



**RENEWABLE
SUSTAINABLE
ACCESSIBLE**



ANNUAL REPORT 2025



RENEWABLE SUSTAINABLE ACCESSIBLE

At Vidullanka PLC, we are at the forefront of transforming Sri Lanka's energy landscape, driven by our core values of being renewable, sustainable, and accessible.

With a steadfast commitment to innovation and environmental responsibility, we play a pivotal role in ensuring national energy security while expanding our presence globally. Our efforts are focused on providing reliable, clean energy solutions that support economic growth, improve lives, and contribute to a sustainable future, both locally and across international markets.

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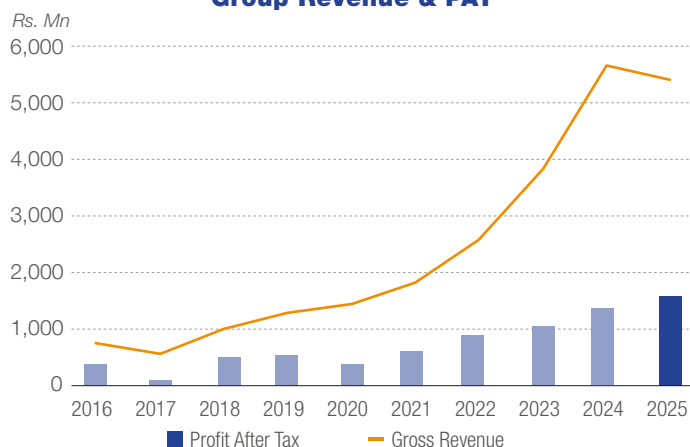
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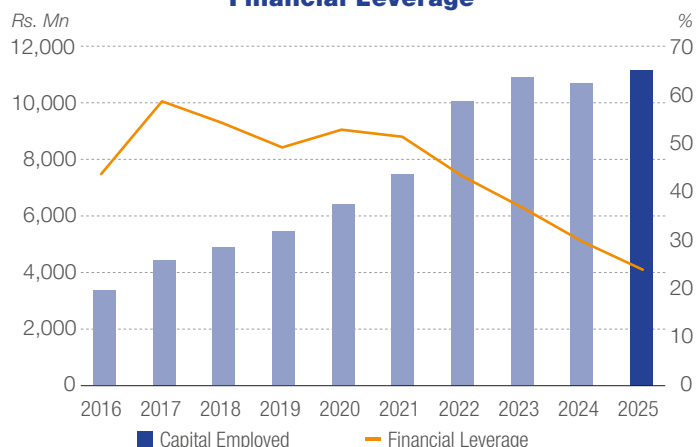
KEY PERFORMANCE HIGHLIGHTS

	2025	2024	2023	2022	2021
Gross Revenue (Rs. Mn)	5,425	5,693	3,836	2,568	1,797
Gross Profit (Rs. Mn)	2,949	3,191	2,720	1,880	1,205
Profit After Tax (Rs. Mn)	1,577	1,353	1,023	866	595
Output (GWh or Million Units)	198.7	215.2	183.2	185.9	139.6
Installed Capacity (MW)	51	51	49	39	37
Net Profit Margin	29.1%	23.8%	26.7%	33.7%	33.1%
Return On Equity	18.6%	18.0%	14.8%	15.1%	16.3%
Return On Assets	21.4%	20.8%	17.3%	14.4%	13.6%
Earnings Per Share (Rs.)	1.57	1.35	1.02	0.93	0.68
Dividend Per Share (Rs.)	1.70	0.36	0.20	0.30	0.10
Net Asset Value Per Share (Rs.)	7.99	7.69	7.07	5.99	4.21
Financial Leverage	23.7%	29.5%	36.6%	43.2%	51.3%

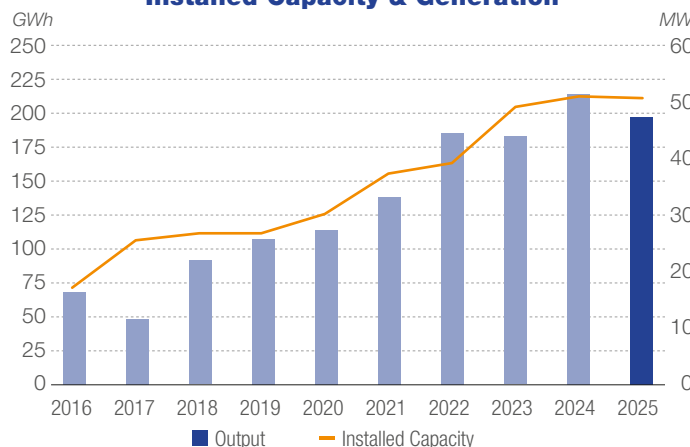
Group Revenue & PAT



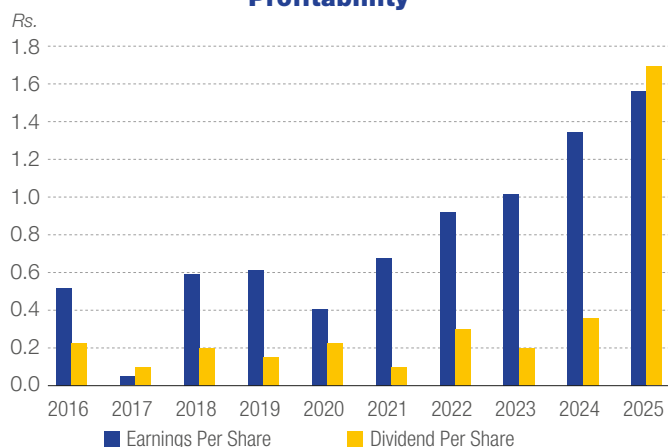
Financial Leverage



Installed Capacity & Generation



Profitability



OPERATIONAL HIGHLIGHTS

1,577

Rs. Mn

Profit After Tax



1,604

Rs. Mn

Dividend Paid



1.57

Rs. Mn

Earnings Per Share



8,482

Rs. Mn

Total Shareholder Equity



11,080

Rs. Mn

Total Capital Employed



13,195

Rs. Mn

Total Assets



-4.7%

Annual revenue growth



23.7%

Financial Leverage



A+ (Ika)

(Stable) Fitch Ratings

Corporate Credit Rating



51

MW

Installed Capacity



38

MW

Capacity in Sri Lanka



13

MW

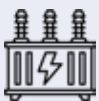
Capacity in Uganda



198.7

million units

Electricity Generated



128.5

million units

Electricity Generated in Sri Lanka



70.2

million units

Electricity Generated in Uganda



145.9

million units

Generated from Hydro Power



28.3

million units

Generated from Dendro Power



24.5

million units

Generated from Solar Power



-7.6%

Annual Output Growth



149,949

tCO2 Equivalent

Carbon Emission Reduced (Marginal)



225

Rs. Mn

Economic Value Added



283

Strong Workforce



2,894

Hours

Training Session Provided



36,867

New Saplings Planted

100,605 Trees Managed & Sustained



ABOUT VIDULLANKA PLC

Vidullanka PLC has established itself as a recognized force within Sri Lanka's renewable energy landscape, distinguished by its steadfast commitment to advancing a greener, more sustainable future while driving consistent corporate growth.

As one of the early pioneers of the sector locally and an expanding player internationally, the company is guided by a vision of a world energized through sustainable means. Since its inception in 1997, Vidullanka has consistently championed the generation of power from indigenous renewable sources, aiming to reduce dependence on fossil fuels and the environmental harm they create.

Today, the Vidul Group's portfolio encompasses 21 operating projects, reflecting nearly thirty years of dedication to unlocking renewable energy potential through innovative engineering. With investments spanning hydro, solar, and dendro segments, the Group commands an installed capacity of 51MW, generating approximately 200 GWh annually for the national grids of Sri Lanka and Uganda. Beyond power generation, the company continues to diversify its footprint by extending technical expertise to sector stakeholders and, more recently, entering the domain of Engineering, Procurement, and Construction (EPC) services.

Guided by the principle "Building on Renewable Energy Sources", Vidullanka's endeavors consistently integrate environmental stewardship with value creation for its communities, employees, shareholders, and other stakeholders. This commitment not only strengthens the company's sustainability pathway but also underscores its ability to align social responsibility with business progress.

At its core, Vidullanka remains unwavering in its mission to champion a cleaner energy future, one that safeguards the planet, empowers societies, and ensures that generations come to inherit a world fueled by renewable resources.



Vision

Sustainably energizing the planet



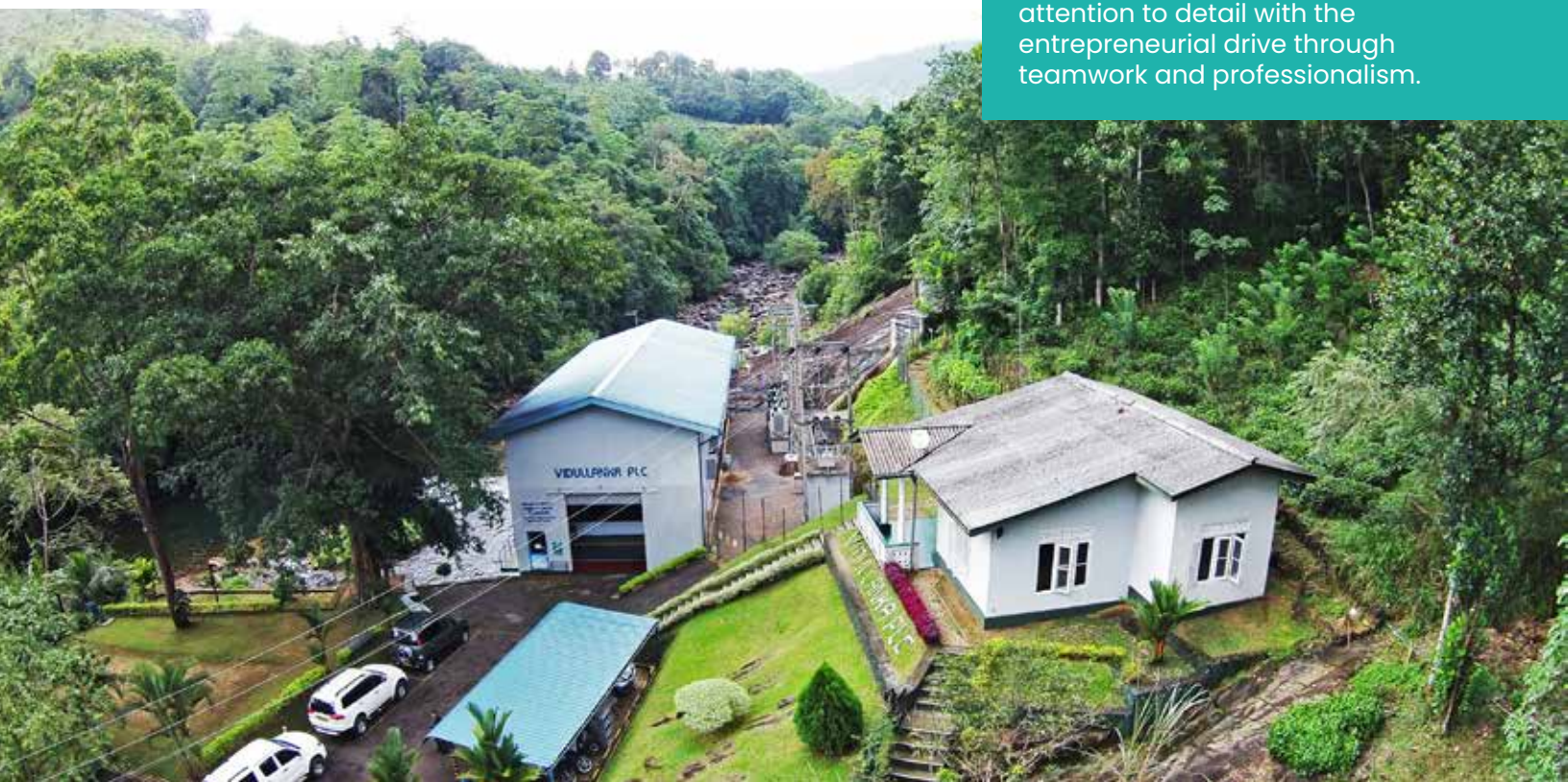
Mission

Passionate in harnessing renewable energy resources, using innovative engineering solutions



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.



PROJECT PORTFOLIO

HYDRO – LOCAL

Bambarabatuoya MHPP

InstalledCapacity	3.2MW
River	Kalu Ganga
Present Status	SPPA renewed upto June 2036



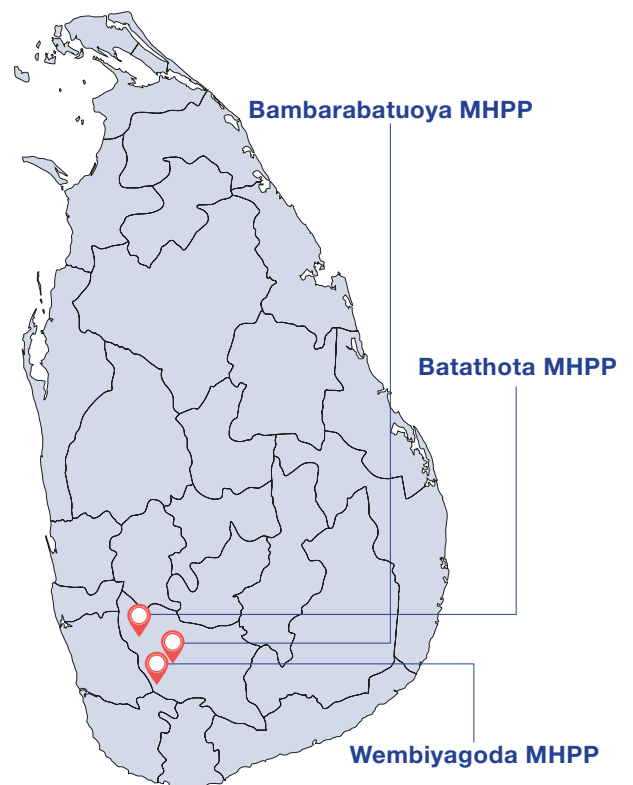
Batathota MHPP

InstalledCapacity	2.0MW
River	Kuru Ganga
Present Status	SPPA Renewed upto 2041



Wembiyagoda MHPP

InstalledCapacity	1.3MW
River	Koswathu Ganga
Present Status	Commissioned on 19th March 2013



PROJECT PORTFOLIO

HYDRO – LOCAL

Lower Kotmale Oya MHPP

InstalledCapacity	4.0MW
River	Kotmale Oya
Present Status	Commissioned on 25th June 2014



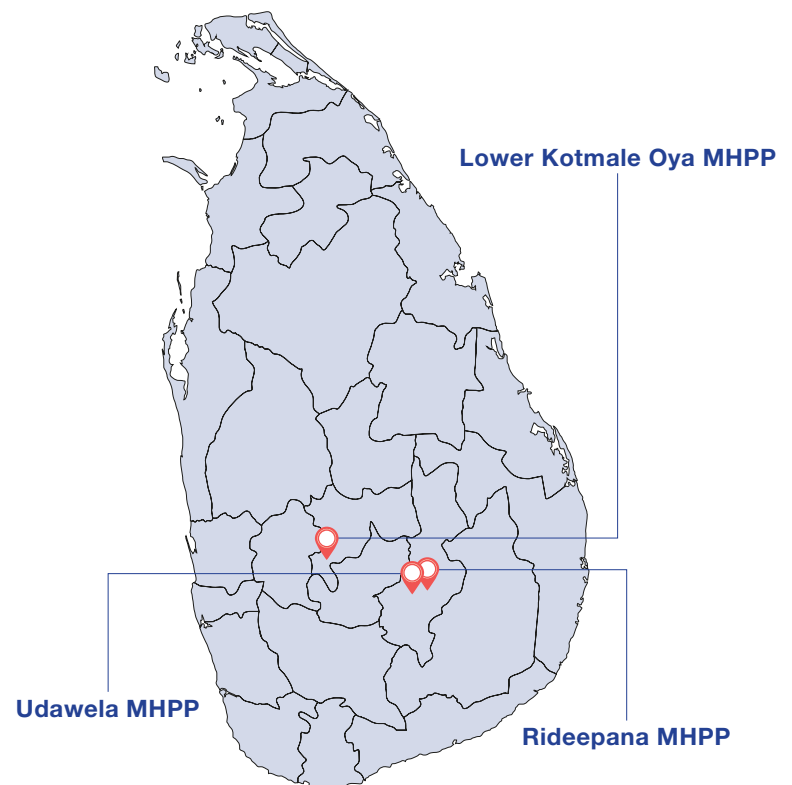
Rideepana MHPP

InstalledCapacity	1.75MW
River	Badulu Oya
Present Status	Commissioned on 15th May 2015



Udawela MHPP

InstalledCapacity	1.4MW
River	Badulu Oya
Present Status	Commissioned on 29th December 2017



Madugeta MHPP

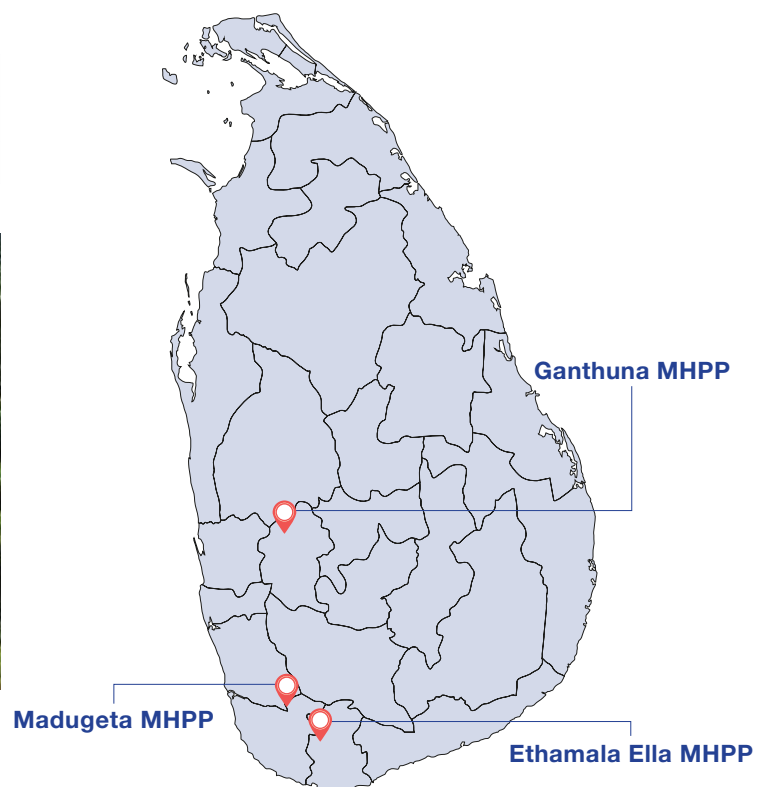
InstalledCapacity	2.5MW
River	Gin Ganga
Present Status	Commissioned on 1st November 2013

**Ethamala Ella MHPP**

InstalledCapacity	2MW
River	Nilwala Ganga
Present Status	Commissioned on 30th September 2016

**Ganthuna MHPP**

InstalledCapacity	1.2MW
River	Gurugoda Oya
Present Status	Commissioned on 26th March 2010



PROJECT PORTFOLIO

HYDRO – OVERSEAS

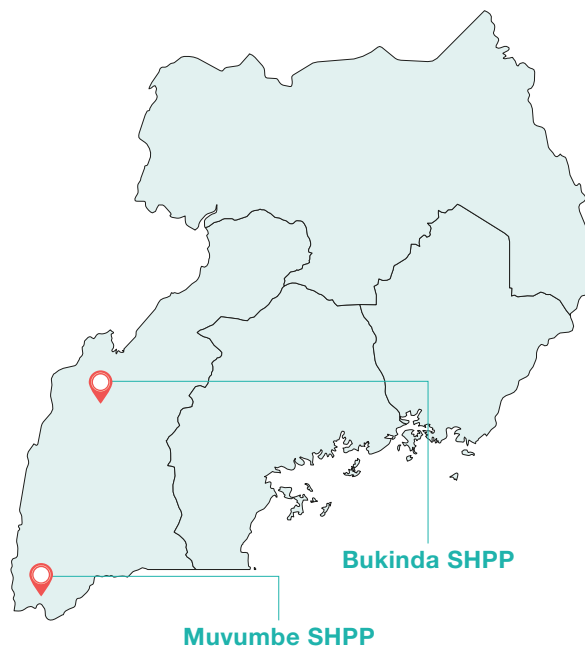
Muvumbe SHPP

InstalledCapacity	6.5MW
River	Muvumbe River
Present Status	Commissioned on 15th March 2017



Bukinda SHPP

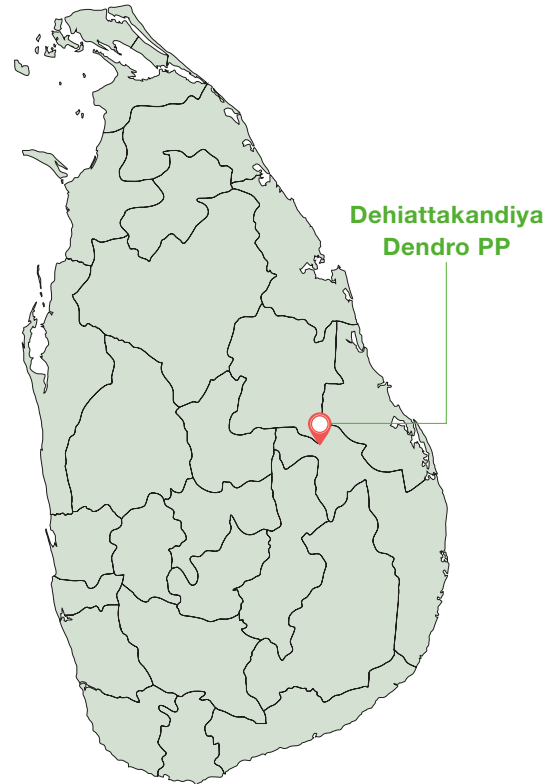
InstalledCapacity	6.5MW
River	Nkusi River
Present Status	Commissioned on 31st July 2020



DENDRO

Dehiattakandiya Dendro PP

Installed Capacity	3.3MW
Location	Ampara
Present Status	Commissioned on 30th May 2019



PROJECT PORTFOLIO

SOLAR - GROUND MOUNTED

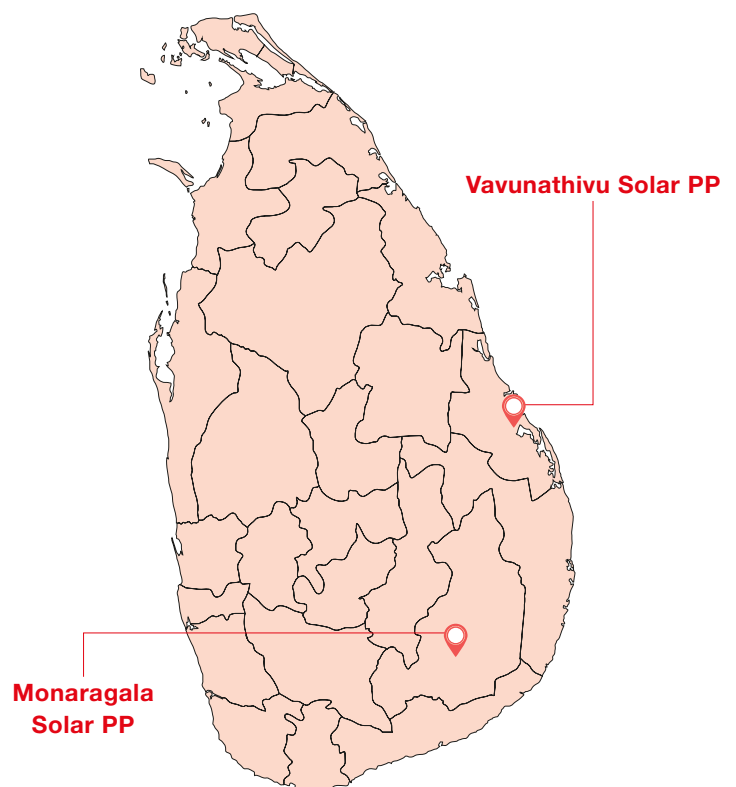
Monaragala Solar PP

Installed Capacity	1MWp
Location	Monaragala
Present Status	Commissioned on 23rd September 2021



Vavunathivu Solar PP

Installed Capacity	10MWp
Location	Vavunathivu, Batticaloa District
Present Status	Commissioned on 11th October 2022



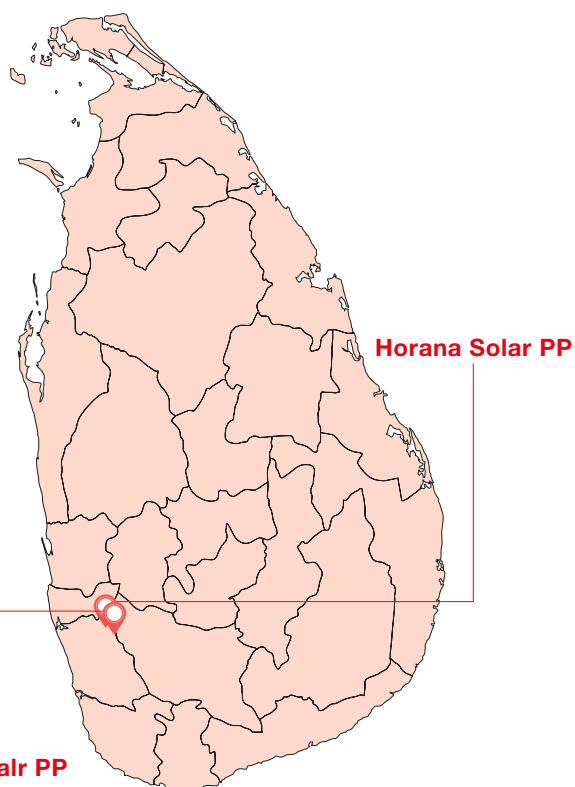
Horana Solar PP

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



Horana Solar PP - Phase II

Installed Capacity	2MWp
Location	Horana, Kalutara District
Present Status	Commissioned on 1st August 2025



Horana II Solar PP

PROJECT PORTFOLIO



SOLAR – GROUND MOUNTED

Vavunathivu Solar PP - Phase II

InstalledCapacity	10MWp
Location	Vavunathivu, Batticaloa District
Present Status	Commissioned on 26th July 2025

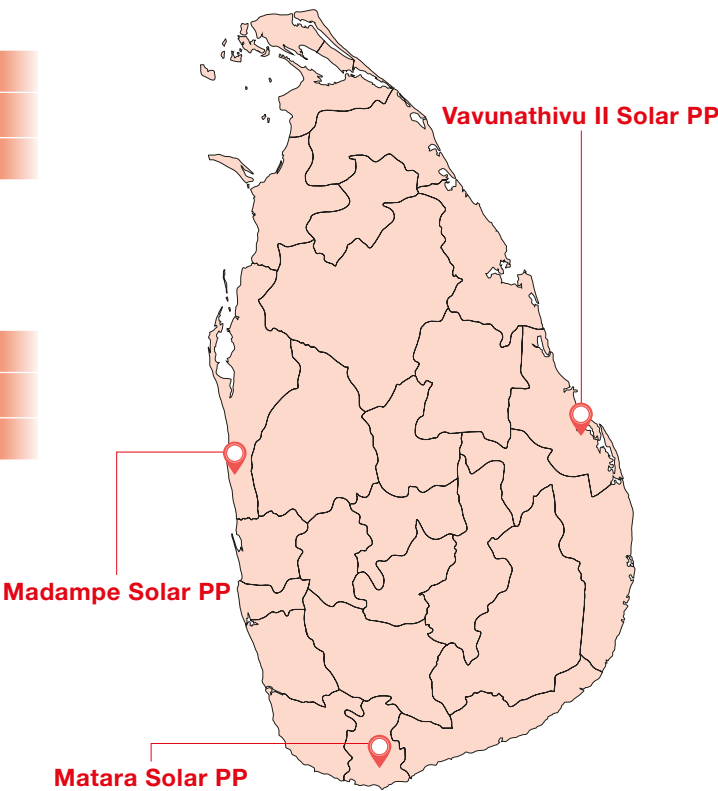


Matara Solar PP

Installed Capacity	3MWp
Location	Kamburupitiya, Matara
Present Status	Under Construction

Madampe Solar PP

Installed Capacity	6MWp
Location	Bangadeniya, Puttalam District
Present Status	Under Construction



SOLAR – ROOFTOP

Emerald Rooftop Solar PP I, II & III

InstalledCapacity	938kWp
Location	IPZ- Panadura & Pannipitiya
Present Status	Comissioned during September - November 2021

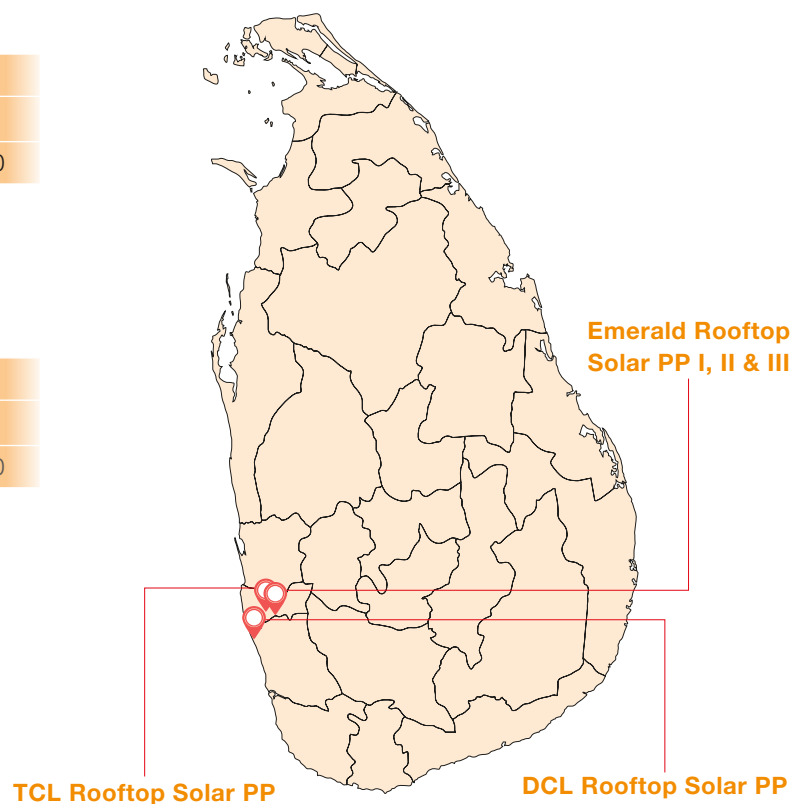


DCL Rooftop Solar PP

InstalledCapacity	515kWp
Location	IPZ - Panadura
Present Status	Commissioned on 11th December 2020

TCL Rooftop Solar PP

InstalledCapacity	240kWp
Location	Denkanda, Nugegoda
Present Status	Commissioned on 11th December 2020



PROJECT PORTFOLIO

EPC & O&M

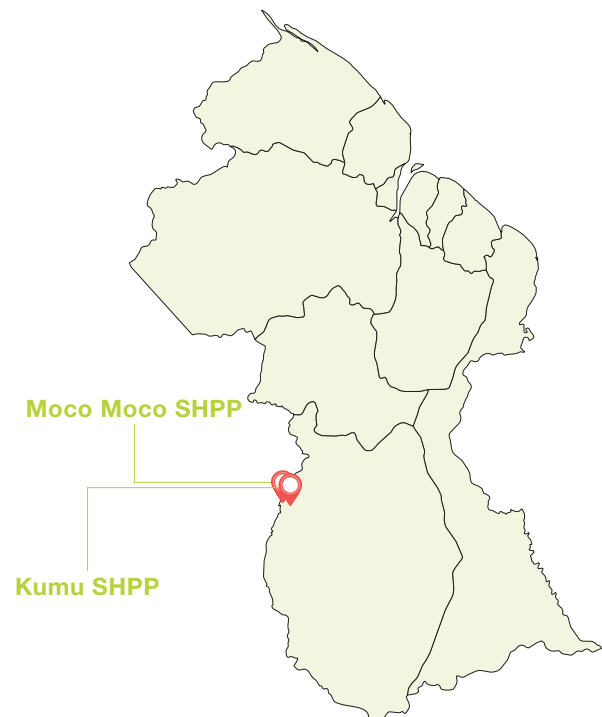
Moco Moco SHPP

Clients	Guyana Energy Agency/Lathem Power Company
InstalledCapacity	700KW
Location	Lethem, Guyana



Kumu SHPP

Clients	Guyana Energy Agency/Lathem Power Company
InstalledCapacity	1.5MW
Location	Lethem, Guyana



CHAIRMAN'S MESSAGE

We are pleased to report that the Sukuk issue was fully subscribed on the very first day of issuance when officially opened for subscriptions in June 2025, underscoring the market's appetite for ethical and innovative investment instruments.

Dear Shareholders,

Welcome to the 29th Annual General Meeting of Vidullanka PLC! This past financial year has proven to be yet another outstanding period for the company, and I take great pleasure in outlining our performance by presenting the Annual Report and Audited Financial Statements for the year 2024/25.

