965	17,749,059
Office Equipment	10,693,239	16,094,353
Computers and Computer Equipment	31,019,044	30,175,779
Plant and Machinery	6,757,635,863	7,321,762,641
Plant and Machinery-Solar	672,707,019	251,051,423
Motor Vehicles	106,547,719	23,091,974
	7,739,478,730	7,749,119,176
In the Course of Construction		
Power Plant Work-in-Progress	36,398,122	533,126,548
	36,398,122	533,126,548
<b>Total Carrying Amount of Property, Plant and Equipment</b>	<b>7,775,876,852</b>	<b>8,282,245,724</b>

4.1.5 During the year the group acquired Property, Plant and Equipment with an aggregate value of Rs. 267,376,725/- (2023 - Rs. 89,572,226/-), and during the year Group incurred Rs. 42,886,098 /- for the Work-in-Progress (2023-514,586,956 /-).

4.1.6 Property, Plant and Equipment includes fully depreciated assets that are still in use having a gross carrying amount of Rs. 93,419,510/- (2023-Rs. 99,959,804/-)

4.1.7 The group holds a total land extend of 42.45 acres in Ratnapura, Badulla, Nuwara Eliya, Monaragala, Kalutara and Matara Districts.

### 4.1.8 Bearer Biological Assets

Gross Carrying Amounts	Balance as at	Additions	Transfers /	Balance as at
	01.04.2023		Disposals	31.03.2024
	Rs.	Rs.	Rs.	Rs.
Gliricidia Plants	55,557,174	68,940	-	55,626,114
	55,557,174	68,940	-	55,626,114

Depreciation	Balance	Charge	Transfers/	Balance
	as at	for the Year	Disposals	as at
	01.04.2023			31.03.2024
	Rs.	Rs.	Rs.	Rs.
Gliricidia Plants	13,797,993	4,536,870	-	18,334,863
<b>Total Depreciation</b>	<b>13,797,993</b>	<b>4,536,870</b>	<b>-</b>	<b>18,334,863</b>

Net Book Values	2024	2023
	Rs.	Rs.
At Cost		
Total Carrying Amount of Bearer Biological Assets.	37,291,251	41,759,181

## 4.2 Company

### 4.2.1 Gross Carrying Amounts

At Cost	Balance as at 01.04.2023 Rs.	Additions Rs.	Transferred on Amalgamation Rs.	Transfers / Disposals Rs.	Balance as at 31.03.2024 Rs.
Freehold Land	39,969,625	-	24,440,930	-	64,410,555
Office Furniture and Fittings	19,401,758	1,832,959	2,551,071	-	23,785,788
Office Equipment	12,820,458	500,331	2,150,505	(114,990)	15,356,304
Computers and Computer Equipment	36,747,238	10,401,810	2,950,341	-	50,099,389
Plant and Machinery	912,800,524	92,562,209	1,692,183,818	(59,965)	2,697,486,586
Motor Vehicles	12,258,081	58,234,467	41,461,040	(10,352,950)	101,600,638
	1,033,997,684	163,531,776	1,765,737,705	(10,527,905)	2,952,739,260

### 4.2.2 In the Course of Construction

Work-in-Progress	-	-	651,981	(651,981)	-
	-	-	651,981	(651,981)	-
<b>Total Gross Carrying Value</b>	1,033,997,684	163,531,776	1,766,389,686	(11,179,886)	2,952,739,260

### 4.2.3 Depreciation

At Cost	Balance as at 01.04.2023 Rs.	Charge for the Year Rs.	Transferred on Amalgamation Rs.	Transfers / Disposals Rs.	Balance as at 31.03.2024 Rs.
Office Furniture and Fittings	6,121,481	1,966,759	2,151,278	-	10,239,518
Office Equipment	10,380,977	923,592	1,769,985	(79,472)	12,995,082
Computers and Computer Equipment	13,888,774	9,514,018	1,919,502	-	25,322,294
Plant and Machinery	369,406,533	50,732,023	472,919,042	(59,965)	892,997,633
Motor Vehicle	11,202,944	10,001,076	5,048,744	(10,352,950)	15,899,814
<b>Total Depreciation</b>	411,000,709	73,137,468	483,808,551	(10,492,387)	957,454,341

### 4.2.4 Net Book Values

At Cost	2024 Rs.	2023 Rs.
Freehold Land	64,410,555	39,969,625
Office Furniture and Fittings	13,546,270	13,280,277
Office Equipment	2,361,222	2,439,481
Computers and Computer Equipment	24,777,095	22,858,464
Plant and Machinery	1,804,488,953	543,393,991
Motor Vehicles	85,700,824	1,055,137
	1,995,284,919	622,996,975
<b>In the Course of Construction</b>		
Work-in-Progress	-	-
<b>Total Carrying Amount of Property, Plant and Equipment</b>	1,995,284,919	622,996,975



## Notes to the Financial Statements

4.2.5 During the year the company acquired Property, Plant and Equipment aggregate value of Rs. 162,879,795/- (2023 - Rs. 28,426,501/-) and Work-in-Progress Rs 651,981/- (2023- Nil)

4.2.6 Property, Plant and Equipment includes fully depreciated assets that are still in use having a gross carrying amount of Rs. 38,883,397/- (2023 -Rs. 45,500,220/-).

4.2.7 The company holds land totaling 12.58 acres in the Ratnapura, Badulla and Nuwara Eliya districts. The Company also owns the civil structures associated with the power plants in the said locations.

### 4.3 Right Of Use Assets

#### 4.3.1 Gross Carrying Amounts

Group	Balance as at 01.04.2023 Rs.	Additions Rs.	Transfers / Disposals Rs.	Exchange Diffrence Rs.	Balance as at 31.03.2024 Rs.
<b>At Cost</b>					
Land	198,353,867	8,510,063	(5,346,044)	(10,270,892)	191,246,994
Buildings	29,192,993	19,351,409	(29,192,992)	-	19,351,410
Motor Vehicles	54,649,410	-	(15,172,506)	-	39,476,904
	282,196,270	27,861,472	(49,711,542)	(10,270,892)	250,075,308

#### 4.3.2 Depreciation

	Balance as at 01.04.2023 Rs.	Charge for the Year Rs.	Transfers / Disposals Rs.	Transfers / Exchange Gain / (Loss) Rs.	Balance as at 31.03.2024 Rs.
<b>At Cost</b>					
Land	28,170,705	6,629,101	(5,346,044)	(1,025,479)	28,428,283
Buildings	27,368,430	9,081,341	(29,192,992)	-	7,256,779
Motor Vehicles	29,154,024	10,093,499	(14,852,160)	-	24,395,363
	84,693,159	25,803,941	(49,391,196)	(1,025,479)	60,080,425

#### 4.3.3 Net Book Values

	2024 Rs.	2023 Rs.
<b>At Cost</b>		
Land	162,818,711	170,183,162
Buildings	12,094,631	1,824,563
Motor Vehicles	15,081,541	25,495,386
	189,994,883	197,503,111

## 4.3.4 Company

	Balance as at 01.04.2023 Rs.	Additions Rs.	Transferred on Amalgamation Rs.	Disposals Rs.	Balance as at 31.03.2024 Rs.
<b>At Cost</b>					
Land	21,608,693	-	15,052,545	(5,346,044)	31,315,194
Motor Vehicles	20,396,574	-	12,894,360	(10,690,530)	22,600,404
	42,005,267	-	27,946,905	(16,036,574)	53,915,598

## 4.3.5. Depreciation

	Balance as at 01.04.2023 Rs.	Charge for the Year Rs.	Transferred on Amalgamation Rs.	Transfers / Disposals Rs.	Balance as at 31.03.2024 Rs.
<b>At Cost</b>					
Land	7,798,512	1,338,544	4,468,723	(5,346,044)	8,259,735
Motor Vehicles	13,577,388	4,527,109	4,766,535	(10,339,095)	12,531,937
	21,375,900	5,865,653	9,235,258	(15,685,139)	20,791,672

## 4.3.6 Net Book Values

	2024 Rs.	2023 Rs.
<b>At Cost</b>		
Land	23,055,459	13,810,181
Motor Vehicles	10,068,467	6,819,186
	33,123,926	20,629,367

## 5. INVESTMENTS

## 5.1 Investments in Subsidiaries (Company)

Non Quoted	Relationship	2024	2023	2024	2023
		Holding Percentage	Holding Percentage	Cost Rs.	Cost Rs.
Vidul Engineering Ltd	Subsidiary	100%	100%	26,700,080	26,700,080
Vidul Engineering (U) Ltd	Subsidiary	100%	100%	-	-
Vidul Plantation (Pvt) Ltd	Subsidiary	100%	100%	60,000,000	60,000,000
Muvumbe Hydro (U) Ltd	Subsidiary	95%	95%	400,912,327	400,912,327
Timex Bukinda Hydro (U) Ltd	Subsidiary	95%	95%	369,588,682	369,588,682
Orik Corporation (Pvt) Ltd	Subsidiary	87%	87%	31,000,000	31,000,000
Horana Solar Power (Pvt) Ltd	Subsidiary	67%	-	140,000,000	-
Lower Kothmale Oya Hydro Power (Pvt) Ltd	Subsidiary	-	100%	-	258,195,044
Rideepana Hydro (Pvt) Ltd	Subsidiary	-	95%	-	62,500,000
Udawela Hydro (Pvt) Ltd	Subsidiary	-	100%	-	245,000,000
				1,028,201,089	1,453,896,133

## Notes to the Financial Statements

### 5.1.1 Amalgamation of wholly owned subsidiaries.

The company completed the amalgamation of its 3 wholly owned subsidiaries namely Lower Kotmale Oya Hydro Power (Pvt) Ltd., Udawela Hydro (Pvt) Ltd., and Rideepana Hydro (Pvt) Ltd. with Vidullanka PLC with effect from 3rd January 2024. The amalgamation was carried out without any considerations and in accordance with the provisions of Section 242 (short-form amalgamation) of the Companies Act No. 7 of 2007.

Assets and liabilities of the combining entities were transferred at their carrying amounts and accordingly no adjustments have been made to reflect their fair values on the transaction date.

Inter-company transactions have been eliminated in full.

The Statement of Profit or Loss and the Statement of Comprehensive Income of Vidullanka PLC reflect the results of Lower Kothmale Oya Hydro Power (Pvt) Ltd, Rideepana Hydro (Pvt) Ltd, and Udawela Hydro (Pvt) Ltd from the date of amalgamation.

Assets (A)	Rs.
Property, Plant and Equipment	1,282,581,135
Right of Use Assets	18,711,647
Inventory	15,178,016
Trade and Other Receivables	412,145,433
Cash and Cash Equivalents	16,572,120
<b>Total Assets</b>	<b>1,745,188,351</b>
<b>Liabilities (B)</b>	
Interest - Bearing Loans & Borrowings	82,208,725
Deferred Tax Liability	79,630,399
Defined Benefit Liability	5,877,150
Other Payables	6,219,977
Amounts Due to Related Parties	-
Lease Liability	23,167,232
Income Tax Liability	20,184,941
<b>Total Liabilities</b>	<b>217,288,424</b>
Total Identifiable Net Assets (A-B)	1,527,899,927
Investment in Amalgamated Entity	(580,695,044)
<b>Total Balance Transferred on Amalgamation</b>	<b>947,204,883</b>

### 5.1.2 Material Partially Owned Subsidiaries

As per SLFRS 12 (Disclosure of Interests in Other Entities), Financial information of Subsidiaries that have material non-control interest needs to be disclosed separately. However the Management of the Group concluded that there were no subsidiaries with material non-controlling interest that require separately disclosure.

## 5.2 Goodwill

	Group			Balance as at 31.03.2024 Rs.
	Balance as at 01.04.2023 Rs.	Additions Rs.	Impairment Rs.	
Goodwill From Rideepana Hydro (Pvt) Ltd	31,973,000	-	-	31,973,000
Goodwill From Lower Kothmale Oya Hydro Power (Pvt) Ltd	119,896,887	-	-	119,896,887
Goodwill From Muvumbe Hydro (U) Ltd	582,129	-	(582,129)	-
Goodwill From Timex Bukinda Hydro (U) Ltd	33,120,211	-	-	33,120,211
Goodwill From Vasanaganama Plantation (Pvt) Ltd	16,311,794	-	(1,482,890)	14,828,904
Goodwill From Orik Corporation (Pvt) Ltd	4,999,390	-	-	4,999,390
	206,883,411	-	(2,065,019)	204,818,392

Goodwill as at the reporting date has been tested for impairment.