Global Outlook

The shift to implementing clean energy has sharply accelerated in the last few years, a welcome change propelled forward by government policies and industrial strategies. Although coal still takes the lead in global electricity generation, the power mix is evolving, with power generation from renewable sources accounting for one-third of global electricity generation in the last year. The overall global energy demand in 2024 increased by 2.2%, leading to the addition of 700GW of total renewable capacity. These numbers reflect the impressive resolve of governments to enforce clean energy infrastructure and the initiative of energy suppliers in executing the relevant projects.

However, despite this momentum, there is still much to be done to achieve the Net Zero Emissions goals outlined at the recent COP summits. Global temperatures reached a record high in 2024 making it the hottest year on record, with emissions at 37.8 Gt CO₂ as reported by the International Energy Agency, entailing severe risk to the rapid effects of climate change. In addition, escalating geopolitical conflicts pose a risk of disrupting the existing energy security of the global market. Furthermore, although states have

shown greater interest in incorporating renewables, statistics show that there is much room for improvement with this implementation.

Energy developers must step forward to develop energy infrastructure by collaborating with governments, investors and consumers to urgently reframe the reliance on fossil fuels and shift to renewables to power our planet.

Domestic Outlook

In 2024, significant steps have been initiated to increase renewable energy power generation in Sri Lanka. The recent review of the existing National Energy Policy and enactment of the Sri Lanka Electricity Act No. 36 of 2024 showed promise of a step in the right direction for the relationship between private sector and the government, setting forth a positive tone for the improvement of the industry.

However, as a private entity in the energy sector, the implementation of infrastructure projects is not something that comes without challenges. This is well documented in the case of projects even by large developers like the CEB itself. Whilst small, private sector developers have shown satisfactory and efficient track records, it is imperative that the CEB and the government recognize the challenges faced by the developers in meeting timelines in a more stringent manner.

A consultative and cooperative approach would be the best way forward to ensure the country maximizes its renewable energy potential. By addressing grievances and challenges early in the process, the

projects currently in the pipeline and under construction can reach completion more efficiently. This collaborative approach is particularly crucial for a country like Sri Lanka, where the entire thermal generation capacity depends on coal and fuel imports that are susceptible to global uncertainties.

In that sense, it is accommodating the highest renewable energy portfolio, i.e. the indigenous energy source would be a step in right direction to ensure that the country shifts toward the highest degree of energy security and economic sustainability. This is not without challenges; however, these could be overcome with new technologies available and innovative solutions.

At present, the country's renewable energy capacity stands at around 3,815MW, with the target set just short of 6,800MW, around 70% of the energy mix, by 2030. We look forward to keeping up our long-standing partnership with key government bodies in reaching this goal, expanding our reach and improving the energy infrastructure of Sri Lanka.

Our outlook towards the improvement of the industry is set against the backdrop of the country's economic performance in the last year. Following the aftershock of the economic crisis in 2022, and the reforms undertaken to recover from it, Sri Lanka's economy has performed notably better than most debt-distressed countries in recent history. The numbers for the past financial year reflect an expansion in growth by 5%, surpassing a previously projected rate of 4.4%, and notably, the Central Bank recorded a drop in inflation that was driven largely by energy price reductions. Furthermore, cheaper debt finance with recent downward trend of interest rates and stable exchange rates has supported developers in the energy industry, who in meeting an increase in electricity demand has led to a subsequent increase in generation by 7.8%.

CHAIRMAN'S MESSAGE

As the country works toward these reforms in the industry, Vidullanka is well positioned to support the much-needed change in the industry by leveraging on our years of expertise built by our growing portfolio, with the support of our network of partners.

Performance and Achievements

In the wake of the COVID-19 pandemic and the economic crisis in Sri Lanka, while most companies struggled to regain their footing in their year-on-year performance, Vidullanka PLC has stood out amongst the rest, delivering strong business outcomes in spite of the challenging economic landscape. The overseas hydro segment, recording a revenue of Rs. 2.19 billion, has been key to this consistent performance. Similarly, the Dendro segment has proven to be yet another standout performer, recording Rs. 440 million in revenue, a 22% increase from the prior fiscal year, and Rs. 104 million in profits, reflecting a rise of 5%. The local hydro segment retained its steady position, with an increase in profits at Rs. 759 million.

The EPC segment performed exceptionally recording Rs. 2.09 billion in revenue and Rs. 312 million in profits. Vidullanka completed the terms of its Engineering, Procurement and Construction contract with the Guyana Energy Agency in the latter part of 2024, completing the construction of the Moco Moco mini hydro project and the Kumu mini hydro project. The now commissioned Moco Moco project and the Kumu project which is awaiting grid connection, operate at a capacity of 0.7MW and 1.5MW respectively and are collectively expected to feed up to 13.76GWh of clean energy annually.

This achievement comes amidst the countless challenges that were encountered throughout the period of the contract, and I commend the team for their tireless efforts to complete the contract successfully, within the given budget and

time constraints. It serves as an indicator of Vidullanka's commitment and ability to create greater impact on communities, by putting much needed infrastructure in place, boosting economies and livelihoods across the globe.

In the last financial year, we were also recognized for our sustainability efforts by various corporate bodies. The profound outcomes of our efforts in the Kalapu Andara Invasive Plant Removal project were also recognised at the CGMA Professional Awards, held by AICPA & CIMA, for Regional Excellence as an exceptional sustainability driven organisation. Additionally, the SLIBFI and the IFFSA bestowed us with their respective SDG awards, acknowledging the impact of our sustainability initiatives and their alignment with the SDG goals.

A ground-breaking milestone that Vidullanka has had the privilege of initiating is the upcoming issue of Sri Lanka's first ever listed Sukuk Issuance, an exceptional achievement for the company and for Sri Lanka's capital markets. The issuance, which aimed to raise Rs. 500 million, was assigned an A+ rating by Fitch Ratings, reflecting the confidence in our financial strength and governance. We are pleased to report that the Sukuk issue was fully subscribed on the very first day of issuance when officially opened for subscriptions in June 2025, underscoring the market's appetite for ethical and innovative investment instruments. We believe this pioneering effort will serve as a catalyst for the growth and diversification of Sri Lanka's capital markets, and as a model for other corporates seeking alternative, Shariah-compliant financing solutions.

Apart from these improvements, the company recorded a net profit of Rs. 1.58 billion as of 31st March 2025, marking the 3rd year that we have successfully sustained over a billion rupees in profit, with an increase of 17%. Revenue

recorded for the year was Rs. 5.4 billion, a 5% decrease from the previous year. These continuous streaks have resulted in us recording an impressive Compound Annual Growth Rate of 34% on its profits over the last five years. This would be a coveted performance by any matrix. With the segments keeping to their outstanding potential contributing to the growth of the company, Vidullanka has also been able to pay a cash dividend and a scrip dividend amounting to a total distribution of Rs. 1.60 billion.

Future Expectations

The financial period presented in this report is reflective of Vidullanka PLC's efforts to grow and improve our capabilities as a pioneering renewable energy entity. After having continuously invested at a rate of commissioning at least one project a year, the company used the reported fiscal year to financially reinforce itself for future investments in its pipeline. However, resources remained focused on delivering the EPC contracts for our esteemed client in Guyana.

This departure from our usual practice has allowed us to strengthen our financial capabilities and performance further, allowing us to lay the groundwork for the company's aspirations. This includes our plans to further expand our local projects and pipeline, maximize shareholder value, and reinforce our engineering team in delivering the company's upcoming project implementation. It has also bolstered our diversification efforts, particularly for the E-mobility and EPC segments, the latter of which we hope to explore further with the unique competitive edge we have gained through the execution of our contract with the GEA.

I'm happy to note that as at the financial year end we had four solar power plants parallelly under construction in Vavunativu, Horana, Matara and Madampe, totalling up to 21MW, of which two power plants have been grid connected recently, an incredible feat which would be a first for the company.

We recognize that staying competitive in this industry calls for continuous innovation, a sincere commitment to exploring new clean energy solutions, and thoughtful investment in both emerging technologies and our dedicated team. We believe that by supporting our people in enhancing their skills, we can continue to nurture a culture grounded in performance and progress.

I affirm that a comprehensive Code of Conduct and Ethics is in place across the organization, along with the appropriate mechanisms for communication, oversight, and adherence. I further confirm that to the best of my knowledge, no instances of non-compliance or violation of the provisions outlined in the Code of Business Conduct & Ethics took place.

I'm deeply grateful to our Board members, whose strategic insight and unwavering support have been instrumental in driving meaningful progress.

Special mention must be made of our CEO, Mr. Riyaz Sangani, whose visionary leadership and decision-making have steered us toward remarkable achievements. His forward-thinking approach inspires our entire organization to reach new heights and pursue ambitious goals.

To our shareholders, your confidence in our mission has been fundamental to our success. Thank you for your trust and active engagement in our journey.

Most importantly, I want to acknowledge our extraordinary employees. Your dedication, expertise, and resilience form the backbone of Vidullanka's achievements. Leading such an exceptional team as we advance into our next phase of growth is both an honour and an inspiration.

Thank you
Sincerely,

Osman Kassim
Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

We believe that recognition of this track record of Vidullanka and other developers by key stakeholders including the Ceylon Electricity Board and the Ministry of Power and Energy is needed. This would enhance flexibility in project execution frameworks and further strengthen the partnership between private developers and regulatory authorities, ultimately benefiting the broader energy sector development goals.

Dear Shareholders,

It is my pleasure to present my report of the 2024/25 financial year at the 29th Annual General Meeting of Vidullanka PLC. It has been a dynamic period of growth for the company, and our performance this past year has allowed us to prove our capabilities as a pioneering renewable energy developer. We have reinforced our position not only through our consistent financial performance, but through our ability to deliver complex infrastructure projects, pioneer innovative financing solutions, and create lasting positive impact in the communities we serve.

Financial Performance

The 2024/25 financial year served as a cooling period for the company's balance sheet, after several years of continuous investments to grow our portfolio at a rate of at least one project a year. This allowed us to strengthen our fiscal performance and prepare to venture into new territory to expand our diversifications efforts further. We continued to demonstrate the company's commitment to advancing our position as a leading renewable energy pioneer, while maximizing shareholder value, and reinforce our engineering team in delivering the company's upcoming project implementation.

The company's financial achievements for the year ending March 31, 2025, include a net profit of Rs. 1.58 billion, marking the third consecutive year of exceeding one billion rupees in profit, with a 17% increase from the prior year. Annual revenue

reached Rs. 5.4 billion, representing a 5% decrease from the previous period. These sustained results have produced an impressive five-year Compound Annual Growth Rate of 34% for profits.

A key moment was the delivery of our first overseas EPC contract by our engineering team. This contract with the Guyana Energy Agency involved the development of the Moco Moco mini hydro plant and the Kumu mini hydro plant, in Lethem, Guyana. The work for the contract commenced in January 2023 and was completed in the latter half of 2024, within the stipulated budget and timeframe. Corresponding to the contract's completion, the EPC segment delivered exceptional results, posting Rs. 2.09 billion in revenue and Rs. 312 million in profits.

The overseas hydro segment has maintained its role as a cornerstone of the company's success, generating Rs. 2.18 billion in revenue in the reported financial year with a profits of Rs. 904 million. Similarly, the Dendro segment demonstrated remarkable growth, achieving Rs. 440 million in revenue, representing a 22% year-over-year increase, alongside profits of Rs. 102 million, up 5% from the previous fiscal period. Meanwhile, the domestic hydro segment maintained its reliability, with profits of Rs. 759 million including the compensation payments from CEB over the prolonged delays in settling the invoices in the past years.

The strong performance across Vidullanka's segments has had a positive impact on shareholder value, with the improvement in market sentiment which is reflected in the affirmed A+ National Long-Term Rating awarded by Fitch Ratings. This performance has also enabled Vidullanka to distribute dividends totalling Rs. 1.60 billion, combining both cash and scrip dividends to shareholders.

Challenges

No financial period is free of challenges faced by corporate entities across industries, whether it's the obstacles that arise in our domestic economic sphere or from geopolitical concerns overseas. While this year has been one of growth and profitability for the company, we came across our fair share of difficulties, but we were able to successfully address some key issues.

A significant concern which arose was the nonpayment of deemed energy revenue by the Uganda Electricity Transmission Company Limited (UETCL), which had been outstanding since October 2022. Our team had to collectively deliberate solutions and pursue the payments by the UETCL. These efforts culminated in a favourable resolution leading to full settlement of the deemed energy invoiced during the financial year, thanks to the efforts rendered by all the parties involved.

Infrastructure projects present inherent complexity from conception to commissioning and beyond, requiring careful coordination with multiple government bodies and stakeholders. Successful execution of such projects demands parallel management of numerous variables including financing arrangements, construction, logistics, and implementation timelines. Despite the multifaceted nature of meeting requirements at each critical checkpoint in a power project's development cycle, private developers such as Vidullanka have consistently delivered projects while navigating these challenges.

This proven track record of successful project delivery under complex conditions provides us with a competitive advantage in the industry. However, we believe that recognition of this track record of Vidullanka and other developers by key stakeholders including the Ceylon Electricity Board and the Ministry of Power and Energy is needed. This would enhance flexibility in project execution frameworks and further strengthen the partnership between private developers and regulatory authorities, ultimately benefiting the broader energy sector development goals. Whilst the domestic private sector is well prepared to invest in and further develop the industry, critical investment from the public sector is lacking in supporting infrastructure segments that are not open to private sector participation.

Achievements

Vidullanka achieved a historic milestone by launching Sri Lanka's inaugural listed Sukuk issuance, representing a breakthrough for both the company and the nation's capital markets. This Rs. 500 million fundraising initiative received an A+ rating from Fitch Ratings, reflecting strong confidence in our financial stability and corporate governance standards. The overwhelming market response was evident when the Sukuk offering achieved full subscription on its first day of its launch in June 2025. The issuance of the Sukuk represents a valuable and much-needed Investment option for Shariah-compliant Islamic funds, trusts, companies and other investors alike as well as individuals. Sri Lanka's Renewable Energy sector is an asset rich industry, and the requirement for majority of Islamic finance transactions to be asset backed lends itself well to be utilized in structuring financing requirements for Renewable Energy projects. I hope this will serve as a stepping-stone to greater diversification in the Islamic finance compliant financial instruments that are offered and pave the way to the growth of Sri Lanka's capital markets.



Another significant milestone was reached with the successful completion of Vidullanka's contract with the Guyana Energy Agency in late 2024. The Moco Moco and Kumu Small Hydro Power projects were commissioned in November 2024 and June 2025 respectively, offering a total of 13.76GWh of clean energy to the region of Lethem annually. The successful delivery of these projects demonstrates our team's dedication and expertise in completing complex infrastructure projects within specified budgets and timelines. It is noteworthy to mention that the projects delivered are equipped with necessary technical capabilities to meet the electricity demands of the Lethem locality even in the absence of the national grid connectivity. At present, Vidullanka is overseeing the operation and management of these projects while exploring new opportunities in Guyana.

This accomplishment underscores Vidullanka's capacity to drive meaningful community impact through essential infrastructure development, contributing to economic growth and improved livelihoods internationally.

Vidullanka also launched VEDRIVE in September 2024, the pilot project in the company's diversification into e-mobility. The first two 60kW fast charging stations have been installed at One Galle Face, an iconic landmark in Colombo. This

installation caters to one of the largest parking spaces in the city, with its use by tenants in its office tower, residential building, shopping mall and guests at the Shangri-La hotel.

We received several accolades from leading entities in the last year, including the Gold Awards for sustainability from IFFSA and SLIBFI, and the CGMA Sustainability Award for Regional Excellence, acknowledging the efforts to revive the habitat of the Bundala National Park through the invasive Mesquite plant clearing project.

The company was accredited by ACCA as an Approved Employer for Trainee Development, which demonstrates our commitment to a culture of continuous learning to foster our employees' professional growth as they progress up the ranks of the corporate ladder.

Caring For Our Communities

Vidullanka extends its mission far beyond renewable energy generation, focusing on meaningful community development and environmental conservation. Our comprehensive Corporate Social Responsibility programs actively contribute to eleven UN Sustainable Development Goals, addressing critical areas including education, healthcare, innovation, nutrition, and environmental restoration to drive societal progress.

CHIEF EXECUTIVE OFFICER'S REVIEW

Through ViduSaviya Daruwanta Diriyak, we invest in Sri Lanka's future by providing essential educational resources to schools nationwide. Our contributions include laptop computers, textbooks, and learning materials, alongside merit-based scholarships for deserving students facing financial constraints. In addition, we gifted essential school shoes and school bags to support students in schools across the island.

We also donated rooftop solar systems to 10 schools in different districts, and extended interest free loans to 29 employees to acquire and install rooftop solar systems at their residences, further promoting the use of renewable energy infrastructure in the community.

Our environmental stewardship, under ViduSaviya Ratata Sevanak, encompasses both habitat restoration and biodiversity protection. We continue our collaborative efforts at Bundala National Park to eliminate invasive 'Kalapu Andara' species that threaten local ecosystems, under the guidance of the Department of Wildlife to clear 215 hectares of this species.

Similarly, in 2019, the company had set a target to plant, sustain and track 100,000 trees in the catchment areas of our hydro power projects by 2025, and I am happy to report that we were able to reach this goal well ahead of the deadline. The initiative reached the set target in December 2024, and this served as motivation to keep pursuing our reforestation work. As of 31st March 2025, we have added a total of 36,867 trees to our conservation portfolio, bringing our total successful plantings to 100,605 thriving trees.

In Conclusion

Looking forward, we remain committed to our core mission of advancing renewable energy while exploring new opportunities that align with our values and expertise. I am confident that Vidullanka's strong foundation, combined with our strategic vision and operational excellence, will continue to drive sustainable growth and positive impact for years to come.

Our success would not be possible without the trust and support of our shareholders, the dedication of our employees, and the partnerships we have forged with partners, communities and all supporting entities. I extend my appreciation to our shareholders and partners for the trust that they place in us that propels forward in achieving our yearly goals.

I am grateful for the passion and support that the Management team brings to their work which continues to keep us on the path to success. Special mention should also be made of the Chairman and the Board of Directors for the years of experience and broad insight that guides the company's growth year-on-year.

As we move into the next financial year, we remain focused on expanding our portfolio while delivering value to all our stakeholders and maintaining our commitment to our vision of sustainably energizing the planet.

Thank you
Sincerely,

Riyaz Sangani
CEO

BOARD OF DIRECTORS

Osman Kassim

Chairman

With over four decades of senior leadership experience in strategy and management, Mr. Osman Kassim is a distinguished entrepreneur renowned for his strategic approach to leadership. This is attested for in Mr. Kassim's contribution to multiple industries across Sri Lanka and overseas. He currently serves as Chairman of Vidullanka PLC, and is the Emeritus Chairman of Aberdeen Holdings (Pvt) Ltd. He also chairs the boards of Amana Takaful Life PLC, Rokfam (Pvt) Ltd., The Goodness Foundation and Crescentrating (Pte) Ltd, Singapore. In addition, Mr. Kassim previously served as chairman of Expolanka Group, Amāna Bank PLC, Amana Takaful PLC and the Asia Pacific Institute of Information Technology (APIIT), Sri Lanka.

Mr. Kassim also lends his years of expertise as the Deputy Chairman of Amāna Takaful Maldives PLC and Non-Executive Director to the board of Maldives Islamic Bank.

Mr. Kassim played a pivotal role in founding Amana Bank PLC, Sri Lanka's first specialized Islamic Bank offering non-interest-bearing participatory banking solutions. He was also involved in the formation of Amana Takaful PLC, Sri Lanka's first Islamic Insurance company, which further demonstrates his pioneering contributions to the domestic framework of Islamic finance.

His contributions as a global entrepreneur and visionary earned Mr. Kassim the title of one of Sri Lanka's 'Captains of Business' in LMD's A-List of 100 Sri Lankan business leaders in 2020 as well as an Honorary Doctorate, which was awarded by Staffordshire University, UK.



Riyaz M. Sangani

Chief Executive Officer

As the founder and CEO, Mr. Riyaz Sangani has spent nearly thirty years shaping the vision and purpose of Vidullanka PLC as a pioneering renewable energy entity in Sri Lanka. His astute approach to his role is informed by his years of experience in leading the company, supported by his keen business acumen, strong insight and dynamic leadership style.

As a key advocate for Sri Lanka's renewable energy sector, Mr. Sangani contributed significantly to the small hydropower industry's progress, notably during his tenure as President of the Small Hydro Power Developers Association. He continues to advance renewable energy development through his roles as Co-Chair of the Energy Subcommittee at the Ceylon Chamber of Commerce and as an Ex Officio member of the Board of Management at the Sri Lanka Sustainable Energy Authority.

He also serves as a director across the Vidullanka Group and holds leadership roles in several companies, including Chairman of Tradefirst (Pvt) Ltd. and Director of Lanka Equities (Pvt) Ltd, Ceylon Jewellery Manufacturers, Autus Chemicals (Pvt) Ltd, Drissq Ventures, Freco Plantation (Pvt) Ltd, Dymec Group of Companies, Diamond Cutters Sales (Pvt) Ltd, Alankara Jewellery (Pvt) Ltd, and Barak Farms Ltd.

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



BOARD OF DIRECTORS

Ranjan Mather

Non-Executive Director

Mr. Ranjan Mather, who holds over three decades in senior management experience, played a critical role as a charter investor who supported the founding of Vidullanka PLC. He currently serves as a Board Member of the company and contributes in a similar capacity to other corporate entities in textile and fast food, namely Bhoruka Power Lanka (Pvt) Ltd and Chinese Dragon Cafe (Pvt) Ltd.

Apart from his role at Vidullanka PLC, he serves on the boards of several companies within the Vidullanka Group.



Shahid M. Sangani

Non-Executive Director

Mr. Shahid Sangani is an Attorney-at-Law of the Supreme Court of Sri Lanka, with over 30 years of business experience across diverse sectors. He currently serves as the Managing Director of Lanka Equities (Pvt) Ltd, Dynawash Limited, Autus Chemicals (Pvt) Ltd, and Co-Energi (Pvt) Ltd, while also holding the position of Non-Executive Director at Vidullanka PLC.

In addition, Mr. Sangani serves as a director on the boards of several other companies, including Diamond Cutters Sales (Pvt) Ltd. and Alankara Jewellery (Pvt) Ltd. Over the years, he has held board positions in numerous organizations involved in engineering consultancy, renewable energy, investment banking, apparel manufacturing, general trading, jewelry manufacturing and retailing.



Sattar Kassim

Non-Executive Director

Mr. Sattar Kassim holds over thirty years of experience in managing several leading organisations both in Sri Lanka and overseas. He is the founding director of Expolanka Holdings PLC, a diversified conglomerate leading industries such as transportation, manufacturing, travel & leisure, international trade and strategic investments. He joined the Board of Vidullanka PLC in 2012 and serves as a Non-Executive Director.

Mr. Kassim is also the Chairman of Aberdeen Holdings (Pvt) Ltd., which holds leadership in sectors such as Agriculture & Poultry, Commodity Trading, Airline, Tea Exports, UPS courier Agency, General Sales Agents for Saudi Arabian Airline Cargo & a large Corrugated Carton Manufacturing and Solar Energy companies. Aberdeen Holdings also maintains strategic investments in oceanic fish farming, courier and related services and Plantations in Sri Lanka, in addition to the several international partnerships and ventures in more than 30 countries.



Mr. Sattar Kassim serves as the Board Chairman in a number of 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,

He also serves in the capacity of board director for 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.

BOARD OF DIRECTORS

Sujendra Mather

Non-Executive Director

Mr. Sujendra Mather is currently a Director with Buglerock, an investment firm (based in Singapore) and possesses over 20 years of experience in Investment Banking and Corporate Finance, across firms such as Houlihan Lokey Howard & Zukin, John Keells Holdings PLC and Deloitte & Touche Corporate Finance in the US, Sri Lanka and Singapore respectively. He most recently was the Managing Director - Corporate Finance at PwC Singapore. Prior to that he co-founded a boutique financial advisory firm called York Street Partners which he merged with Asia Securities Holdings, the #1 Equities Trading firm in Sri Lanka.

He 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.

Mr. Mather received a B.A. in Economics-Mathematics from Claremont McKenna College in California, USA and completed a Wharton Executive Education Program on Economics of Blockchain and Digital Assets.



Deepthie Wickramasuriya

Independent Non-Executive Director

Ms. Deepthie Wickramasuriya is an Independent Non-Executive Director of the company and its subsidiary Vidul Plantations (Pvt) Ltd. and chairs the group's Audit Committee and the Nomination and Governance Committees. She has over thirty-five years of global corporate experience, which informs her roles at Vidullanka PLC and other companies where she serves in a similar capacity.

Some of these companies include Amana Takaful PLC, Mercantile Investments and Finance PLC and Pelwatte Dairy Industries Ltd. Additionally, she provides independent consultancy services in Business Process Management, Treasury Management, and Business Counselling.

Ms. Wickramasuriya has established her presence across industries in the United Kingdom, Singapore, India, Indonesia, and the Fiji Islands, and is renowned for her efforts to address organizational strategy, operations, finance, risk, and governance. She has also championed initiatives to address generation gaps prevalent in corporate leadership.

She has previously been a board member/advisor to the boards of 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 Limited) and Family Health Services Authority - Oxfordshire, UK.

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



M. Rizvi Zaheed

Independent Non-Executive Director

Mr. Rizvi Zaheed holds over four decades of leadership experience across Sri Lanka's agricultural and corporate sectors. He currently serves as the Managing Director of the Halal Assessment Council (HAC) Sri Lanka, and Director of Hameedia Group. He joined the Board of Vidullanka PLC as an Independent Non-Executive Director in July 2018.

Mr. Zaheed has helmed several leading entities, which include his role as former Managing Director of Hayleys Agriculture Holdings Ltd and his directorship at Hayleys PLC, where he represented the company on the board of the Sri Lanka Institute of Nanotechnology (SLINTEC).

At present, he is the Chairman of the National Industry Biotechnology Association and the Sri Lanka Agripreneurs' Forum. Mr. Zaheed is also the Vice Chairman of CSR Lanka (Guarantee) Limited, 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 served in the Advisory Board of the USAID project on Climate Adaptation.

Mr. Zaheed is a member of the National Agriculture Policy Committee under the Ministry of Agriculture and the Expert Committee on the Agriculture Modernization Task Force of the Presidential Secretariat, which significantly contributes to the development of the agriculture sector in Sri Lanka. He is also 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 Council of the Faculty of Technology at the University of Colombo and is a member of the National Science Foundation's Research and Technology Committees and chairs the NSF's Agriculture Steering Committee.

Apart from these roles, Mr. Zaheed additionally serves on the Food and Beverage Advisory Committee of the Sri Lanka Export Development Board and the Economic Policy Committee of the Ceylon Chamber of Commerce.

Mr. Zaheed obtained his Bachelor's degree from the University of Kelaniya and MBA from the University of Colombo, complemented by his executive education at the Industrial Society, UK and Swedish Institute of Management, Sweden. He is also a JCI International Senator.



BOARD OF DIRECTORS

Sidath Fernando

Independent Non-Executive Director

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

Mr. Fernando served as a board member of Vidullanka PLC since 2012 and was previously 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 been a committee member of the Chamber of Young Entrepreneurs in Sri Lanka and a Rotarian of the Rotary Club of Colombo.



Prof. Anura Wijayapala

Independent Non-Executive Director

Prof. Anura Wijayapala is a renowned academic and an electricity industry professional in Sri Lanka, with over 25 years of experience in the field. He currently serves as an Independent Non-Executive Director of the Board of Vidullanka PLC.

Prof. Wijayapala was the Chairman of the Ceylon Electricity Board in 2015, having previously served as Vice Chairman. He was the Chief Executive Officer of Windforce Ltd. from 2018 to 2020 and he was the Chairman of NERD Center, the Trincomalee Coal Power Company Ltd., and Sri Lanka Energies Ltd. Moreover, he was a director on the boards of LTL Holdings Ltd., Lanka Electricity Company Ltd., and Lanka Coal Company Ltd. between 2015 and 2017.

He is a Fellow of the Institute of Engineers, Sri Lanka and an International Professional Engineer, and a Corporate Life Member of the Sri Lanka Energy Managers Association. Prof. Wijayapala obtained both his Bachelor and Master of Science in Engineering from the University of Moratuwa. He joined the university as a senior lecturer in 2006 and currently serves as the Head of the Department of Electrical Engineering.



MANAGEMENT DISCUSSION AND ANALYSIS

1. Global Economic Outlook

The global economy navigated a complex and evolving environment during the financial year 2024/25. According to the International Monetary Fund (IMF), global growth is projected at 3.3% for 2025, slightly below the pre-pandemic historical average of 3.7%, yet higher than earlier forecasts. Economic momentum proved more resilient than expected, though growth was moderated by persistent inflationary pressures, tighter financial conditions, and elevated geopolitical tensions. Central banks in both advanced and emerging economies maintained a cautious stance, prioritising price stability and financial resilience over aggressive monetary easing.

Global trade flows remained subdued, reflecting adjustments in supply chains, slower demand in some regions, and the continued prevalence of protectionist measures. Geopolitical uncertainties, particularly in conflict-affected areas, contributed to commodity price volatility and dampened investor confidence. Climate-related disruptions, including extreme weather events, further strained agricultural output and critical infrastructure, disproportionately affecting low-income and vulnerable nations.

In Emerging Market and Developing Economies (EMDEs), fiscal constraints and rising debt service obligations limited the scope for public investment. For many low-income countries, lingering effects of the COVID-19 pandemic, combined with climate shocks, have intensified debt vulnerabilities and restricted fiscal space. These challenges underscore the importance of sound fiscal management, efficient investment, and targeted reforms to strengthen governance, enhance productivity, and build resilience.

Looking ahead, while the global growth outlook has improved slightly with the IMF's upward revision, risks remain

skewed to the downside. Geopolitical fragmentation, ongoing trade tensions, and climate vulnerabilities continue to threaten both short-term stability and long-term growth potential. Global policy priorities include safeguarding open and rules-based trade, supporting the transition to green and digital economies, and strengthening mechanisms for debt relief and climate resilience in vulnerable nations.

For EMDEs, sustaining inclusive growth will require a careful balance of policies, maintaining price stability, mobilising domestic revenue, improving transparency and efficiency in public expenditure, and undertaking structural reforms to enhance human capital, close labour market gaps, and upgrade infrastructure.

In this environment, the resilience of the global economy will depend on policy agility, strengthened multilateral cooperation, and a shared commitment to sustainable and inclusive development.

1.1. Global Climate Action

Climate change is no longer a distant threat, it is a present reality. The year 2024 has been officially declared the hottest on record, surpassing 2023 and setting an alarming new benchmark in the planet's warming trajectory. According to the World Meteorological Organization, global average surface temperatures reached roughly 1.55 °C above pre-industrial levels, while NASA measured a rise of around 1.47 °C, and the Copernicus Climate Change Service reported an even starker figure of 1.6 °C. What makes 2024 particularly historic is that it marked the first time a full calendar year exceeded the 1.5 °C threshold, a limit long regarded as critical in international climate negotiations.

This crossing was not an abstract milestone, it carried visible and destructive consequences. Extended heatwaves, some lasting weeks, swept across Asia,

Europe, and North America, pushing infrastructure and public health systems to the brink. Humidity levels surged globally, with the number of excessively humid days rising by nearly 10 days above the record set in 2023. These conditions magnified heat stress, threatening both human survival in vulnerable regions and agricultural productivity across key breadbaskets.

In parallel, wildfires intensified, from the Mediterranean to South America, culminating in catastrophic blazes in California in early 2025, directly tied to the extreme conditions of the previous year. Torrential floods displaced millions in South Asia and Africa, while prolonged droughts undermined hydropower output in parts of Latin America and East Africa. Taken together, these cascading impacts underscored how climate instability is not a distant threat but a disruptive force shaping economies, ecosystems, and societies in real time.

COP29 in Baku, Limited Progress: At COP29 in Baku, countries agreed on a new climate finance goal of at least USD 300 billion annually by 2035, a notable increase from the USD 100 billion target but still far short of the trillions required. Negotiators also advanced rules for a global carbon market under Article 6 of the Paris Agreement, aimed at boosting funding for emissions reduction.

However, unlike COP28, the summit offered no clear timeline for phasing out fossil fuels, drawing criticism from developing nations for its weak ambition and lack of concrete commitments.

Rising to the Challenge - The Role of Renewables: Transitioning to clean energy is no longer just an environmental imperative, it's a business imperative. Renewable energy systems are demonstrating extraordinary resilience despite inflation, supply chain disruptions, and elevated capital costs. Indeed,

MANAGEMENT DISCUSSION AND ANALYSIS

investment flows into solar, wind and energy storage continue to grow dynamically, signalling investor confidence in clean energy's future. Meanwhile, geopolitical crises, from the war in Ukraine to regional instability in the Middle East have further exposed the fragility of fossil fuel dependence and reinforced the value of diversified, low-carbon energy portfolios.

Developing regions will be at the heart of the energy transition. Thanks to rising electricity demand, abundant renewable potential, and increasing tech accessibility, emerging economies are uniquely positioned to leapfrog fossil-based pathways creating cleaner, more equitable energy systems and driving inclusive growth.

While uncertainties persist such as the scalability of next-generation solar and battery tech, the trajectory of LNG markets, and geopolitical shifts, one fact is incontrovertible: climate change demands immediate, coordinated global action. Staying on the current path is no longer viable.

What lies ahead is not just achieving emissions targets, it's building a more sustainable and equitable energy future. That future must be anchored in renewable innovation, climate justice, and strategic partnerships.

2. Local Economic Outlook

Sri Lanka's economy continued its recovery in 2024, achieving 5% growth, driven by the revival of industrial and construction activities and robust performance in the services sector, particularly tourism. Swift post-crisis reforms and stabilization measures supported this rebound. Inflation declined significantly during the year, turning into deflation of 1.7% by late 2024, largely due to lower energy prices, with forecasts indicating a return to around 5% in the medium term.

The external sector remained resilient, with strong tourism earnings, steady remittances, and robust service exports contributing to a current account surplus. The Sri Lankan rupee appreciated under the flexible exchange rate system, reflecting healthy foreign exchange inflows and improved investor confidence. Fiscal consolidation continued, resulting in a primary surplus for the second consecutive year, reinforcing macroeconomic stability.

Looking forward, economic growth is expected to be supported by a stable political environment, supportive monetary policies, and positive market sentiment. Industrial and construction activities are poised to benefit from improved access to raw materials and the easing of import restrictions, while the service sector is expected to continue growing alongside tourism. However, challenges remain, including climate-related disruptions to agriculture, demographic constraints, and structural issues such as low female labour force participation and high youth unemployment.

Sustaining growth will require continued economic reforms, including improved public sector efficiency, modernized labour laws, investment in education and skills development, promotion of innovation, and creation of a business-friendly environment. Strong governance and a consistent policy framework will be essential to foster resilience, inclusivity, and long-term sustainable growth.

2.1. Local Energy Industry

Sri Lanka's energy sector demonstrated resilience and growth in 2024, in line with broader economic recovery. Electricity demand increased by 7.3%, supported by economic revitalization and two successive tariff reductions, while electricity generation rose by 7.9% to meet this higher demand. The Ceylon Electricity Board (CEB) reported a profit of Rs. 148.6 billion, a significant improvement from Rs. 61.2

billion in 2023, despite the impact of tariff adjustments. These results underscore the sector's ability to adapt amid changing economic conditions.

The rise in electricity consumption was observed across all consumer categories, with the industrial sector contributing substantially to overall demand. In response, increase in generation capacity helped to meet the growing needs.

The first quarter of 2024 faced challenges due to a prolonged dry spell and below-average inter-monsoon rainfall, increasing reliance on fuel-based thermal generation. Favourable mid-year rainfall and above-average precipitation in November allowed optimal use of hydropower, balancing the energy mix and reducing dependence on fossil fuels.

Despite two significant tariff reductions in March and in July, the CEB achieved a commendable profit, supported by improved operational efficiencies and a favourable exchange rate. However, monthly profits declined during the latter part of the year due to the cumulative impact of tariff reductions.

The Electricity Act No. 36 of 2024, enacted in June 2024, aims to strengthen industry regulations, promote market competition, accelerate the integration of renewable energy, and modernize institutional frameworks. More recently, several amendments have been proposed to the Act, which are still undergoing the legislative process. Consequently, the sector has yet to fully experience the impact of these reforms, which are expected to become more evident in 2025 and beyond.

Looking ahead, Sri Lanka's electricity sector is expected to experience structural shifts driven by evolving consumer behaviour and technology adoption. The opening of vehicle imports in February 2025 is likely to accelerate the large-

scale adoption of electric vehicles (EVs), increasing electricity demand and potentially transforming the national energy mix. This transition may reduce reliance on fossil fuels while supporting greater integration of renewable energy sources.

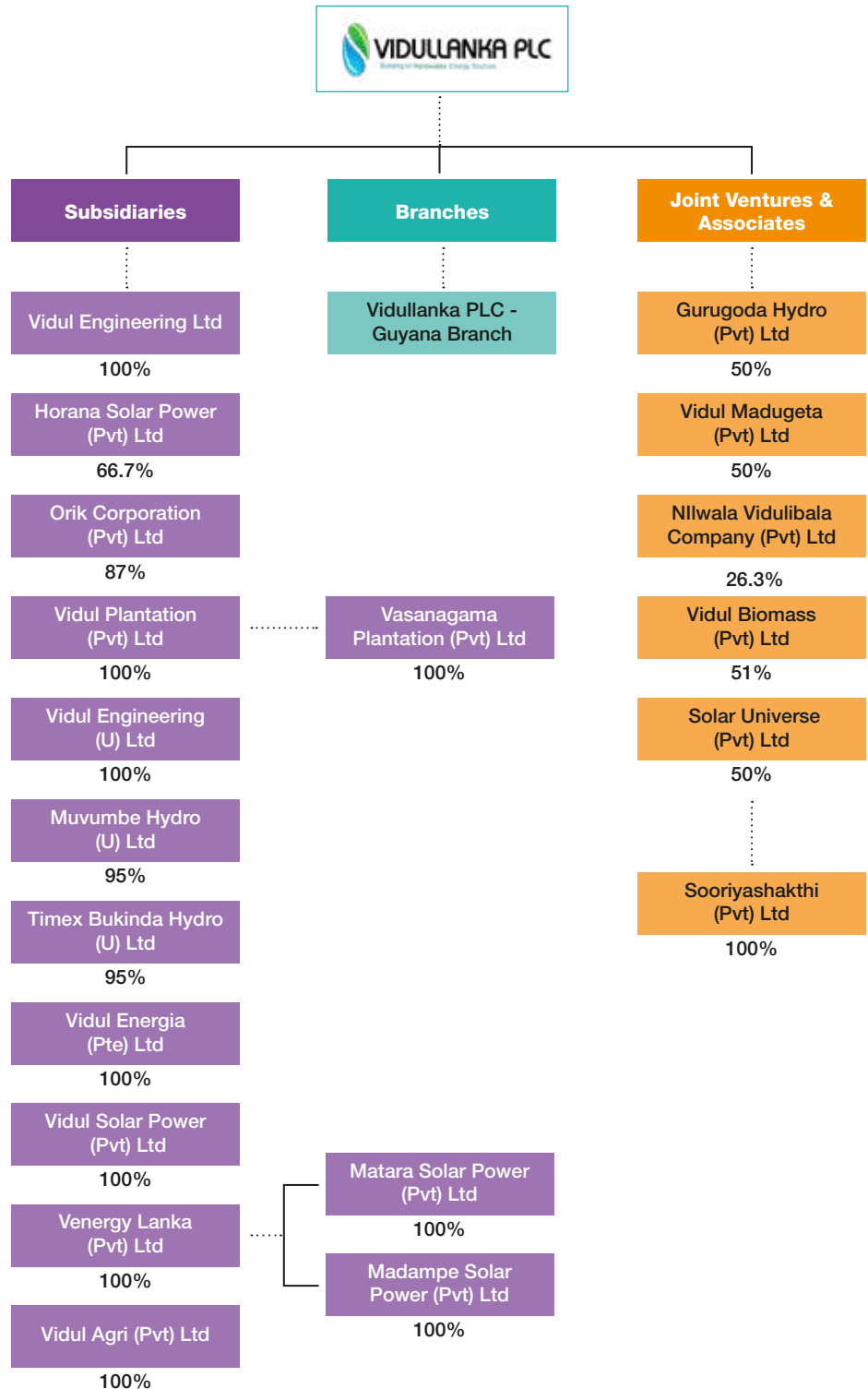
Additionally, ongoing investments in grid modernization, renewable energy capacity, and energy efficiency initiatives are expected to enhance system resilience and flexibility. However, careful planning will be essential to manage peak load, ensure stable supply, and maintain affordability for consumers. Overall, the sector is well-positioned to support Sri Lanka's sustainable growth while enabling the country's transition to a cleaner, electrified economy.

■ Electricity Generation

In 2024, Sri Lanka's total electricity generation reached 16,802 GWh, representing a 7.9% increase compared to the previous year, despite a 6.5% decline in annual average rainfall to 2,371 mm. The generation mix comprised major hydro: 5,426 GWh (32.3%), coal: 5,482 GWh (32.6%), thermal oil: 2,339 GWh (13.9%), and Non-Conventional Renewable Energy (NCRE): 3,555 GWh (21.2%).

Installed capacity expanded across all major sources, with major hydro reaching 1,533 MW, thermal oil 1,283 MW, and NCRE 932 MW, bringing the country's total installed capacity to 4,648 MW. The growth in NCRE reflects ongoing investments in solar, wind, mini-hydro, and biomass projects, contributing significantly to the diversification and resilience of the national energy mix.

3. Vidullanka Group Ownership Structure

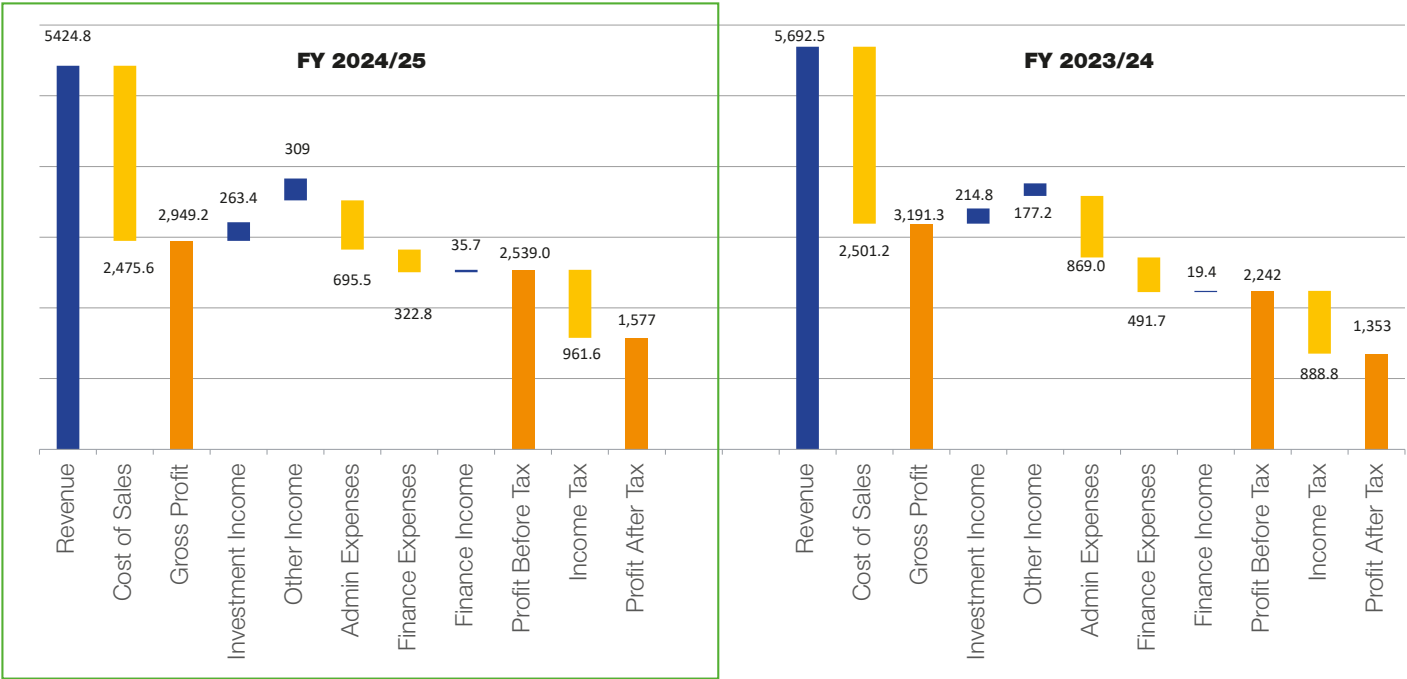


MANAGEMENT DISCUSSION AND ANALYSIS

4. Company Performance

The Vidullanka Group delivered a strong performance for the financial year 2024/25, recording a profit after tax of Rs. 1.58 billion, representing a 17% increase over the previous year. Group revenue stood at Rs. 5.4 billion, marginally lower than Rs. 5.7 billion in the prior year.

Comparative Income Statement in Waterfall Diagram (Rs. Mn)



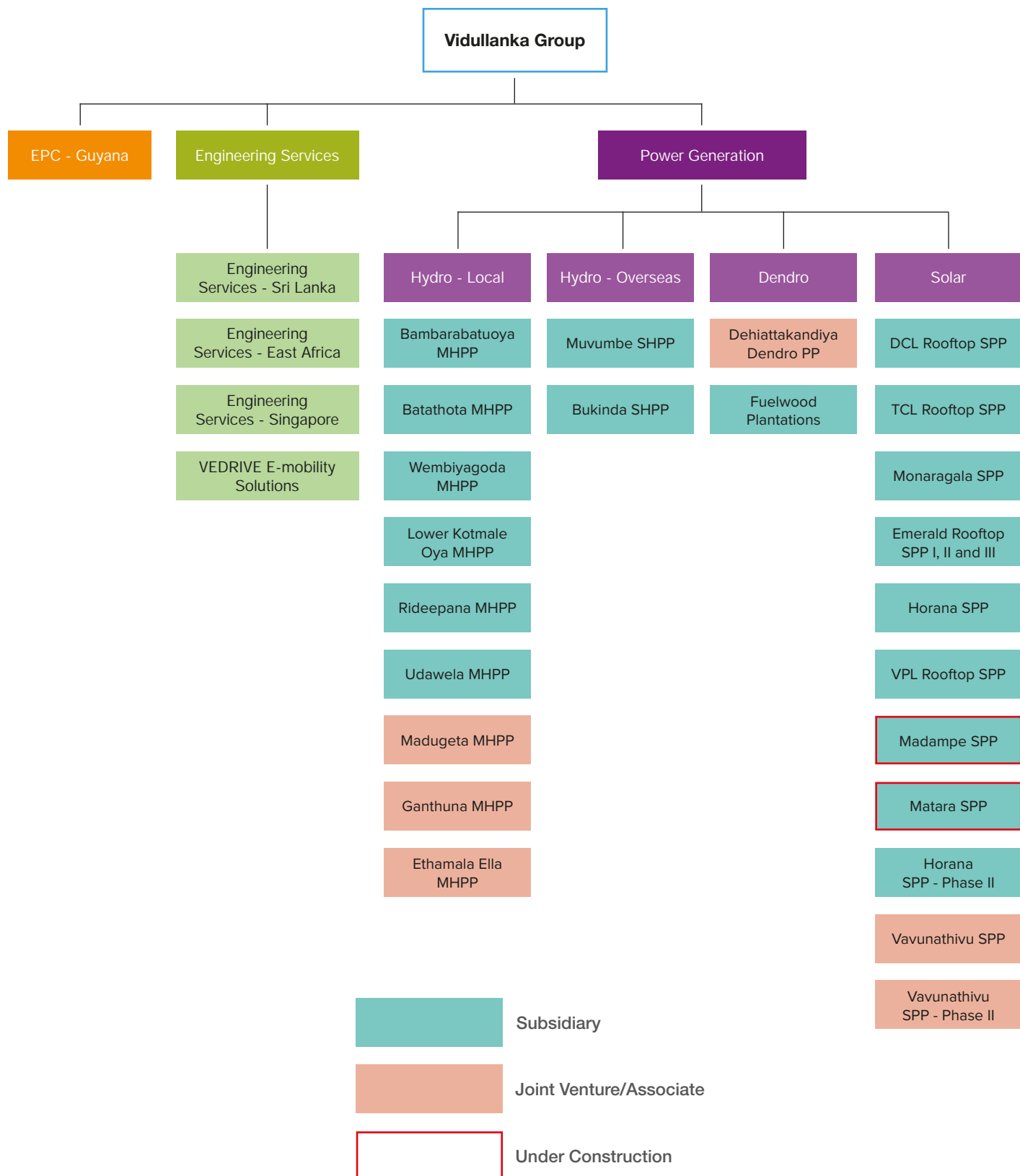
The overseas hydro segment, particularly the Muvumbe MHPP and Bukinda MHPP projects in Uganda, remained the largest contributor to the Group's performance, generating Rs. 2.2 billion in revenue and Rs. 904 million in profit after tax during the year.

The local hydro segment also performed strongly, with a profit of Rs. 759 million, compared to Rs. 420 million in the previous year, partially due to the compensation claims received from CEB for the prolonged delay in settlement of dues in the past. Joint venture projects including Madugeta MHPP, Ganthuna MHPP, and Ethamala Ella MHPP contributed a combined profit of Rs. 89 million.

The Dendro & Plantation segment delivered promising results, contributing Rs. 104 million in profit, despite challenges in fuelwood supply. The solar segment recorded a profit of Rs. 91 million, a significant improvement over Rs. 59 million in the previous year, reflecting operational efficiencies and improved performance in challenging market conditions.

The Group's Engineering, Procurement, and Construction (EPC) activities expanded significantly with the successful completion of its first EPC contract in Guyana, handing over two hydropower plants with a cumulative capacity of 2.2MW to the Guyana Energy Agency. The EPC venture generated Rs. 2.1 billion in revenue and contributed Rs. 312 million in profit. The Engineering, Consultancy, and Project Management segment also recorded a profit of Rs. 100 million from revenue of Rs. 184 million.

Overall, the Group achieved profitability across all core segments, led by the strong performance of overseas hydro, supported by local hydro, EPC, Dendro & Plantation, and solar segments, reflecting continued operational efficiency, strategic project execution, and growth in both local and international markets.



MANAGEMENT DISCUSSION AND ANALYSIS

4.1. Constraints and Challenges

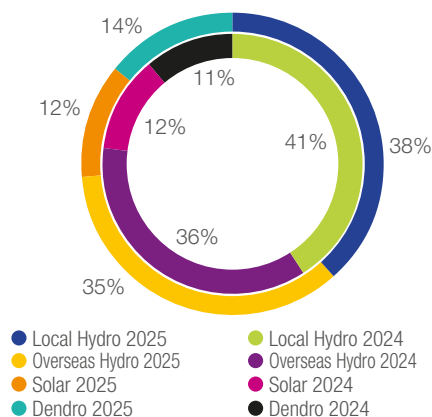
The company's profitability continues to be influenced by its aging portfolio of hydro power plants in Sri Lanka. The Bambarabatuoya Mini Hydro Power Plant (MHPP) concluded its initial Power Purchase Agreement (PPA) in 2016 and now operates under a renewed tariff structure for an extended 20-year term. Similarly, the Batathota MHPP renewed its Standardized Power Purchase Agreement (SPPA) during the financial year for an additional 20 years, following the expiry of its original agreement in 2022. Additionally, the Ganthuna MHPP, a joint venture, entered its 16th year of commercial operation in March 2025, becoming the first power plant in the Group's portfolio to transition into the lowest (third) tier of its PPA tariff. The remaining six local hydro power plants, along with the dendro power plant, still have considerable time before their PPAs expire, allowing them to continue benefiting from the existing three-tiered tariff structure.

The regulatory environment in Sri Lanka presents challenges for renewable energy developers and independent power producers. While authorities recognize the importance of renewable energy for national energy sustainability, ad hoc policy changes that reduce tariffs or impose generation curtailments during periods of difficulty create uncertainty and undermine investor confidence. Consistent and supportive policies are essential to foster sustained growth in the renewable energy sector.

In Uganda, the Uganda Electricity Transmission Company Limited (UETCL) initially withheld Deemed Energy Payments owed to both hydro projects for the period from October 2022 to October 2023, citing higher-than-projected plant factors. The company, with the support of legal and professional advisors, contested this decision in accordance with the terms of the Power Purchase Agreement and

Implementation Agreement. The matter was successfully resolved during the year, with all due amounts paid by UETCL.

**Generation Mix
2025 Vs 2024**



4.2. Dividend

During the financial year 2024/25, the company declared and paid two interim dividends. An interim dividend of Rs. 0.30 per share was paid on 1 July 2024, followed by a second interim dividend of Rs. 1.40 per share on 4 November 2024, comprising Rs. 0.20 in cash and Rs. 1.20 as a scrip dividend. The total distribution for the year amounted to Rs. 1.6 billion.

The scrip dividend was satisfied through the issuance of fully paid shares as follows:

- 73,763,666 ordinary voting shares at a consideration of Rs. 13.94 per share
- 9,719,489 ordinary non-voting shares at a consideration of Rs. 8.79 per share

Based on the profit after tax of Rs. 1.58 billion for the financial year, the cumulative dividend payout ratio was approximately 108%. Whilst cash dividend payout stands at 32% of the reported profits, reflecting the company's commitment to returning value to shareholders while maintaining sufficient capital for ongoing operations and future growth.

5. Future Outlook

In the coming years, Vidullanka intends to expand its portfolio of power generation assets within Sri Lanka while simultaneously strengthening its international presence through renewable energy initiatives across Asia and Africa. Leveraging its core strengths in renewable energy development and engineering excellence, the company plans to extend its operations along the entire value chain, from project development to construction, operations, and technology solutions.

As the global energy sector accelerates toward a low-carbon future, Vidullanka is strategically positioned to capitalize on emerging opportunities in both domestic and international markets. The company has also stepped into the e-mobility sector with its own EV charging stations at One Galle Face, branded "VEDRIVE" (Vidul Electric Drive), marking the Group's entry into electric mobility infrastructure and reinforcing its commitment to sustainable energy solutions.



The Group's consistent performance amid economic and industry pressures demonstrates its agility, resilience, and capacity to address current challenges while preparing for future demands. Its diversified mix of domestic and overseas operations provides a balanced shield against market volatility. Supported by a strong and resilient financial foundation, Vidullanka leverages this stability to secure sustained returns for investors, navigate complex market dynamics, and establish enduring, environmentally responsible business practices.

6. Caring for Our People

At Vidullanka, Human Resources plays a central role not only in managing talent but also in fostering empowerment, which is considered essential to the company's long-term success. The HR strategy is focused on expanding employee skills and potential, cultivating a stimulating and productive environment that enables individuals to excel. Years of consistent implementation have demonstrated the effectiveness of this approach, underscoring the company's commitment to the personal and professional growth of its workforce.

Great Place to Work®

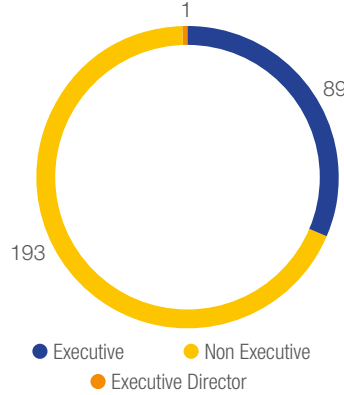
Vidullanka was recertified as a Great Place to Work® and recognized as one of the 50 Best Workplaces® in Sri Lanka. This accolade reflects the company's dedication to maintaining a positive work culture, supporting employee welfare, and fostering mutual trust and engagement.



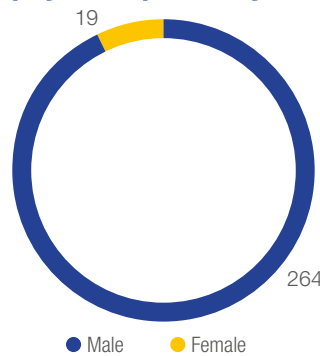
6.1. Staff Profile

Vidullanka PLC's workforce comprises 283 employees, including an Executive Director, 89 executives, and 193 non-executives. Female employees constitute 7% of the total workforce, while female representation among executive and managerial grades stands at 20%, primarily based at the Head Office. 43 employees are stationed overseas in Uganda and Guyana.

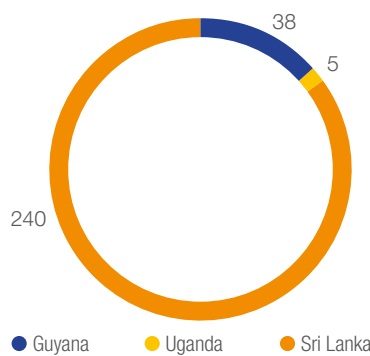
Employee Composition by Employee Category



Employee Composition by Gender



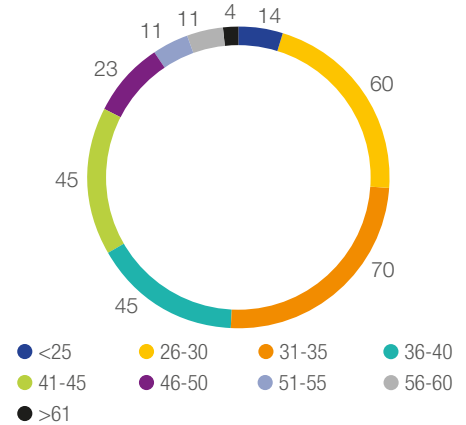
Employee Composition by Demography



The workforce spans a diverse range of age groups, with the largest segment being 31-35 years (70 employees), followed by 26-30 years (60 employees) and 36-40 years (45 employees).

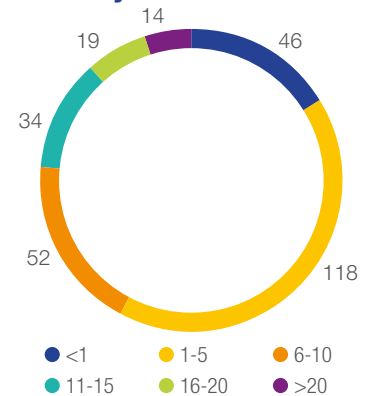
Employees aged 41-45 years also number 45, while those aged 46-50 years total 23. Employees over 51 years account for 26, and the youngest group, 21-25 years, comprises 14 employees.

Employee Composition by Age Group

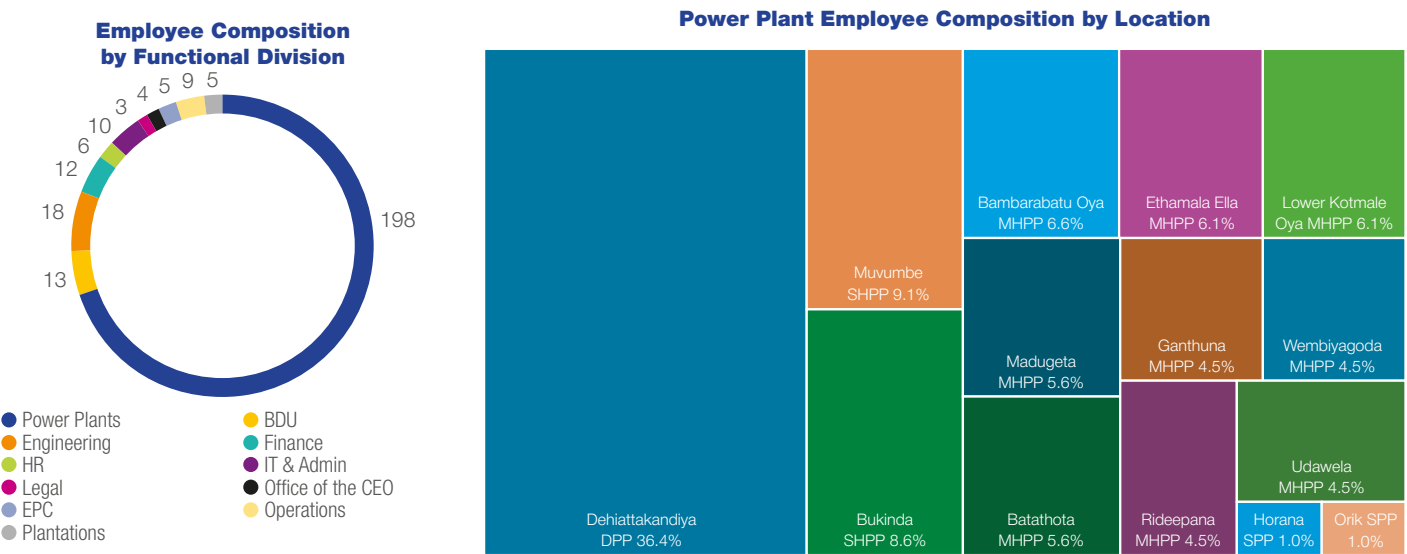


From a tenure perspective, 164 employees have been with the company for less than five years, 52 for six to ten years, 34 for eleven to fifteen years, 19 for sixteen to twenty years, and 14 for more than 20 years, reflecting strong loyalty and commitment.

Employee Composition by Service Years



MANAGEMENT DISCUSSION AND ANALYSIS



6.2. Performance-Based Culture

The company celebrates achievements through structured recognition programs:

- Executive Awards Ceremony:** The Executive Awards Ceremony took place at Cinnamon Life: City of Dreams, honouring top-performing executives with awards, certificates, and prizes based on management-established criteria.



- Non-Executive Awards Ceremony:** The company also annually celebrates the contributions of its non-executive staff recognizing on-site staff for excellence in productivity, safety, innovation, environmental efforts, and talent development.



- Long Service Awards:** Employees marking 5 and 10-year milestones were acknowledged for their dedication and loyalty.

6.3. Employee Training and Development

Employee growth remains a strategic focus, with programs designed to deliver value to both the organization and its workforce. Initiatives include frequent individual meetings, shared goal-setting exercises, career progression through training and leadership development, scholarship programs, and recognition of achievements. Cross-departmental training, mentorship, and collaborative knowledge exchange foster an inclusive and diverse work environment.

During the year, the company invested 2,894 hours in training, comprising 632 hours in soft skills and 2,262 hours in technical skills. A significant portion of this learning was delivered through knowledge sharing and internal training initiatives, underscoring the depth of expertise within the organisation. Of the total hours:

■ Internal Training: 1,676 hours



■ External Training: 1,218 hours



By equipping employees with advanced technical capabilities and essential soft skills, Vidullanka ensures its workforce remains adaptable, innovative, and ready to embrace emerging industry challenges.



■ **Fun Friday:** The success and positive feedback received following a competitive internal engagement event titled 'Laser-tag Showdown', the company initiated a regular event series to engage our employees in fun and competitive activities. This series take place every two to three months offering an opportunity for the team to unwind and build fellowship with their colleagues. To date we have hosted the employees at a range of events, including go-karting, a stand-up comedy event, a movie night etc.



6.4. Employee Engagement and Wellbeing

- **Annual Trip:** Employees and their families attended a company trip to Shangri-La Hambantota.
- **Annual Cricket Tournament:** The Vidul Trophy 2025 featured teams representing each power plant and the Head Office. The Lower Kotmale team emerged as champions, while the Rideepana team finished as runners-up, fostering team spirit and camaraderie across the company.

MANAGEMENT DISCUSSION AND ANALYSIS

SUSTAINABILITY AT VIDULLANKA PLC

Vidullanka PLC operates with a clear vision: to energize the planet through sustainable practices. Since our establishment, sustainability has been woven into every aspect of our operations. In 2024/25, we generated approximately 199 GWh of clean energy, preventing over 149,000 tCO_{2e} of carbon emissions through renewable energy generation.

Our sustainability efforts extend far beyond our business operations. We are committed to empowering communities and protecting the environment, having developed a comprehensive framework for corporate social responsibility that positively impacts both the communities we serve and the natural world around us.

Our Commitment and Approach

We maintain high standards for environmental and social responsibility through policies that guide our sustainable operations. Our approach is built on four interconnected pillars that form the foundation of Vidullanka's sustainability strategy, enabling us to create lasting value while supporting the betterment of our environment and communities.

Sustainability Within Business Strategy



1. **Digitized Operations for Efficiency, Innovation and Optimum Resource Utilization for Renewable Energy Solutions -**
We harness digital technologies to maximize operational efficiency and drive innovation in resource utilization. Our approach encompasses strategic and predictive maintenance systems, comprehensive environmental assessment tools, and advanced performance monitoring for energy optimization. We implement robust cybersecurity solutions to protect critical infrastructure while utilizing data-driven decision making to improve renewable energy system reliability and performance.

SDG 9:



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

2. **Sustainable Practices for Greener energy and Environmental Stewardship** - Our commitment to environmental protection encompasses renewable energy generation as our core business, coupled with comprehensive carbon emission reduction initiatives. We integrate eco-friendly technologies across all operations while actively supporting carbon offset projects including reforestation and afforestation efforts. Additionally, we maintain comprehensive waste reduction and recycling programs, implement water conservation technologies and composting initiatives, and actively pursue carbon neutrality goals through various environmental stewardship practices.

SDG 6, 7, 13 & 15



Cleaning and recycling over 40 tons of trash annually from the Badulu Oya and Kuru Ganga



199 GWh of energy generated through hydro, solar and dendro power projects



149,949 tCO₂e of emissions saved through energy generation (Marginal EF)



100,605 trees planted around the catchment area of power plant sites
Clearing up to 215 hectares of Mesquite plant at Bundala National Park

3. **Fostering an Empowered and Sustainable Workplace Culture and Society** - We recognize that our long-term sustainability depends on the wellbeing of our employees and communities. Our commitment involves creating a workplace culture that promotes environmental and social consciousness through comprehensive employee development programs and training opportunities. We provide support for continuing education and career advancement while maintaining mentoring and knowledge-sharing platforms. Furthermore, we ensure employee and family wellbeing through dedicated support systems and encourage company-wide participation in community service initiatives to foster sustainable and charitable practices across our organization.