The Company and its subsidiaries annually carry out impairment tests on all its intangible assets. The business acquisition to which the goodwill is attributable is valued based on the earnings growth method. Assumptions applied in such computations are reviewed each year.

Goodwill as at the date of financial position has been tested for impairment and recognised Rs 2,065,019/- (2023 - 52,471,596/-) was written off from carrying value. Recoverable values for the above test were estimated based on value in use of the acquired assets on business combination in the normal course of business. The key assumptions used to determine the recoverable amount are as follows;

### Discount Rate

The discount rate of used is the risk free rate adjusted by the addition of an appropriate risk premium.

### Period Covered & Tariff

Period covered was as per the Standardised Power Purchase Agreement (SPPA) with Ceylon Electricity Board and Uganda Electricity Transmission Company Ltd.

Subsidiary / Power Plant	Remaining Years	Tariff Scheme Applicable
Orik Corporation (Pvt) Ltd	17.5 Years	Rs. 15.97
Rideepana Hydro (Pvt) Ltd	11 Years	2012 Three Tier Tarrif
Timex Bukinda Hydro (U) Ltd	17 Years	Rs 30.27 ( US \$ 0.0952)

Contractual terms as per SPPAs and probabilities of renewals were also considered in assessing the appropriateness period covered for the computation.

### Inflation Rate

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

### Gross Margins

The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the years preceding the budgeted year adjusted for projected market conditions.

## Notes to the Financial Statements

## 5.3 Investments in Joint Ventures and Associates ( Company)

		2024	2023	2024	2023
	Relationship	Holding Percentage	Holding Percentage	Cost Rs.	Cost Rs.
<b>Non Quoted</b>					
Gurugoda Hydro (Pvt) Ltd	Joint Venture	50%	50%	31,412,412	31,412,412
Vidul Madugeta (Pvt) Ltd	Joint Venture	50%	50%	90,000,000	90,000,000
Vidul Biomass (Pvt) Ltd	Joint Venture	51%	51%	248,254,138	248,254,138
Nilwala Vidulibala Company (Pvt) Ltd	Associate	26.3%	26.3%	44,625,000	44,625,000
Solar Universe (Pvt) Ltd	Associate	33.3%	33.3%	356,333,333	116,333,333
				770,624,883	530,624,883

## 5.3.1 Investment in Joint Ventures &amp; Associates (Group)

Share of Net Asset Value from Joint Ventures & Associates	Group	
	2024	2023
	Rs.	Rs.
Gurugoda Hydro (Pvt) Ltd	64,003,532	62,682,572
Vidul Madugeta (Pvt) Ltd	216,933,796	257,747,992
Nilwala Vidulibala Company (Pvt) Ltd	150,710,504	148,184,951
Vidul Biomass (Pvt) Ltd	319,455,483	218,475,904
Solar Universe (Pvt) Ltd	376,394,985	85,028,467
Total Investment in Joint Ventures & Associates.	1,127,498,300	772,119,886

## 5.3.2 Share of Comprehensive Income from Joint Ventures &amp; Associates

	Group	
	2024	2023
	Rs.	Rs.
Gurugoda Hydro (Pvt) Ltd	3,793,460	3,009,414
Vidul Madugeta (Pvt) Ltd	19,935,804	9,663,151
Nilwala Vidulibala Company (Pvt) Ltd	38,225,553	35,131,671
Vidul Biomass (Pvt) Ltd	100,979,579	24,378,781
Solar Universe (Pvt) Ltd	51,366,518	(31,304,866)
Total Share of Comprehensive Income from Joint Ventures & Associates.	214,300,914	40,878,151

## 5.3.3 Movement in Investment in Joint Ventures &amp; Associates during the Year

	Group	
	2024	2023
	Rs.	Rs.
Balance as at the Beginning of the Reporting Period	772,119,886	623,833,402
Share of total Comprehensive Income	214,300,914	40,878,151
Acquisition of Stake / Investment in the Joint Venture	240,000,000	116,333,333
Dividends Received	(98,922,500)	(8,925,000)
Balance as at the End of the Reporting Period	1,127,498,300	772,119,886

5.3.4 Vidullanka PLC holds the following interests: 50% in Gurugoda Hydro (Pvt) Ltd and Vidul Madugeta (Pvt) Ltd, 51% in Vidul Biomass (Pvt) Ltd, 26.3% in Nilwala Vidulibala Company (Pvt) Ltd, and 33.33% in Solar Universe (Pvt) Ltd.

These investments are accounted for using the equity method in the consolidated financial statements. Summarized financial information of the joint ventures and associates, based on their SLFRS financial statements, and the reconciliation with the carrying amount of the investments in the consolidated financial statements as of 31 March 2024, are provided below.

	Gurugoda Hydro (Pvt) Ltd	Vidul Madugeta (Pvt) Ltd	Vidul Biomass (Pvt) Ltd	Nilwala Vidulibala Company (Pvt) Ltd	Solar Universe (Pvt) Ltd
As at 31 March 2024	Rs.	Rs.	Rs.	Rs.	Rs.
Current Assets	21,344,946	50,721,317	213,539,779	211,394,365	118,368,094
Non-Current Assets	99,878,385	424,116,049	1,257,388,760	304,517,929	2,235,920,423
Current Liabilities	(3,490,642)	(11,236,811)	(276,021,438)	(15,491,322)	(248,465,979)
Non-Current Liabilities	(3,100,449)	(29,732,862)	(549,847,115)	(9,893,599)	(965,636,578)
<b>Equity</b>	<b>114,632,240</b>	<b>433,867,693</b>	<b>645,059,987</b>	<b>490,527,373</b>	<b>1,140,185,960</b>
Equity Proportionate	57,316,120	216,933,846	328,980,593	129,008,699	380,061,987
Goodwill or Other Adjustments	6,687,412	(50)	(9,525,110)	21,701,805	(3,667,002)
<b>Group Carrying Amount of the Investment</b>	<b>64,003,532</b>	<b>216,933,796</b>	<b>319,455,483</b>	<b>150,710,504</b>	<b>376,394,985</b>

Summarised Statement of Profit or Loss for the Year Ended 31 March 2024	Gurugoda Hydro (Pvt) Ltd	Vidul Madugeta (Pvt) Ltd	Vidul Biomass (Pvt) Ltd	Nilwala Vidulibala Company (Pvt) Ltd	Solar Universe (Pvt) Ltd
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	33,239,681	102,133,930	1,013,306,114	214,853,854	645,564,496
Cost of Sales	(20,207,162)	(47,436,202)	(663,918,655)	(43,746,457)	(155,744,046)
Administrative Expenses	(1,713,694)	(1,577,527)	(31,542,968)	(5,017,383)	(10,452,841)
Finance Cost	(371,403)	(325,785)	(118,988,778)	(3,790,084)	(282,798,207)
Other Income	104,670	-	164,100	7,606,019	17,249,804
Profit/(Loss) Before Tax	11,052,092	52,794,416	199,019,813	169,905,948	213,819,206
Income Tax Expense	(3,433,559)	(13,461,449)	(172,549)	(24,518,107)	(59,719,653)
<b>Profit/(Loss) for the Year</b>	<b>7,618,533</b>	<b>39,332,967</b>	<b>198,847,264</b>	<b>145,387,841</b>	<b>154,099,553</b>
<b>Total Comprehensive Income for the Year</b>	<b>7,586,921</b>	<b>39,871,608</b>	<b>197,999,174</b>	<b>145,344,309</b>	<b>154,099,553</b>
<b>Group's Share of Profit / (Loss) for the Year</b>	<b>3,793,460</b>	<b>19,935,804</b>	<b>100,979,579</b>	<b>38,225,553</b>	<b>51,366,518</b>



## Notes to the Financial Statements

Summarised Financial Information for the Year Ended 31 March 2024	Gurugoda	Vidul	Vidul	Nilwala	Solar
	Hydro (Pvt) Ltd	Madugeta (Pvt) Ltd	Biomass (Pvt) Ltd	Vidulibala Company (Pvt) Ltd	Universe (Pvt) Ltd
	Rs.	Rs.	Rs.	Rs.	Rs.
Cash and Cash Equivalent	15,628,720	29,572,533	72,626,508	62,317,168	36,705,432
Current Financial Liabilities (Excludes Trade & Other Payables)	-	-	192,624,675	-	114,000,000
Non Current Financial Liabilities	-	-	541,516,807	-	914,216,904
Depreciation	5,993,611	17,240,562	46,786,773	11,511,956	120,320,872
Finance Income	104,670	566,621	164,100	7,606,019	12,137
Finance Cost	(371,403)	(325,785)	(118,045,476)	(3,790,084)	(282,798,207)
Income Tax Expenses	(3,433,559)	(13,461,449)	(172,549)	(24,518,107)	(59,719,653)

### 5.4 Other Financial Assets

#### 5.4.1 Financial Assets at Fair Value through Profit or Loss

	2024	2023	Group		Company	
			2024	2023	2024	2023
	Number of Shares	Number of Shares	Rs.	Rs.	Rs.	Rs.
<b>Investment in Non Quoted Shares</b>						
Africeylon Power (Pvt) Ltd	1,623,999	1,623,999	22,841,500	22,841,500	22,841,500	22,841,500
Fergasam Power ( Pvt ) Ltd	900,000	900,000	9,000,000	9,000,000	9,000,000	9,000,000
Quantel Renewable Energy	-	-	185,980,935	195,553,206	-	-
ADL Capital Ltd	250,000	250,000	2,500,000	2,500,000	2,500,000	2,500,000
Less: Impairment Provision (ADL Capital Ltd)	-	-	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
			217,822,435	227,394,706	31,841,500	31,841,500
<b>Investment in Quoted Shares</b>						
Amana Bank PLC	2,300,000	-	4,600,000	-	4,600,000	-
			4,600,000	-	4,600,000	-
<b>Investment in Fixed Deposits</b>						
Seylan Bank PLC- IBU			37,647,963	40,910,712	-	-
NDB Bank PLC- IBU			57,647,963	40,910,713	20,000,000	-
Amana Bank PLC			-	96,549,282	-	96,549,282
			95,295,925	178,370,707	20,000,000	96,549,282
<b>Group Carrying Amount of the Other Financial Assets</b>			317,718,360	405,765,413	56,441,500	128,390,782

As of 1st of April 2023, the Company assessed its Financial Assets at fair value through profit or loss, There has been no change in the fair value assessed on 1st April 2023 with the fair value as of 31st March 2024.

## 6. OTHER PROJECT INVESTMENTS

Summary	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at the Beginning of the Year	149,728,601	131,461,161	149,728,601	131,461,161
Projects Costs Incurred during the Year	40,097,862	22,734,145	40,097,862	22,734,145
Less: Transfers to Project Companies	-	(3,921,474)	-	(3,921,474)
Other Transfers	(26,916,039)	-	(26,916,039)	-
Written Off	-	(545,231)	-	(545,231)
Balance before Impairment Provision	162,910,424	149,728,601	162,910,424	149,728,601
Impairment Provision	(113,103,277)	(73,350,251)	(113,103,277)	(73,350,251)
<b>Balance as at the End of the Year</b>	<b>49,807,147</b>	<b>76,378,350</b>	<b>49,807,147</b>	<b>76,378,350</b>

The company assessed the recoverability of the investments made on development of new projects by the company. Having identified that the recoverability of some of the project investments made have diminished significantly due to the changes in the environment, the company provided a general impairment provision of Rs. 42,350,000/- and Rs. 2,596,974/- was written off as unrealizable.