SDG 1, 2, 3, 4 & 12



Provided approximately 115 construction job opportunities to employees abroad and created 10 job secondments overseas for Sri Lankan employees



Facilitated Robinhood Army Sri Lanka to distribute over 37,016 meals to the needy



Partnered with the World Malaria Day Walk to raise awareness and hosted medical camps for employees



Granting of scholarships monthly to 26 students from employee and plant locality families and installing rooftop solar systems in 10 schools



Zero Landfill initiatives implemented at all hydro power plants

MANAGEMENT DISCUSSION AND ANALYSIS

Transparency, Good Governance, and Partnership for Accountability - Our approach involves developing strategic partnerships that advance sustainability goals while maintaining comprehensive stakeholder engagement and collaboration. We adhere to international standards and best practices to ensure our governance framework supports our sustainability objectives and maintains stakeholder confidence.

SDG 17



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.

These pillars align our work with the United Nations 2030 Agenda for Sustainable Development, ensuring our contributions to global sustainability objectives.

Corporate Social Responsibility

The "ViduSaviya" program serves as our flagship CSR initiative, encompassing four distinct yet interconnected projects that address critical social and environmental needs and play a key role in Vidullanka's sustainability strategy.



ViduSaviya - Daruwanta Diriyak



Understanding that children represent our society's future, this program focuses on educational excellence and sustainable living practices. This is done by partnering with schools near our power plants and providing essential supplies to schools and students, while awarding scholarships to outstanding students from employee families and local communities. Our aim is to equip students to achieve success in their academic career through essential support.

In the last year, we've provided scholarships to 26 students who've shown promise in their academic performance,

all of whom are either our employees' children or reside in our power plant localities. We have also donated up to 75 school bags to students residing near the Bambarabatu Oya and Lower Kotmale mini hydro plants, and 100 school shoes to students in Batticaloa. In addition, the company hosts an annual art competition 'Vidul Sithuwam Dekma' inviting the employees' children to submit their interpretation of a topic that is chosen annually. A total of 184 stationery packs were awarded to all the participants just in time for the start of the new school year.



Furthermore, the company donated rooftop solar systems to 10 schools in different districts, providing a steady supply of clean energy to power the schools' facilities to ensure that their infrastructure is at its optimum.

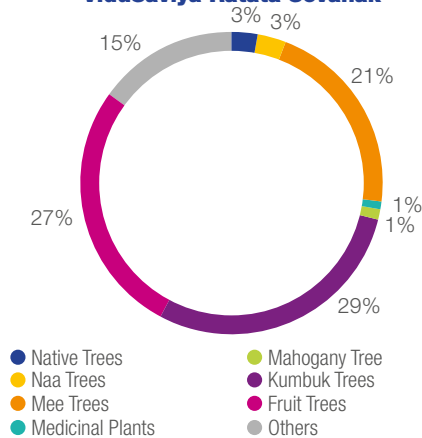
ViduSaviya - Ratata Sevanak



ViduSaviya Ratata Sevanak is a principal initiative that aims to conserve, restore and revive habitats and ecosystems. It represents one of our most ambitious projects with a goal to plant 100,000 trees by 2025, and we are immensely proud to have exceeded that number. As of March 31, 2025, we have planted a total of 100,605 trees which includes a diverse range of flora, including Kumbuk, Mahogany, Medicinal, Mee, Naa, fruit bearing trees, and native plants. Of the total planted, Madugeta MHPP has contributed 16,436 plants and Wembiyagoda MHPP has 15,649 plants in its care. The initiative is supported by the establishment of plant nurseries at each domestic power plant with a combined capacity of 5,000 plants per facility annually.



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



The company has also undertaken to remove the invasive Mesquite or Kalapu Andara plant that has impacted the biodiversity of Bundala National Park. Our subsidiary Vidul Plantations (Pvt) Ltd, under the guidance of the Wildlife Conservation Department, has undertaken to clear 215 hectares of land of this invasive species and revive it with over 5,700 indigenous plants.

As such, our focus remains on biodiversity conservation and ecosystem sustainability through this long-term commitment to environmental restoration.

ViduSaviya - Gamata Eliyak



Through the Gamata Eliyak arm of the ViduSaviya initiative, our goal is to improve living standards and infrastructure in areas surrounding our power plants. This is through community infrastructure development projects that utilize a comprehensive stakeholder engagement approach. Our efforts include providing support for local charitable institutions and individuals with special needs while implementing direct community

assistance programs. We maintain a focus on sustainable livelihood improvements through our collaborative approach to community development that ensures meaningful and lasting impact.

In the last financial year, we facilitated several charitable projects and donations. This includes the supply of electricity to Grama Niladhari offices in Kothmale and Kalawana, the construction of community buildings in Wewelwatte, and road repairs and development in Banagoda and Eheliyagoda. We also extended interest-free loans to 29 employees to acquire and install rooftop solar systems at their residences, further promoting the use of renewable energy infrastructure in the community.



ViduSaviya - Lowata Aruthak



The ViduSaviya - Lowata Aruthak initiative marks our fourth endeavor dedicated to fostering innovation. It encourages community-driven innovation by supporting employee-led innovative projects and promoting social innovations that benefit communities. We facilitate process improvements through creative thinking while building collaborative networks within communities to contribute to environmental and social well-being through innovation. This program focuses on creating sustainable solutions for local and national challenges through community participation and collaborative approaches.

At Vidullanka PLC, we understand that sustainable business success is inseparable from the environment and community. We remain steadfast in our commitment to advancing educational opportunities in our communities, meeting essential community needs through targeted programs, leading environmental protection and conservation efforts, promoting sustainable practices across all our operations, and building partnerships that create lasting positive impact. Through the ViduSaviya program and our comprehensive sustainability framework, we continue to address societal needs while fostering a sustainable environment for current and future generations.

Recognitions

Our sustainability efforts were recognized by several national and international bodies in the last financial year. We received two gold awards under the SDG category, one from the SLIBFI Awards and the other at the 9th Islamic Finance Forum of South Asia Awards. Furthermore, we were awarded the CGMA Sustainability Award Asia Pacific 2024 by AICPA and CIMA for the invasive Mesquite plant removal project, recognizing us for regional excellence as an exceptional sustainability driven organization. These achievements highlight the company's resounding commitment to environmental conservation and sustainability.



CORPORATE GOVERNANCE

Corporate Governance entails the methodological framework that standardizes the rules, policies, procedures, practices and systems which are used to establish and promote good governance and control in an organisation. Therefore, it involves dealing with a wide array in interests of the diverse stakeholders on an organisation. These stakeholders typically include shareholders, employees, senior management, customers, suppliers, financiers, regulatory authorities, governments, the local community and the wider populace.

Corporate Governance permeates all aspects of an organization's management, encompassing action plans, internal controls, performance metrics, and corporate disclosures. At Vidullanka PLC, the Board of Directors acts as the central driving force behind the Group's Corporate Governance framework.

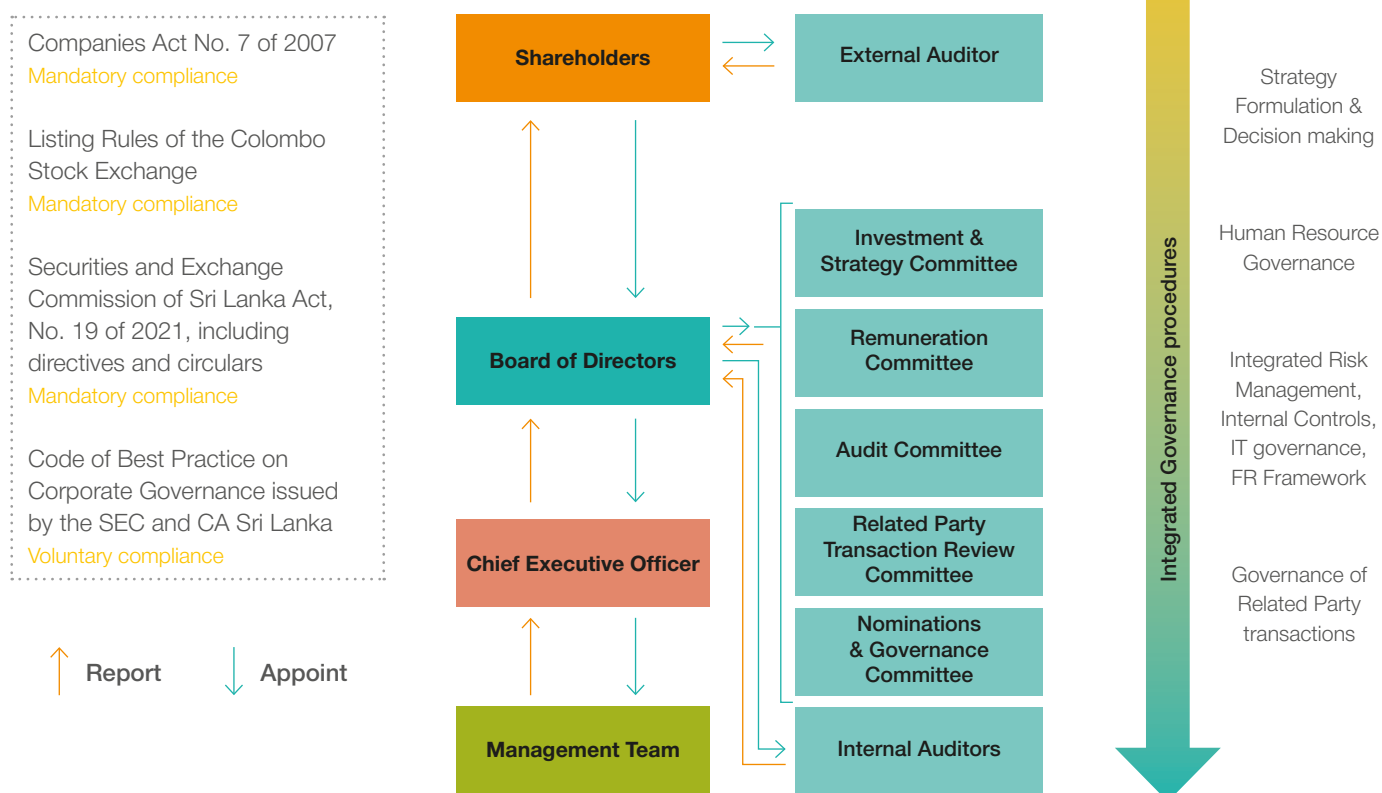
Compliance Summary

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. Article 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 Board of the company is assigned the responsibility to develop, establish and drive the strategic direction of the company while safeguarding the interests of the shareholders. As such, the Board focuses its attention on following the strategic direction whilst complying with all relevant rules, regulations, ethical standards, internal controls, and laws.

The Board Composition

The Board of Directors at Vidullanka PLC comprises one Executive Director and nine Non-Executive Directors. This structure ensures compliance with Rule 9.8.1 of Section 9 of the Colombo Stock Exchange Listing Rules, which mandates a minimum of five Directors on the board. It also satisfies Rule 9.8.2, requiring that at least two or 1/3 of the Directors, whichever is higher, be independent. Additionally, the company adheres to Rule 9.6.1, as its Chairperson is a Non-Executive Director, while the Chief Executive Officer serves as an Executive Director.

All three 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). 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 members of the Board, including the CEO and Chairperson, have submitted declarations affirming their continuous compliance with the Fit and Proper Assessment Criteria throughout the relevant financial year, in accordance with Listing Rule 9.7.4. Accordingly, it is confirmed that the Directors, CEO, and Chairperson of the company meet the required standards set out under the Colombo Stock Exchange Listing Rules.

The organization firmly believes that all Directors, both individually and collectively as a Board possesses the requisite experience, leadership, knowledge, exposure, skills, and business acumen to effectively steer the group's operations and growth strategies. The profiles of each individual Director is set out on Pages 21 to 26 in compliance with rule 9.10.4 of the Listing Rules of the Colombo Stock Exchange.

During the financial year ended 31st March 2025, the Board met on four times at office premises for board meetings, which were carried out to review the company's performance and future direction. In addition to this, the Directors also took part in twenty one subcommittee meetings during the year, as appended below.

Name	Directorship Status	Board Meetings	Audit Committee Meetings	Strategy Committee Meetings	Related Party Transactions Review Committee Meetings	Remuneration Committee Meetings	Nominations and Governance Committee Meetings
Mr. Osman Kassim	Board Chairman	4/4		4/4			
Mr. Riyaz M. Sangani	Chief Executive Officer	4/4	4/4	4/4	4/4	4/4	
Mr. Ranjan Mather	Non-Executive Director	4/4		4/4		4/4	
Mr. Sujendra Mather	Non-Executive Director	4/4					
Mr. Shahid M. Sangani	Non-Executive Director	3/4	4/4				5/5
Mr. Sattar Kassim	Non-Executive Director	4/4					
Mr. Sidath Fernando	Non-Executive Director	4/4	3/4		3/4	2/4	

CORPORATE GOVERNANCE

Name	Directorship Status	Board Meetings	Audit Committee Meetings	Strategy Committee Meetings	Related Party Transactions Review Committee Meetings	Remuneration Committee Meetings	Nominations and Governance Committee Meetings
Mr. Rizvi Zaheed	Independent Non-Executive Director	4/4		4/4	4/4	4/4	5/5
Ms. Deepthi Wickramasuriya	Independent Non-Executive Director	4/4	3/4		3/4		5/5
Prof. Anura Wijayapala	Independent Non-Executive Director	4/4	1/4			2/4	

The Board takes into great consideration the potential impacts corporate decisions may have on stakeholders when planning and formulating decisions. The board ensures that sufficient time, knowledge, effort, and resources are dedicated to strategic decisions, which is supported by the 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. Developing and refining business strategy through collaborative discussions, brainstorming sessions, and informed insights.
2. Implementing and overseeing a structured monitoring and evaluation framework to track the execution of strategies, budgets, plans, and forecasts, while effectively managing associated risks.
3. Ensuring robust internal control systems are in place to uphold the integrity of information and safeguard internal processes.
4. Driving long-term sustainable value creation for stakeholders by supervising overall business operations.

5. Delegating authority to subcommittees and senior management for decision-making, while maintaining oversight of the process.
6. Reviewing and approving the annual business plan to confirm the adequate allocation of 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.

Board Committees

Vidullanka PLC has established five subcommittees of the board; the Audit Committee, Remuneration Committee, Related Party Transaction Review Committee, Investment and Strategy Committee and Nominations and Governance Committee, achieving compliance according to listing rule 9.3.1. The subcommittees regularly convened during the financial year to attend to subcommittee meetings and perform tasks related to financial reporting, risk identification and management, corporate governance, internal controls, personnel and remuneration policies, related party transactions, and strategic direction. Director attendance to subcommittee meetings are given on Page 41.

Audit Committee

The Audit Committee of Vidullanka PLC is chaired by Independent Non-Executive Director, Ms. Deepthi Wickramasuriya. The committee was reconstituted during the year, where new appointee, Independent Non-Executive Director, Prof. Anura Wijayapala replaced Non-Executive Director, Mr. Sidath Fernando. Non-Executive Director, Mr. Shahid Sangani is the remaining member of the committee. 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.

During the review period, the Audit Committee met four times. Its primary role was to support and advise the Board on matters related to financial reporting, internal controls, risk management, and the audit functions of Vidullanka PLC.

Investment and Strategy Committee

The Investment and Strategy Committee is a voluntary committee established by the board, which 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 also takes up the responsibility of monitoring group investments in operational projects and projects in development in terms performance and 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 committee comprises of four Directors; Mr. Riyaz Sangani, Mr. Rizvi Zaheed, Mr. Ranjan Mather and the chair of the committee, Mr. Osman Kassim. The Investment and Strategy Committee held four meetings over the course of the reporting period and attended by the Chief Financial Officer and Chief Operating Officer by way of invitation.

Remuneration Committee

Vidullanka's Remuneration Committee comprises of three members; the committee chairman and Independent Non-Executive Director, Mr. Rizvi Zaheed and Independent Non-Executive Director, Prof. Anura Wijayapala and Non-Executive Director, Mr. Ranjan Mather. Prof. Anura Wijayapala replaced Non-Executive Director, Mr. Sidath Fernando as a member of the Remuneration Committee during the year under review. As such, the composition of the committee adheres to the Listing Rule 9.12.6 of the Colombo Stock Exchange. The remuneration committee met four times during the financial year, with the Chief Executive Officer attending as well through invitation by the committee.

The Remuneration Committee is tasked with formulating corporate policies related to the compensation of Executive

Directors, including the Chief Executive Officer. It is responsible for determining fair and competitive performance-based remuneration, share schemes, and overall compensation packages covering salaries, bonuses, incentives, and equity-based rewards for Executive Director and senior management. These decisions are informed by operational performance, individual evaluations, and prevailing market standards.

Related Party Transaction Review Committee

Independent Non-Executive Director Mr. Rizvi Zaheed serves as the chairman of the committee, where as the committee's remaining members are Non-Executive Director, Mr. Sidath Fernando and Independent Non-Executive Director, Ms. Deepthie Wickramasuriya. Accordingly, the committee is in compliance with listing rule 9.14.2 of the Colombo Stock Exchange.

The committee is responsible to oversee and monitor transactions, dealings, transfers and engagements the group undertakes with its related parties, where the interests of the related parties as well as changes of status of related parties are reviewed.

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

Nominations and Governance Committee

The Nominations and Governance Committee of the company comprises Independent Non-Executive Director, Ms. Deepthie Wickramasuriya as the Chairperson and Independent Non-Executive Director, Mr. Rizvi Zaheed and Non-Executive Director, Mr. Shahid Sangani as fellow members to the committee.

The committee is responsible for assessing the skills and competencies required on the board to meet the strategic and operational needs of the business.

It periodically evaluates the extent to which these skills are represented, ensures a structured and transparent process for the appointment, re-appointment, and induction of Directors, and maintains clearly defined criteria for Director selection. The committee is also tasked with evaluating the performance, suitability and fit and properness of current Directors for re-election while ensuring every new appointee undergoes a comprehensive induction to understand their responsibilities. The company obtains declarations from its Directors on an annual basis, confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria during the financial year.

Additionally, the committee oversees Board structure, composition, and succession planning, including identifying and recommending qualified individuals for roles as Non-Executive Directors and representatives in joint ventures and subsidiaries. It reviews and ensures compliance with the company's corporate governance framework, aligning it with listing requirements and regulatory obligations. The committee also evaluates governance-related reports, recommends the process for selecting the Chairperson and Deputy Chairperson, and handles any other matters referred by the Board.

The committee convened on five times during the year in review. The details of Director attendance are given on page 41.

Detailed report of the above subcommittees are given in the Board committee section of the Annual Report.

Board Policies

As per the latest listing rules of the Colombo Stock Exchange, Vidullanka PLC has reformulated its company policies, which are published on the company's website. These policies overarch many important facets of the organization on

CORPORATE GOVERNANCE

which strenuous focus should be placed on how they are governed. They were 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 intends to integrate these policies to the normal course of business of Vidullanka, taking necessary measures to promote and enforce the compliance with the provisions of the policies.

Following listed are the policies adopted by the company.

- 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

As such the company is in compliance with the rules 9.2.1, 9.2.3 of Section 9 of the Listing Rules of the Colombo Stock Exchange.

Compliance Management

As a listed entity and responsible corporate citizen, Vidullanka PLC places strong emphasis on complying with regulatory standards established by relevant authorities and institutions. Compliance is managed across the organization, with each department responsible for adhering to regulations applicable to its specific functions.

The Finance Department of Vidullanka PLC ensures compliance with accounting, financial reporting, and auditing standards, along with the Listing Rules of the Colombo Stock Exchange. It also adheres to directives issued by the Securities and Exchange Commission of Sri Lanka (SEC), regulations of the Central Bank of Sri Lanka, and applicable tax laws in the countries where the company operates.

The Human Resources Department ensures adherence to employment laws and health and safety regulations in Sri Lanka, as well as in other countries where Vidullanka PLC operates and employs staff. Meanwhile, the Legal Department, in coordination with the Company Secretaries, ensures compliance with the Companies Act and other applicable legislation, including international regulations where relevant. Compliance checklists and reports are routinely updated and presented to the Audit Committee and the Board for their review and decision-making.

The Audit Committee, under the guidance of the Board, oversees group-wide compliance with a focus on continuous improvement. Regular self-assessments, surprise inspections, and internal audits are carried out to assess adherence to SOPs related to financial and accounting functions. These SOPs are periodically updated based on the internal auditor's recommendations.

The company adheres to safety and operational standards required by the utilities such as CEB and UETCL, in the respective power plants. In addition to this, the company mandates its own set of voluntary best practices which that ensure operational and health and safety compliance. These mechanisms include plant internal audits, internal controls and clearly defined chains of responsibility and accountability.

As a renewable energy company, Vidullanka PLC recognizes its responsibility to society, local communities, and the environment. In Sri Lanka, the company ensures compliance with regulations issued by the Central Environmental Authority, the Mahaweli Authority, and relevant regional authorities. Likewise, operations in Uganda adhere to the standards set by the National Environment Management Authority and the Ministry of Energy and Mineral Development, along with the tax and regulatory requirements of the Uganda Revenue Authority and other government bodies.

Vidullanka PLC is committed to upholding its role as a responsible corporate citizen by maintaining full compliance with legal and regulatory frameworks in all countries of operation. The company remains proactive in monitoring regulatory developments and seeks timely legal and professional guidance to ensure continued adherence.

Corporate Governance Compliance

Listing Rule	Requirement	Compliance	Reference
Policies			
9.2.1 Policies	<p>Establish and maintain following policies and publish on the company website:</p> <ul style="list-style-type: none"> (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	Corporate Governance report on Page 40.
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	Corporate Governance report on Page 40.
Board Committees			
9.3.1 Board Committees	<p>A listed company shall have the following board committees:</p> <ul style="list-style-type: none"> (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 76.
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 81.
9.3.3 Chairperson of Board Committees	Chairperson of the Board of Directors shall not be the Chairperson of the Board Committees.	Yes	<p>All committees mandated by the listing rules are chaired by Independent Directors.</p> <p>Report of the Board Committees is given on Page 81.</p>

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Listing Rule	Requirement	Compliance	Reference
General Meeting Procedures			
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	Corporate Governance report on Page 40.
9.4.2 (b) Contact Person	A listed company shall disclose the contact person for communication	Yes	Investor Information given on Page 147.
Policy on Matters relating to the Board of Directors			
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	Corporate Governance report on Page 40.
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	Corporate Governance report on Page 40.
Chairperson and CEO			
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 40.
Fitness of Directors and CEOs			
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 40.
9.7.2 Fitness and Propriety of New Directors	The Nominations and Governance Committee shall ensure that Directors recommended are fit and proper	Yes	Corporate Governance report on Page 40.
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 40.
Disclosures in the Annual Report of Listed Entities			
9.7.5. (a)	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 40.
Board Composition			
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 40.
9.8.2 (a) Minimum number of Independent Directors	The Board of Directors of 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 40.
Independent Directors			
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 40.

Listing Rule	Requirement	Compliance	Reference
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 40.
Disclosures relating to Directors			
9.10.1 Maximum number of Directors	Listed Entities shall disclose its policy on the maximum number of Directorships it's Board members shall be permitted to hold	Yes	Available in the Board policies published in the corporate website.
9.10.2 Appointment of New Director	Listed Entities shall, upon the appointment of a new Director, make an immediate Market Announcement	N/A	Director profile is given on page 21.
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 21.
Nominations and Governance Committee (NGC)			
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 76. Corporate Governance report on Page 40.
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	Report on Nominations and Governance committee is given on page 84.
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	Corporate Governance report on Page 40.
9.11.4 Composition of the NGC	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	Corporate Governance report on Page 40.
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	Corporate Governance report on Page 40.
9.11.6 Disclosures in Annual Report regarding NGC	Annual Report shall contain a report of the NGC signed by its Chairperson	Yes	Corporate Governance report on Page 40.
Remuneration Committee			
9.12.2 Remuneration Committee	Listed entities shall have a Remuneration Committee	Yes	Annual Report of the Board of Directors is presented on Page 76. Report of the Remuneration Committee is presented on Page 87.

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Listing Rule	Requirement	Compliance	Reference
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 87.
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 87.
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 87.
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 87.
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 87.
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; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors.	Yes	Report of the Remuneration Committee is presented on Page 87. Details of remuneration of Key Management Personnel available on Page 140.
Audit Committee			
9.13.1 Audit Committee performing risk functions	Where separate committees are not maintained to perform the Audit and Risk Functions, the Audit Committee shall additionally perform the Risk Functions	Yes	Report on the Audit Committee is presented on Page 81.
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 81.
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 81.

Listing Rule	Requirement	Compliance	Reference
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 81.
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 81.
Related Party Transactions Review Committee (RPTRC)			
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 76. Report on the RPTRC is presented on Page 88.
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 88.
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 88.
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 88.
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 88.
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 88.
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	The company acquired a 16.7% stake in Solar Universe (Pvt) Ltd. during the year in review, increasing the shareholding to 50%. The relevant disclosures were made as stipulated. Report on the RPTRC is presented on Page 88.
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 88.

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Listing Rule	Requirement	Compliance	Reference
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	Non of the related party transactions involving acquisition or disposal of assets met the required threshold set in rule 9.14.9 Report on the RPTRC is presented on Page 88.
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 76.

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

Rule	Requirement	Compliance	Explanatory Notes
A. Directors			
A.1 The Board	Company should be headed by an effective board, which should direct, lead, and control the Company	Yes	The board comprises of a majority of Non-Executive Directors, where the Chief Executive Officer serves as the only Executive Director. Notable Board functions are given in Page 40.
A 1.1	Board should regularly meet. Board meetings should be held at least once every quarter	Yes	Four board meetings took place during the financial year, once every quarter. The details of meetings conducted are given in Page 40.
A 1.2	Role of the Board: <ul style="list-style-type: none"> ■ Formulation and implementation of business strategy ■ Approving budgets and major capital expenditure ■ Ensuring the integrity of the information, internal controls, and risk management ■ Ensuring compliance with laws and regulations ■ Ensuring all stakeholders' interest. 	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

Rule	Requirement	Compliance	Explanatory Notes
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	Each Director, both individually and collectively as a Board, has unrestricted access to the advice and services of the Company Secretary in matters relating to the company's 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 company's Directors bring a diverse range of skills and expertise, enabling them to exercise independent and objective judgment in carrying out their duties and overseeing company matters. Refer Corporate Governance on Page 40.
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 actively and diligently participate in Board and subcommittee meetings, as well as related matters, whenever required. Details relating to the meetings are given in Page 40.
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 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.
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 M. Sangani acts as the Chief Executive Officer.
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 21.
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 15. The Annual Report of the Board of Directors is given on Page 76.
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 comprises Directors with strong financial expertise, acumen, and experience, who offer relevant guidance and support as needed. Profiles of the Directors are given on Page 21.
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 21.

CORPORATE GOVERNANCE

Rule	Requirement	Compliance	Explanatory Notes
A 5.2	Composition of the Board of Directors	Yes	Details of the Board composition are given in Page 41.
A 5.3	Independence of the Directors	Yes	
A 5.4	Each Non-Executive Director 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	The proceedings of each Board meeting are properly recorded by the Company Secretaries and formally approved at the following Board meeting.
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 attends Board and subcommittee meetings by invitation, as needed, and provides relevant information for the proceedings in a timely and efficient manner.
A 6.2	Adequate time for Board meetings	Yes	Minutes of previous meetings, along with reports and Board papers, are circulated to the Directors in advance, and meetings are conducted in line with a structured agenda.
A 7 Appointments to the Board	There should be a formal and transparent procedure for the appointment of new Directors to the Board.	Yes	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.	N/A	During the year, no new appointments were made to the Board of Vidullanka PLC. However, the committee made recommendations on the appointment of directors to the subsidiary and joint venture companies
A 7.3	Disclosure to the shareholders on the appointment of new Directors to the shareholders	Yes	

Rule	Requirement	Compliance	Explanatory Notes
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 76.
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 made to the Board of Vidullanka PLC during the period.
A 8.3	The Director should provide a 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 evaluation of the Board and its Directors is conducted by an external specialist, who provides the Board with recommendations based on the assessment findings.
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 21. Details of the meetings held and the attendance is given on Page 41.
A 11 Appraisal of CEO	Appraisal of the Chief Executive Officer should be done at least annually by the Board.		
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.

CORPORATE GOVERNANCE

Rule	Requirement	Compliance	Explanatory Notes
Directors' Remuneration			
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 87.
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 B2.3	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 87.
B 2.4	The committee should consider remuneration and employment conditions elsewhere within the Group.	Yes	Remuneration Committee report given on Page 87.
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 87.
B 2.6	Executive share options should not be offered at a discount.	N/A	The share options offered under Employee share option scheme are priced at the volume weighted market average of the share price in accordance with the provisions of the listing rule.

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 87.
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 87.
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	The details of the remuneration to the Board of Directors and the Key Management Personnel given in Note 26.5 on Page 140.
Relationships with shareholders			
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 2023/24 was successfully held on 26 September 2024 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 chairperson 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>
Accountability & Audit			
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 & 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 2024/25 presented on Page 92.</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 89.</p>

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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 76.
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 89. Independent Auditors’ Report is given on Page 92.
D 1.6	The annual report should contain a “Management Discussion & Analysis”	Yes	Management Discussion & Analysis is found from Page 27 to 39.
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 Related Party Transaction Review Committee is presented on Page 88.
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 62.
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 62.
D 2.3	The Company should have an internal audit function	Yes	Internal audits across the group are conducted through the in-house Internal Auditor as well as third party auditors.

Rule	Requirement	Compliance	Explanatory Notes
D 2.4 & D 2.5	Review of the process & effectiveness of the risk management and internal controls by the audit committee.	Yes	Details are given in the Risk Management Report on page 62. The Audit Committee Report is presented on Page 81.
D 3 Audit Committee	The Board should have a formal & 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 81.
D 3.3	Disclosure of the Audit Committee responsibility	Yes	Audit Committee Report is given on Page 81.
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 88.
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 88.
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 40.

CORPORATE GOVERNANCE

Rule	Requirement	Compliance	Explanatory Notes
D 5.2	The company should have a process in place to ensure that all material and price sensitive information is promptly identified.	Yes	The company promptly identifies material and price-sensitive information in accordance with applicable regulations, ensuring timely and appropriate actions are taken to manage and address 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. A standard operating procedure for director's dealing in the shares of the company is in place.
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 15.
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 40.
Investor Relations			
E 1 Investor Relations - Institutional Investors	<p>Institutional shareholders have a responsibility to make considered use of their votes and encouraged to ensure their voting intentions are translated into practice.</p> <p>A listed company should conduct a regular and structure dialogue with shareholders.</p>	Yes	The company maintains a strong corporate relationship with its investors. The Annual General Meeting acts as a key communication forum, enabling the Company to engage with shareholders, present its annual performance, and receive their feedback. Further disclosures are made through announcements on 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 analyses on investing or divesting decisions of individual shareholders.	Yes	The company engages and collaborates with investment analysts and advisors who conduct company-specific, sectoral, and broader market analyses of its shares.
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 the Company's general meetings. To support their active participation, the necessary communication tools and clear instructions are provided in advance.
Internet and Cybersecurity			
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 62.

Rule	Requirement	Compliance	Explanatory Notes
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 Report is given on Page no 62. Audit Committee Report is given on Page 81.
G 4	The Board should ensure the effectiveness of the cybersecurity risk management through periodic review.	Yes	Risk report is given on Page no 62.
G 5	The Board should disclose in the annual report, the process and management of cyber security risks.	Yes	Risk report is given on Page no 62.
Environment, Society and Governance (ESG)			
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 dimension of risk management is comprehensively addressed within the Company's risk management and corporate governance frameworks, with additional information disclosed through the Management Discussion and Analysis detailed from Page 27 to 39. Risk report is given on Page no 62 and Corporate Governance report is given on Page 40.
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 15 ,18 and 27 respectively.

Disclosures required by the Companies Act No 7 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 05. Organisational Profile is given in Page 29.
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 96.
168 (1) (c)	Auditors' report on the financial statements of the group financial statements.	Yes	Auditors' report is given in page 92.
168 (1) (d)	Changes in accounting policies made during the year.	Yes	Accounting policies are included with the changes in Page 103.
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 76.

CORPORATE GOVERNANCE

Section	Description	Status of compliance	Reference in the Annual report
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 140.
168 (1) (g)	Amounts of donations made by the Company during the accounting period.	Yes	Management Discussion and Analysis is given in Pages from 27 to 39.
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 21. Annual Report of the Board of Directors is given in Page 76.
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 132.
168 (1) (j)	Any relationships and interests with the auditors and the Group.	Yes	Audit Committee Report is given in Page 81. Annual Report of the Board of Directors is given in Page 76.
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 76.

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 76.
7.6 (ii)	Principal activities of the entity and its subsidiaries and changes thereon.	Yes	Company Profile is given in Page 29. Management Discussion and Analysis is given in Pages from 27 to 39.
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 147.
7.6 (iv)	The float adjusted market capitalization, public holding %, number of public shareholders	Yes	Investor Information is given in Page 147.
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 76.
7.6 (vi)	Information pertaining to material foreseeable risk factors of the entity.	Yes	Risk Management Report is given in Page 62.
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 04 in financial statements in Page 114.
7.6 (ix)	Numbers of shares representing the entity's stated capital	Yes	Annual report of the Board of Directors given is in Page 76.

Section	Description	Status of compliance	Reference in the Annual report
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 147.
7.6 (xi)	<p>The following ratios and the market price information need to be disclosed.</p> <ol style="list-style-type: none"> 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 152 and 147 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 76.
7.6 (xiii)	<p>If the entity has raised funds during the year through a public issue, rights issue, and private placement,</p> <ul style="list-style-type: none"> ■ Statement as to the manner in which the proceeds of such issue has been utilised, ■ Number, classes of shares and reason for the issue, ■ Any material changes of the funds raised through an issue of securities. 	N/A	
7.6 (xiv)	Disclosures of each employee share option scheme and employee share purchase scheme.		Refer note number 8.3 to the financial statements on page 125.
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 40.
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"> 1. The date of the transaction 2. The name of the related party 3. The relationship between the entity and the related party 4. The amount of the transaction and terms of the transaction 5. The rationale for entering into the transaction 	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 88.</p>

RISK MANAGEMENT

The global macro-economic landscape is constantly being stress tested in the recent past through various developments such as geopolitical conflicts, military actions, trade and tariff disputes and many more. Countries are now more than ever required to be vigilant of what takes place outside their borders as mitigating effects experienced elsewhere have a great chance of reaching them due to integration of markets and globalization of economies and trades. Sri Lanka too is subject to this paradigm shift and has to proactively adapt its economic strategies, strengthen its external sector resilience, and engage in robust diplomatic and trade relations to safeguard its economic stability and growth in an increasingly interconnected and volatile global environment. The country is now entering into a period of normalcy after several years of turmoil as a result of the pandemic and the economic crisis. Fortunately, the aim of recovery has now been largely accomplished and it has now shifted towards sustained growth and long term stability.

A business can effectively anticipate potential risks and their impacts by adopting a risk management framework that is process-driven, forward-looking, and proactive, complemented by well-defined strategic initiatives. Such a framework enables the establishment of resilient systems and processes to navigate emerging challenges and drive the achievement of business objectives. It is equally important for a business to define its risk appetite and ensure that the risks undertaken remain within these acceptable boundaries.

Vidullanka PLC, a leading renewable energy company with operations across Sri Lanka, Uganda, and Guyana, is strongly committed to the ongoing review and enhancement of its risk management practices, recognizing their essential role in sustaining long-term growth and resilience.

The company regularly evaluates its operating environment to identify key risks and ensure they align with its defined risk appetite. These evaluations are conducted through periodic risk assessments, both internally within departments and externally, with the aim of gathering comprehensive data on potential exposures. Once identified, risks are assessed and prioritized based on their likelihood of occurrence and potential impact on current and future operations.

Subsequently, the Board of Directors, working closely with senior management, external consultants, and industry experts, determines and implements appropriate mitigation strategies. Any residual risks that remain are subject to continuous monitoring to detect any shifts or emerging trends. This proactive and structured approach enables the company to remain agile, well-informed, and equipped to protect its business from adverse impacts.

The Audit Committee of the company works hand-in-hand with the management to ensure that the risk framework adopted matches the dynamic business environment. Each department and business unit of Vidullanka PLC actively collaborates with the Audit Committee to provide information and developments with regards to the specific risks faced by each department, while also working to refine the internal risk framework to better suit the company's needs.

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

Determination

- Understanding the strategic goals and objectives of the company
- Determining the strategic priorities and objectives of the risk management process
- Formulating the risk appetite



Assessment

- Identification of the key risks through collective approaches and consultation
- Determining the level of risk appetite



Development

- Development of suitable risk responses to the identified risks based on the risk ratings of the experts
- Formulation of the overall risk response strategy by the management



Implementation

- Implementation of risk response strategy
- Delegation and monitoring implementation
- Risk financing and consultation



Control

- Periodic review of risk profile to monitor the retained risks and perceived volatility with the help of traffic light and risk rating mechanism
- System audits and continuous monitoring of control mechanisms
- Systematic approach to communication on any adverse issues identified

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

Business Risk

Vidullanka's business risk entails the perceived challenges and threats the company may face stemming from the current industries associated with as well as the countries that the company has a presence in. This also includes any future business activities the company may enter into in any country. If such risks arise, the impact on the company could be critical, as it would affect not only existing operations, but also future investments as well. This could potentially lead to reduced profitability, capital losses, and constrained organizational growth. Therefore, Vidullanka PLC consistently reviews, reports on, and monitors the countries in which it currently operates, as well as those targeted for future expansion, with the objective of identifying potential threats, challenges, and risks the company may face.

Weather Risk

The company's main mandate is to build, own and operate renewable energy projects and offer complimentary services along the value chain such as Engineering, Procurement and Construction contracts (EPC) and Operations and Management (O&M) contracts. Renewable energy is a natural capital, drawn from sources of water, sunlight and biomass to power projects in the energies of hydro, solar and dendro power. This leaves company significantly exposed to weather risk. Weather risks can affect renewable energy projects through unforeseen fluctuations in rainfall and sunlight, which could severely hinder hydroelectric generation and solar generation respectively. These impacts are likely to lead to loss in revenue and in turn affect the profitability of the projects in concern, as well as the company. Nearly all renewable energy producers are exposed to this risk, with minimal to no control over it, as weather conditions are

inherently uncontrollable. Consequently, the associated weather risk is also beyond direct control. However, while weather risk cannot be eliminated, it can be mitigated through technological and geographical diversification. Accordingly, within Vidullanka's risk management framework, weather risk is recognized as a high-impact, high-priority risk.

Vidullanka PLC has taken intense actions over the years to diversify its plant portfolio based on the technology. The company's initial businesses were all based on hydropower, which is considered to be its core strength. As the first step towards diversification, the company entered into the biomass sector in 2019, with the inauguration of the 3.3MW biomass power plant in Dehiattakandiya. The diversification journey added another branch in 2020, with the company venturing into solar power in 2020, with the solar portfolio now standing at a capacity of 15MW.

Vidullanka PLC marked the beginning of its overseas expansion in 2017 with the commissioning of the 6.5MW Muvumbe SHPP in Uganda, followed by the Bukinda SHPP in 2020. Strategically, investing in international power plants like these helps mitigate the impact of seasonal and cyclical weather fluctuations.

These initiatives reflect Vidullanka's proactive approach to managing weather-related risks in power generation and operations. The company has effectively leveraged cash flows from its overseas projects during periods when adverse weather conditions have affected power generation in Sri Lanka. Looking ahead, group revenue is expected to strengthen further through the addition of new income streams, including EPC contracts and Operations & Maintenance consultancy services in the renewable energy sector, alongside a broader mix of power sources and international projects.

Foreign Exchange risk

Foreign exchange risk refers to a potential loss of value in assets held overseas and the effect on foreign currency transactions stemming from fluctuations in the values of currency in concern. Vidullanka has expanded its foothold to multiple countries, and as such is now subject to foreign exchange risk in relation to the operations in 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 maintains a net positive asset base denominated in foreign currencies, primarily stemming from its overseas operations. As a result, with the appreciation of the Sri Lankan Rupee during the year, the company recorded a foreign currency translation loss amounting to Rs. 82.2 million for the financial year.

As the company undertakes its project development activities, a major component of project costs comprise of imports of machinery and equipment, which therefore exposes a majority of the project cost of the company to foreign exchange risk. Many projects in development had experienced an erosion in returns due to cost overruns as a result of the significant depreciation of the rupee in 2022. Whilst cost overruns have caused the returns of the projects under construction during 2022 to deteriorate, the company was able to withstand this effect due to its overseas project portfolio. The company was able to subsequently secure a number of solar power projects at improved tariff rates through feed-in tariff scheme as well as competitive tender processes. It is noteworthy that the company was able to commission two solar power projects post the financial year end adding further 12MW to its power portfolio.

RISK MANAGEMENT

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 foreign exchange losses.

Legal and Regulatory Risk

As Vidullanka PLC continues to expand its presence across multiple countries and regions, the company takes all necessary measures to ensure that its operations comply with the respective legal and regulatory frameworks of each jurisdiction.

Being a company incorporated in Sri Lanka, Vidullanka PLC adheres to the mandatory requirements of the Companies Act No. 07 of 2007. As a listed entity on the Colombo Stock Exchange, it also complies with the Listing Rules and directives issued by the Securities and Exchange Commission of Sri Lanka. In addition, the company follows the recommended corporate governance practices outlined in the Code of Best Practice on Corporate Governance 2017, issued by The Institute of Chartered Accountants of Sri Lanka. Vidullanka remains committed to continuously enhancing its practices to remain aligned with these regulatory standards and best practices.

The Audit Committee plays a central role in overseeing the company's compliance with all relevant laws, regulations, and governance codes. During each committee meeting, a detailed compliance checklist is reviewed, and the outcomes, along with any recommendations, are presented to the Board to inform its decision-making. The finance and legal departments are tasked with ensuring compliance in areas such as financial reporting, taxation, and legal matters,

while other departments are responsible for regulatory adherence within their operational domains. The Board is routinely updated on any ongoing legal proceedings and seeks expert consultation when necessary to support informed governance.

Country Risk

Country risk refers to the risk a country would exert on investments held in the country, including but not limited to political risk, legal risk, economical risk, transfer risk, social instability risk etc. Each country is unique in terms of the perceived level of risk present due to dynamic factors such as the government, political system, legal and judicial system, established infrastructure and economic status in each country.

Vidullanka PLC has taken prudent and proactive measures to manage country-specific risks associated with its overseas operations. The company's two hydro power plants in Uganda maintain strong working relationships with both government authorities and regulatory bodies, and are safeguarded by robust Power Purchase Agreements and Investment Protection Agreements. The EPC contract undertaken in Guyana was also subject to rigorous due diligence in terms of the risk the country poses before entering into the contract. During the operations as well, the environment was continuously assessed to identify any anomalies.

As part of its Standard Operating Procedure, Vidullanka ensures that all required approvals, permits, and licenses for operational and development-stage projects in each host country are diligently obtained, secured, maintained, and renewed in a timely manner. Over the years, Vidullanka has successfully built sustainable and mutually beneficial relationships with a broad spectrum of stakeholders across

the renewable energy value chain. These include government entities, regulatory authorities, development agencies, financial institutions, project developers, donors, and other key partners, thereby strengthening the company's resilience and long-term growth prospects in diverse operating environments.

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 losses that may arise for a party to a contract generating revenue for the party, from the failure of performance or default by the other party to the contract. Vidullanka has engaged into contracts with utilities acting as off-takers; Ceylon Electricity Board (CEB), Lanka Electricity Company (LECO) in Sri Lanka and Uganda Electricity Transmission Company Limited (UETCL) in Uganda, to whom the electricity generated from power plants are sold and transmitted to. The payment mechanisms for electricity transmitted are governed by the Power Purchase Agreements (PPA) entered into with the respective utility. These mechanisms are further backed and supported by provisions through Investment Protection Agreements. 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.

In the past, Vidullanka PLC, along with other Independent Power Producers (IPPs) in Sri Lanka, faced considerable challenges due to CEB's poor track record in settling dues for electricity supplied. At its peak, the outstanding receivables from the CEB reached as high as 14 months of arrears. However, recent government policy reforms and the introduction of cost-reflective consumer tariffs have significantly improved the situation. As a result, CEB has cleared all overdue payments and is now settling invoices in line with the terms outlined in the respective Power Purchase Agreements, a highly welcome and positive development for the sector.

UETCL continues to be a good paymaster, maintaining a regular record of timely payments for the Ugandan projects. However, in February 2024, UETCL informed both Muvumbe SHPP and Bukinda SHPP of its decision to withhold Deemed Energy Payments for the period spanning October 2022 to October 2023. This decision was based on UETCL's assessment that the actual plant factors exceeded the projections made during the development stage. Importantly, the executed Power Purchase Agreements and Implementation Agreements contain no provisions that permit such withholdings. Both project companies actively contested this decision, supported by legal counsel and professional advisors, to uphold their contractual rights. Due to concerted efforts expended by the company, the matter was later resolved, and the utility settled all due deemed energy payments to both projects. This was a serious risk the company had to deal with, and this case is a testament to the company's ability to handle and mitigate counterparty credit risk materialisations in an efficient and effective manner.

The Counterparty mix of the company changed considerably during last two financial years, with the addition of the Guyana Energy Agency (GEA) as a revenue source. The Guyana Energy Agency employed Vidullanka PLC on an EPC Contract to design and construct two hydro power plants in Lethem, Guyana. This contract provided a steady stream of revenue to the group, until its completion in December 2024. The Counterparty Credit risk associated with this contract was deemed to be low as the contract was funded by a multilateral lending institution and as the relevant payments from GEA for the contract works were settled in a prudent manner as agreed to without fail. Vidullanka PLC is actively pursuing new overseas EPC contract opportunities to further leverage the strategic and financial advantages associated with such engagements.

Vidullanka PLC's diversified counterparty portfolio has played a key role in mitigating the potential impact of defaults or underperformance by any single counterparty. As a result, the company's Counterparty Risk is assessed as moderate, though subject to volatility due to evolving external conditions.

Operational Risk

Operational risk refers to the perceived effect on value stemming from actual losses incurred by failed internal and less desirable internal processes, personnel, systems as well as 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. Operational risk may entail many risks, including but not limited to legal risk, risks to human capital, business assets, and overall business performance. An organization's goals and strategy are well protected if risks arising from operations are well anticipated and mitigated.

Vidullanka PLC engages primarily in renewable energy power generation, supplemented by other activities associated with the renewables value chain. This involves a dynamic mix of operational activities that are exposed to human errors, system procedural shortcomings and many more. The operations department of the company is held accountable to regularly review the processes, procedures and machinery in terms of power plant operations, implementing preventive as well as reactive measures minimize the existence of risks and any impact from them. EPC contracts bring about more diverse 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.

RISK MANAGEMENT

Stakeholder Risk

Effective stakeholder management is a vital driver of both the survival and long-term growth of any corporate entity. Given that stakeholders can directly or indirectly influence the company's operations, it is imperative to proactively address the inherent risks they may pose before such risks materialize. Managing stakeholder groups based on the level of perceived risk associated with them is essential for maintaining stability and fostering trust.

In relation to its operational power plants, Vidullanka PLC implements a range of initiatives to actively engage with rural and local communities in surrounding areas. These efforts are primarily focused on welfare and development, aiming to improve the overall well-being of these communities.

Through its dedicated CSR arm, ViduSaviya, the company carries out numerous initiatives that engage a broad spectrum of stakeholders in project localities. These include community welfare programs, healthcare and medical support, educational and athletic promotion, environmental conservation, and activities that contribute to upholding law and order. Each of these initiatives serves to strengthen the company's relationship with local stakeholders and align with their expectations in a meaningful and sustainable manner.

Additionally, Vidullanka formulates risk management strategies tailored to the profiles of its key stakeholder groups, enabling the company to mitigate potential risks effectively and responsibly.

Risk rating matrix used

Impact	Extreme					
	High Impact					
	Moderate					
	Minor					
	Low					
		Rare	Unlikely	Possible	Likely	Almost certain
Probability of occurrence						

Legend

High Risk Ranking (R)	
Medium Risk Ranking (A)	
Low Risk Ranking (G)	

Volatile Outlook	
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#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
1	Financial and Economic Environment							
		Counter party 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	<p>Electricity produced by own power plants in Sri Lanka and Uganda are sold to the CEB, LECO in Sri Lanka and UETCL in Uganda. The payments due for the supply of these electricity are governed as per the terms of the Power Purchase Agreements entered into by the power plant with the respective utility.</p> <p>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.</p> <p>The UETCL payments for both the net electricity supplied and deemed energy are in order. 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 stance was later overturned after the company contested this decision. As such, all due deemed energy payments in consideration were settled accordingly. The contract with the new counterparty, Guyana Energy Agency ended in December 2024. These payments were remitted in order and in due course throughout the contract period.</p>	CFO	Adopted	

RISK MANAGEMENT

#	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	<p>In its commitment to efficient and effective liquidity management, Vidullanka PLC continuously monitors key factors such as weather patterns, macroeconomic developments, and the performance of strategic investments to assess their impact on the business. The Group's revenue stream is well-diversified across three key dimensions: geographic location, business model, and renewable energy source or technology.</p> <p>The company's Audit Committee plays a critical role in evaluating Vidullanka's debt servicing capabilities and exposure to contingent liabilities on a regular basis. In 2022, Sri Lanka faced an unexpected economic crisis, marked by severe exchange rate volatility, rising inflation, and high financing costs, all of which posed significant challenges. However, the situation has since stabilized considerably. The reduction in both funding and operational costs has improved the overall risk outlook and contributed to a more favourable financial environment for the company.</p>	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 takes steps to ensure that all investments under consideration are only taken forward after conducting a successful review 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	

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
		Interest Rate Risk	Adverse impact on the profitability of the Company due to interest rate fluctuations.	Significant	Interest rates in Sri Lanka are currently stabilized for a long period of time. The company has a diverse mix of financing, priced at both fixed and floating rates to further mitigate any risks with rates fluctuating.	CFO	Adopted	
		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	Vidullanka is able to manage its funding requirements through its access to multiple geographies through its operations. The company has a wide range of external financing sources, which coupled with the healthy internal cashflows provide a solid base of liquidity. Vidullanka issued Sri Lanka's first ever listed Sukuk in June 2025, demonstrating its innovativeness in financing and access to funding required.	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	<p>Vidullanka PLC maintains a well-balanced balance sheet comprising both LKR and USD denominated assets and liabilities. In line with the company's accelerated growth strategy, both locally and internationally, a number of projects are currently in the development pipeline. These projects involve a significant share of foreign-sourced equipment and supplies, which expose the company to currency fluctuation risks.</p> <p>To manage this exposure, Vidullanka closely monitors exchange rate movements and implements appropriate remedial measures as necessary to safeguard its financial position and project viability.</p>	CFO	Adopted	

RISK MANAGEMENT

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
2	Environment, Health and Safety							
		Health and Safety Risk	The risk of employees being exposed to dangers during working hours on the power plant construction sites and the office.	Critical	<p>Vidullanka PLC takes pride in its strong commitment to workplace health and safety, having successfully implemented and upheld robust initiatives across all levels of the organization. Comprehensive policies and procedures are in place to ensure a safe and healthy working environment, in line with established Standard Operating Procedures (SOPs), both at the head office and at project sites.</p> <p>All plant personnel are equipped with advanced personal protective equipment (PPE), which is mandatorily used during both the construction and operational phases of projects. In addition, the Group has embraced voluntary efficiency and management systems such as 5S and Kaizen, with structured training provided to all employees to ensure organization-wide adoption and adherence.</p> <p>Work sites are designed with clear visual cues, signage, image-based safety signals, and detailed operational instructions to further reinforce a culture of safety and well-being across the company.</p>	Director - Operations	Adopted	
		Environment & Disaster Risk	The risks of potential adverse disaster events occurring during the operations/ disrupting the operations.	Critical	The company possesses a skilled set of environment specialists who help to reduce this risk through proactive actions and uncompromised compliance initiatives. 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. Furthermore, the company procures appropriate insurance covers to mitigate high risks to operations.	Director - Operations	Adopted	

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
		Epidemic Risk	Risk of adverse operational and economic impact stemming from epidemic/ pandemic outbreaks.	Significant	Drawing from its experience during the COVID-19 pandemic, Vidullanka PLC has revised and strengthened its Standard Operating Procedures (SOPs), enhancing its preparedness to effectively respond to any future epidemic-related risks.	COO & Director - Operations	Adopted	
		Weather Risk	Risk of disruptions and financial losses due to changing weather conditions.	Critical	Vidullanka PLC has consistently pursued diversification across its operations and plant portfolio to mitigate weather related risks. By incorporating hydro power plants located in Sri Lanka as well as Uganda, the group is able to offset seasonal and cyclical fluctuations in hydro power availability. Furthermore, the inclusion of dendro and solar power plants serves as a natural hedge against variability in hydro power generation, thereby contributing to more stable and consistent overall performance.	COO & Director - Operations	Adopted	
3 Stakeholder Relations								
		Public relations Risk	This is the risk of losing reputation which can lead to conflicts with stakeholders.	Low	The company's CSR program, "ViduSaviya" engages in a number of social and environmental upliftment initiatives, that boost the public confidence. These initiatives included reforestation and afforestation programs, donations of medical equipment, scholarships for students, national athlete sponsorships, donations, blood donation drives, distribution of essential items, Dansals, and many more.	Operations Department	Adopted	

RISK MANAGEMENT

#	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	<p>Each department within Vidullanka PLC is entrusted with the responsibility of identifying stakeholder expectations and managing them in a manner that serves the best interests of all parties involved. The significance and potential impact of stakeholder activities are carefully assessed to ensure that engagement efforts are both strategic and effective.</p> <p>The company carries out a quarterly review under the supervision of the Audit Committee, where each department discloses information on its risks.</p>	CEO & Heads of Departments	Adopted	
4 Operational Environment								
		Operational Risk	This involves the risk of losses arising from internal activities, processes, and procedures.	Significant	<p>At Vidullanka PLC, core operations are centred around project development, power generation, and engineering. This mix is further strengthened by the addition of EPC contracts. These primary functions are supported by key departments including Finance, Procurement, Human Resources, Administration, Legal, and Information Technology. Each function operates under well-defined SOPs and performance manuals designed to streamline processes and ensure operational efficiency and effectiveness.</p> <p>To uphold these standards, regular internal audits are conducted to assess departmental compliance. The findings from these audits are used to identify areas for improvement, enabling the implementation of corrective actions and continuous enhancement of overall operational performance. The group was also certified with the ISO 9001: 2015 Quality Management Systems certification for domestic hydro and solar segment activities</p>	CFO & Heads of Departments	Adopted	

#	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 its Internal Auditors and the Audit Committee, the company has implemented a comprehensive fraud detection and management program. This framework includes robust policies on the segregation of duties, clear guidance on optimal asset utilization, and detailed protocols governing the responsible use of company assets. These measures are designed to strengthen internal controls, minimize the risk of fraud, and promote accountability across all operational areas.	All Heads of Departments	Adopted	
5 Information Technology								
		Information Risk	Risk of unauthorised access, manipulation and dissemination to the public of confidential information relating to the Company.	Critical	The Information Technology Services department undertakes the measures to strengthen the information security and control over data dissemination with the help of an external expert resource. The company also makes use of cloud based cutting edge service providers in ensuring adequate backup, data security etc. Furthermore, stringent controls are enforced to manage access to confidential data, ensuring that only authorized personnel have access.	IT Department	Adopted	
6 Regulatory Environment								
		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 proactively complies and adheres to all applicable rules and regulations in the jurisdictions it conducts business in. The company engages expert advise from tax, legal and other required regulatory third parties, to ensure due diligence, governance and compliance. 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 Departments	Adopted	

RISK MANAGEMENT

#	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 Directors of Vidullanka PLC comprises a diverse and experienced group of professionals with deep expertise across a range of industries and sectors. An addition was also made to the board, with an Independent Non-Executive Director introduced to the composition to further strengthen the independency and objectivity of the board. Their collective business acumen enables the company to anticipate and adapt to the evolving dynamics of the renewable energy landscape. Through the formation of strategic partnerships, Vidullanka has positioned itself to maintain a competitive edge in both local and international markets. Supporting the Board in shaping and refining the company's long-term direction is the Investment and Strategy Committee, which plays a vital role in steering strategic decision-making.	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	When evaluating investment opportunities in new countries, Vidullanka PLC conducts comprehensive feasibility studies and seeks external professional advice where necessary. Each potential investment is thoroughly assessed for tax, legal, and political risks, with rigorous due diligence carried out prior to making any commitments. Leveraging its past experience, the company actively works to strengthen its foreign investments by negotiating Investment Protection Agreements with host governments prior to undertaking investments in order to safeguard its interests.	CEO, CFO, COO	Adopted	

#	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, Vidullanka PLC is actively pursuing participation in large-scale tenders for power projects, with a particular focus on solar and wind energy. These efforts are expected to increase the company's geographic exposure toward the local market. Concurrently, the company continues to make steady progress in its overseas development pipeline, thereby expanding its presence and exposure in key regions such as 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 2025, to be presented at the 29th 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 fuelwood 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 e-mobility related business initiatives.

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 business activity of *Vidul Solar Power (Pvt) Ltd.* is to own and operate the Horana SPP - Phase II in the Kalutara District. The project commenced commercial operation on 1st August 2025 during the financial year 2025/26.

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 Matara Solar Power plant is presently under construction and due to commence commercial operation during the financial year 2025/26.

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 Madampe solar power plant is presently under construction and is expected to commence commercial operation during the financial year 2025/26.

The principal business activity of *Vasanagama Plantation (Pvt) Ltd.* is the supply of fuelwood through its own sustainable plantations and through out-grower schemes.

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.

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 generate electricity and transmit to the National grid from the Vavunativu SPP in Batticaloa.

The principal business activity of *Sooriyashakthi (Pvt) Ltd.* is to electricity and transmit to the National grid from the proposed Vavunativu SPP - Phase II in Batticaloa. The power plant is presently under construction.

Major/Material Business Transactions

During the period under consideration, no material business transactions were entered into by the company other than the acquisition of 16.7% equity stake of Solar Universe (Pvt) Ltd increasing its total ownership to 50% in July 2024.

Financial Statements

The financial statements prepared in compliance with the requirements of Section 151 of the Companies Act No. 07 of 2007 are given on page 92 to 146 of this annual report.

Independent Auditor's Report
The Auditor's Report on the financial statements is given on page 92. of this report.

Accounting Policies

The Accounting Policies adopted in preparation of the financial statements is given on page 103 to 113 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 113.

Financial Results / Profit and Appropriations

The Group recorded a Profit After Tax of Rs. 1,577,471,332/- of which Rs.1,529,940,999/- is attributed to the equity shareholders.

During the year under review, the Company distributed a first Interim dividend of Rs. 0.30 per share amounting to Rs. 283,113,014/- and a 2nd interim dividend of Rs. 1.40 per share amounting to Rs. 1,321,194,064 by way of cash and scrip dividend.

Property, Plant & Equipment

During the year under review the Group invested a sum of Rs. 58,362,305/- (2024 - Rs. 267,376,725/-) in property, plant & equipment of which Rs. 26,067,372/- (2024 - Rs. 87,146,794/-) is in plant & Rs. 125,570/- (2024 - Rs. 107,442/-) is in plant & machinery-Solar, Rs. 6,313,753/- (2024- Rs. 14,146,735/-) is in Computer and other equipment and Rs. 717,425/- (2024 - Rs. 2,639,651/-) is in furniture and fixtures.

Further Rs. 2,250,141/- (2024 - Rs. 1,043,134/- is invested in office equipment, Rs. 22,190,094/- (2024 - Rs. 105,793,969/-) in Motor Vehicles and Rs. 88,836,862/- (2024 - Rs. 42,886,098/-) in Power plants work - in - progress. Investment in freehold land amounts to Rs. 697,950/- (2024 - Rs. 56,499,000/-).

In addition, the Group invested Rs. 4,691,608/- (2024 -Rs. 68,940/-) in bearer biological assets.

The exchange rate differences caused a total decrease of Rs. 96,401,080/- 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 5 to the financial statements on page 118.

Impairments

The details relating to the impairment provisions are given in notes 5.2 and 6.1 to the financial statements on pages 119 & 123.

Directors' Responsibilities

The Statement of the Directors' Responsibilities is given on page 89 of this report.

Corporate Governance

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 40.

Reserves

The Reserves and Accumulated Profits as at 31st March 2025 amount to Rs.3,994,606,641/- vs Rs. 4,082,365,801/- as at 31st March 2024.

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

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. 2,939,293,738/- The movements are shown in the Statement of Changes in Equity in the financial statements.

ESOS

The Employee Share Option Scheme (ESOS), targeting to offer share options equivalent to 5% of the issued number of ordinary voting shares, amounting to 43,565,798 shares, was approved by shareholders at an Extraordinary General Meeting (EGM) held on September 26, 2024. The number of options issued under the scheme was subsequently adjusted to 47,253,986 in accordance with the section 5.6.6 (a) following the issue of shares by way of scrip dividend.

Accordingly, these 47,253,986 share options are planned to be issued in 4 phases over the period from the date of shareholder approval (September 26, 2024) to September 1, 2027. The options granted under the scheme can be subscribed (exercised) starting from September 1, 2025 (for Phase 1 options after their vesting period) up to August 31, 2029 (for Phase 4 options).

Presently, 11,813,496 options have been issued under Phase I. As these options are currently within their vesting period, and remain to be exercised.

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 have been no material events occurring after the Balance Sheet date

that require adjustments to or disclosure in the Financial Statements other than the following,

The Fitch Ratings Agency reaffirmed the rating of A+ (SL) with a stable outlook for Vidullanka PLC in May 2025.

The group grid connected Vavunathivu SPP - Phase II and Horana SPP - Phase II during July 2025 and August 2025 respectively.

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 to the Financial Statements on page 139 and have been circulated to the Board on 13 August 2025 pursuant to section 192 (2) of the Companies Act No. 07 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

Prof. Anura Wijayapala

The report of the Audit Committee on page 81 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)

Prof. Anura Wijayapala

Mr. Ranjan Mather

The report of the Remuneration Committee in accordance with the requirements of Rule 9.12 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance on page 40. contains a statement of the remuneration policy. The details of the aggregate remuneration paid to the Executive, Non-Executive Directors and other key management personnel during the financial year are given in note 26.5 to the financial statement on page 140.

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 86.

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)

Ms. Deepthie Wickramasuriya

Mr. Sidath Fernando

The report of the Related Party Transactions Review Committee is given on page 88.

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 notes 7, 11 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 M. Sangani

The report of the Nominations and Governance Committee is given on page 84 in accordance with the requirements of Rule 9.11 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

Investor Information and Shareholdings

The investor information is given on page 147.

Major Shareholders

Details of twenty largest shareholders of the company and percentage held by each of them are disclosed in page 148.

Directors

The Directors of the company as at 31st March 2025 and their brief profiles are given on page 21 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 to re-elect Mr. Shahid M. Sangani and Mr. Sidath Fernando who retire by rotation being eligible 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. Ranjan Mather who retire in terms of section 211 of the Companies Act No. 07 of 2007 and being eligible to the Board in terms of section 210 of the Companies Act.

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. Rizvi Zaheed, Ms. Deepthie Wickramasuriya and Prof. Anura Wijayapala who are Non-Executive Directors of the company, have submitted a signed and dated declaration to the Board on the status of their Independence.

Directors' Shareholding

The interest of the Directors in the shares of the Company as at 31st March of 2025 and 2024 were as follows:

Director	No of Ordinary Voting Shares	
	As at 31/03/2025	As at 31/03/2024
Amana Bank PLC / Mr. Osman Kassim	137,751,552	89,000,000
Mr. Osman Kassim /Ms. K. Kassim/ Mr. A.O.Kassim	130,315	-
Mr. Osman Kassim /Ms. K. Kassim	-	38,120,144
Mr. Riyaz M. Sangani	90,513,823	65,850,420
Amana Bank PLC/ Mr. Riyaz M. Sangani	107,107,527	98,747,751
National Development Bank PLC/ Riyaz M. Sangani	21,693,158	14,600,000
Mr. Shahid M. Sangani	3,378,136	3,114,471
Amana Bank PLC/ Mr. Shahid M. Sangani	4,664,029	4,300,000
Mr. Ranjan Mather	100,000,000	100,000,000
Mr. Sidath Fernando	41,746,349	33,663,568
Mr. Sattar Kassim	102,105,204	94,135,861
Mr. Sujendra Mather	22,372,420	20,626,246
Mr. Rizvi Zaheed	43,386	40,000
Ms. D. Wickramasuriya	-	-
Prof. Anura Wijayapala	-	-

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

Director	No of Ordinary Non-Voting Shares	
	As at 31/03/2025	As at 31/03/2024
Amana Bank PLC / Mr. Osman Kassim	8,145,585	7,181,419
Mr. Osman Kassim /Ms. K. Kassim/ Mr. A.O.Kassim	2,563,433	-
Mr. Osman Kassim / Ms. K. Kassim	-	2,260,008
Mr. Riyaz M. Sangani	750,615	966,317
Mr. Shahid M. Sangani	336,542	296,707
Amana Bank PLC/ Mr. Shahid M. Sangani	416,153	366,894
Mr. Ranjan Mather	1,724,872	1,520,705
Mr. Sidath Fernando	501,320	441,980
Mr. Sattar Kassim	-	-
Mr. Sujendra Mather	-	-
Mr. Rizvi Zaheed	3,871	3,413
Ms. D. Wickramasuriya	-	-
Prof. Anura Wijayapala	-	-

Notice of Meeting

The Annual General Meeting will be held at 10.00 am on 25th September 2025 at the registered office of the company with participation via audio visual technology.

The Notice of the Annual General Meeting appears on page 153.

For and on behalf of the Board,

(Sgd.)
Riyaz M. Sangani
CEO

(Sgd.)
Osman Kassim
Chairman

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

25 August 2025
Colombo

Auditors

The resolutions to appoint the present Auditors, Messers. 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; hereby declare the following.

- They have declared all material interest 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,
- 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.

BOARD COMMITTEES

Vidullanka PLC strengthens its governance framework through five Board Sub-Committees: Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, Nominations and Governance Committee, and the Investment and Strategy Committee, each chaired by a member of the Board.

The Sub-Committees are entrusted with the responsibility of assisting the Board in discharging its duties effectively. Their composition reflects a balance of expertise and experience, enabling members to carry out their responsibilities with diligence and independence.

The Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and the Nominations and Governance Committee have been constituted in accordance with the requirements of the Listing Rules of the Colombo Stock Exchange (CSE) to ensure compliance with applicable governance standards.