### 6.1 Impairment of Other Project Investments

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at 01 April	73,350,251	49,895,482	73,350,251	49,895,482
Charge for the Year	42,350,000	24,000,000	42,350,000	24,000,000
Write Off	(2,596,974)	(545,231)	(2,596,974)	(545,231)
<b>As at 31 March</b>	<b>113,103,277</b>	<b>73,350,251</b>	<b>113,103,277</b>	<b>73,350,251</b>

## 7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Receivables	1,381,546,934	1,700,957,966	222,626,927	267,214,439
Other Receivables	1,002,713,488	291,128,194	625,301,114	25,593,434
Advances and Prepayment	57,748,467	215,814,734	40,330,666	174,272,352
Dividend Receivables	-	18,925,000	-	18,925,000
Amounts Due from Related Parties (Note 7.1)	7,350,386	98,420,177	167,462,346	345,228,141
Loans to Company Officers (Note 7.2)	5,512,890	2,451,916	4,366,299	2,331,916
	<b>2,454,872,165</b>	<b>2,327,697,987</b>	<b>1,060,087,352</b>	<b>833,565,282</b>

## Notes to the Financial Statements

## 7.1 Amounts Due from Related Parties

	Relationship	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Vidul Engineering Ltd	Subsidiary	-	-	87,002,036	98,945,555
Rideepana Hydro (Pvt) Ltd	Subsidiary	-	-	-	945,526
Lower Kotmale Oya Hydro Power (Pvt) Ltd	Subsidiary	-	-	-	39,792
Vidul Plantation (Pvt) Ltd	Subsidiary	-	-	57,960	-
Udawela Hydro (Pvt ) Ltd	Subsidiary	-	-	-	3,179,278
Horana Solar Power (Pvt) Ltd	Subsidiary	-	-	3,975,573	145,067,313
Orik Corporation (Pvt) Ltd	Subsidiary	-	-	91,258	-
Venergy Lanka (Pvt) Ltd	Subsidiary	-	-	9,774,154	-
Vidul Matara Solar Power (Pvt) Ltd (Pending share allotment)	Subsidiary	-	-	62,020,453	-
Vidul Madampe Solar Power (Pvt) Ltd (Pending share allotment)	Subsidiary	-	-	4,540,912	-
Vidul Biomass (Pvt) Ltd	Joint Venture	7,350,386	5,741,583	-	4,678,872
Gurugoda Hydro (Pvt) Ltd	Joint Venture	-	1,222,479	-	991,975
Vidul Madugeta (Pvt) Ltd	Joint Venture	-	503,437	-	453,721
Solar Universe (Pvt) Ltd (Pending Share Allotment)	Associate	-	90,000,000	-	90,000,000
Nilwala Vidulibala Company (Pvt) Ltd	Associate	-	952,678	-	926,109
		7,350,386	98,420,177	167,462,346	345,228,141

## 7.2 Loans to Company Officers

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at the Beginning of the Year	2,451,916	3,526,661	2,331,916	3,390,661
Loans Granted / Transferred during the Year	4,598,000	719,000	3,868,000	719,000
Less : Repayments	(1,838,327)	(1,801,546)	(2,025,050)	(1,785,546)
Effective Interest Rate Adjustment	301,301	7,801	191,433	7,801
Balance as at the End of the Year	5,512,890	2,451,916	4,366,299	2,331,916

## 8. STATED CAPITAL

### 8.1 Fully Paid Ordinary Shares

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>Fully Paid Ordinary Shares- Voting</b>				
Balance as at 1 April	1,572,214,625	1,532,690,049	1,572,214,625	1,532,690,049
Issue of Ordinary Shares	-	39,524,576	-	39,524,576
Balance as at 31 March	1,572,214,625	1,572,214,625	1,572,214,625	1,572,214,625
<b>Fully Paid Ordinary Shares- Non Voting</b>				
Balance as at 1 April	253,379,301	253,379,301	253,379,301	253,379,301
Issue of Non Voting Shares	-	-	-	-
Balance as at 31 March	253,379,301	253,379,301	253,379,301	253,379,301
<b>Total Stated Capital</b>	<b>1,825,593,926</b>	<b>1,825,593,926</b>	<b>1,825,593,926</b>	<b>1,825,593,926</b>

### 8.2 Movement in Number of Ordinary Shares

	Group		Company	
	2024	2023	2024	2023
	Number of Shares	Number of Shares	Number of Shares	Number of Shares
<b>Fully Paid Ordinary Shares- Voting</b>				
Balance as at 1 April	871,315,960	862,124,198	871,315,960	862,124,198
Issue of Ordinary Voting Shares	-	9,191,762	-	9,191,762
Balance as at 31 March	871,315,960	871,315,960	871,315,960	871,315,960
<b>Fully Paid Ordinary Shares- Non Voting</b>				
Balance as at 1 April	72,394,086	72,394,086	72,394,086	72,394,086
Issue of Ordinary Non-Voting Shares	-	-	-	-
Balance as at 31 March	72,394,086	72,394,086	72,394,086	72,394,086
<b>Total No of Shares</b>	<b>943,710,046</b>	<b>943,710,046</b>	<b>943,710,046</b>	<b>943,710,046</b>

The Shares of the Company are listed at Colombo Stock Exchange.

## Notes to the Financial Statements

### 9. INTEREST-BEARING LOANS, BORROWINGS AND IJARAH LEASES

#### 9.1 Group

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2024 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2023 Total Rs.
Diminishing Musharakah Facilities (9.1.1)	409,779,020	2,052,876,012	2,462,655,032	482,283,284	2,645,632,788	3,127,916,072
Short Term Working Capital Facilities (9.1.2)	592,418,011	-	592,418,011	848,031,512	-	848,031,512
	1,002,197,031	2,052,876,012	3,055,073,043	1,330,314,796	2,645,632,788	3,975,947,584

#### 9.1.1 Diminishing Musharakah Facilities

	As at 01.04.2023 Rs.	Facilities Obtained Rs.	Exchange Differences on Translation Rs.	Repayments Rs.	As at 31.03.2024 Rs.
Amana Bank PLC	408,549,577	56,250,000	-	(104,846,515)	359,953,062
MCB Bank Ltd	39,508,618	-	-	(39,508,618)	-
National Development Bank PLC	547,635,148	-	-	(174,652,080)	372,983,068
Syndicated Facility (National Development Bank PLC & Seylan Bank PLC)	1,955,950,896	-	(144,537,495)	(217,007,429)	1,594,405,972
Seylan Bank PLC	176,271,833	-	-	(40,958,903)	135,312,930
	3,127,916,072	56,250,000	(144,537,495)	(576,973,545)	2,462,655,032
Gross Liability	4,437,700,382				3,493,516,736
Finance Charges Allocated to Future Periods	(1,309,784,310)				(1,030,861,704)
Net Liability	3,127,916,072				2,462,655,032

#### 9.1.2 Short Term Working Capital Facilities

	As at 01.04.2023 Rs.	Facilities Obtained Rs.	Exchange Differences on Translation Rs.	Repayments Rs.	As at 31.03.2024 Rs.
Commercial Papers	288,031,512	81,437,039	-	(173,848,876)	195,619,675
Amana Bank PLC	315,000,000	377,325,452	(16,774,452)	(478,752,663)	196,798,337
Hatton National Bank PLC	145,000,000	-	-	(45,000,000)	100,000,000
NDB Wealth Islamic Money Plus Fund	100,000,000	26,261,095	-	(26,261,095)	100,000,000
	848,031,512	485,023,586	(16,774,452)	(723,862,634)	592,418,012

## 9.2 Company

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2024 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2023 Total Rs.
Diminishing Musharakah Facility (9.2.1)	142,470,000	298,882,308	441,352,308	123,475,000	492,322,867	615,797,867
Short Term Working Capital Facilities (9.2.2)	463,608,256	-	463,608,256	703,849,703	-	703,849,703
	606,078,256	298,882,308	904,960,564	827,324,703	492,322,867	1,319,647,570

## 9.2.1 Diminishing Musharakah Facilities

	As at 01.04.2023 Rs.	Transferred on Amalgamation Rs.	Facilities Obtained Rs.	Repayments / Transfers Rs.	As at 31.03.2024 Rs.
National Development Bank PLC	547,635,148	-	-	(174,652,080)	372,983,068
MCB Bank Ltd	-	9,434,509	-	(9,434,509)	-
Amana Bank PLC	42,112,719	72,774,240	-	(51,487,719)	63,399,240
Seylan Bank PLC	26,050,000	-	-	(21,080,000)	4,970,000
	615,797,867	82,208,749	-	(256,654,308)	441,352,308
Gross Liability	793,232,728				611,251,070
Finance Charges Allocated to Future Periods	(177,434,861)				(169,898,762)
Net Liability	615,797,867				441,352,308

## 9.2.2 Short Term Working Capital Facilities

	As at 01.04.2023 Rs.	Facilities Obtained Rs.	Exchange Differences on Translation Rs.	Repayments Rs.	As at 31.03.2024 Rs.
Commercial Papers	218,849,703	28,154,092	-	(160,193,876)	86,809,919
Amana Bank PLC	245,000,000	170,000,000	-	(365,000,000)	50,000,000
Amana Bank PLC (USD)	-	207,325,452	(16,774,452)	(63,752,663)	126,798,337
Hatton National Bank PLC	140,000,000	-	-	(40,000,000)	100,000,000
NDB Wealth Islamic Money Plus Fund	100,000,000	26,261,095	-	(26,261,095)	100,000,000
	703,849,703	431,740,639	(16,774,452)	(655,207,634)	463,608,256



## Notes to the Financial Statements

### 10. INCOME TAX

The Major Components of Income Tax Expense for the Year Ended 31 March 2024 are as follows:

Year ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Current Income Tax</b>				
Current Tax Expense on Ordinary Activities for the Year	868,259,967	395,752,687	75,027,163	-
(Over) / Under Provision of Current Taxes in respect of Prior Years	(65,872,548)	(2,174,135)	(78,065,125)	48,442
	802,387,419	393,578,552	(3,037,962)	48,442
<b>Deferred Income Tax</b>				
Deferred Taxation Charge / (Reversal)	86,432,169	233,154,117	24,720,700	(54,247,864)
	86,432,169	233,154,117	24,720,700	(54,247,864)
<b>Income Tax Expense Reported in the Income Statement</b>	<b>888,819,588</b>	<b>626,732,669</b>	<b>21,682,738</b>	<b>(54,199,422)</b>
<b>Other Comprehensive Income Statement</b>				
Deferred Taxation Charge/(Reversal)	(1,603,378)	1,795,380	(1,603,832)	1,963,544
<b>Income Tax Expenses in Other Comprehensive Income</b>	<b>(1,603,378)</b>	<b>1,795,380</b>	<b>(1,603,832)</b>	<b>1,963,544</b>

#### 10.1 A Reconciliation between Tax Expense and the Accounting Profits Multiplied by Statutory Tax Rate is as follows:

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Tax on Profit from Trade, Business &amp; Other</b>				
Accounting Profit Before Tax	2,242,005,596	1,649,742,822	798,079,113	280,847,596
At the Statutory Income Tax Rate of 10 % (2023 : 10% )	2,705,645	-	-	-
At the Statutory Income Tax Rate of 14 % (2023 : 14% )	-	119,074,176	-	20,869,248
At the Statutory Income Tax Rate of 17 %	13,466,924	-	-	-
At the Statutory Income Tax Rate of 20 % (2023 : 14% )	11,421,919	3,121,023	-	-
At the Statutory Income Tax Rate of 24 % (2023 : 24 %)	-	197,176	-	-
At the Statutory Income Tax Rate of 25%	45,768,852	-	45,768,852	-
At the Statutory Income Tax Rate of 30 % (2023 : 30% )	1,062,298,437	583,952,375	183,512,993	40,420,218
Tax Effect of Disallowable Expenses	145,684,140	120,609,320	47,465,764	25,391,785
Tax Effect of Aggregate Allowable Items	(494,450,366)	(139,253,303)	(310,368,246)	(156,491,542)
Tax Effect of Income Exempt from Tax	(491,798,386)	(81,659,953)	(278,452,363)	(136,062,607)
Tax Effect on Investment Income	278,452,363	(144,080,000)	278,452,363	151,357,438
Capital Gain Tax	1,797,000	-	1,797,000	-
WHT on Dividend	191,861,305	107,661,300	27,461,311	-
Tax Effect of Utilization of Tax Losses	101,052,134	(173,869,427)	79,389,490	54,515,459
<b>At the Effective Income Tax Rates</b>	<b>868,259,967</b>	<b>395,752,687</b>	<b>75,027,163</b>	<b>-</b>
(Over) / Under Provision of Income Tax in respect of Previous Years	(65,872,548)	(2,174,135)	(78,065,125)	48,442
Deferred Taxation Charge / (Reversal)	86,432,169	233,154,117	24,720,700	(54,247,864)
Deduction of Previous Year Tax loss	-	-	-	-
<b>Total Income Tax Expense Reported in the Income Statement</b>	<b>888,819,588</b>	<b>626,732,669</b>	<b>21,682,738</b>	<b>(54,199,422)</b>
Effective Tax Rate (%)	40%	38%	3%	-19%