The Investment and Strategy Committee is voluntarily established by the Board with the objective of shaping, developing, and operationalizing the group's strategic direction and growth initiatives.

AUDIT COMMITTEE

Report On the Affairs of the Audit Committee During the Financial Year 2024/25

The Audit Committee of Vidullanka PLC ("the Committee") holds a pivotal role in overseeing the Company's financial reporting processes, audit functions, internal control systems, compliance with applicable laws, and all related procedures. In addition, it is entrusted with the ongoing evaluation of the organization's established risk management, ensuring that it remains consistent with the Company's defined risk appetite, internal controls, and policy directives.

As a key governance body, the Committee provides strategic oversight on the implementation of sound corporate governance practices, particularly in the areas of leadership, operational control, and accountability. Beyond supervising both internal and external audit activities, financial disclosures, and adherence to regulatory requirements, the Committee also plays a vital role in supporting management to identify and assess the risks confronting the business. Working within the approved framework, it guides the formulation of effective control mechanisms and management strategies to mitigate and manage those risks in a structured and efficient manner.

Composition of the Audit Committee

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

Prof. Anura Wijayapala (Independent Non-Executive Director) (Appointed with effect from 01/01/2025)

Mr. Shahid M. Sangani (Non-Executive Director)

Mr. Sidath Fernando (Non-Executive Director) (Resigned with effect from 31/12/2024)

In compliance with the listing rules of CSE and corporate governance best practices, the Audit Committee is comprised of three Non-Executive Directors, of whom two are independent. The Committee was re-constituted during the financial year with the appointment of Prof. Anura Wijayapala to the Committee as a member with effect from 01/01/2025. With effect from 31/12/2024, Mr. Sidath Fernando ceased to be classified as an Independent Director. The Audit Committee is chaired by Ms. Deepthie Wickramasuriya, an Independent Non-Executive Director, in full compliance with the listing requirements of the Colombo Stock Exchange. As a seasoned finance professional and member of a recognized accounting body, Ms. Wickramasuriya brings extensive

expertise to the role. Throughout the year, the Committee's proceedings were attended by the Chief Executive Officer and the Chief Financial Officer, both participating at the Committee's invitation to provide insights and support its deliberations.

Role of the Committee

The Audit Committee bears the central responsibility of ensuring that all published financial statements and public disclosures are prepared in strict conformity with the controls, guidelines, and benchmarks set forth under the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange, the regulations of the Securities and Exchange Commission, recognized best practices in corporate governance, and the provisions of the Companies Act No. 07 of 2007.

The Committee monitored the adequacy and effectiveness of the Company's internal control and risk management systems in line with Sri Lanka Auditing and Accounting Standards (SLAAS). It reviewed the overall control environment, assessed controls over key risks, and examined business continuity plans and risk policies. The Committee ensured timely corrective actions for risks exceeding approved thresholds, evaluated compliance with legal and regulatory requirements, and confirmed the presence of a confidential whistleblowing mechanism for reporting fraud or misconduct.

The Committee supported the Board in reviewing quarterly and annual financial statements to ensure accuracy, transparency, and compliance with Sri Lanka Accounting Standards (LKAS), the Companies Act No. 07 of 2007, the Securities and Exchange Commission Act No. 19 of 2021, and other applicable regulations. Reviews covered accounting policy changes, significant judgments, unusual transactions, related party dealings, and legal compliance.

BOARD COMMITTEES

During the financial year under review, the Committee convened on four occasions, with detailed records of member attendance presented on page 41. of this report.

Acting within the scope of its Terms of Reference, the Committee undertook the following key responsibilities during the period:

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 input 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, legislation and acts.
4. Reviewed and approved a new Standard Operating Procedures relating to inter-company advances as well as reviewed and recommended the Board Policies for approval by adoption by the board.
5. Reviewed and evaluated the progress of projects in pipeline and made recommendations on any related write-offs.
6. Obtained assurance from the CEO and CFO regarding the integrity of financial records, fair presentation of financials, and effectiveness of internal controls and risk management systems.
7. 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.
8. 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.
9. Reviewed the annual Audited Financial Statements in consultation with the management and External Auditor.
10. Evaluated whether the operations of the company needed any changes, amendments and additions stipulated by new policies, procedures and standards adopted by the company.
11. Solicited confirmation from senior management on a quarterly basis regarding internal controls, reporting and compliance.
12. Reviewed the findings and improvement measures reported by the Internal Audit Function. The internal audit function provided independent assurance through a structured review of the Company's risk management, internal controls, and governance processes. Key areas reviewed included financial reporting controls, compliance with internal policies and external regulations, operational efficiency, and follow-up on the implementation of audit recommendations.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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

Based on the satisfactory performance of the independent auditors, their independence, and their experience, the Committee recommended their re-appointment for the ensuing financial year. The Committee obtained written assurance from the auditors, confirming their independence throughout the reporting period. The Committee determined their independence based on the absence of any relationships or circumstances that could materially affect their objectivity. In cases where non-audit services were provided, the Committee ensured that appropriate safeguards were in place to maintain auditor objectivity and independence.

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 Professional Services Inc. of Unit 1, Upper level, 127 Quamina Street, South Cummingsburg, Georgetown, Guyana as the External Auditor of Vidullanka PLC - Guyana Branch.

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

BOARD COMMITTEES

NOMINATIONS AND GOVERNANCE COMMITTEE

Report On the Affairs of the Nominations and Governance Committee During the Financial Year 2024/25

The Nominations and Governance Committee (“the Committee”) is a subcommittee of Vidullanka PLC duly constituted and appointed by the Board of Directors to assist the Board in fulfilling its responsibilities relating to Board composition, succession planning, Director appointments, and governance practices. The Committee is governed by a Term of Reference (TOR) approved by the Board.

In accordance with Section 9.11.6 of the Listing Rules of the Colombo Stock Exchange, the Committee is pleased to hereby present its report for the financial year ended in 2024/25,

9.11.6(a) - Composition of the Committee

The composition of the Committee complies with the Listing Rules, with a majority of members being Independent Non-Executive Directors. As at 31st March 2025, the Committee was comprised of the following members:

No	Name of the Director	Nature of Directorship	Date of Appointment to the Committee
01	Ms. Deepthie Wickramasuriya	Independent Non-Executive Director	21/03/2024
02	Mr. Rizvi Zaheed	Independent Non-Executive Director	21/03/2024
03	Mr. Shahid M. Sangani	Non-Executive Director	21/03/2024

The Committee met five times during the financial year from 1st April 2024 to 31st March 2025 and a detailed record of member attendance presented on page 41 of this report.

9.11.6(c) - Policy and Process for Nominating Directors

The Company has adopted a formal and documented policy and process for the nomination, selection, and appointment of Directors. This includes consideration of qualifications, professional experience, independence, and alignment with the Company's strategic needs and governance standards.

9.11.6(d) - Re-election of Directors

The Committee affirms that all Directors are subject to re-election at regular intervals and at least once every three (3) years, in accordance with the Articles of Association of the Company and prevailing governance practices.

9.11.6(e) - Board Diversity

The Committee confirms that the Company is in compliance with Rule 9.5.1(c), and actively promotes diversity in the composition of its Board. In assessing board diversity, the Committee considers a range of factors including professional experience, skills and competencies, age, gender balance, and broader demographic representation. The current Board comprises a strategically balanced mix of individuals whose diverse professional backgrounds, industry expertise, and varied perspectives contribute meaningfully to effective governance and robust decision-making.

9.11.6(f) - Implementation of Appointment and Reappointment Policies

The Committee confirms that the policies and procedures relating to the appointment and reappointment of Directors have been effectively implemented during the year. All recommendations for appointments were subject to due diligence and a review of individual suitability.

Recommendation for Directorship Appointment made during the year,

- Prof. Anura Wijayapala

Recommendation for re-appointment for Directorship made during the year,

- Mr. Sujendra Mather
- Mr. Rizvi Zaheed

9.11.6(g) - Information on Directors Re-elected or Proposed for Re-election

In terms of Section 20.5 of the Articles of Association of the Company, at each Annual General Meeting one-third of the Directors for the time being shall retire from office. The Directors to retire every year shall be those who, being subject to retirement by rotation, have been longest in office since their last election or appointment.

In accordance with Section 20.5 of the Articles of Association, the following Directors, who retired by rotation and were eligible for re-election, were proposed for re-election at the Annual General Meeting held on 26th September 2024. Their respective profiles were also presented to the shareholders in support of their re-election.

Name of the Director	Date of First Appointment	Date of Last Re-appointment:	Board Committees, Other Directorships, Principal Commitments & Relationships
Mr. Sujendra Mather	18/03/2016	26/09/2024	The details are provided in the Board of Directors and Corporate Governance sections of this Annual Report
Mr. Rizvi Zaheed	31/07/2018	26/09/2024	

The following Directors who are retiring under Section 20.5 of the Articles of Association of the Company will be placed before the shareholders at the Annual General Meeting of the Company for re-election:

Name of the Director	Date of First Appointment	Date of Last Re-appointment:	Board Committees, Other Directorships, Principal Commitments & Relationships
Mr. Shahid M. Sangani	29/09/2003	22/07/2016	The details are provided in the Board of Directors and Corporate Governance sections of this Annual Report
Mr. Sidath Fernando	13/02/2012	22/07/2016	

9.11.6(h) - Performance Evaluation of the Board and CEO

In compliance with Rule 9.11.5 of the CSE Listing Rules, periodic evaluations of the Board of Directors and the Chief Executive Officer were conducted during the year under review. The assessments covered both individual and collective performance, with emphasis on strategic oversight, leadership effectiveness, and the discharge of governance responsibilities. The evaluation process was overseen by the Committee and the results confirmed that the performance of the Board and the Chief Executive Officer was satisfactory and aligned with the expected standards of governance and leadership.

9.11.6(i) - Access to Information for Independent Directors

This included the timely circulation of Board and Committee papers, regular management updates, and access to internal and external advisors, where necessary, to enable the Directors to discharge their responsibilities effectively and make informed decisions in line with good governance practices.

9.11.6(j) - Induction/Orientation Programs

An induction program was conducted for the newly appointed Director, providing an overview of the organization's structure, key functions, and applicable compliance requirements.

9.11.6(k) - Ongoing Updates to Existing Directors

All Directors, including Independent Non-Executive Directors, were kept informed of regulatory updates, governance developments, and key matters affecting the Company through periodic briefings at Board and Committee meetings, as well as through Board Papers and updates.

9.11.6(l) - Criteria for Determining Independence

The Committee reviewed the declarations submitted by all Independent Non-Executive Directors and confirmed that they meet the criteria for independence set out in Section 9.8.3 of the Listing Rules of the Colombo Stock Exchange.

9.11.6(m) - Compliance with Corporate Governance Requirements

The Committee has reviewed the Management's Report on compliance with the applicable corporate governance framework and confirms that the Company has duly complied with all requirements under Section 9 of the CSE Listing Rules. The Company remains committed to continuously enhancing its governance practices to uphold transparency, accountability, and stakeholder confidence. A comprehensive statement of compliance with the Listing Rules is provided in the Corporate Governance Commentary section of this Annual Report.

(Sgd.)

Deepthie Wickramasuriya
Chairperson - Nominations and Governance Committee

BOARD COMMITTEES

INVESTMENT AND STRATEGY COMMITTEE

Report On the Affairs of The Investment and Strategy Committee During the Financial Year 2024/25

The Investment and Strategy Committee of Vidullanka PLC ("the Committee") is entrusted with the critical role of reviewing and assessing proposed investment opportunities, formulating forward-looking business strategies, and overseeing all related undertakings. Its core purpose is to provide the Board with well-founded recommendations, highlighting how each initiative supports the company's overarching objectives and aligns with its long-term growth trajectory.

The committee maintains continuous oversight of all assets within Vidullanka's investment portfolio, closely tracking their performance and subjecting any underperforming ventures to in-depth review and remedial action. In addition, it keeps a vigilant watch on the broader market landscape, identifying risks that could affect current investments while also seeking to harness emerging opportunities, innovative technologies, and evolving industry trends. Drawing from these evaluations, the committee develops targeted investment and expansion strategies, offering the Board informed guidance to maximize prospects and mitigate potential 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 M. Sangani (Chief Executive Officer)

The committee convened on four times during the financial year, with detailed records of member attendance presented on page 41 of this report. The CFO and COO attended the committee meetings by invitation. The committee dealt with areas such as, new investment opportunities in the Renewable Energy space in Africa and South Asia, new opportunities in EPC/Consulting business, building renewable energy projects overseas and overseeing current power plant operations. The committee fulfils its mandate by guiding the Board in developing responsive action plans and strategic measures to address these matters.

(Sgd.)

Osman Kassim

Chairperson - Investment and Strategy Committee.

REMUNERATION COMMITTEE

Report On the Affairs of The Remuneration Committee During the Financial Year 2024/25

Vidullanka PLC's Remuneration Committee ("the Committee") is entrusted with shaping the compensation framework for the Group's Executive Directors, Chief Executive Officer, and the senior management team, ensuring it remains competitive with prevailing industry standards and recognized best practices. Its mandate is to craft remuneration structures capable of attracting and retaining exceptional talent within the organization. In fulfilling this role, the committee develops and recommends to the Board well-structured, market-aligned, and adaptable compensation packages for the Executive Directors, Chief Executive Officer, and the senior management team. These arrangements undergo periodic review to remain responsive to market dynamics and evolving organizational needs.

The committee is chaired by Mr. Rizvi Zaheed, an Independent Non-Executive Director and consists of the following remaining members.

Prof. Anura Wijayapala (Independent Non-Executive Director)

Mr. Ranjan Mather (Non-Executive Director)

The Remuneration Committee functions in accordance with its formally adopted Terms of Reference. During the financial year, the Committee convened on four occasions, with detailed records of member attendance presented on page 41 of this report, to reassess the Group's remuneration structures, policies, and procedures, ensuring their continued alignment with corporate objectives, strategic priorities, and long-term direction. As part of its mandate, the Committee also reviewed broader human resource policies, advising management on potential enhancements where required. Recognizing the ongoing trend of skilled workforce migration from Sri Lanka, the Committee devised strategies and action plans to mitigate potential challenges arising from this development.

In addition, the Committee assessed remuneration and benefits packages for the Executive Directors, Chief Executive Officer, and the senior management team. At no point did any director participate in decisions regarding their own compensation. Pay for Non-Executive Directors follows transparent, non-discriminatory principles, thereby safeguarding their independence from any undue influence through remuneration. Compensation for senior management was determined based on the Committee's evaluation of their annual performance. Specific details relating the aggregate remuneration of the Executive and Non-Executive Directors are disclosed in the financial statements on page 140.

Furthermore, Non-Executive Directors are not entitled to performance-linked incentives.

(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 2024/25

The Related Party Transactions Review Committee ("the Committee") is entrusted with the responsibility of monitoring dealings between Vidullanka PLC and its related parties, ensuring such transactions are carried out on an arm's length basis and in strict compliance with Section 09 of the Colombo Stock Exchange Listing Rules and LKAS 24 of the Sri Lanka Accounting Standards. The Committee consists of three Non-Executive Directors, the majority of whom (two members) are independent. As stipulated, the Committee convenes at least once every quarter within the financial year.

The present composition of the Committee is as follows:

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

Ms. Deepthie Wickramasuriya (Independent Non-Executive Director)

Mr. Sidath Fernando (Non-Executive Director)

Drawing on their extensive expertise and industry insight, the members evaluate, approve, and oversee all related party transactions in terms of the Committee's Terms of Reference. In instances where certain proposed transactions require additional authorization, the Committee seeks the Board's approval before proceeding. During the year under review, the Committee met on four occasions, with detailed records of member attendance presented on page 41 of this report. It is noteworthy that no related party transactions falling within the scope of Rules 9.14.6, 9.14.7, 9.14.8, or 9.14.9 of Colombo Stock Exchange Listing Rules occurred during the period.

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 of 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 76. 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
25 August 2025



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INDEPENDENT AUDITOR'S REPORT



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Chartered Accountants
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DNG/MAR/AD

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 2025, 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 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, 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 FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. E K H L Fonseka FCA, Ms. P V K N Sajewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavilane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

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

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of Impairment of Goodwill</p> <p>The Group's Statement of Financial Position includes an amount of Rs. 143 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"> ■ The degree of management assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations. ■ 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. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ■ Obtained an understanding of how management has forecast its discounted future cash flows. ■ Tested the calculations of the discounted future cash flows and agreed underlying data used by Management to relevant underlying accounting records. ■ Based on the best available information up to the date of our report, we assessed the reasonableness of significant management assumptions including tariff rates, discount rates and plant load factor. We performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations. ■ Evaluated the sensitivity of the forecasted cash flows by focusing on plausible changes in the key assumptions and analyzing the impact on the recoverable amount. <p>We have also assessed the adequacy of the disclosures made in Note 5.2 to the financial statements.</p>
<p>Estimated Depreciation of Plant & Machinery</p> <p>Property, plant and equipment of the Group include hydro and solar plant & machinery – totalling Rs. 7,054,931,802 which represent 53% of the Group's total assets as of reporting date.</p> <p>Depreciation on hydro and solar plant & machinery – totalling Rs. 339,669,332 for the year ended 31 March 2025. 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 & machinery – hydro and solar was considered a Key Audit Matter due:</p> <ul style="list-style-type: none"> ■ 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. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ■ We obtained the understanding of management's policies and procedures developed over the estimation of the remaining useful lives of plant & machinery – hydro & solar. ■ We assessed the reasonableness of management assumptions and judgments applied in developing expectations of remaining useful lives of Plant & Machinery. – hydro and solar and checked the agreement terms in the power purchase agreements entered. ■ We checked the arithmetical accuracy of the depreciation recorded during the year. <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 2025 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.



29 August 2025
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

ASSETS	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Non-Current Assets					
Property, Plant and Equipment	4	7,417,462,808	7,775,876,852	1,891,604,084	1,995,284,919
Bearer Biological Assets	4.1.8	21,803,121	37,291,251	-	-
Right of Use Assets	4.3	142,127,215	189,994,883	26,562,193	33,123,926
Investments in Subsidiaries	5.1	-	-	1,078,201,089	1,028,201,089
Investment in Joint Ventures and Associates	5.3	1,512,589,286	1,127,498,300	955,624,883	770,624,883
Other Project Investments	6	62,700,273	49,807,147	62,700,273	49,807,147
Goodwill	5.2	143,335,502	204,818,392	-	-
Deferred Tax Asset	10.3	2,575,293	13,523,075	-	13,523,075
		9,302,593,498	9,398,809,900	4,014,692,522	3,890,565,039
Current Assets					
Inventories		187,217,773	150,045,901	55,941,605	37,438,293
Trade and Other Receivables	7	1,441,564,826	2,454,872,165	473,928,162	1,060,087,352
Other Financial Assets	5.4.1	240,579,380	317,718,360	36,441,500	56,441,500
Cash and Cash Equivalents	20	2,023,478,163	698,018,574	496,281,018	284,133,636
		3,892,840,142	3,620,655,000	1,062,592,285	1,438,100,781
Total Assets		13,195,433,640	13,019,464,900	5,077,284,807	5,328,665,820
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	8	2,939,293,738	1,825,593,926	2,939,293,738	1,825,593,926
Retained Earnings		3,994,606,641	4,082,365,801	718,165,924	684,748,998
Other Components of Equity		1,270,004,881	1,348,498,544	(7,139,545)	948,545,349
Equity Attributable to Equity Holders of the Parent		8,203,905,260	7,256,458,271	3,650,320,117	3,458,888,273
Non Controlling Interest		287,659,794	272,382,022	-	-
Total Equity		8,491,565,054	7,528,840,293	3,650,320,117	3,458,888,273
Non-Current Liabilities					
Loans and Borrowings	9	1,558,611,013	2,052,876,012	100,025,452	298,882,308
Defined Benefit Liability	12	100,209,903	69,519,508	88,301,424	59,175,829
Deferred Tax Liability	10.2	1,145,363,269	1,029,050,965	14,753,126	-
Lease Liability	21.1	45,006,920	86,466,734	32,583,233	35,811,894
		2,849,191,105	3,237,913,219	235,663,235	393,870,031
Current Liabilities					
Trade and Other Payables	11	635,694,546	1,095,239,224	377,067,473	784,592,121
Loans and Borrowings	9	1,030,488,637	1,002,197,031	644,511,158	606,078,256
Lease Liability	21.1	7,246,731	16,316,551	3,228,657	3,887,703
Income Tax Liabilities		181,247,567	138,958,582	166,494,167	81,349,436
		1,854,677,481	2,252,711,388	1,191,301,455	1,475,907,516
Total Equity and Liabilities		13,195,433,640	13,019,464,900	5,077,284,807	5,328,665,820
Net Asset Value Per Share (Rs.)		7.99	7.69	3.55	3.67

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 103 thorough 146 form an integral part of these Financial Statements.

25 August 2025
Colombo

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025

	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	13	5,424,848,180	5,692,545,652	2,618,709,857	2,237,582,579
Cost of Sales		(2,475,653,018)	(2,501,220,777)	(1,698,603,279)	(1,668,877,656)
Gross Profit		2,949,195,162	3,191,324,875	920,106,578	568,704,923
Other Income and Gains / (Losses)	17	309,035,120	177,207,388	755,323,057	960,793,582
Administrative Expenses		(695,518,201)	(868,972,293)	(611,298,728)	(572,614,570)
Finance Cost	15	(322,758,023)	(491,742,307)	(111,548,292)	(168,443,282)
Finance Income	16	35,646,267	19,413,249	24,399,962	9,638,460
Share of results of Equity Accounted Investees		263,442,685	214,774,684	-	-
Profit / (Loss) Before Tax	14	2,539,043,010	2,242,005,596	976,982,577	798,079,113
Income Tax Expense	10	(961,571,678)	(888,819,588)	(274,967,791)	(21,682,738)
Profit / (Loss) for the Year		1,577,471,332	1,353,186,008	702,014,786	776,396,375
Other Comprehensive Income (OCI)					
Other Comprehensive Income that not will be Reclassified to Profit or Loss in Subsequent Period					
Net Actuarial Gain / (Loss) on Defined Benefit Plan		(18,818,743)	(5,553,181)	(16,422,379)	(5,346,106)
Income Tax Effect on Net Actuarial Gain / (Loss) on Defined Benefit Plan		5,128,519	1,603,378	4,926,714	1,603,832
Other Comprehensive Income that may be Reclassified to Profit or Loss in Subsequent Period					
Exchange Differences on Translation of Foreign Operations		(82,247,249)	(369,996,012)	(8,480,011)	1,340,466
Share of Other Comprehensive Income of Equity Accounted Investees (Net of Tax)		297,143	(473,771)	-	-
Other Comprehensive Income for the Year, Net of Tax		(95,640,330)	(374,419,586)	(19,975,676)	(2,401,808)
Total Comprehensive Income for the Year, Net of Tax		1,481,831,002	978,766,422	682,039,110	773,994,567
Profit Attributable to :					
Equity Holders of the Parent		1,529,940,999	1,281,745,266	702,014,786	776,396,375
Non-Controlling Interests		47,530,333	71,440,742	-	-
		1,577,471,332	1,353,186,008	702,014,786	776,396,375
Total Comprehensive Income Attributable to :					
Equity Holders of the Parent		1,438,054,255	925,841,204	682,039,110	773,994,567
Non-Controlling Interests		43,776,747	52,925,218	-	-
		1,481,831,002	978,766,422	682,039,110	773,994,567
Earning Per Share - Basic		1.57	1.35	0.72	0.82
Earnings Per Share - Diluted	18	1.57	1.35	0.72	0.82
Dividend Per Share		-	-	1.70	0.36

The accounting policies and notes on pages 103 through 146 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

Group		Stated Capital	Retained Earnings	Foreign Currency Translation Reserve	Non- Controlling Interest	Total
	Notes	Rs.	Rs.	Rs.	Rs.	Rs.
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
Balance as at 01 April 2024		1,825,593,926	4,082,365,801	1,348,498,544	272,382,022	7,528,840,293
Profit for the Year		-	1,529,940,999	-	47,530,333	1,577,471,332
Other Comprehensive Income		-	(13,393,081)	(78,493,663)	(3,753,586)	(95,640,330)
Total Comprehensive Income for the Year		-	1,516,547,918	(78,493,663)	43,776,747	1,481,831,002
Scrip Dividend		1,113,699,812	(1,132,450,437)	-	-	(18,750,625)
Dividend Paid during the Year	19	-	(471,856,641)	-	(28,498,975)	(500,355,616)
Balance as at 31 March 2025		2,939,293,738	3,994,606,641	1,270,004,881	287,659,794	8,491,565,054

Company		Stated Capital	Retained Earnings	Amalgamation Reserves	Foreign Currency Translation Reserve	Total
	Notes	Rs.	Rs.	Rs.	Rs.	Rs.
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		-	-	947,204,883	-	947,204,883
Dividend Paid during the Year		-	(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
Balance as at 01 April 2024		1,825,593,926	684,748,998	947,204,883	1,340,466	3,458,888,273
Profit for the Year		-	702,014,786	-	-	702,014,786
Other Comprehensive Income		-	(11,495,665)	-	(8,480,011)	(19,975,676)
Total Comprehensive Income for the Year		-	690,519,121	-	(8,480,011)	682,039,110
Scrip Dividend		1,113,699,812	(185,245,554)	(947,204,883)	-	(18,750,625)
Dividend Paid during the Year	19	-	(471,856,641)	-	-	(471,856,641)
Balance as at 31 March 2025		2,939,293,738	718,165,924	-	(7,139,545)	3,650,320,117

The accounting policies and notes on pages 103 thorough 146 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 March 2025

	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Operating Activities					
Profit / (Loss) Before Tax		2,539,043,010	2,242,005,596	976,982,577	798,079,113
Adjustments for					
Depreciation Property, Plant and Equipment	4	392,298,568	378,148,179	136,497,875	73,137,468
Depreciation Biological Assets		4,536,690	4,536,870	-	-
Depreciation of Right of Use Assets	4.3.2	20,941,803	25,803,941	6,561,733	5,865,653
(Profit) / Loss on Disposal of Property, Plant and Equipment	17	28,168,790	(8,264,483)	3,096,130	(6,964,483)
(Profit) / Loss on Disposal of ROU Asset		-	(11,098,565)	-	(9,648,565)
Write off of Biological Assets (net)		12,195,601	-	-	-
Expenses on Defined Benefit Plan	12.1	13,585,102	15,484,590	13,240,666	11,810,011
Impairment / Written Off of New Projects		44,944,256	39,753,026	44,944,256	39,753,026
Impairment Goodwill - Receivables	5.2	(58,935,056)	242,065,019	-	-
Net Gains on Translation of Foreign Currency		(27,326,657)	(46,612,546)	(8,022,741)	(19,610,562)
Share of results of equity accounted investees		(263,442,685)	(214,774,684)	-	-
Dividend Income	17	-	-	(510,205,814)	(922,674,967)
Gain on Bargain Purchase	17	(14,793,658)	-	-	-
Finance Income	16	(35,646,267)	(19,413,249)	(24,399,962)	(9,638,460)
Finance Cost	15	322,758,023	491,742,307	111,548,292	168,443,282
Operating Profit Before Working Capital Changes		2,978,327,520	3,139,376,001	750,243,012	128,551,516
(Increase) / Decrease in Inventories		(55,162,886)	3,675,268	(18,503,312)	2,485,042
(Increase) / Decrease in Trade & Other Receivables		1,241,354,828	(489,431,930)	586,159,190	185,623,363
Increase / (Decrease) in Other Payables		(448,852,754)	259,390,129	(407,524,648)	187,527,319
Cash Generated from / (Used in) Operations		3,715,666,708	2,913,009,468	910,374,242	504,187,240
Finance Cost Paid		(329,727,130)	(484,522,280)	(107,295,578)	(165,698,399)
Defined Benefit Plan Cost Paid	12	(1,713,450)	(5,463,420)	(537,450)	(5,463,420)
Income Tax Paid		(788,881,008)	(761,082,416)	(173,740,190)	(8,200,000)
Net Cash from / (Used in) Operating Activities		2,595,345,120	1,661,941,352	628,801,024	324,825,421
Investing Activities					
Acquisition of Property, Plant and Equipment		(149,679,167)	(338,658,896)	(41,457,554)	(163,706,731)
Acquisition of Biological Assets		(4,691,608)	(68,940)	-	-
Acquisition of Right to Use Asset		-	(27,861,472)	-	-
Proceeds from Sale of Property, Plant and Equipment		6,089,529	8,300,000	1,539,529	7,000,000
Proceeds from Sale of Right to Use Asset		-	11,450,000	-	10,000,000
Investment in New Projects, net of cash acquired		(57,837,382)	(13,181,823)	(57,837,382)	(13,181,823)
Investment on Other Financial Assets	5.4.1	13,639,711	65,589,910	20,000,000	71,949,282
Finance Income Received		34,993,476	19,035,672	23,821,573	9,372,908
Dividend Received		66,676,125	98,922,500	510,205,814	922,674,967
Acquisition of Subsidiary, net of cash acquired		-	(14,724,984)	-	(15,000,000)
Investment in Subsidiaries		-	-	(50,000,000)	(140,000,000)
Investment in Associate		(185,000,000)	(240,000,000)	(185,000,000)	(240,000,000)
Net Cash Flows from / (Used in) Investing Activities		(275,809,316)	(431,198,033)	221,271,980	449,108,603

STATEMENT OF CASH FLOWS

Year ended 31 March 2025

	Notes	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Financing Activities					
Share Issue - NCI		-	70,000,000	-	-
Dividend Payments		(500,355,616)	(392,425,756)	(471,856,641)	(339,735,617)
Principal Payment under Ijara-Leases (Motor Vehicle)	21.1.1	(5,828,345)	(6,340,152)	(3,327,002)	(1,649,687)
Principal Payment under SLFRS 16 - Non- Motor	21.1	(44,701,289)	(14,707,752)	(560,704)	(131,156)
Principal Payment under Diminishing Musharakah					
Facilities	9.2.1	(485,966,959)	(576,973,545)	(215,427,616)	(256,654,308)
Principal Payment under Short Term Facilities	9.1.2	(735,014,349)	(723,862,634)	(606,070,267)	(655,207,634)
Proceeds from Ijara-Leases (Motor Vehicle)	21.1.1	-	-	-	-
Proceeds from - Leases (Non-Motor Vehicle)		-	30,752,974	-	-
Proceeds from Diminishing Musharakah Facilities	9.2.1	6,538,400	56,250,000	-	-
Proceeds from Short Term Facilities	9.1.2	771,251,943	485,023,586	659,316,609	431,740,639
Net Cash Flows from / (Used in) Financing Activities		(994,076,215)	(1,072,283,279)	(637,925,621)	(821,637,763)
Net Increase / (Decrease) in Cash and Cash					
Equivalents		1,325,459,589	158,460,040	212,147,382	(47,703,739)
Cash and Cash Equivalents at the Beginning of the					
Year		698,018,574	539,558,534	284,133,636	315,265,255
Cash Balance from Amalgamation		-	-	-	16,572,120
Cash and Cash Equivalents at the End of the Year	20	2,023,478,163	698,018,574	496,281,018	284,133,636

The accounting policies and notes on pages 101 thorough 146 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

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, Nuwara-eliya District of Sri Lanka and branch operations in Guyana, South America.

The Consolidated financial statements of the Company for the year ended 31 March 2025 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%
Vidul Solar Power (Pvt) Ltd	25 Sep 2023			100%
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 Plantation (Pvt) Ltd during the financial year 2019/20.

Vasanagama Plantation (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 a 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 a 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

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

Associates

Vidullanka PLC has investments in the following Associate companies.

Associates	Holding Percentage	Registered Address
Nilwala Vidulibala Company (Pvt) Ltd	26.30%	50/8A, Siripa Road, Colombo 05
Solar Universe (Pvt) Ltd	50%	334, T B Jaya Mawatha, Colombo 10.

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 in 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, E-mobility and related business activities.

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

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 Horana solar power plant in Kaluthara District.

The principal activity of Vidul Solar Power (Pvt) Ltd is to produce electrical energy and transmit to the national grid from the ground mounted Vidul Solar power plant - Phase II in Kaluthara District. The project commenced commercial operation on 1st August 2025.

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

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 Matara Solar Power plant is presently under construction and due to commence commercial operation during the financial year 2025/26.

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 Madampe solar power plant is presently under construction and due to commence commercial operation during the financial year 2025/26.

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 Dehiattakandiya 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 2025 was authorized for issue in accordance with a resolution of the Board of Directors on 25 August 2025.

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, the 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 2025. 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

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 the income tax at a rate of 25%, in accordance with the income tax regulations of the Republic of Guyana. 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.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

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 (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL 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 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.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

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

a) 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.

b) Depreciation

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

Office Furniture	05 - 10 Years
Office Equipment	02 - 05 Years
Plant & Machinery - Hydro	05 - 40 Years
Plant & Machinery - Solar	05 - 20 Years
Plant & Machinery - Other	05 - 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	04 Years
Vehicles	05 Years

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

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

2.3.11.1 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:

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Year ended 31 March 2025

- 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, The 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 measures 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

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

- 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.
- 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.
- 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 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, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Adoption of these amendments and interpretations will not have significant impact on the financial statements of the Company.