## 10.2 Group- Deferred Tax Liabilities

Year ended 31 March	Statement of		Statement of	
	Financial Position		Comprehensive Income	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>Deferred Tax Liability</b>				
Capital Allowances for Tax Purposes	1,084,692,645	1,160,633,603	(75,940,958)	119,485,866
	1,084,692,645	1,160,633,603		
<b>Deferred Tax Assets</b>				
Defined Benefit Plans	(1,765,346)	(246,679)	(1,518,667)	5,946,232
ROU Assets	(248,429)	(1,424,707)	1,176,278	(787,384)
Impairment Provisions	(29,954,606)	(10,126,486)	(19,828,120)	41,971,079
Tax Losses Brought Forward	(23,673,299)	(12,981,528)	(10,691,771)	157,990,847
	(55,641,680)	(24,779,400)		
Exchange Translation Adjustments	-	-		
Deferred Tax (Reversal) / Charge			(106,803,238)	324,606,640
Deferred Tax Charge for OCI			-	-
Net Deferred Tax Liability / (Asset)	1,029,050,965	1,135,854,203		

## 10.3 Group - Deferred Tax Asset

	Statement of		Statement of	
	Financial Position		Comprehensive Income	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>Deferred Tax Liability</b>				
Property, Plant & Equipment	185,436,105	72,339,614	113,096,491	67,779,827
	185,436,105	72,339,614		
<b>Deferred Tax Assets</b>				
Employee Benefit Obligations	(17,752,748)	(13,821,693)	(3,931,055)	(13,073,604)
Provisions	(33,930,983)	(22,005,075)	(11,925,908)	(22,005,075)
Tax Loss Carried Forward	(145,302,748)	(74,859,975)	(70,442,773)	(68,887,171)
ROU Assets	(1,972,701)	(818,702)	(1,153,999)	(456,141)
	(198,959,180)	(111,505,445)		
Deferred Tax (Reversal) / Charge			25,642,756	(36,642,164)
Deferred Tax Charge for OCI			1,603,378	(1,795,380)
Net Deferred Tax Liability / (Asset)	(13,523,075)	(39,165,831)		

## Notes to the Financial Statements

### 10.4 Company - Deferred Tax (Asset) / Liability

	Statement of Financial Position		Statement of Comprehensive Income	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Deferred Tax Liability</b>				
Tax effect of Property, Plant & Equipment	185,436,105	62,004,071	123,432,034	39,536,613
Transferred on Amalgamation	-	-	-	(7,185,543)
	185,436,105	62,004,071		
<b>Deferred Tax Assets</b>				
Tax effect of Employee Benefit Obligations	(17,752,748)	(12,660,623)	(5,092,125)	(6,720,961)
Tax effect of Provisions	(33,930,983)	(22,005,075)	(11,925,908)	(15,255,112)
Tax effect of Tax Loss Carried Forward	(145,302,748)	(64,887,300)	(80,415,448)	(64,075,658)
Tax effect of ROU Assets	(1,972,701)	(694,848)	(1,277,853)	(547,203)
	(198,959,180)	(100,247,846)		
<b>Deferred Tax (Reversal) / Charge</b>			24,720,700	(54,247,864)
Deferred Tax Charge for OCI			(1,603,832)	1,963,544
<b>Net Deferred Tax Liability / (Asset)</b>	<b>(13,523,075)</b>	<b>(38,243,775)</b>		

### 11. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Amounts Due to Related Parties (11.1)	77,786	1,119,253	77,786	7,515,478
Sundry Creditors including Accrued Expenses	980,663,448	778,037,633	670,016,345	506,998,457
Dividend Payable	10,094,129	9,938,187	10,094,129	9,938,187
Finance Cost Payable	96,621,594	53,356,822	96,621,594	53,356,822
Financial Guarantee	7,782,267	9,339,881	7,782,267	9,339,881
	1,095,239,224	851,791,776	784,592,121	587,148,825

#### 11.1 Amounts Due to Related Parties

Relationship	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Orik Corporation (Pvt) Ltd	-	-	-	6,227,183
Vidul Plantation (Pvt) Ltd	-	-	-	1,288,295
Vidul Biomass (Pvt) Ltd	77,786	1,119,253	77,786	-
	77,786	1,119,253	77,786	7,515,478

## 12. DEFINED BENEFIT LIABILITY

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at the Beginning of the Year	54,022,943	49,016,054	42,202,078	42,426,155
Expenses on Defined Benefit Plan (12.1)	15,484,590	12,230,618	11,810,011	9,476,878
Payment during the Year	(5,463,420)	(1,487,200)	(5,463,420)	(1,487,200)
Inter - Company Transfers during the Year	(77,786)	(137,540)	5,281,054	(1,668,610)
Net Actuarial (Gain) / Loss Recognized during the Year	5,553,181	(5,598,989)	5,346,106	(6,545,145)
<b>Balance as at the End of the Year</b>	<b>69,519,508</b>	<b>54,022,943</b>	<b>59,175,829</b>	<b>42,202,078</b>

### 12.1 Expenses on Defined Benefit Plan

Current & Past Service Cost	5,220,231	7,352,408	3,791,617	6,363,923
Interest Cost on Defined Benefit Liability	10,264,359	4,878,210	8,018,394	3,112,955
	15,484,590	12,230,618	11,810,011	9,476,878

### 12.2 Principal Assumptions

Discount Rate	12.0%	19.0%	12.0%	19.0%
Salary Increment	10.0%	15.0%	10.0%	15.0%
Retirement Age	60	60	60	60
Mortality	A 1967/70 Mortality Table	A 1967/70 Mortality Table	A 1967/70 Mortality Table	A 1967/70 Mortality Table

An actuarial valuation of the gratuity fund was carried out as at 31 March 2024 by Messrs. Actuarial and Management Consultants (Private) Ltd., a firm of professional actuaries & valuation method used by the actuary to value the fund is the "Projected Unit Credit Method" recommended by Sri Lanka accounting Standards - LKAS 19 (Employee Benefits).

### 12.3 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability assessment of the Group.

Increase/Decrease in Discount Rate	Increase /Decrease in Salary Increment	Group		Company	
		Sensitivity Effect on Employment Benefit Obligation	Sensitivity Effect on Employment Benefit Obligation	Sensitivity Effect on Employment Benefit Obligation	Sensitivity Effect on Employment Benefit Obligation
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
(+1%)		(4,045,916)	(2,777,432)	(3,314,333)	(2,104,088)
(-1%)		4,503,701	3,056,683	3,664,892	2,301,015
	(+1%)	4,886,572	3,388,808	4,012,031	2,572,327
	(-1%)	(4,454,231)	(3,117,070)	(3,679,769)	(2,380,209)

## Notes to the Financial Statements

## 13. REVENUE

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Power Generation - Local	561,639,279	588,135,895	341,456,056	235,752,886
Power Generation - Overseas	2,690,283,020	2,568,851,424	-	-
Engineering, Procurement and Construction (EPC)	1,896,126,523	-	1,896,126,523	-
Engineering, Consultancy and Project Management	50,806,019	76,340,741	-	-
Plantation	352,787,822	579,942,486	-	-
Solar	140,902,989	23,164,804	-	-
	5,692,545,652	3,836,435,350	2,237,582,579	235,752,886

## 14. PROFIT / (LOSS) BEFORE TAX

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Stated after Charging				
Included in Cost of Sales				
Depreciation	360,262,327	330,122,958	56,389,720	21,501,001
Defined Benefit Plan Costs - Gratuity	2,571,851	1,556,775	805,164	604,800
Included in Administrative Expenses				
Depreciation	30,813,870	41,359,758	16,747,748	13,008,433
Staff Costs (Include the following Costs)	279,711,768	198,101,395	231,903,453	156,656,626
Defined Benefit Plan Costs - Gratuity	17,399,515	4,986,535	15,675,293	2,326,933
Defined Contribution Plan Costs - EPF, ETF, NSSF & Etc.	21,511,126	20,468,646	15,163,845	12,116,095
Auditors' Remunerations - Audit Fees	13,347,989	6,539,593	6,086,137	1,095,003
Impairment / Write- Off	45,136,265	75,926,365	42,350,000	23,454,769

## 15. FINANCE COST

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Finance Cost - Diminishing Musharakah/Ijarah/ Short Term Facilities	479,514,634	592,047,871	165,698,399	229,894,219
Finance Cost - Staff Loan IFRS	349,605	(104,428)	352,448	(108,206)
Finance Cost - Right of Use Asset IFRS	11,878,068	9,521,581	2,392,435	1,651,095
	491,742,307	601,465,024	168,443,282	231,437,108

## 16. FINANCE INCOME

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Profit from Mudarabah Savings Accounts	19,035,672	2,446,670	9,372,908	2,275,303
Finance Income - Staff Loan	377,577	11,583	265,552	7,805
	19,413,249	2,458,253	9,638,460	2,283,108

## 17. OTHER INCOME AND GAINS / (LOSSES)

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Dividend Received	-	97,500	922,674,967	641,007,867
Profit on Disposal of Property, Plant and Equipment	8,264,483	1,652,648	6,964,483	1,099,264
Profit on Disposal of ROU Asset	11,098,565	-	9,648,565	-
Capital Gain/(Loss) on Quoted/Non Quoted Share Disposal	1,140,245	179,349	1,140,245	179,349
Other Income	178,377,889	12,165,590	24,058,942	9,077,434
Gain / (Loss) in Exchange Rate Fluctuations	(21,673,794)	(24,739,763)	(3,693,620)	6,752,487
	177,207,388	(10,644,676)	960,793,582	658,116,401

## 18. EARNINGS PER SHARE

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.

Amounts Used as Numerator	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Net Profit/(Loss) Attributable to Ordinary Shareholders of the parent for Basic Earnings per Share (Rs.)	1,281,745,266	957,026,495	776,396,375	335,047,018
<b>Number of Ordinary Shares Used as Denominator</b>	<b>Nos</b>	<b>Nos</b>	<b>Nos</b>	<b>Nos</b>
Weighted Average No of Voting shares	871,315,960	866,176,982	871,315,960	866,176,982
Weighted Average No of Non Voting Shares	72,394,086	72,394,086	72,394,086	72,394,086
Weighted Average No of Total shares for Basic EPS Calculation	943,710,046	938,571,068	943,710,046	938,571,068
Earning Per Share- Basic	1.36	1.02	0.82	0.36
Earning Per Share- Diluted	1.36	1.02	0.82	0.36



## Notes to the Financial Statements

### 19. DIVIDEND PAID AND PROPOSED

	2024 Rs.	2023 Rs.
Declared and Paid During the Year		
1st Interim Dividend - 2023/24 Rs. 0.11 (2022/23 Rs.0.10)	103,808,105	94,801,064
2nd Interim Dividend - 2023/24 Rs. 0.25 ( 2022/23 Rs.0.10)	235,927,512	94,085,381
	<b>339,735,617</b>	<b>188,886,445</b>

### 20. CASH AND CASH EQUIVALENTS

Components of Cash and Cash Equivalents	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Favourable Cash and Cash Equivalents Balance				
Cash and Bank Balances	698,018,574	539,558,534	284,133,636	315,265,255
Total Cash and Cash Equivalents For the Purpose of Cash Flows Statement	<b>698,018,574</b>	<b>539,558,534</b>	<b>284,133,636</b>	<b>315,265,255</b>

### 21. LEASE LIABILITY

#### 21.1 Lease Liability

Group	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	2024 Total Rs.	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	2023 Total Rs.
Leases other than Motor Vehicles	10,532,057	80,939,737	91,471,794	1,483,641	69,487,000	70,970,641
Ijarah Leases (Motor Vehicles) (21.1.1)	5,784,494	5,526,997	11,311,491	6,414,460	11,237,183	17,651,643
	<b>16,316,551</b>	<b>86,466,734</b>	<b>102,783,285</b>	<b>7,898,101</b>	<b>80,724,183</b>	<b>88,622,284</b>

	Balance As at 01.04.2023 Rs.	Additions Rs.	Repayments Rs.	Balance As at 31.03.2024 Rs.
Leases other than Motor Vehicles (21.1)	70,970,641	35,208,905	(14,707,752)	91,471,794
Ijarah Leases (Motor Vehicles) (21.1.1)	17,651,643	-	(6,340,152)	11,311,491
	<b>88,622,284</b>	<b>35,208,905</b>	<b>(21,047,904)</b>	<b>102,783,285</b>

## 21.1.1 Ijarah Leases (Motor Vehicle)

	As at 01.04.2023 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2024 Rs.
Hatton National Bank PLC	7,956,286	-	(1,833,460)	6,122,826
Amana Bank PLC	817,395	-	(817,395)	-
Commercial Bank of Ceylon PLC	8,877,962	-	(3,689,297)	5,188,665
	17,651,643	-	(6,340,152)	11,311,491
Gross Liability	22,998,179			12,648,746
Finance Charges Allocated to Future Periods	(5,346,536)			(1,337,255)
Net Liability	17,651,643			11,311,491

## 21.2 Lease Liability -Company

	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	2024 Total Rs.	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	2023 Total Rs.
Leases other than Motor Vehicles	560,701	31,374,731	31,935,432	374,935	15,123,301	15,498,236
Ijarah Leases (Motor Vehicles) (21.2.1)	3,327,002	4,437,163	7,764,165	1,173,632	1,641,340	2,814,972
	3,887,703	35,811,894	39,699,597	1,548,567	16,764,641	18,313,208

	Balance As at 01.04.2023 Rs.	Additions Rs.	Transferred on Amalgamation Rs.	Repayments Rs.	Balance As at 31.03.2024 Rs.
Leases other than Motor Vehicles (21.2)	15,498,236	-	16,568,352	(131,156)	31,935,432
Ijarah Leases (Motor Vehicles) (21.2.1)	2,814,972	-	6,598,880	(1,649,687)	7,764,165
	18,313,208	-	23,167,232	(1,780,843)	39,699,597

## 21.2.1 Ijarah Leases (Motor Vehicle)

	As at 01.04.2023 Rs.	Facilities Obtained	Transferred on Amalgamation	Repayments Rs.	As at 31.03.2024 Rs.
Commercial Bank of Ceylon PLC	2,814,972	-	-	(1,173,632)	1,641,340
Hatton National Bank PLC	-	-	6,598,880	(476,055)	6,122,825
	2,814,972	-	6,598,880	(1,649,687)	7,764,165
Gross Liability	3,155,186				9,101,420
Finance Charges Allocated to Future Periods	(340,214)				(1,337,255)
Net Liability	2,814,972				7,764,165

## Notes to the Financial Statements

### 21.3 Maturity Analysis of Lease Liability

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Less than 1 Year	16,316,551	7,898,101	3,887,703	1,404,844
1 to 5 Years	28,675,464	19,241,979	24,663,449	4,588,815
More than 5 Years	57,791,270	61,482,204	11,148,445	12,319,549
<b>Total</b>	<b>102,783,285</b>	<b>88,622,284</b>	<b>39,699,597</b>	<b>18,313,208</b>

### 22. SEGMENT INFORMATION

	Power Generation-Local		Power Generation Overseas		Dendro & Plantation	
	2024	2023	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Segmental Revenue	561,639,279	588,059,895	2,690,283,020	2,568,851,424	352,787,822	579,942,486
Depreciation & Amortization	(106,909,241)	(92,600,613)	(196,596,361)	(218,945,237)	(17,170,804)	(6,503,217)
Finance Income	5,325,570	2,458,253	-	-	8,171	-
Finance Cost	(15,681,285)	(35,251,564)	(208,124,958)	(296,183,257)	(32,527,852)	(21,376,958)
Profit Share of Investment Income from Joint Ventures & Associates	62,428,588	47,545,373	-	-	100,979,579	24,378,781
Profit / (Loss) Before Tax	399,756,004	408,702,274	1,806,106,437	1,767,329,187	102,511,106	69,520,837
Income Tax Expense	20,752,866	(8,964,674)	(639,024,993)	(508,564,383)	(5,392,831)	-
<b>Profit / (Loss) for the Year</b>	<b>420,508,870</b>	<b>399,737,600</b>	<b>1,167,081,444</b>	<b>1,258,764,804</b>	<b>97,118,275</b>	<b>69,520,837</b>

	Power Generation-Local		Power Generation Overseas		Dendro & Plantation	
	2024	2023	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Non-Current Assets	3,341,673,019	3,085,417,537	4,983,898,955	5,633,682,728	188,036,582	170,384,497
Current Assets	368,892,460	1,184,279,669	2,205,737,811	2,047,648,434	68,008,465	38,555,617
<b>Total Assets</b>	<b>3,710,565,479</b>	<b>4,269,697,206</b>	<b>7,189,636,766</b>	<b>7,681,331,162</b>	<b>256,045,048</b>	<b>208,940,114</b>
Non-Current Liabilities	393,870,034	711,634,542	2,417,482,388	2,798,657,947	60,445,029	72,136,025
Current Liabilities	612,987,856	972,800,017	485,886,230	614,259,532	199,822,001	134,683,488
<b>Total Liabilities</b>	<b>1,006,857,890</b>	<b>1,684,434,559</b>	<b>2,903,368,618</b>	<b>3,412,917,479</b>	<b>260,267,030</b>	<b>206,819,513</b>

Solar		EPC		Engineering Consultancy and Project Management		Group/ Other Elimination		Group	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
140,902,989	71,828,246	1,896,126,523	-	308,360,585	27,753,299	(257,554,566)	-	5,692,545,652	3,836,435,350
(47,987,518)	(27,606,270)	(19,211,999)	-	(20,613,068)	(3,183,278)	-	-	(408,488,990)	(348,838,615)
64,718	-	5,013,577	-	9,001,212	-	-	-	19,413,249	2,458,253
(50,261,275)	(16,299,837)	(17,816,255)	-	(16,703,656)	(916,299)	(150,627,027)	(231,437,108)	(491,742,307)	(601,465,024)
51,366,518	(31,304,866)	-	-	-	-	-	-	214,774,684	40,619,289
63,504,229	(14,953,935)	186,369,138	-	226,399,323	(7,023,565)	(542,640,642)	(573,831,976)	2,242,005,596	1,649,742,822
(4,167,531)	(4,363,650)	(73,230,163)	-	(23,356,941)	2,821,338	(164,399,994)	(107,661,300)	(888,819,588)	(626,732,669)
59,336,698	(19,317,585)	113,138,975	-	203,042,383	(4,202,227)	(707,040,636)	(681,493,276)	1,353,186,008	1,023,010,153
Solar		EPC		Engineering Consultancy and Project Management		Group/ Other Elimination		Group	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
754,364,659	721,776,701	117,182,575	-	13,654,110	4,794,030	-	-	9,398,809,900	9,616,055,493
62,493,719	59,677,431	769,462,148	-	146,060,398	77,561,390	-	-	3,620,655,000	3,407,722,541
816,858,378	781,454,132	886,644,723	-	159,714,508	82,355,420	-	-	13,019,464,900	13,023,778,035
328,428,843	329,934,830	-	-	37,686,924	3,870,773	-	-	3,237,913,219	3,916,234,117
186,888,618	400,217,765	706,081,288	-	61,045,395	96,297,876	-	-	2,252,711,388	2,218,258,678
515,317,461	730,152,595	706,081,288	-	98,732,319	100,168,649	-	-	5,490,624,607	6,134,492,795

## Notes to the Financial Statements

### 23. COMMITMENTS & CONTINGENCIES

#### 23.1 Capital Expenditure Commitments

During the year, the group did not enter into any capital commitment contracts.

#### 23.2 Corporate Guarantees

Company Name	Relationship with Vidullanka PLC	Amount of Guarantee Provided by Vidullanka PLC	Amount of Loan Obtained by the Relevant Company	Loan Balance as at 31 March 2024	Loan Balance as at 31 March 2023
Udawela Hydro (Pvt) Ltd	Subsidiary	-	293,000,000	-	39,508,618
Vidul Plantation (Pvt) Ltd	Subsidiary	99,850,000	40,000,000	29,839,947	40,537,618
Vidul Engineering Ltd	Subsidiary	85,000,000	68,654,840	52,221,607	63,736,509
Orik Corporation (Pvt ) Ltd	Subsidiary	97,000,000	86,485,325	78,121,325	86,485,325
Horana Solar Power (Pvt) Ltd	Subsidiary	225,000,000	266,713,876	266,713,876	225,000,000
Vidul Biomass (Pvt) Ltd	Joint Venture	743,800,000	957,265,000	684,071,488	845,035,758
Gurugoda Hydro (Pvt) Ltd *	Joint Venture	-	40,000,000	-	4,619,982
Solar Universe (Pvt) Ltd	Associate	365,000,000	-	1,028,216,904	1,047,216,904
		<b>1,615,650,000</b>	<b>1,752,119,041</b>	<b>2,139,185,147</b>	<b>2,352,140,714</b>

\* The Corporate guarantee issued by Vidullanka PLC for the facilities obtained by Gurugoda Hydro (Pvt) Ltd, Udawela Hydro (Pvt) Ltd were canceled upon full settlement of the facilities by the respective companies.

### 24. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

#### 24.1 Company

Nature of Liability	Carrying Amount of Pledged Assets		Included under Assets
	2024 Rs.	2023 Rs.	
Charge over Leased Assets on Finance Lease Liabilities Previous Year and ROU Asset of Current Year	10,068,467	6,819,186	Right of Use asset
For Diminishing Musharakah (Trade & Term Loan)	1,868,899,508	583,363,616	Property, Plant and Equipment
<b>Total Carrying Value of Assets Pledged</b>	<b>1,878,967,975</b>	<b>590,182,802</b>	

#### 24.2 Group

Charge over Leased Assets on Finance Lease Liabilities Previous Year and ROU Asset of Current Year	15,081,541	25,495,386	Right of Use asset
For Diminishing Musharakah (Trade & Term Loan)	6,901,870,744	7,410,956,588	Property, Plant and Equipment
<b>Total Carrying Value of Assets Pledged</b>	<b>6,916,952,285</b>	<b>7,436,451,974</b>	

## 25. LITIGATIONS

Following Court actions have been initiated against the Company.

a) D.C. Ratnapura Case No. 22020/L - Hearing concluded. Court proceedings are being corrected.

## 26. RELATED PARTY DISCLOSURE

### 26.1 Details of Significant Related Party Disclosure are as follows:

The Company carried out following transactions with related parties in the ordinary course of its business on an arms length basis at commercial rates during the year.

Company	Relationship	Nature of Transactions	2024 Rs.	2023 Rs.
Vidul Engineering Ltd (VEL)	Subsidiary	Expenses incurred by VLL on behalf of VEL	35,959,923	23,919,184
		Settlement done by VEL	(21,428,441)	(13,032,946)
		Fund transfer from VEL	(39,975,000)	(1,400,000)
		Fund transfer from VLL	13,500,000	2,600,000
Horana Solar Power (Pvt) Ltd	Subsidiary	Expenses incurred by VLL on behalf of HRN	16,242,517	1,840,792
		Funds Transfers to HRN	-	219,170,000
		Share Issue	(140,000,000)	-
		Settlement done by HRN	(17,334,257)	(110,000,000)
Vidul Plantations (Pvt) Ltd (VPL)	Subsidiary	Funds transferred to VPL	11,500,000	64,409,450
		Expense incurred by VLL on behalf of VPL	2,200,776	637,647
		Issue of Shares	-	-
		Settlement done by VPL	(9,800,530)	(68,811,624)
Orik Corporation (Pvt) Ltd (ORIK)	Subsidiary	Expense incurred by VLL on behalf of ORIK	1,337,531	2,090,664
		Fund transfer from VLL	6,013,243	9,925,000
		Dividends from ORIK	7,047,000	-
		Settlement done by ORIK	(6,202,466)	(1,042,457)
Lower Kotmale Oya Hydro Power (Pvt) Ltd (LKM)	Subsidiary	Expenses incurred by VLL on behalf of LKM	18,645,591	19,989,984
		Funds Transfers to LKM	35,000,000	5,500,000
		Funds Transfers from LKM	(196,800,000)	(103,375,000)
		Settlements by LKM	(16,059,765)	(16,738,881)
		Dividends from LKM	-	42,000,000
Udawela Hydro (Pvt) Ltd (UDW)	Subsidiary	Funds Transfers to UDW	-	12,400,000
		Expenses incurred by VLL on behalf of UDW	3,814,810	5,247,591
		Issue of Shares	-	(125,000,000)
		Settlement done by UDW	(32,242,543)	(3,247,282)
Rideepana Hydro (Pvt) Ltd (RHPL)	Subsidiary	Expenses incurred by VLL on behalf of RHPL	4,391,099	6,727,542
		Funds Transfers to RHPL	-	8,000,000
		Funds Transfers from RHPL	(73,000,000)	(1,581,657)
		Settlement done by RHPL	(5,374,756)	(2,170,203)
		Dividends from RHPL	-	4,759,500
Vidul Madugeta (Pvt) Ltd (VMPL)	Joint Venture	Expenses incurred by VLL on behalf of VMPL	9,099,299	7,203,857
		Settlements done by VMPL	(9,553,020)	(15,907,225)
		Dividends from VMPL	45,900,000	7,000,000