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features. (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

The amendments are not expected to have a material impact on the Group's financial statements.

Lack of exchangeability - Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

4. PROPERTY, PLANT AND EQUIPMENT

4.1 GROUP

4.1.1 Gross Carrying Amounts

	Balance as at 01.04.2024 Rs.	Additions Rs.	Transfers/ Disposals Rs.	Exchange Differences Rs.	Balance as at 31.03.2025 Rs.
Freehold Land	144,234,881	697,950	919,912	(284,958)	145,567,785
Office Furniture and Fittings	33,767,068	717,425	(50,687)	(152,308)	34,281,498
Office Equipment	43,470,175	2,250,141	-	(397,063)	45,323,253
Computers and Computer Equipment	73,584,837	6,313,753	(394,735)	(273,159)	79,230,696
Plant and Machinery	8,626,789,190	46,740,292	(6,639,931)	(94,732,101)	8,572,157,450
Plant and Machinery-Solar	760,127,858	125,570	-	-	760,253,428
Motor Vehicles	155,534,140	22,190,094	(3,823,443)	(552,919)	173,347,872
Total Value of Depreciable Assets	9,837,508,149	79,035,225	(9,988,884)	(96,392,508)	9,810,161,982

	Balance as at 01.04.2024 Rs.	Additions Rs.	Transfers/ Disposals Rs.	Exchange Differences Rs.	Balance as at 31.03.2025 Rs.
4.1.2 In the Course of Construction					
Work-in-Progress	36,398,122	88,836,862	(44,836,949)	(8,572)	80,389,463
	36,398,122	88,836,862	(44,836,949)	(8,572)	80,389,463
Total Gross Carrying Value	9,873,906,271	167,872,087	(54,825,833)	(96,401,080)	9,890,551,445

4.1.3 Depreciation

	Balance as at 01.04.2024 Rs.	Charge for the Year Rs.	Transfers/ Disposals Rs.	Exchange Differences Rs.	Balance as at 31.03.2025 Rs.
At Cost					
Office Furniture and Fittings	17,126,103	3,299,489	(50,765)	(107,965)	20,266,862
Office Equipment	32,776,936	5,071,589	-	(317,520)	37,531,005
Computers and Computer Equipment	42,565,793	13,508,398	(200,317)	(234,412)	55,639,462
Plant and Machinery	1,869,153,327	288,508,999	(2,528,192)	(16,236,230)	2,138,897,904
Plant and Machinery-Solar	87,420,839	51,160,333	-	-	138,581,172
Motor Vehicles	48,986,421	34,871,331	(1,342,297)	(343,223)	82,172,232
Total Depreciation	2,098,029,419	396,420,139	(4,121,571)	(17,239,350)	2,473,088,637

4.1.4 Net Book Values

At Cost	2025 Rs.	2024 Rs.
Freehold Land	145,567,785	144,234,881
Office Furniture and Fittings	14,014,636	16,640,965
Office Equipment	7,792,248	10,693,239
Computers and Computer Equipment	23,591,234	31,019,044
Plant and Machinery	6,433,259,546	6,757,635,863
Plant and Machinery-Solar	621,672,256	672,707,019
Motor Vehicles	91,175,640	106,547,719
	7,337,073,345	7,739,478,730
In the Course of Construction		
Power Plant Work-in-Progress	80,389,463	36,398,122
	80,389,463	36,398,122
Total Carrying Amount of Property, Plant and Equipment	7,417,462,808	7,775,876,852

4.1.5 During the year the group acquired Property, Plant and Equipment with an aggregate value of Rs. 58,362,305/- (2024 - Rs.267,376,725/-) ,and during the year Group incurred Rs. 88,836,862 /- for Work-in-Progress (2024-Rs. 42,886,098 /-).

4.1.6 Property, Plant and Equipment includes fully depreciated assets that are still in use having a gross carrying amount of Rs.76,607,288/-and in (2024 -Rs. 93,419,510/-).

4.1.7 The group holds a total land extend of 56.12 acres in Ratnapura,Badulla, Nuwara Eliya, Monaragala, Kalutara and Matara Districts.

4.1.8 Bearer Biological Assets

Gross Carrying Amounts	Balance as at 01.04.2024 Rs.	Additions Rs.	Transfers / Disposals Rs.	Balance as at 31.03.2025 Rs.
Gliricidia Plants	55,626,114	4,691,608	(22,524,208)	37,793,514
	55,626,114	4,691,608	(22,524,208)	37,793,514

Depreciation	Balance as at 01.04.2024 Rs.	Charge for the Year Rs.	Transfers/ Disposals Rs.	Balance as at 31.03.2025 Rs.
Gliricidia Plants	18,334,863	4,536,690	(6,881,160)	15,990,393
Total Depreciation	18,334,863	4,536,690	(6,881,160)	15,990,393

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

4. PROPERTY, PLANT AND EQUIPMENT (Contd...)

Net Book Values At Cost	2025 Rs.	2024 Rs.
Total Carrying Amount of Bearer Biological Assets	21,803,121	37,291,251

4.2 COMPANY

4.2.1 Gross Carrying Amounts

At Cost	Balance as at 01.04.2024 Rs.	Additions Rs.	Transfers / Disposals Rs.	Balance as at 31.03.2025 Rs.
Freehold Land	64,410,555	-	-	64,410,555
Office Furniture and Fittings	23,785,788	443,062	-	24,228,850
Office Equipment	15,356,304	239,995	-	15,596,299
Computers and Computer Equipment	50,099,389	4,486,423	(394,790)	54,191,022
Plant and Machinery	2,697,486,586	15,417,980	(4,422,022)	2,708,482,544
Motor Vehicles	101,600,638	20,120,094	(3,823,702)	117,897,030
	2,952,739,260	40,707,554	(8,640,514)	2,984,806,300
4.2.2 In the Course of Construction				
Work-in-Progress	-	750,000	-	750,000
	-	750,000	-	750,000
Total Gross Carrying Value	2,952,739,260	41,457,554	(8,640,514)	2,985,556,300

4.2.3 Depreciation

At Cost	Balance as at 01.04.2024 Rs.	Charge for the Year Rs.	Transfers / Disposals Rs.	Balance as at 31.03.2025 Rs.
Office Furniture and Fittings	10,239,518	2,185,432	-	12,424,950
Office Equipment	12,995,082	882,351	-	13,877,433
Computers and Computer Equipment	25,322,294	10,125,044	(200,344)	35,246,994
Plant and Machinery	892,997,633	101,345,628	(2,138,777)	992,204,484
Motor Vehicle	15,899,814	25,640,935	(1,342,394)	40,198,355
Total Depreciation	957,454,341	140,179,390	(3,681,515)	1,093,952,216

4.2.4 Net Book Values

At Cost	2025 Rs.	2024 Rs.
Freehold Land	64,410,555	64,410,555
Office Furniture and Fittings	11,803,900	13,546,270
Office Equipment	1,718,866	2,361,222
Computers and Computer Equipment	18,944,028	24,777,095
Plant and Machinery	1,716,278,060	1,804,488,953
Motor Vehicles	77,698,675	85,700,824
	1,890,854,084	1,995,284,919
In the Course of Construction		
Work-in-Progress	750,000	-
Total Carrying Amount of Property, Plant and Equipment	1,891,604,084	1,995,284,919

4.2.5 During the year the company acquired Property, Plant and Equipment at aggregate value of Rs. 40,707,554 /- (2024 - Rs.162,879,795 /-) and Work-in-Progress. Rs 750,000/- (2024 - Rs. 651,981/-)

4.2.6 Property, Plant and Equipment includes fully depreciated assets that are still in use having a gross carrying amount of Rs.56,436,594/-and in 2024 - Rs. 38,883,397/-

4.2.7 The company holds land totaling 18.95 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

Group

4.3.1 Gross Carrying Amounts

At Cost	Balance as at 01.04.2024 Rs.	Additions Rs.	Transfers / Disposals Rs.	Exchange Difference Rs.	Balance as at 31.03.2025 Rs.
Land	191,246,994	-	(29,610,232)	(1,903,117)	159,733,645
Buildings	19,351,410	-	-	-	19,351,410
Motor Vehicles	39,476,904	-	(2,070,000)	-	37,406,904
	250,075,308	-	(31,680,232)	(1,903,117)	216,491,959

4.3.2 Depreciation

At Cost	Balance as at 01.04.2024 Rs.	Charge for the Year Rs.	Transfers / Disposals Rs.	Transfers / Exchange Gain / (Loss) Rs.	Balance as at 31.03.2025 Rs.
Land	28,428,283	5,478,458	(6,437,007)	(220,478)	27,249,256
Buildings	7,256,779	9,675,703	-	-	16,932,482
Motor Vehicles	24,395,363	5,787,642	-	-	30,183,005
	60,080,425	20,941,803	(6,437,007)	(220,478)	74,364,743

4.3.3 Net Book Values

At Cost	2025 Rs.	2024 Rs.
Land	132,484,388	162,818,711
Buildings	2,418,928	12,094,631
Motor Vehicles	7,223,899	15,081,541
	142,127,215	189,994,883

Company

4.3.4 Gross Carrying Amounts

At Cost	Balance as at 01.04.2024 Rs.	Additions Rs.	Disposals Rs.	Balance as at 31.03.2025 Rs.
Land	31,315,194	-	-	31,315,194
Motor Vehicles	22,600,404	-	-	22,600,404
	53,915,598	-	-	53,915,598

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

4.3.5 Depreciation

At Cost	Balance as at 01.04.2024 Rs.	Charge for the Year Rs.	Transfers / Disposals Rs.	Balance as at 31.03.2025 Rs.
Land	8,259,735	2,044,129	-	10,303,864
Motor Vehicles	12,531,937	4,517,604	-	17,049,541
	20,791,672	6,561,733	-	27,353,405

4.3.6 Net Book Values

At Cost	2025 Rs.	2024 Rs.
Land	21,011,330	23,055,459
Motor Vehicles	5,550,863	10,068,467
	26,562,193	33,123,926

5. INVESTMENTS

5.1 Investments in Subsidiaries (Company)

Group and Company

Non Quoted	Relationship	2025 Holding Percentage	2024 Holding Percentage	2025 Cost Rs.	2024 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%	67%	140,000,000	140,000,000
Vidul Solar Power (Pvt) Ltd	Subsidiary	100%	-	50,000,000	-
Venergy Lanka (Pvt) Ltd	Subsidiary	100%	-	-	-
Vidul Agri (Pvt) Ltd	Subsidiary	100%	-	-	-
				1,078,201,089	1,028,201,089

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-Control Interest that require separately disclosure.

5.2 Goodwill

	Balance as at 01.04.2024 Rs.	Group		Balance as at 31.03.2025 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	-	(23,027,610)	96,869,277
Goodwill From Muvumbe Hydro (U) Ltd	-	-	-	-
Goodwill From Timex Bukinda Hydro (U) Ltd	33,120,211	-	-	33,120,211
Goodwill From Vasanagama Plantation (Pvt) Ltd	14,828,904	-	(1,482,890)	13,346,014
Goodwill From Orik Corporation (Pvt) Ltd	4,999,390	-	(4,999,390)	-
	204,818,392	-	(61,482,890)	143,335,502

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. 61,482,890/- in 2025 (2024 - 2,065,019/-) 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	16.5 Years	Rs.15.97
Rideepana Hydro (Pvt) Ltd	10 Years	2012 Three Tier Tariff
Timex Bukinda Hydro (U) Ltd	16 Years	Rs 28.45 (US \$ 0.0955)

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 (Contd...)

Year ended 31 March 2025

5. INVESTMENTS (Contd...)

5.3 Investments in Joint Ventures and Associates

	Relationship	2025 Holding Percentage	2024 Holding Percentage	2025 Cost Rs.	2024 Cost Rs.
Non Quoted					
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	50%	33.33%	541,333,333	356,333,333
				955,624,883	770,624,883

5.3.1 Investment in Joint Ventures & Associates (Group)

Share of Net Asset Value from Joint Ventures & Associates	2025 Rs.	2024 Rs.
Gurugoda Hydro (Pvt) Ltd	63,890,888	64,003,532
Vidul Madugeta (Pvt) Ltd	222,018,775	216,933,796
Nilwala Vidulibala Company (Pvt) Ltd	169,396,684	150,710,504
Vidul Biomass (Pvt) Ltd	396,254,143	319,455,483
Solar Universe (Pvt) Ltd	661,028,796	376,394,985
Total Investment in Joint Ventures & Associates.	1,512,589,286	1,127,498,300

5.3.2 Share of Comprehensive Income from Joint Ventures & Associates

	2025 Rs.	2024 Rs.
Gurugoda Hydro (Pvt) Ltd	7,304,856	3,793,460
Vidul Madugeta (Pvt) Ltd	36,584,979	19,935,804
Nilwala Vidulibala Company (Pvt) Ltd	45,461,180	38,225,553
Vidul Biomass (Pvt) Ltd	89,548,660	100,979,579
Solar Universe (Pvt) Ltd	84,840,153	51,366,518
Total Share of Comprehensive Income from Joint Ventures & Associates.	263,739,828	214,300,914

5.3.3 Movement in Investment in Joint Ventures & Associates during the Year

Group	2025 Rs.	2024 Rs.
Balance as at the Beginning of the Reporting Period	1,127,498,300	772,119,886
Share of total Comprehensive Income	263,739,828	214,300,914
Acquisition of Stake / Investment in the Joint Venture	199,793,658	240,000,000
Dividends Received	(78,442,500)	(98,922,500)
Balance as at the End of the Reporting Period	1,512,589,286	1,127,498,300

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. During the year, Vidullanka PLC acquired an additional 16.67% stake in Solar Universe (Pvt) Ltd, increasing its total holding to 50%.

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 2025, are provided below.

As at 31 March 2025	Gurugoda Hydro (Pvt) Ltd Rs.	Vidul Madugeta (Pvt) Ltd Rs.	Vidul Biomass (Pvt) Ltd Rs.	Nilwala Vidulibala Company (Pvt) Ltd Rs.	Solar Universe (Pvt) Ltd Rs.
Current Assets	27,543,108	77,231,868	229,000,750	303,903,376	180,148,437
Non-Current Assets	94,234,684	407,073,719	1,233,370,588	300,820,013	2,545,088,747
Current Liabilities	(3,647,492)	(11,692,727)	(258,582,496)	(30,545,435)	(167,155,091)
Non-Current Liabilities	(3,723,347)	(28,575,210)	(408,143,236)	(12,600,467)	(1,193,690,499)
Equity	114,406,954	444,037,650	795,645,607	561,577,486	1,364,391,594
Equity Proportionate	57,203,477	222,018,825	405,779,259	147,694,879	682,195,797
Goodwill or Other Adjustments	6,687,411	(50)	(9,525,116)	21,701,805	(21,167,001)
Group Carrying Amount of the Investment	63,890,888	222,018,775	396,254,143	169,396,684	661,028,796

Summarised Statement of Profit or Loss for the Year Ended 31 March 2025	Gurugoda Hydro (Pvt) Ltd Rs.	Vidul Madugeta (Pvt) Ltd Rs.	Vidul Biomass (Pvt) Ltd Rs.	Nilwala Vidulibala Company (Pvt) Ltd Rs.	Solar Universe (Pvt) Ltd Rs.	Total Rs.
Revenue	31,921,319	98,454,975	1,095,088,815	160,006,815	333,417,229	1,718,889,153
Cost of Sales	(21,529,895)	(44,406,681)	(814,216,595)	(41,177,167)	(153,959,385)	(1,075,289,723)
Administrative Expenses	(1,381,087)	(2,680,020)	(32,988,639)	(4,872,400)	(12,046,284)	(53,968,429)
Finance Cost	(22,050)	(336,622)	(69,981,954)	(296,802)	(160,685,506)	(231,322,934)
Other Income	11,593,749	41,192,572	5,424,268	108,793,627	7,092,614	174,096,830
Profit/(Loss) Before Tax	20,582,037	92,224,224	183,325,895	222,454,073	13,818,667	532,404,896
Income Tax Expense	(5,504,339)	(20,800,391)	(9,173,560)	(49,326,899)	175,386,970	90,581,780
Profit/(Loss) for the Year	15,077,698	71,423,833	174,152,335	173,127,173	189,205,637	622,986,676
Total Comprehensive Income for the Year	14,609,713	73,169,958	175,585,607	172,856,197	189,205,637	625,427,113
Group's Share of Profit / (Loss) for the Year	7,304,857	36,584,979	89,548,660	45,461,180	84,840,153	263,739,828

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

5. INVESTMENTS (Contd...)

Summarised Financial Information for the Year Ended 31 March 2025	Gurugoda Hydro (Pvt) Ltd Rs.	Vidul Madugeta (Pvt) Ltd Rs.	Vidul Biomass (Pvt) Ltd Rs.	Nilwala Vidulibala Company (Pvt) Ltd Rs.	Solar Universe (Pvt) Ltd Rs.
Cash and Cash Equivalent	21,534,953	55,144,585	60,046,444	34,992,435	17,737,094
Current Financial Liabilities (Excludes Trade & Other Payables)	-	-	147,554,680	-	138,000,000
Non Current Financial Liabilities	-	-	398,962,126	-	1,183,216,904
Depreciation	6,032,050	17,221,699	45,649,757	11,887,116	120,459,279
Finance Income	-	2,003,260	-	108,793,627	1,311,933
Finance Cost	(22,050)	(336,622)	(67,457,488)	(296,802)	(160,685,506)
Income Tax Expenses	(5,504,339)	(20,800,391)	(9,173,560)	(49,326,899)	175,386,970

5.4 Other Financial Assets

5.4.1 Financial Assets at Fair Value Through Profit or Loss

	Group				Company	
	2025 Number of Shares	2024 Number of Shares	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Investment in Non Quoted Shares						
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	-	-	185,068,826	185,980,935	-	-
ADL Capital Ltd	250,000	250,000	2,500,000	2,500,000	2,500,000	2,500,000
Less: Impairment Provision	-	-	(61,770,329)	(2,500,000)	(2,500,000)	(2,500,000)
			157,639,997	217,822,435	31,841,500	31,841,500
Investment in Quoted Shares						
Amana Bank PLC	230,000	2,300,000	4,600,000	4,600,000	4,600,000	4,600,000
			4,600,000	4,600,000	4,600,000	4,600,000
Investment in Fixed Deposits						
Seylan Bank PLC- IBU			41,295,983	37,647,963	-	-
NDB Bank PLC- IBU			37,043,400	57,647,963	-	20,000,000
			78,339,383	95,295,925	-	20,000,000
Group Carrying Amount of the Other Financial Assets			240,579,380	317,718,360	36,441,500	56,441,500

As of 1st of April 2024, the Company assessed its Financial Assets Fair Value Through Profit or Loss, there has been no change in the fair value assessed on 1st April 2024 with the fair value as of 31st March 2025.

6. OTHER PROJECT INVESTMENTS

Summary	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at the Beginning of the Year	162,910,424	149,728,601	162,910,424	149,728,601
Projects Costs Incurred during the Year	116,279,524	40,097,862	116,279,524	40,097,862
Less: Transfers to Project Companies	-	-	-	-
Other Transfers	(58,442,142)	(26,916,039)	(58,442,142)	(26,916,039)
Written Off	-	-	-	-
Balance before Impairment Provision	220,747,806	162,910,424	220,747,806	162,910,424
Impairment Provision	(158,047,533)	(113,103,277)	(158,047,533)	(113,103,277)
Balance as at the End of the Year	62,700,273	49,807,147	62,700,273	49,807,147

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. 68,040,000/- and Rs. 23,095,744/- was written off as unrealizable.

6.1 Impairment of Other Project Investments

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
As at 01 April	113,103,277	73,350,251	113,103,277	73,350,251
Charge for the Year	68,040,000	42,350,000	68,040,000	42,350,000
Write Off	(23,095,744)	(2,596,974)	(23,095,744)	(2,596,974)
As at 31 March	158,047,533	113,103,277	158,047,533	113,103,277

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade Receivables	603,572,390	1,381,546,934	53,132,067	222,626,927
Other Receivables	766,910,392	1,002,713,488	228,743,260	625,301,114
Advances and Prepayment	54,155,213	57,748,467	25,835,441	40,330,666
Amounts Due from Related Parties (Note 7.1)	-	7,350,386	150,390,905	167,462,346
Loans to Company Officers (Note 7.2)	16,926,831	5,512,890	15,826,489	4,366,299
	1,441,564,826	2,454,872,165	473,928,162	1,060,087,352

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

7.1 Amounts Due from Related Parties

	Relationship	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Vidul Engineering Ltd	Subsidiary	-	-	-	87,002,036
Vidul Plantation (Pvt) Ltd	Subsidiary	-	-	-	57,960
Horana Solar Power (Pvt) Ltd	Subsidiary	-	-	-	3,975,573
Orik Corporation (Pvt) Ltd	Subsidiary	-	-	-	91,258
Venergy Lanka (Pvt) Ltd	Subsidiary	-	-	30,627,627	9,774,154
Vidul Matara Solar Power (Pvt) Ltd	Subsidiary	-	-	88,593,562	62,020,453
Vidul Madampe Solar Power (Pvt) Ltd	Subsidiary	-	-	28,162,814	4,540,912
Vidul Agri (Pvt) Ltd	Subsidiary	-	-	3,006,902	-
Vidul Biomass (Pvt) Ltd	Joint Venture	-	7,350,386	-	-
		-	7,350,386	150,390,905	167,462,346

7.2 Loans to Company Officers

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at the Beginning of the Year	5,512,890	2,451,916	4,366,299	2,331,916
Loans Granted / Transferred during the Year	13,968,000	4,598,000	13,253,000	3,868,000
Less : Repayments	(3,103,002)	(1,838,327)	(2,371,198)	(2,025,050)
Effective Interest Rate Adjustment	548,943	301,301	578,388	191,433
Balance as at the End of the Year	16,926,831	5,512,890	15,826,489	4,366,299

8. STATED CAPITAL

8.1 Fully Paid Ordinary Shares

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Fully Paid Ordinary Shares- Voting				
Balance as at 1 April	1,572,214,625	1,572,214,625	1,572,214,625	1,572,214,625
Issue of Ordinary Shares	1,028,265,504	-	1,028,265,504	-
Balance as at 31 March	2,600,480,129	1,572,214,625	2,600,480,129	1,572,214,625
Fully Paid Ordinary Shares- Non Voting				
Balance as at 1 April	253,379,301	253,379,301	253,379,301	253,379,301
Issue of Non Voting Shares	85,434,308	-	85,434,308	-
Balance as at 31 March	338,813,609	253,379,301	338,813,609	253,379,301
Total Stated Capital	2,939,293,738	1,825,593,926	2,939,293,738	1,825,593,926

8.2 Movement in Number of Ordinary Shares

	Group		Company	
	2025 Number of Shares	2024 Number of Shares	2025 Number of Shares	2024 Number of Shares
Fully Paid Ordinary Shares- Voting				
Balance as at 1 April	871,315,960	871,315,960	871,315,960	871,315,960
Issue of Ordinary voting shares	73,763,666	-	73,763,666	-
Balance as at 31 March	945,079,626	871,315,960	945,079,626	871,315,960
Fully Paid Ordinary Shares- Non Voting				
Balance as at 1 April	72,394,086	72,394,086	72,394,086	72,394,086
Issue of Ordinary non-voting shares	9,719,489	-	9,719,489	-
Balance as at 31 March	82,113,575	72,394,086	82,113,575	72,394,086
Total No of Shares	1,027,193,201	943,710,046	1,027,193,201	943,710,046

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

8.3 Employee Share Option Scheme (ESOS)

Vidullanka PLC has launched a new Employee Share Option Scheme (ESOS), the third of its kind in the Company's history, succeeding the previous scheme which concluded in March 2023. This new ESOS was approved by shareholders on 26 September 2024. The ESOS aims to enhance employee engagement and commitment towards the Company's value and to strengthen human capital within the power generation and engineering services sectors.

Key Scheme Parameters:

No of Options : The employee share option scheme provides for the issuance of 43,565,798 share options that could be duly subscribed and converted into ordinary voting shares, representing 5% of the total issued ordinary voting shares of the company. The number of the share option was adjusted to 47,253,986 as per the provisions of the listing rule section 5.6.6 (a) in consequent to the scrip dividend in November 2024.

Exercise Price : The exercise price for share options is the 30-market-day Volume Weighted Average (V.W.A) market price immediately preceding the grant date. This price is subject to adjustment for changes in the total number of shares, in compliance with CSE Listing Rules.

Entitlement : The Executive Directors, Managers, and Executive-grade employees of Vidullanka PLC and its Subsidiaries (including Vidul Biomass (Pvt) Limited), provided they have completed 2 years of service as of 31st March 2024 with the individual employee's entitlement is limited to a maximum of 1% of the total ESOS shares as per the listing rules. Other salient features of the scheme as follows,"

- The overall granting period is 3 years, from the date of shareholder approval (September 26, 2024) until September 1, 2027. The vesting period is 365 days from the grant date, and the exercise period is 730 days from the grant date.
- As per the approved circular, the Board of Directors retains discretion over the grant, vesting period, and exercise period. The Board is also empowered to extend or delay the granting period for a maximum of 5 years if it is deemed in the best interest of the Company and shareholders.
- All shares allotted under the ESOS must be absolutely transferred to employees within 10 years from the date of obtaining shareholder approval.
- Neither the Company nor its subsidiaries will or have provided direct or indirect financial assistance to employees for participation in this scheme.
- Shares issued under the ESOS will rank pari passu in all respects with existing ordinary shares, including dividend rights declared after issuance.
- Options that are vested but not exercised by employees may be retracted if the employee resigns or forfeited in the event of termination for cause, such as disciplinary actions, fraud, or lack of integrity.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

The ESOS documents have been approved by the Colombo Stock Exchange (CSE). The terms of the ESOS cannot be varied without the approval of the CSE. The scheme is governed by CSE Listing Rules, Securities & Exchange Commission Directions, and Sri Lankan Laws.

Summary of the operations of the ESOS scheme as follows,

	Phase 1	Total Scheme
Total number of share options (Adjusted as per 5.6.6 (a) ii of the listing rule where applicable)	11,813,496	47,253,986
No. of share options issued	11,813,496	11,813,496
Exercise Price (Adjusted as per 5.6.6 (a) ii of the listing rule where applicable)	Rs.12.391	-
Share options subscribed	-	-
Total consideration received	-	-
Options expired	-	-
Outstanding no. of options	11,813,496	11,813,496
Expected future subscription value of the outstanding options	Rs. 146,381,029	Rs. 146,381,029

9. INTEREST-BEARING LOANS , BORROWINGS AND IJARA LEASES.

9.1 Group

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2025 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2024 Total Rs.
Diminishing Musharakah Facilities (9.1.1)	400,075,711	1,558,611,013	1,958,686,724	409,779,020	2,052,876,012	2,462,655,032
Short Term Working Capital Facilities (9.1.2)	630,412,926	-	630,412,926	592,418,011	-	592,418,011
	1,030,488,637	1,558,611,013	2,589,099,650	1,002,197,031	2,052,876,012	3,055,073,043

9.1.1 Diminishing Musharakah Facilities

	As at 01.04.2024 Rs.	Facilities Obtained Rs.	Exchange Differences on Translation Rs.	Repayments Rs.	As at 31.03.2025 Rs.
Amana Bank PLC	359,953,062	6,538,400	-	(84,545,907)	281,945,555
NDB Bank PLC	372,983,068	-	-	(172,957,616)	200,025,452
Syndicated Facility (NDB Bank PLC & Seylan Bank PLC)	1,594,405,972	-	(24,539,749)	(203,314,533)	1,366,551,690
Seylan Bank PLC	135,312,930	-	-	(25,148,903)	110,164,027
	2,462,655,032	6,538,400	(24,539,749)	(485,966,959)	1,958,686,724
Gross Liability	3,493,516,736				2,639,390,763
Finance Charges Allocated to Future Periods	(1,030,861,704)				(680,704,039)
Net Liability	2,462,655,032				1,958,686,724

9.1.2 Short Term Working Capital Facilities

	As at 01.04.2024	Facilities Obtained	Exchange Differences on Translation	Repayments	As at 31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.
Amana Bank PLC	196,798,337	294,007,085	1,757,320	(302,562,742)	190,000,000
Hatton National Bank PLC	100,000,000	50,000,000	-	(100,000,000)	50,000,000
NDB Wealth Islamic Money Plus Fund	100,000,000	263,983,699	-	(187,812,332)	176,171,367
Commercial Papers / Other	195,619,675	163,261,159	-	(144,639,275)	214,241,559
	592,418,012	771,251,943	1,757,320	(735,014,349)	630,412,926

9.2 Company

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2025 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2024 Total Rs.
Diminishing Musharakah Facility (9.2.1)	125,899,240	100,025,452	225,924,692	142,470,000	298,882,308	441,352,308
Short Term Working Capital Facilities (9.2.2)	518,611,918	-	518,611,918	463,608,256	-	463,608,256
	644,511,158	100,025,452	744,536,610	606,078,256	298,882,308	904,960,564

9.2.1 Diminishing Musharakah Facilities

	As at 01.04.2024 Rs.	Facilities Obtained Rs.	Repayments / Transfers Rs.	As at 31.03.2025 Rs.
National Development Bank PLC	372,983,068	-	(172,957,616)	200,025,452
Amana Bank PLC	63,399,240	-	(37,500,000)	25,899,240
Seylan Bank PLC	4,970,000	-	(4,970,000)	-
	441,352,308	-	(215,427,616)	225,924,692
Gross Liability	611,251,070			360,585,294
Finance Charges Allocated to Future Periods	(169,898,762)			(134,660,602)
Net Liability	441,352,308			225,924,692

9.2.2 Short Term Working Capital Facilities

	As at 01.04.2024 Rs.	Facilities Obtained Rs.	Exchange Differences on Translation Rs.	Repayments Rs.	As at 31.03.2025 Rs.
Commercial Papers	86,809,919	81,325,825	-	(35,695,194)	132,440,550
Amana Bank PLC	50,000,000	160,000,000	-	(50,000,000)	160,000,000
Amana Bank PLC (USD)	126,798,337	104,007,085	1,757,320	(232,562,742)	-
Hatton National Bank PLC	100,000,000	50,000,000	-	(100,000,000)	50,000,000
NDB Wealth Islamic Money Plus Fund	100,000,000	263,983,699	-	(187,812,331)	176,171,368
	463,608,256	659,316,609	1,757,320	(606,070,267)	518,611,918

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

10. INCOME TAX

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

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Current Income Tax				
Current Tax Expense on Ordinary Activities for the Year	793,928,951	868,259,967	226,119,153	75,027,163
(Over) / Under Provision of Current Taxes in respect of Prior Years	20,572,435	(65,872,548)	20,572,437	(78,065,125)
	814,501,386	802,387,419	246,691,590	(3,037,962)
Deferred Income Tax				
Deferred Taxation Charge / (Reversal)	147,070,292	86,432,169	28,276,201	24,720,700
	147,070,292	86,432,169	28,276,201	24,720,700
Income Tax Expense Reported in the Income Statement	961,571,678	888,819,588	274,967,791	21,682,738
Other Comprehensive Income Statement				
Deferred Taxation Charge/(Reversal)	(5,128,519)	(1,603,378)	(4,926,714)	(1,603,832)
Income Tax Expenses in Other Comprehensive Income	(5,128,519)	(1,603,378)	(4,926,714)	(1,603,832)

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

Tax on Profit from Trade, Business & Other	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Accounting Profit Before Tax	2,539,043,010	2,242,005,596	976,982,577	798,079,113
At the Statutory Income Tax Rate of 10 % (2024 : 10%)	-	2,705,645	-	-
At the Statutory Income Tax Rate of 17 %	1,071,880	13,466,924	-	-
At the Statutory Income Tax Rate of 20 % (2024 : 14%)	-	11,421,919	-	-
At the Statutory Income Tax Rate of 25%	134,512,489	45,768,852	134,512,489	45,768,852
At the Statutory Income Tax Rate of 30 % (2024 : 30%)	738,516,042	1,062,298,437	285,893,042	183,512,993
Tax Effect of Disallowable Expenses	231,200,970	145,684,140	71,572,572	47,465,764
Tax Effect of Aggregate Allowable Items	(351,103,150)	(494,450,366)	(174,460,710)	(310,368,246)
Tax Effect of Income Exempt from Tax	(147,324,240)	(491,798,386)	(154,213,255)	(278,452,363)
Tax Effect on Investment Income	5,994,961	278,452,363	5,994,961	278,452,363
Capital Gain Tax	-	1,797,000	-	1,797,000
WHT on Dividend	185,236,309	191,861,305	91,606,664	27,461,311
Tax Effect of Utilization of Tax Losses	(6,701,296)	101,052,134	(34,786,609)	79,389,490
At the Effective Income Tax Rates	791,403,965	868,259,967	226,119,153	75,027,163
(Over) / Under Provision of Income Tax in respect of Previous Years	23,097,423	(65,872,548)	20,572,437	(78,065,125)
Deferred Taxation Charge / (Reversal)	147,070,290	86,432,169	28,276,201	24,720,700
Deduction of Previous Year Tax loss	-	-	-	-
Total Income Tax Expense Reported in the Income Statement	961,571,678	888,819,588	274,967,791	21,682,738
Effective Tax Rate (%)	38%	40%	28%	3%