## Notes to the Financial Statements

Company	Relationship	Nature of Transactions	2024 Rs.	2023 Rs.
Gurugoda Hydro (Pvt) Ltd (GHPL)	Joint Venture	Expenses incurred by VLL on behalf of GHPL	5,059,987	6,829,105
		Settlement done by GHPL	(6,051,963)	(8,349,863)
		Dividends from GHPL	4,945,000	-
Vidul Biomass (Pvt) Ltd (VBL)	Joint Venture	Funds Transferred to VBL	-	21,500,000
		Funds Transferred from VBL	(32,500,000)	(24,500,000)
		Expense incurred by VLL on behalf of VBL	7,255,943	3,508,340
		Settlements from VBL	(44,512,604)	(1,140,000)
Nilwala Vidulibala Company (Pvt) Ltd (NVC)	Associate	Funds transferred to NVC / Expense incurred by VLL on behalf of NVC	(9,081,621)	8,280,276
		Settlement / Fund Transfer done by NVC	(10,007,730)	(8,172,638)
		Dividends from NVC	15,172,500	-

## 26.2 Terms and Conditions

Transactions with related parties are carried out in the ordinary course of business on relevant commercial terms. Outstanding balances at the year end are unsecured and net settlement occurs in cash.

## 26.3 Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the Gross Revenue / Income as per 31 March 2024 Audited Financial Statements

## 26.4 Non-Recurrent Related Party Transactions

There were no non recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets which ever lower of the company as per 31 March 2024 Audited Financial Statements.

## 26.5 Transactions with Key Management Personnel of the Company

Key Management Personnel (KMPs) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Such key management personnel of the Group are the members of its Board of Directors and the members of corporate management, that of its parent, and Chief Executive Officer, Independent Transactions with Key Management Personnel and transactions with the Close Family Members (CFMs) of the KMPs, if any, also been have taken into consideration in the following disclosure.

	2024 Rs.	2023 Rs.
<b>Key Management Personnel Compensation</b>		
Short-Term Employee Benefits	83,490,801	99,611,214
Post Employment Benefits	6,440,992	6,939,234
Other Benefits Paid by the Company	-	-
	<b>89,931,793</b>	<b>106,550,448</b>

## 27. FAIR VALUE DISCLOSURE

### 27.1 Fair Value of Financial Assets and Liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's and Group's financial instruments:

As at 31 March	Company			
	Carrying Amount		Fair Value	
	2024	2023	2024	2023
Financial Assets	Rs.	Rs.	Rs.	Rs.
Other Financial Assets	56,441,500	128,390,782	56,441,500	128,390,782
Trade and Other Receivables	1,019,756,686	659,292,930	1,019,756,686	659,292,930
Cash and Cash Equivalents	284,133,636	315,265,255	284,133,636	315,265,255
	<b>1,360,331,822</b>	<b>1,102,948,967</b>	<b>1,360,331,822</b>	<b>1,102,948,967</b>
<b>Financial Liabilities</b>				
Loans and Borrowings	904,960,564	1,319,647,570	904,960,564	1,319,647,570
Trade and Other Payables	784,592,121	587,148,825	784,592,121	587,148,825
	<b>1,689,552,685</b>	<b>1,906,796,395</b>	<b>1,689,552,685</b>	<b>1,906,796,395</b>

As at 31 March	Group			
	Carrying Amount		Fair Value	
	2024	2023	2024	2023
Financial Assets	Rs.	Rs.	Rs.	Rs.
Other Financial Assets	317,718,360	405,765,413	317,718,360	405,765,413
Trade and Other Receivables	2,397,123,698	2,111,883,253	2,397,123,698	2,111,883,253
Cash and Cash Equivalents	698,018,574	539,558,534	698,018,574	539,558,534
	<b>3,412,860,632</b>	<b>3,057,207,200</b>	<b>3,412,860,632</b>	<b>3,057,207,200</b>
<b>Financial Liabilities</b>				
Loans and Borrowings	3,055,073,043	3,975,947,584	3,055,073,043	3,975,947,584
Trade and Other Payables	1,095,239,224	851,791,776	1,095,239,224	851,791,776
	<b>4,150,312,267</b>	<b>4,827,739,360</b>	<b>4,150,312,267</b>	<b>4,827,739,360</b>

The management assessed that cash and short-term deposits, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments. The significant interest bearing loans and borrowings are in floating rate which considered the carrying value as the fair value.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

### 27.2 Determination of Fair Value And Fair Value Hierarchy

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an inactive market, direct observation of a traded price may not be possible. In these circumstances, the Company uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

## Notes to the Financial Statements

Fair values are determined according to the following hierarchy:

**Level 1 :** Quoted market price (unadjusted) financial instruments with quoted price in active markets.

**Level 2 :** Valuation technique using observable inputs : financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments are valued using models where all significant inputs are observable.

**Level 3 :** Valuation technique with significant unobservable inputs : financial instruments are valued using valuation techniques where one or significant inputs are observable.

The following tables shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy.

As at 31 March 2024	Group				Company			
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial Assets								
Other Financial Assets	-	-	317,718,360	317,718,360	-	-	56,441,500	56,441,500
	-	-	317,718,360	317,718,360	-	-	56,441,500	56,441,500

As at 31 March 2023	Group				Company			
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial Assets								
Other Financial Assets	-	-	405,765,413	405,765,413	-	-	128,390,782	128,390,782
	-	-	405,765,413	405,765,413	-	-	128,390,782	128,390,782

During the reporting period ended 31 March 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

### 28. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material events occurring after the Reporting Period.

### 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's investments, operations and to provide guarantees to support its operations. The Group has, trade and other receivables and cash and other short - term deposits that arrive directly from its operations.

The Group's senior management oversees the management of these risks . The Group's senior management is supported by the Audit committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Audit committee provides assurance to the Board of Directors that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

## 29.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits with financial institutions.

### 29.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

#### Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. The Group's profit before tax is affected through the impact on floating rate borrowings as follows.

Years	Increase/Decrease in Basis Points	Group Effect on Profit Before Tax	Company Effect on Profit Before Tax
2024	100	+/- 17.59 Mn	-
2023	100	+/- 20.01 Mn	-

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

### 29.1.2 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is significant as the Group now has two power plants located overseas. The electricity generation payment is linked to the USD, thus the transaction gain or loss is estimated to be minimal. The Group also imports electro-mechanical equipment in foreign currency as part of the investment in the renewable energy projects. The foreign currency related risks associated with the imports of plant & machinery are within the acceptable range of the Group's risk appetite and would be accommodated by the project contingency measures.

Since the functional currency of Muvumbe Hydro (U) Ltd & Timex Bukinda Hydro (U) Ltd are based on USD, the Group is subject to significant translation gain or loss arising from converting the USD to the LKR.

#### Foreign Currency Sensitivity

The Translation of USD based assets and liabilities to LKR would have significant impact on the value of Group assets and liabilities. The translation risk would decrease over time as the power plant start generating USD based revenue and payback the borrowings. The import of Fixed Assets for renewable energy projects would not have a direct impact on the income statement. The increase/decrease of the asset value due to the foreign exchange movement would be capitalized and would be depreciated over the useful life time of the asset, thus the impact would be immaterial.

USD Appreciation Against LKR	Group	
	Effect on Profit Before Tax	Effect on Profit Before Tax
	2024	2023
	Rs.	Rs.
1%	13.4 Mn	12.57 Mn
(-1%)	(13.4 Mn)	(12.57 Mn)

## Notes to the Financial Statements

### 29.1.3 Commodity Price Risk

The Group is principally engaged in generating electricity using renewable energy sources i.e: Rideepana MHPP from the flow of Badulu Oya. The project companies would pay pre-agreed unit prices for the use of the river flow to the respective government institutions, thus the impact of commodity prices would have immaterial impact on the earnings of the Group.

### 29.2 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

#### Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group is selling the electricity to the state monopoly transmission licensee Ceylon Electricity Board (CEB). The customer regardless of its financial position is a state entity and has maintained a credit record throughout the period. The Subsidiary Vidul Engineering Ltd is involved in providing total turnkey key solutions to the developers of renewable energy projects. The Subsidiary evaluates the credit quality of the customer and enters written agreements before rendering the services.

#### Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Group's Finance Department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on a regular basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

### 29.3 Liquidity Risk

The Group monitors its risk to a shortage of funds using continuous cash flow forecasts & cash budgeting. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, short term loans, leases and hire purchase contracts.

The table below summarises the maturity profile of the Group's and Company's financial liabilities and financial assets based on contractual undiscounted payments.

#### Group

As at 31 March 2024	Less than 3 Months	4 to 12 Months	2 - 3 Years	4 - 5 Years	>5 Years	Total
<b>Financial Assets</b>						
Other Financial Assets	-	317,718,360	-	-	-	317,718,360
<b>Trade and Other</b>						
Receivables	1,244,088,169	1,153,035,529	-	-	-	2,397,123,698
<b>Cash and Cash</b>						
Equivalents	698,018,574	-	-	-	-	698,018,574
	<b>1,942,106,743</b>	<b>1,470,753,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,412,860,632</b>
<b>Financial Liabilities</b>						
Loans and Borrowings	211,648,308	1,123,401,403	1,147,346,527	654,210,603	961,909,090	4,098,515,931
Trade and Other Payables	1,095,239,224	-	-	-	-	1,095,239,224
<b>Total</b>	<b>1,306,887,532</b>	<b>1,123,401,403</b>	<b>1,147,346,527</b>	<b>654,210,603</b>	<b>961,909,090</b>	<b>5,193,755,155</b>

As at 31 March 2023	Less than 3 Months	4 to 12 Months	2 - 3 Years	4 - 5 Years	>5 Years	Total
<b>Financial Assets</b>						
Other Financial Assets	-	405,765,413	-	-	-	405,765,413
Trade and Other Receivables	1,352,692,389	759,190,864	-	-	-	2,111,883,253
Cash and Cash Equivalents	539,558,534	-	-	-	-	539,558,534
	<b>2,651,441,787</b>	<b>405,765,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,057,207,200</b>

<b>Financial Liabilities</b>						
Loans and Borrowings	278,561,907	1,399,166,892	1,501,060,103	972,599,148	1,154,845,288	5,306,233,338
Trade and Other Payables	851,791,776	-	-	-	-	851,791,776
<b>Total</b>	<b>1,130,353,683</b>	<b>1,399,166,892</b>	<b>1,501,060,103</b>	<b>972,599,148</b>	<b>1,154,845,288</b>	<b>6,158,025,114</b>

## Company

As at 31 March 2024	Less than 3 Months	4 to 12 Months	2 - 3 Years	4 - 5 Years	>5 Years	Total
<b>Financial Assets</b>						
Other Financial Assets	-	56,441,500	-	-	-	56,441,500
Trade and Other Receivables	1,019,756,686	-	-	-	-	1,019,756,686
Cash and Cash Equivalents	284,133,636	-	-	-	-	284,133,636
	<b>1,303,890,322</b>	<b>56,441,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,360,331,822</b>

<b>Financial Liabilities</b>						
Loans and Borrowings	16,521,435	701,245,983	363,973,649	1,923,326	-	1,083,664,393
Trade and Other Payables	784,592,121	-	-	-	-	784,592,121
<b>Total</b>	<b>801,113,556</b>	<b>701,245,983</b>	<b>363,973,649</b>	<b>1,923,326</b>	<b>-</b>	<b>1,868,256,514</b>

As at 31 March 2023	Less than 3 Months	4 to 12 Months	2 - 3 Years	4 - 5 Years	>5 Years	Total
<b>Financial Assets</b>						
Other Financial Assets	-	128,390,782	-	-	-	128,390,782
Trade and Other Receivables	472,242,823	187,050,107	-	-	-	659,292,930
Cash and Cash Equivalents	315,265,255	-	-	-	-	315,265,255
	<b>974,558,185</b>	<b>128,390,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,102,948,967</b>

<b>Financial Liabilities</b>						
Loans and Borrowings	7,654,317	949,043,751	427,653,083	115,886,466	-	1,500,237,617
Trade and Other Payables	587,148,825	-	-	-	-	587,148,825
<b>Total</b>	<b>594,803,142</b>	<b>949,043,751</b>	<b>427,653,083</b>	<b>115,886,466</b>	<b>-</b>	<b>2,087,386,442</b>



## Notes to the Financial Statements

### 29.4 Capital Management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

The Group monitors capital using a gearing ratio, which is Interest - Bearing Loans and Borrowings divided by total Equity plus Interest-Bearing Loans and Borrowing . The Group's policy is to keep the gearing ratio below 60%.

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest - Bearing Loans and Borrowings	3,055,073,043	3,975,947,584	904,960,564	1,319,647,570
Equity	7,528,840,293	6,889,285,240	3,458,888,273	2,077,424,440
Equity & Interest - Bearing Loans and Borrowings	10,583,913,336	10,865,232,824	4,363,848,837	3,397,072,010
Gearing Ratio	28.9%	36.6%	20.7%	38.8%

## INVESTOR INFORMATION

### MARKET CAPITALIZATION

The market capitalization of the Company remained at Rs. 6,678,881,794/- as of 31 March 2024, compared to Rs. 5,473,776,960/- as of 31 March 2023.

### DIVIDEND PAYOUT RATIO

The company declared two interim dividends of Rs 0.11 and Rs 0.25 representing a total distribution to the shareholders amounting to Rs. 339,735,617/-. This represents a dividend payout of 25% during the financial year ended 31st March 2024 compared to dividend payout of 19% during the previous financial year.

### PRICE TO BOOK VALUE

The price to book value ratio of the group as follows

	Voting Share	Non Voting
As of 31 March 2024	0.94	0.73
As of 31 March 2023	0.83	0.65

### HIGHEST AND LOWEST SHARE PRICES FOR LAST FIVE FINANCIAL YEARS

#### Ordinary Voting Share

Financial Year	Highest price per share	Lowest price per share	Closing price per share
FY 2023/24	7.20	5.10	7.20
FY 2022/23	7.40	5.70	5.90
FY 2021/22	9.20	5.40	7.10
FY 2020/21	6.00	5.00	5.50
FY 2019/20	5.10	4.10	4.10

#### Ordinary Non-Voting Share

Financial Year	Highest price per share	Lowest price per share	Closing price per share
FY 2023/24	5.90	4.10	5.60
FY 2022/23	5.50	3.90	4.60
FY 2021/22	7.50	4.20	5.50

## Investor Information

## TWENTY LARGEST SHAREHOLDERS OF VIDULLANKA PLC AS OF 31 MARCH 2024

## Ordinary Voting Share

	Name	2024		2023	
		Shares	%	Shares	%
1	Mr. C.F. Fuhrer	110,041,770	12.6%	110,041,770	12.6%
2	Mr. Ranjan Mather	100,000,000	11.5%	100,727,711	11.6%
3	Amana Bank PLC/Mr. Riyaz M. Sangani	98,747,751	11.3%	88,166,014	10.1%
4	Mr. Sattar Kassim	94,135,861	10.8%	94,135,861	10.8%
5	Amana Bank PLC/Mr. Osman Kassim	89,000,000	10.2%	89,000,000	10.2%
6	Mr. Riyaz M. Sangani	65,850,420	7.6%	50,565,448	5.8%
7	Ms. R.L. Mather/Mr. Ranjan Mather	46,925,007	5.4%	46,925,007	5.4%
8	Mr. Osman Kassim/Ms. K Kassim	38,120,144	4.4%	39,962,734	4.6%
9	Mr. Sidath Fernando	33,663,568	3.9%	29,180,000	3.3%
10	Ms. Yumna Kunimoto	25,275,451	2.9%	25,275,451	2.9%
11	Mr. Mohamed Shafee Mohideen	21,172,720	2.4%	21,172,720	2.4%
12	Mr. Sujendra Mather	20,626,246	2.4%	20,626,246	2.4%
13	Amana Bank PLC/Dynawash Ltd	15,900,959	1.8%	15,900,959	1.8%
14	National Development Bank PLC/Mr. Riyaz M. Sangani	14,600,000	1.7%	14,600,000	1.7%
15	Vanguard Industries (Pvt) Ltd	11,606,012	1.3%	7,606,012	0.9%
16	Mr. Ranjeet Bhanwarlal Barnecha	11,186,854	1.3%	11,186,854	1.3%
17	Amana Bank PLC/Mr. Shahid M. Sangani	4,300,000	0.5%	4,300,000	0.5%
18	Hatton National Bank PLC/Senfin Growth Fund	4,000,000	0.5%	4,000,000	0.5%
19	Ms. N.R. Mather	3,239,019	0.4%	7,718,637	0.9%
20	Mr. Shahid Mohamed Sangani	3,114,488	0.4%	-	-
-	ABC International Ltd	-	-	19,611,009	2.3%
	<b>Top 20 Shareholders</b>	<b>811,506,270</b>	<b>93.1%</b>	<b>800,702,433</b>	<b>91.9%</b>

Ordinary Non-Voting Share

	Name	2024		2023	
		Shares	%	Shares	%
1	Ms. N.R. Mather	20,293,295	28.0%	12,225,475	16.9%
2	Amana Bank PLC/Mr.Osman Kassim	7,181,419	9.9%	7,181,419	9.9%
3	Ms. R.L Mather/Mr. Ranjan Mather	4,003,840	5.5%	4,003,840	5.5%
4	Mr. Osman Kassim/Mrs. K. Kassim	2,260,008	3.1%	2,409,198	3.3%
5	Ms. Yumna Kunimoto	2,156,608	3.0%	2,156,608	3.0%
6	Mr. Mohamed Shafee Mohideen	1,806,546	2.5%	1,806,546	2.5%
7	Mr. M.Z.H. Hashim/Mr. N.R.M. Hashim	1,771,174	2.4%	1,771,174	2.4%
8	Mr. Ranjan Mather	1,520,705	2.1%	1,520,705	2.1%
9	Mr. G.D.M. Ranasinghe/Ms. O.R.K. Ranasinghe	1,500,000	2.1%	1,500,000	2.1%
10	Mr. Damian Amal Cabraal	1,275,000	1.8%	1,250,000	1.7%
11	Macksons Paint Industries (Private) Ltd.	1,200,000	1.7%	2,000,000	2.8%
12	DFCC BANK PLC/Mr.P. Pranavan	1,000,000	1.4%	940,000	1.3%
13	Dynawash Ltd	995,543	1.4%	-	-
14	Mr. Riyaz M. Sangani	966,317	1.3%	4,447,460	6.1%
15	Ms. Sheema Haroon Admani	839,544	1.2%	839,544	1.2%
16	Trade First (Pvt) Ltd	772,835	1.1%	772,835	1.1%
17	Mr. Asanka Ubhaya De Alwis Goonewardena	750,000	1.0%	750,000	1.0%
18	Vanguard Industries Pvt Ltd	648,978	0.9%	648,978	0.9%
19	Mr. Buddhika Pathmalal Singhage	600,000	0.8%	600,000	0.8%
20	Mr. Pradeep Dilshan Rajeeva Hettiaratchi	575,000	0.8%	-	-
-	Hatton National Bank PLC/Riyaz M. Sangani	-	-	3,418,857	4.7%
-	Amana Bank PLC/Dynawash Ltd	-	-	1,356,737	1.9%
	<b>Top 20 Shareholders</b>	<b>52,116,812</b>	<b>72.0%</b>	<b>51,599,376</b>	<b>71.3%</b>

SHAREHOLDING CLASSIFICATION : LOCAL & FOREIGN

Ordinary Voting Share

Range	Local Shareholders			Foreign Shareholders			Total Shareholders		
	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%
1 to 1,000 shares	1,163	295,798	0.0%	4	2,284	0.0%	1,167	298,082	0.0%
1,001 to 10,000 shares	591	2,359,906	0.3%	4	9,505	0.0%	595	2,369,411	0.3%
10,001 to 100,000 shares	310	11,230,564	1.3%	8	431,987	0.0%	318	11,662,551	1.3%
100,001 to 1,000,000 shares	83	24,120,911	2.8%	4	955,000	0.1%	87	25,075,911	2.9%
Over 1,000,001 shares	30	685,405,930	78.7%	3	146,504,075	16.8%	33	831,910,005	95.5%
<b>Total</b>	<b>2,177</b>	<b>723,413,109</b>	<b>83.0%</b>	<b>23</b>	<b>147,902,851</b>	<b>17.0%</b>	<b>2,200</b>	<b>871,315,960</b>	<b>100%</b>

## Investor Information

### Ordinary Non-Voting Share

Range	Local Shareholders			Foreign Shareholders			Total Shareholders		
	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%
1 to 1,000 shares	294	80,997	0.1%	3	385	0.0%	297	81,382	0.1%
1,001 to 10,000 shares	147	604,858	0.8%	3	18,426	0.0%	150	623,284	0.9%
10,001 to 100,000 shares	126	5,031,202	6.9%	7	311,000	0.4%	133	5,342,202	7.4%
100,001 to 1,000,000 shares	56	19,475,373	26.9%	5	1,903,250	2.6%	61	21,378,623	29.5%
Over 1,000,001 shares	10	42,811,987	59.1%	1	2,156,608	3.0%	11	44,968,595	62.1%
<b>Total</b>	<b>633</b>	<b>68,004,417</b>	<b>93.9%</b>	<b>19</b>	<b>4,389,669</b>	<b>6.1%</b>	<b>652</b>	<b>72,394,086</b>	<b>100%</b>

### SHAREHOLDING CLASSIFICATION : ENTITIES & INDIVIDUALS

#### Ordinary Voting Share

Range	Individuals			Entities			Total Shareholders		
	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%
1 to 1,000 shares	1,147	292,917	0.0%	20	5,165	0.0%	1,167	298,082	0.0%
1,001 to 10,000 shares	580	2,305,189	0.3%	15	64,222	0.0%	595	2,369,411	0.3%
10,001 to 100,000 shares	282	10,088,146	1.2%	36	1,574,405	0.2%	318	11,662,551	1.3%
100,001 to 1,000,000 shares	70	18,937,237	2.2%	17	6,138,674	0.7%	87	25,075,911	2.9%
Over 1,000,001 shares	23	589,496,651	67.7%	10	242,413,354	27.8%	33	831,910,005	95.5%
<b>Total</b>	<b>2102</b>	<b>621,120,140</b>	<b>71.3%</b>	<b>98</b>	<b>250,195,820</b>	<b>28.7%</b>	<b>2,200</b>	<b>871,315,960</b>	<b>100%</b>

#### Ordinary Non-Voting Share

Range	Individuals			Entities			Total Shareholders		
	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%
1 to 1,000 shares	290	80,044	0.1%	7	1,338	0.0%	297	81,382	0.1%
1,001 to 10,000 shares	141	582,232	0.8%	9	41,052	0.1%	150	623,284	0.9%
10,001 to 100,000 shares	116	4,486,641	6.2%	17	855,561	1.2%	133	5,342,202	7.4%
100,001 to 1,000,000 shares	41	13,235,215	18.3%	20	8,143,408	11.2%	61	21,378,623	29.5%
Over 1,000,001 shares	9	36,587,176	50.5%	2	8,381,419	11.6%	11	44,968,595	62.1%
<b>Total</b>	<b>597</b>	<b>54,971,308</b>	<b>75.9%</b>	<b>55</b>	<b>17,422,778</b>	<b>24.1%</b>	<b>652</b>	<b>72,394,086</b>	<b>100%</b>

### Public Shareholding as of 31 March 2024

	Ordinary Voting Share	Ordinary Non-Voting Share
Issued Share No of shares	871,315,960	72,394,086
Public Shareholding	258,892,336	55,105,802
Public Holding - %	29.71%	76.12%
Public Holding - No of Shareholders	2,184	640
Non-Public Shareholding	612,423,624	17,288,284
Non-Public Shareholding %	70.29%	23.88%
Non-Public Holding - No of Shareholders	16	12
Existing Floated adjusted Market Capitalization (Rs.)	1,864,024,819	308,592,491
Option for Compliance	Option 2 of 7.13.1 (b) of the Listing Rules	

# TEN YEAR SUMMARY

(in '000 otherwise stated)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>										
<b>Non-Current Assets</b>										
Property, Plant and Equipment	7,775,877	8,282,246	7,521,971	5,677,115	4,932,209	4,116,382	4,057,474	3,519,594	2,267,305	1,151,869
Right of Use Assets	189,995	197,503	186,827	172,118	169,148	-	-	-	-	-
Investment in Joint Ventures	1,127,498	772,120	623,833	629,673	572,995	537,798	319,172	327,305	313,587	391,574
Other Project Investments	49,807	76,378	81,566	79,879	91,991	92,716	112,929	134,519	79,022	118,528
Goodwill	204,818	206,883	259,355	275,692	277,175	249,000	215,879	215,879	215,879	55,081
Other Assets	50,814	80,925	48,317	47,084	26,150	26,045	10,008	3,541	-	-
Current Assets	9,398,810	9,616,055	8,721,868	6,881,561	6,069,668	5,021,941	4,715,463	4,200,838	2,875,793	1,717,051
	3,620,655	3,407,723	2,784,024	1,410,193	1,312,820	767,337	587,862	504,205	633,211	518,846
<b>Total Assets</b>	<b>13,019,465</b>	<b>13,023,778</b>	<b>11,505,892</b>	<b>8,291,754</b>	<b>7,382,488</b>	<b>5,789,278</b>	<b>5,303,325</b>	<b>4,705,043</b>	<b>3,509,004</b>	<b>2,235,897</b>
<b>Equity &amp; Liabilities</b>										
Total Equity	7,528,840	6,889,285	5,725,127	3,644,926	3,000,797	2,753,369	2,212,155	1,807,590	1,870,400	1,450,452
Total Loans and Borrowings	3,055,073	3,975,948	4,357,951	3,846,807	3,397,825	2,672,769	2,629,451	2,604,609	1,448,370	630,915
Total Capital Employed	10,583,913	10,865,233	10,083,077	7,491,733	6,398,622	5,426,138	4,841,606	4,412,199	3,318,770	2,081,367
Other Liabilities	2,435,552	2,158,545	1,422,814	800,021	983,866	363,140	461,719	292,844	190,234	154,531
<b>Total Equity &amp; Liabilities</b>	<b>13,019,465</b>	<b>13,023,778</b>	<b>11,505,892</b>	<b>8,291,754</b>	<b>7,382,488</b>	<b>5,789,278</b>	<b>5,303,325</b>	<b>4,705,043</b>	<b>3,509,004</b>	<b>2,235,897</b>
<b>Operating Results</b>										
Group Revenue	5,692,546	3,836,435	2,567,672	1,797,070	1,440,380	1,281,956	974,838	534,754	723,224	563,348
Gross Profits	3,191,325	2,720,321	1,879,819	1,205,147	1,062,483	980,401	726,369	391,062	601,700	434,822
Operating Profits	2,714,335	2,248,750	1,654,858	1,125,011	899,346	917,576	908,559	199,934	479,792	427,749
Profit Before Tax	2,242,006	1,649,743	1,357,075	814,920	582,099	624,212	649,490	40,715	392,464	388,304
Profit After Tax	1,353,186	1,023,010	865,877	594,951	361,662	527,318	509,220	41,677	371,591	354,997
Cash generated from Operating Activities	2,913,009	2,618,993	1,664,361	1,161,248	899,154	729,590	866,127	465,004	340,003	345,827
Cash utilized in Investing Activities	431,198	986,281	311,010	735,787	916,675	60,370	431,244	1,392,648	305,623	382,577
New Capacity Added (MW)	2.00	10.00	1.90	7.30	3.30	-	1.40	8.50	1.75	4.00
Generation (GWh)	215.2	183.2	185.9	139.6	114.9	108.0	92.6	48.5	68.0	63.0
Emission Reduction (in ton of CO <sub>2</sub> equivalent)	142,294	106,727	108,300	81,355	66,578	68,040	58,338	30,555	42,840	39,690
<b>Key Indicators</b>										
Net Profit Margin (%)	23.8	26.7	33.7	33.1	25.1	41.1	52.2	7.8	51.4	63.0
ROE (%)	18.0	14.8	15.1	16.3	12.1	19.2	23.0	2.3	19.9	24.5
ROA (%)	20.8	17.3	14.4	13.6	12.2	15.8	17.1	4.2	13.7	19.1
Earning per Share (Rs.)	1.36	1.02	0.93	0.68	0.41	0.62	0.60	0.05	0.52	0.49
Dividend per Share (Rs.)	0.36	0.20	0.30	0.10	0.23	0.15	0.20	0.10	0.23	0.18
Net Asset Value Share (Rs.)	7.69	7.07	5.99	4.21	3.51	3.24	2.66	2.41	2.50	3.04
Current Ratio (No. of times)	1.61	1.54	1.61	0.99	0.81	1.11	0.48	0.53	0.99	2.04
Equity Asset Ratio (No. of times)	1.73	1.89	2.01	2.27	2.46	2.10	2.40	2.60	1.88	1.54
Asset Turnover Ratio (No. of times)	0.44	0.29	0.22	0.22	0.20	0.22	0.18	0.11	0.21	0.25
Gearing Ratio (%)	28.9	36.6	43.2	51.3	53.1	49.3	54.3	59.0	43.6	30.3

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 28th Annual General Meeting of Vidullanka PLC will be held on 26th September 2024 at 9.00 am via Audio/Video at the registered office of the Company, Level 4, Access Tower, No. 278, Union Place, Colombo 02 for the following purposes:

1. Consider and adopt the Audited Financial Statements for the year ended 31st March 2024 together with the Annual Report of the Directors thereon.
2. Appoint Mr. Wittahachchige Don Anura Senaka Wijayapala to the Board of Directors in terms of Article 20.2 of the Articles of Association of the Company.
3. Re-elect the following Directors by Rotation in terms of Article 20.5 of Articles of Association of the Company.
  - a. Mr. Sujendra Mather
  - b. Mr. Mohamed Rizvi Zaheed
4. Re-elect the following Directors in terms of section 211 of the Companies Act No. 7 of 2007.
  - a) Mr. Osman Kassim, who is over 70 years of age as a Director. Accordingly, the following resolution to be passed for this purpose, if thought fit.

**IT IS HEREBY RESOLVED** to re-elect Mr. Osman Kassim, as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years in terms of section 210 of the Companies Act shall not apply to the said Mr. Osman Kassim.
  - b) Mr. S. Ranjan Mather, who is over 70 years of age as a Director. Accordingly, the following resolution to be passed for this purpose, if thought fit.

**IT IS HEREBY RESOLVED** to re-elect Mr. S. Ranjan Mather, as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years in terms of section 210 of the Companies Act shall not apply to the said Mr. S. Ranjan Mather.
5. Re-appoint the retiring Auditors M/s Ernst & Young, Chartered Accountants for the ensuing year and authorize the Directors to determine their remuneration.
6. Authorize the Directors to determine contributions to charities for the financial year 2024/2025.

By order of the Board  
VIDULLANKA PLC  
MANAGERS & SECRETARIES (PRIVATE) LIMITED

*Sgd.*  
**Mrs. C. Salgado**  
*Secretaries*  
28th August 2024

Note:

1. A member entitled to attend and vote at the above meeting is required to complete and submit a pre-registration form in order to ensure participation at the AGM of the Company.
2. Only members of VLL are entitled to take part at the AGM of VLL.
3. A Pre-registration form is enclosed for this purpose to be completed by VLL Shareholders only. Alternatively, the registration could be completed via the company web site [www.vidullanka.com](http://www.vidullanka.com)
4. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her behalf. A proxy need not be a member of the Company.
5. A form of proxy is enclosed for this purpose.
6. The instruments for registration and appointing a proxy must be completed and deposited at the Registered Office of the Company, Vidullanka PLC, Level 04, Access Tower, No. 278, Union Place, Colombo 02, or e-mailed to [agm@vidullanka.com](mailto:agm@vidullanka.com) and [samanga@msl.lk](mailto:samanga@msl.lk) not less than twenty four hours prior to the time appointed for holding the meeting.



# FORM OF PROXY

NIC/P.P/Co. Reg. Number\*

I/We, the undersigned .....  
 bearing NIC ..... of .....

being a member/s of Vidullanka PLC, do hereby appoint

- Full name of proxy - .....
- NIC of Proxy - .....
- Address of Proxy - .....
- Contact Numbers - Land ....., Mobile ....., Email address .....

as my/our Proxy to represent me/us, vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 26 September 2024 at 9.00 am via Audio/Video (virtual AGM) and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Please mark your preference with "X".

Ordinary Resolution	For	Against	Abstained
1. Appointment of Mr. W. D. A. S. Wijayapala as a Director in terms of Article No. 20.5 of the Articles of Association of the Company.			
2. Re-election of Directors in terms of Article 20.5 of Articles of Association of the Company.			
a. Mr. Sujendra Mather			
b. Mr. Mohamed Rizvi Zaheed			
3. Re-election of Directors in terms of Section 211 of the Companies Act No. 7 of 2007.			
a. Mr. Osman Kassim			
b. Mr. S. Ranjan Mather			
4. Re-appointment of the retiring Auditors M/s Ernst & Young, Chartered Accountants for the ensuing year and authorize the Directors to determine their remuneration.			
5. Authorize the Directors to determine contributions to charities for the financial year 2024/2025.			

Signed this.....day of.....2024.

Please see overleaf for Instructions for completion.

.....  
 Signature

**Notes:**

- \* Please indicate your NIC / Passport No. /Co. Reg. No. on the top of the form of Proxy.
- \*\* Please indicate with an "x" in the space provided, how your Proxy is to vote on the Resolutions. If no indication is given, the Proxy in his discretion will vote as he thinks fit.

## Form of Proxy

### INSTRUCTIONS FOR COMPLETION OF PROXY

1. In order to appoint a proxy, this form shall in the case of an individual be signed by the shareholder or by his/her Attorney and in the case of a company/corporation, the form of proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
2. The full name, NIC No. and address of the Proxy holder and of the Shareholder appointing the Proxy holder should be entered legibly in the form of proxy.
3. The duly completed form of proxy must be deposited at the Registered Office of the Company at "Vidullanka PLC, Level 4, Access Tower, No. 278, Union Place , Colombo 02", or e-mailed to [agm@vidullanka.com](mailto:agm@vidullanka.com) or [samanga@mssl.lk](mailto:samanga@mssl.lk) not later than 24 hours prior to the time appointed for holding of the meeting.
4. In the case of a proxy signed by an Attorney, the relevant Power-of-Attorney or a certified copy thereof should also accompanied the completed form of proxy and must be deposited at the Registered Office of the Company or email as above noted.

# NOTES

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# CORPORATE INFORMATION

## COMPANY STATUS

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

## RE-REGISTRATION DATE & NUMBER

27th September 2007  
PQ 83

## COMPANY SECRETARY

Managers & Secretaries (Pvt) Ltd  
No 8, Tickell Road  
Colombo 08

## STATED CAPITAL

Rs. 1,825,593,926 /-

## ISSUED NUMBER OF SHARES

Voting Shares - 871,315,960 Nos  
Non-Voting Shares - 72,394,086 Nos

## REGISTERED OFFICE

Level 04, Access Towers  
No 278 Union Place  
Colombo 02,  
Sri Lanka  
Telephone : +94114760000  
Fax : +94114760076  
Email : info@vidullanka.com  
Web : www.vidullanka.com

## INVESTOR RELATIONS OFFICER

Email: parthipans@vidullanka.com

## AUDITORS

M/s. Ernst & Young, Chartered Accountants  
Rotunda Towers, 109, Galle Road,  
Colombo 03,  
Sri Lanka

## BANKERS

Amana Bank PLC  
Hatton National Bank PLC  
Commercial Bank of Ceylon PLC  
Bank of Ceylon  
NDB Bank PLC  
Seylan Bank PLC  
MCB Bank Limited  
Stanbic Bank Uganda Limited  
Diamond Trust Bank Uganda Limited  
Bank of Nova Scotia (Guyana)

## WEBSITE

[www.vidullanka.com](http://www.vidullanka.com)