10.2 Group - Deferred Tax Liabilities

Year ended 31 March	Statement of Financial Position		Statement of Comprehensive Income	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred Tax Liability				
Capital Allowances for Tax Purposes	1,376,579,507	1,084,692,645	291,886,862	(75,940,958)
	1,376,579,507	1,084,692,645		
Deferred Tax Assets				
Defined Benefit Plans	(26,653,633)	(1,765,346)	(24,888,287)	(1,518,667)
ROU Assets	(2,989,681)	(248,429)	(2,741,252)	1,176,278
Impairment Provisions	(47,414,260)	(29,954,606)	(17,459,654)	(19,828,120)
Tax Losses Brought Forward	(154,158,664)	(23,673,299)	(130,485,365)	(10,691,771)
	(231,216,238)	(55,641,680)		
Deferred Tax (Reversal) / Charge			116,312,304	(106,803,238)
Deferred Tax Charge for OCI			-	-
Net Deferred Tax Liability / (Asset)	1,145,363,269	1,029,050,965		

10.3 Group - Deferred Tax Asset

Year ended 31 March	Statement of Financial Position		Statement of Comprehensive Income	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred Tax Liability				
Property, Plant & Equipment	23,386,822	185,436,105	(162,049,283)	113,096,491
	23,386,822	185,436,105		
Deferred Tax Assets				
Employee Benefit Obligations	(1,812,426)	(17,752,748)	15,940,322	(3,931,055)
Provisions	-	(33,930,983)	33,930,983	(11,925,908)
Tax Loss Carried Forward	(24,077,075)	(145,302,748)	121,225,673	(70,442,773)
ROU Assets	(72,614)	(1,972,701)	1,900,087	(1,153,999)
	(25,962,115)	(198,959,180)		
Deferred Tax (Reversal) / Charge			10,947,782	25,642,756
Deferred Tax Charge for OCI			5,128,519	1,603,378
Net Deferred Tax Liability / (Asset)	(2,575,293)	(13,523,075)		

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

10.4 Company - Deferred Tax (Asset) / Liability

Year ended 31 March	Statement of Financial Position		Statement of Comprehensive Income	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred Tax Liability				
Tax effect of Property, Plant & Equipment	191,781,467	185,436,105	6,345,362	123,432,034
Transfers on Amalgamation	-	-	-	-
	191,781,467	185,436,105		
Deferred Tax Assets				
Tax effect of Employee Benefit Obligations	(26,490,427)	(17,752,748)	(8,737,679)	(5,092,125)
Tax effect of Provisions	(47,414,260)	(33,930,983)	(13,483,277)	(11,925,908)
Tax effect of Tax Loss Carried Forward	(100,348,743)	(145,302,748)	44,954,005	(80,415,448)
Tax effect of ROU Assets	(2,774,911)	(1,972,701)	(802,210)	(1,277,853)
	(177,028,341)	(198,959,180)		
Deferred Tax (Reversal) / Charge			28,276,201	24,720,700
Deferred Tax Charge for OCI			(4,926,714)	(1,603,832)
Net Deferred Tax Liability / (Asset)	14,753,126	(13,523,075)		

11. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Amounts Due to Related Parties (11.1)	7,769,758	77,786	510,921	77,786
Sundry Creditors including Accrued Expenses	502,657,317	980,663,448	251,289,081	670,016,345
Dividend Payable	10,235,105	10,094,129	10,235,105	10,094,129
Finance Cost Payable	108,608,527	96,621,594	108,608,527	96,621,594
Financial Guarantee	6,423,839	7,782,267	6,423,839	7,782,267
	635,694,546	1,095,239,224	377,067,473	784,592,121

11.1 Amounts Due to Related Parties

		Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Vidul Biomass (Pvt) Ltd	Joint Venture	7,769,758	77,786	-	77,786
Vidul Engineering Ltd	Subsidiary	-	-	109,139	-
Vidul Solar Power (Pvt) Ltd	Subsidiary	-	-	401,782	-
		7,769,758	77,786	510,921	77,786

12. DEFINED BENEFIT LIABILITY

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at the Beginning of the Year	69,519,508	54,022,943	59,175,829	42,202,078
Expenses on Defined Benefit Plan (12.1)	15,886,030	15,484,590	13,100,397	11,810,011
Payment during the Year	(1,713,450)	(5,463,420)	(537,450)	(5,463,420)
Inter - Company Transfers during the Year	(2,300,928)	(77,786)	140,269	5,281,054
Net Actuarial (Gain) / Loss Recognized during the Year	18,818,743	5,553,181	16,422,379	5,346,106
Balance as at the End of the Year	100,209,903	69,519,508	88,301,424	59,175,829
12.1 Expenses on Defined Benefit Plan				
Current & Past Service Cost	7,543,689	5,220,231	5,999,297	3,791,617
Interest Cost on Defined Benefit Liability	8,342,341	10,264,359	7,101,100	8,018,394
	15,886,030	15,484,590	13,100,397	11,810,011
12.2 Principal Assumptions				
Discount Rate	11.0%	12.0%	11.0%	12.0%
Salary Increment	10.0%	10.0%	10.0%	10.0%
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 2025 by Messrs. Actuarial and Management Consultants (Pvt) Limited, 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	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
(+1%)		(5,889,941)	(4,045,916)	(5,021,074)	(3,314,333)
(-1%)		6,579,442	4,503,701	5,580,791	3,664,892
	(+1%)	7,098,655	4,886,572	6,044,370	4,012,031
	(-1%)	(6,454,228)	(4,454,231)	(5,522,720)	(3,679,769)

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

13. REVENUE

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Power Generation - Local	524,804,637	561,639,279	513,098,920	341,456,056
Power Generation - Overseas	2,187,558,783	2,690,283,020	-	-
Engineering, Procurement and Construction	2,093,905,220	1,896,126,523	2,093,905,220	1,896,126,523
Engineering, Consultancy and Project Management	40,782,215	50,806,019	11,705,717	-
Plantation	440,164,038	352,787,822	-	-
Solar	137,633,287	140,902,989	-	-
	5,424,848,180	5,692,545,652	2,618,709,857	2,237,582,579

14. PROFIT / (LOSS) BEFORE TAX

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Stated after Charging				
Included in Cost of Sales				
Depreciation	363,746,037	360,262,327	121,970,125	56,389,720
Defined Benefit Plan Costs - Gratuity	1,965,500	2,571,851	1,302,156	805,164
Included in Administrative Expenses				
Depreciation	19,274,702	30,813,870	18,209,265	16,747,748
Staff Costs (Include the following Costs)	271,382,069	279,711,768	233,897,161	231,903,453
Defined Benefit Plan Costs - Gratuity	13,036,998	17,399,515	11,798,241	15,675,293
Defined Contribution Plan Costs - EPF , ETF , NSSF & Etc.	23,288,797	21,511,126	19,990,020	15,163,845
Auditors' Remunerations - Audit Fees	11,092,575	13,347,989	3,544,825	6,086,137
Impairment / Write- Off	195,231,079	45,136,265	68,040,000	42,350,000

15. FINANCE COST

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Finance Cost - Diminishing Musharakah/Ijarah/ Short Term Facilities	315,239,690	479,514,634	107,295,578	165,698,399
Finance Cost - Staff Loan IFRS	420,462	349,605	420,462	352,448
Finance Cost - Right of Use Asset IFRS	7,097,871	11,878,068	3,832,252	2,392,435
	322,758,023	491,742,307	111,548,292	168,443,282

16. FINANCE INCOME

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Profit from Mudarabah Savings Accounts	34,993,476	19,035,672	23,821,573	9,372,908
Finance Income - Staff Loan	652,791	377,577	578,389	265,552
	35,646,267	19,413,249	24,399,962	9,638,460

17. OTHER INCOME AND GAINS / (LOSSES)

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Dividend Received	-	-	510,205,814	922,674,967
Profit on Disposal of Property, Plant and Equipment	(28,168,790)	8,264,483	(3,096,130)	6,964,483
Profit on Disposal of ROU Asset	-	11,098,565	-	9,648,565
Capital Gain/(Loss) on Quoted/Non Quoted Share Disposal	-	1,140,245	-	1,140,245
Other Income	297,362,708	178,377,889	250,177,193	24,058,942
Gain on Bargain Purchase	14,793,658	-	-	-
Gain / (Loss) in Exchange Rate Fluctuations	25,047,544	(21,673,794)	(1,963,820)	(3,693,620)
	309,035,120	177,207,388	755,323,057	960,793,582

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.

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Amounts Used as Numerator				
Net Profit/(Loss) Attributable to Ordinary Shareholders of the parent for Basic Earnings per Share (Rs.)	1,529,940,999	1,281,745,266	702,014,786	776,396,375
Number of Ordinary Shares Used as Denominator	Nos	Nos	Nos	Nos
Weighted Average No of Voting shares	900,243,044	872,666,562	900,243,044	872,666,562
Weighted Average No of Non Voting Shares	76,927,394	73,737,662	76,927,394	73,737,662
Weighted Average No of Total shares for Basic EPS Calculation	977,170,438	946,404,224	977,170,438	946,404,224
Earning Per Share- Basic	1.57	1.35	0.72	0.82
Earning Per Share- Diluted	1.57	1.35	0.72	0.82

19. DIVIDEND PAID AND PROPOSED

	2025 Rs.	2024 Rs.
Declared and Paid During the Year		
1st Interim Dividend - 2024/25 Rs. 0.30 (2023/24 Rs.0.11)	283,113,013	103,808,105
2nd Interim Dividend - 2024/25 Rs. 1.40 (2023/24 Rs.0.25)	1,321,194,065	235,927,512
	1,604,307,078	339,735,617

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Components of Cash and Cash Equivalents				
Favourable Cash and Cash Equivalents Balance				
Cash and Bank Balances	2,023,478,163	698,018,574	496,281,018	284,133,636
Total Cash and Cash Equivalents For the Purpose of Cash Flows Statement	2,023,478,163	698,018,574	496,281,018	284,133,636

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

21. LEASE LIABILITY

21.1 Lease Liability

Group	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	2025 Total Rs.	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	2024 Total Rs.
Leases other than Motor Vehicles	3,588,067	43,182,438	46,770,505	10,532,057	80,939,737	91,471,794
Ijara _Leases (Motor Vehicles) (21.1.1)	3,658,664	1,824,482	5,483,146	5,784,494	5,526,997	11,311,491
	7,246,731	45,006,920	52,253,651	16,316,551	86,466,734	102,783,285

	Balance As at 01.04.2024 Rs.	Additions Rs.	Repayments Rs.	Balance As at 31.03.2025 Rs.
Leases other than Motor Vehicles (21.1)	91,471,794	-	(44,701,289)	46,770,505
Ijara _Leases (Motor Vehicles) (21.1.1)	11,311,491	-	(5,828,345)	5,483,146
	102,783,285	-	(50,529,634)	52,253,651

21.1.1 Ijara _Leases (Motor Vehicle)

	As at 01.04.2024 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2025 Rs.
Hatton National Bank PLC	6,122,826	-	(2,030,476)	4,092,350
Commercial Bank of Ceylon PLC	5,188,665	-	(3,797,869)	1,390,796
	11,311,491	-	(5,828,345)	5,483,146
Gross Liability	12,648,746			5,921,248
Finance Charges Allocated to Future Periods	(1,337,255)			(438,102)
Net Liability	11,311,491			5,483,146

21.2 Lease Liability

Company	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	2025 Total Rs.	Repayable Within 1 Year Rs.	Repayable After 1 Year Rs.	2024 Total Rs.
Leases other than Motor Vehicles	615,977	30,758,751	31,374,728	560,701	31,374,731	31,935,432
Ijara _Leases (Motor Vehicles) (21.2.1)	2,612,681	1,824,483	4,437,163	3,327,002	4,437,163	7,764,165
	3,228,657	32,583,233	35,811,891	3,887,703	35,811,894	39,699,597

	Balance As at 01.04.2024 Rs.	Additions Rs.	Transferred on Amalgamation Rs.	Repayments Rs.	Balance As at 31.03.2025 Rs.
Leases other than Motor Vehicles (21.2)	31,935,432	-	-	(560,704)	31,374,728
Ijara _Leases (Motor Vehicles) (21.2.1)	7,764,165	-	-	(3,327,002)	4,437,163
	39,699,597	-	-	(3,887,706)	35,811,891

21.2.1 Ijara _Leases (Motor Vehicle)

	As at 01.04.2024 Rs.	Facilities Obtained Rs.	Transferred on Amalgamation Rs.	Repayments Rs.	As at 31.03.2025 Rs.
Commercial Bank of Ceylon PLC	1,641,340	-	-	(1,296,526)	344,814
Hatton National Bank PLC	6,122,825	-	-	(2,030,476)	4,092,349
	7,764,165	-	-	(3,327,002)	4,437,163
Gross Liability	9,101,420				4,838,332
Finance Charges Allocated to Future Periods	(1,337,255)				(401,169)
Net Liability	7,764,165				4,437,163

21.3 Maturity Analysis of Lease Liability

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Less than 1 Year	6,722,207	16,316,551	3,221,459	3,887,703
1 to 5 Years	6,973,830	28,675,464	7,265,583	24,663,449
More than 5 Years	38,557,614	57,791,270	25,324,849	11,148,445
Total	52,253,651	102,783,285	35,811,891	39,699,597

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

22. SEGMENT INFORMATION

	Power Generation-Local		Power Generation Overseas		Dendro & Plantation	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Segmental Revenue	524,804,637	561,639,279	2,187,558,783	2,690,283,020	440,164,038	352,787,822
Depreciation & Amortization	(119,035,410)	(106,909,241)	(185,916,605)	(196,596,361)	(20,827,403)	(17,170,804)
Finance Income	13,099,872	5,325,570	9,092,073	-	6,298	8,171
Finance Cost	(2,320,364)	(15,681,285)	(164,571,913)	(208,124,958)	(6,028,379)	(32,527,852)
Share of results of equity accounted investees	89,053,872	62,428,588	-	-	89,548,660	100,979,579
Profit / (Loss) Before Tax	807,405,537	399,756,004	1,475,393,469	1,806,106,437	116,915,233	102,511,106
Income Tax Expense	(48,848,638)	20,752,866	(571,809,926)	(639,024,993)	(13,111,043)	(5,392,831)
Profit / (Loss) for the Year	758,556,899	420,508,870	903,583,543	1,167,081,444	103,804,190	97,118,275

	Power Generation-Local		Power Generation Overseas		Dendro & Plantation	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Non-Current Assets	3,593,820,545	3,341,673,019	4,738,210,771	4,983,898,955	109,303,778	188,036,582
Current Assets	608,071,225	368,892,460	2,551,695,290	2,205,737,811	103,442,436	68,008,465
Total Assets	4,201,891,770	3,710,565,479	7,289,906,060	7,189,636,766	212,746,214	256,045,048
Non-Current Liabilities	235,663,269	393,870,034	2,288,169,461	2,417,482,388	9,405,908	60,445,029
Current Liabilities	742,559,684	612,987,856	415,623,007	485,886,230	195,400,466	199,822,001
Total Liabilities	978,222,954	1,006,857,890	2,703,792,467	2,903,368,618	204,806,374	260,267,030

Solar		EPC		Engineering Consultancy and Project Management		Group/Other Elimination		Group	
2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
137,633,287	140,902,989	2,093,905,220	1,896,126,523	183,776,999	308,360,585	(142,994,784)	(257,554,566)	5,424,848,179	5,692,545,652
(72,035,402)	(47,987,518)	(19,211,999)	(19,211,999)	(750,242)	(20,613,068)	-	-	(417,777,061)	(408,488,990)
6,222,167	64,718	5,136,974	5,013,577	2,088,882	9,001,212	-	-	35,646,267	19,413,249
(38,849,436)	(50,261,275)	(10,340,015)	(17,816,255)	(1,760,004)	(16,703,656)	(98,887,913)	(150,627,027)	(322,758,023)	(491,742,307)
84,840,153	51,366,518	-	-	-	-	-	-	263,442,685	214,774,684
98,229,206	63,504,229	538,049,956	186,369,138	97,844,666	226,399,323	(594,795,057)	(542,640,642)	2,539,043,010	2,242,005,596
(7,394,383)	(4,167,531)	(226,119,153)	(73,230,163)	1,866,096	(23,356,941)	(96,154,631)	(164,399,994)	(961,571,678)	(888,819,588)
90,834,823	59,336,698	311,930,803	113,138,975	99,710,762	203,042,383	(690,949,688)	(707,040,636)	1,577,471,332	1,353,186,008

Solar		EPC		Engineering Consultancy and Project Management		Group/Other Elimination		Group	
2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
674,559,533	754,364,659	83,188,736	117,182,575	103,510,135	13,654,110	-	-	9,302,593,498	9,398,809,900
62,380,431	62,493,719	461,218,954	769,462,148	106,031,807	146,060,398	-	-	3,892,840,142	3,620,655,000
736,939,963	816,858,378	544,407,690	886,644,723	209,541,942	159,714,508	-	-	13,195,433,640	13,019,464,900
280,719,245	328,428,843	-	-	35,233,221	37,686,924	-	-	2,849,191,105	3,237,913,219
172,205,525	186,888,618	309,698,762	706,081,288	19,190,037	61,045,395	-	-	1,854,677,481	2,252,711,388
452,924,770	515,317,461	309,698,762	706,081,288	54,423,258	98,732,319	-	-	4,703,868,586	5,490,624,607

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

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 Rs.	Amount of Loan Obtained by the Relevant Company Rs.	Loan Balance as at 31 March 2025 Rs.	Loan Balance as at 31 March 2024 Rs.
Vidul Plantation (Pvt) Ltd	Subsidiary	99,850,000	40,000,000	125,772,648	29,839,947
Vidul Engineering Ltd	Subsidiary	85,000,000	68,654,840	40,706,705	52,221,607
Orik Corporation (Pvt) Ltd	Subsidiary	97,000,000	86,485,325	69,457,325	78,121,325
Horana Solar Power (Pvt) Ltd	Subsidiary	225,000,000	266,713,876	235,536,176	266,713,876
Vidul Biomass (Pvt) Ltd	Joint Venture	740,000,000	957,265,000	541,516,807	684,071,488
Solar Universe (Pvt) Ltd	Associate	425,000,000	1,453,216,904	1,321,216,904	1,028,216,904
Vidul Agri (Pvt) Ltd	Subsidiary	35,000,000	6,538,400	6,538,400	-
		1,706,850,000	2,878,874,345	2,340,744,965	2,139,185,147

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
	2025 Rs.	2024 Rs.	
Charge over Leased Assets on Finance Lease Liabilities Previous Year and ROU Asset of Current Year	5,550,863	10,068,467	Right of Use asset
For Diminishing Musharakah (Trade & Term Loan)	1,780,688,615	1,868,899,508	Property, Plant and Equipment
Total Carrying Value of Assets Pledged	1,786,239,478	1,878,967,975	

24.2 Group

Nature of Liability	Carrying Amount of Pledged Assets		Included under Assets
	2025 Rs.	2024 Rs.	
Charge over Leased Assets on Finance Lease Liabilities Previous Year and ROU Asset of Current Year	7,223,899	15,081,541	Right of Use asset
For Diminishing Musharakah (Trade & Term Loan)	6,578,827,331	6,901,870,744	Property, Plant and Equipment
Total Carrying Value of Assets Pledged	6,586,051,230	6,916,952,285	

25. LITIGATIONS

Following Court action is currently ongoing 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	2025 Rs.	2024 Rs.
Vidul Engineering Ltd (VEL)	Subsidiary	Expenses incurred by VLL on behalf of VEL	79,419,800	35,959,923
		Settlement done by VEL	(9,955,754)	(21,428,441)
		Fund transfer from VEL	(107,860,260)	(39,975,000)
		Fund transfer from VLL	-	13,500,000
Horana Solar Power (Pvt) Ltd (HRN)	Subsidiary	Expenses incurred by VLL on behalf of HRN	1,958,529	16,242,517
		Funds Transfers to HRN	5,000,000	-
		Funds Transfers From HRN	(8,000,000)	-
		Share Issue	-	(140,000,000)
Vidul Plantations (Pvt) Ltd (VPL)	Subsidiary	Settlement done by HRN	(2,934,101)	(17,334,257)
		Funds transferred to VPL	25,000,000	11,500,000
		Funds transferred from VPL	(25,000,000)	-
		Expense incurred by VLL on behalf of VPL	838,880	2,200,776
		Issue of Shares	-	-
Orlik Corporation (Pvt) Ltd (ORIK)	Subsidiary	Settlement done by VPL	(896,840)	(9,800,530)
		Expense incurred by VLL on behalf of ORIK	1,507,058	1,337,531
		Fund transfer from VLL	-	6,013,243
		Dividends from ORIK	12,180,000	7,047,000
		Settlement done by ORIK	(1,598,316)	(6,202,466)
Lower Kotmale Oya Hydro Power (Pvt) Ltd (LKM)	Subsidiary	Expenses incurred by VLL on behalf of LKM	-	18,645,591
		Funds Transfers to LKM	-	35,000,000
		Funds Transfers from LKM	-	(196,800,000)
		Settlements by LKM	-	(16,059,765)
		Dividends from LKM	-	-
Udawela Hydro (Pvt) Ltd (UDW)	Subsidiary	Funds Transfers to UDW	-	-
		Expenses incurred by VLL on behalf of UDW	-	3,814,810
		Issue of Shares	-	-
		Settlement done by UDW	-	(32,242,543)
Rideepana Hydro (Pvt) Ltd (RHPL)	Subsidiary	Expenses incurred by VLL on behalf of RHPL	-	4,391,099
		Funds Transfers to RHPL	-	-
		Funds Transfers from RHPL	-	(73,000,000)
		Settlement done by RHPL	-	(5,374,756)
		Dividends from RHPL	-	-
Vidul Madugeta (Pvt) Ltd (VMPL)	Joint Venture	Expenses incurred by VLL on behalf of VMPL	11,882,338	9,099,299
		Settlements done by VMPL	(11,882,338)	(9,553,020)
		Dividends from VMPL	31,500,000	45,900,000
Gurugoda Hydro (Pvt) Ltd (GHPL)	Joint Venture	Expenses incurred by VLL on behalf of GHPL	8,210,963	5,059,987
		Settlement done by GHPL	(8,210,963)	(6,051,963)
		Dividends from GHPL	7,417,500	4,945,000

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

Company	Relationship	Nature of Transactions	2025 Rs.	2024 Rs.
Vidul Biomass (Pvt) Ltd (VBL)	Joint Venture	Funds Transferred to VBL	75,000,000	-
		Funds Transferred from VBL	(75,400,000)	(32,500,000)
		Expense incurred by VLL on behalf of VBL	2,552,119	7,255,943
		Settlements from VBL	(2,074,332)	(44,512,604)
Nilwala Vidulibala Company (Pvt) Ltd (NVC)	Associate	Funds transferred to NVC / Expense incurred by VLL on behalf of NVC	10,084,915	9,081,621
		Settlement / Fund Transfer done by NVC	(10,084,915)	(10,007,730)
		Dividends from NVC	26,775,000	15,172,500
Vidul Solar Power (Pvt) Ltd	Subsidiary	Expenses incurred by VLL on behalf of HRN2	-	-
		Funds Transferred to HRN2	49,598,218	-
		Funds Transferred from HRN2	(50,000,000)	-
		Expense incurred by VLL on behalf of HRN2	-	-
		Settlements from HRN2	-	-
Vidul Matara Solar Power (Pvt) Ltd	Affiliate	Expenses incurred by VLL on behalf of MTR	186,742	-
		Funds Transferred to MTR	26,500,000	-
		Funds Transferred from MTR	-	-
		Expense incurred by VLL on behalf of MTR	-	-
		Settlements from MTR	(113,634)	-
Vidul Madampe Solar Power (Pvt) Ltd	Affiliate	Expenses incurred by VLL on behalf of MDP	47,694	-
		Funds Transferred to MDP	23,600,000	-
		Funds Transferred from MDP	-	-
		Expense incurred by VLL on behalf of MDP	-	-
		Settlements from MDP	(25,792)	-

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 2025 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 2025 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.

Key Management Personnel Compensation	2025 Rs.	2024 Rs.
Short-Term Employee Benefits	112,471,051	83,490,801
Post Employment Benefits	8,247,000	6,440,992
Other Benefits Paid by the Company	-	-
	120,718,051	89,931,793

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	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Financial Assets				
Other Financial Assets	36,441,500	56,441,500	36,441,500	56,441,500
Trade and Other Receivables	448,092,721	1,019,756,686	448,092,721	1,019,756,686
Cash and Cash Equivalents	496,281,018	284,133,636	496,281,018	284,133,636
	980,815,239	1,360,331,822	980,815,239	1,360,331,822
Financial Liabilities				
Loans and Borrowings	744,536,610	904,960,564	744,536,610	904,960,564
Trade and Other Payables	377,067,473	784,592,121	377,067,473	784,592,121
	1,121,604,083	1,689,552,685	1,121,604,083	1,689,552,685

As at 31 March	Group			
	Carrying Amount		Fair Value	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Financial Assets				
Other Financial Assets	240,579,380	317,718,360	240,579,380	317,718,360
Trade and Other Receivables	1,387,409,613	2,397,123,698	1,387,409,613	2,397,123,698
Cash and Cash Equivalents	2,023,478,163	698,018,574	2,023,478,163	698,018,574
	3,651,467,156	3,412,860,632	3,651,467,156	3,412,860,632
Financial Liabilities				
Loans and Borrowings	2,589,099,650	3,055,073,043	2,589,099,650	3,055,073,043
Trade and Other Payables	635,694,546	1,095,239,224	635,694,546	1,095,239,224
	3,224,794,196	4,150,312,267	3,224,794,196	4,150,312,267

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.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

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.

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 2025

Financial Assets	Group				Company			
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Other Financial Assets	4,600,000	-	235,979,380	240,579,380	4,600,000	-	31,841,500	36,441,500
	4,600,000	-	235,979,380	240,579,380	4,600,000	-	31,841,500	36,441,500

As at 31 March 2024

Financial Assets	Group				Company			
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Other Financial Assets	4,600,000	-	313,118,360	317,718,360	4,600,000	-	51,841,500	56,441,500
	4,600,000	-	313,118,360	317,718,360	4,600,000	-	51,841,500	56,441,500

During the reporting period ended 31 March 2025 and 2024, 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
2025	100	+/- 11.14 Mn	-
2024	100	+/- 17.59Mn	-

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 2025 Rs.	Effect on Profit Before Tax 2024 Rs.
1%	9.04 Mn	13.4 Mn
(-1%)	(9.04 Mn)	(13.4 Mn)

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

29.1.3 Commodity Price Risk

The Group is principally engaged in generating electricity using renewable energy sources i.e: Rideepana Hydro 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 2025	Less than 3 Months Rs.	4 to 12 Months Rs.	2 - 3 Years Rs.	4 - 5 Years Rs.	>5 Years Rs.	Total Rs.
Financial Assets						
Other Financial Assets	-	240,579,380	-	-	-	240,579,380
Trade and Other Receivables	234,374,084	1,153,035,529	-	-	-	1,387,409,613
Cash and Cash Equivalents	2,023,478,163	-	-	-	-	2,023,478,163
	2,257,852,247	1,393,614,909	-	-	-	3,651,467,156
Financial Liabilities						
Loans and Borrowings	364,068,958	942,893,889	884,336,030	657,787,877	426,638,056	3,275,724,809
Trade and Other Payables	635,694,546	-	-	-	-	635,694,546
Total	999,763,504	942,893,889	884,336,030	657,787,877	426,638,056	3,911,419,356

As at 31 March 2024	Less than 3 Months Rs.	4 to 12 Months Rs.	2 - 3 Years Rs.	4 - 5 Years Rs.	>5 Years Rs.	Total Rs.
Financial Assets						
Other Financial Assets	-	317,718,360	-	-	-	317,718,360
Trade and Other Receivables	1,244,088,169	1,153,035,529	-	-	-	2,397,123,698
Cash and Cash Equivalents	698,018,574	-	-	-	-	698,018,574
Total	1,942,106,743	1,470,753,889	-	-	-	3,412,860,632

Financial Liabilities						
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
Total	1,306,887,532	1,123,401,403	1,147,346,527	654,210,603	961,909,090	5,193,755,155

Company

As at 31 March 2025	Less than 3 Months Rs.	4 to 12 Months Rs.	2 - 3 Years Rs.	4 - 5 Years Rs.	>5 Years Rs.	Total Rs.
Financial Assets						
Other Financial Assets	-	36,441,500	-	-	-	36,441,500
Trade and Other Receivables	448,092,721	-	-	-	-	448,092,721
Cash and Cash Equivalents	496,281,018	-	-	-	-	496,281,018
Total	944,373,739	36,441,500	-	-	-	980,815,239

Financial Liabilities						
Loans and Borrowings	250,707,117	515,869,315	117,459,112	-	-	884,035,544
Trade and Other Payables	377,067,473	-	-	-	-	377,067,473
Total	627,774,590	515,869,315	117,459,112	-	-	1,261,103,017

As at 31 March 2024	Less than 3 Months Rs.	4 to 12 Months Rs.	2 - 3 Years Rs.	4 - 5 Years Rs.	>5 Years Rs.	Total Rs.
Financial Assets						
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
Total	1,303,890,322	56,441,500	-	-	-	1,360,331,822

Financial Liabilities						
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
Total	801,113,556	701,245,983	363,973,649	1,923,326	-	1,868,256,514

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

Year ended 31 March 2025

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 2025 and 31 March 2024.

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	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Interest - Bearing Loans and Borrowings	2,641,353,301	3,157,856,328	780,348,500	944,660,161
Equity	8,491,565,054	7,528,840,293	3,650,320,117	3,458,888,273
Equity & Interest - Bearing Loans and Borrowings	11,132,918,355	10,686,696,621	4,430,668,617	4,403,548,434
Gearing Ratio	23.7%	29.5%	17.6%	21.5%

INVESTOR INFORMATION

MARKET CAPITALIZATION

The market capitalization of the Company remained at Rs. 13,538,653,914/- as of 31st March 2025 compared to Rs. 6,678,881,794/- as of 31st March 2024.

DIVIDEND PAYOUT RATIO

The company declared and paid two interim dividends totaling Rs. 1.70 per share of which Rs. 0.50 was paid in cash and the balance Rs. 1.20 per share was paid as scrip dividend. Consequently, the total distribution to the shareholders amounting to Rs. 1,604,307,078/-.

The scrip dividend resulted in issuing fully paid shares as follows:

- 73,763,666 ordinary voting shares at a consideration of Rs. 13.94 per share.
- 9,719,489 ordinary non-voting shares at a consideration of Rs. 8.79 per share.

This represents a dividend payout of 108% during financial year 2024/25, compared to dividend payout of 25% during the previous financial year.

PRICE TO BOOK VALUE

The price to book value ratio of the group is as follows

	Voting Share	Non-Voting
As of 31 March 2025	1.69	1.19
As of 31 March 2024	0.94	0.73
As of 31 March 2023	0.77	0.60

HIGHEST AND LOWEST SHARE PRICE FOR LAST FIVE FINANCIAL YEARS

Ordinary Voting Share

Financial Year	Highest price per share (Rs.)	Lowest price per share (Rs.)	Closing price per share (Rs.)
FY 2024/25	14.90	7.00	13.50
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

Ordinary Non-Voting Share

Financial Year	Highest price per share (Rs.)	Lowest price per share (Rs.)	Closing price per share (Rs.)
FY 2024/25	9.70	5.70	9.50
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 (Contd...)

TWENTY LARGEST SHAREHOLDERS OF VIDULLANKA PLC AS OF 31 MARCH

Ordinary Voting Share

Name	2025		2024	
	Shares	%	Shares	%
1 Amana Bank PLC / Mr. Osman Kassim	137,751,552	14.6%	89,000,000	10.2%
2 Mr. C.F Fuhrer	119,357,674	12.6%	110,041,770	12.6%
3 Amana Bank PLC / Mr. Riyaz M. Sangani	107,107,527	11.3%	98,747,751	11.3%
4 Mr. Sattar Kassim	102,105,204	10.8%	94,135,861	10.8%
5 Mr. Ranjan Mather	100,000,000	10.6%	100,000,000	11.5%
6 Mr. Riyaz M. Sangani	90,513,823	9.6%	65,850,420	7.6%
7 Ms. R. L. Mather / Mr. Sujendra Mather	50,897,579	5.4%	46,925,007	5.4%
8 Mr. Sidath Fernando	41,746,349	4.4%	33,663,568	3.9%
9 Ms. Yumna Kunimoto	27,415,217	2.9%	25,275,451	2.9%
10 Mr. Mohamed Shafee Mohideen	23,727,868	2.5%	21,172,720	2.4%
11 Mr. Sujendra Mather	22,372,420	2.4%	20,626,246	2.4%
12 National Development Bank PLC / Mr. Riyaz M. Sangani	21,693,158	2.3%	14,600,000	1.7%
13 Amana Bank PLC / Dynawash Ltd	15,046,662	1.6%	15,900,959	1.8%
14 Mr. Ranjeet Bhanwarlal Barnecha	12,133,909	1.3%	11,186,854	1.3%
15 Esanjo Capital Ltd	11,388,908	1.2%	-	-
16 Amana Bank PLC / Mr. Shahid M. Sangani	4,664,029	0.5%	4,300,000	0.5%
17 Hatton National Bank PLC - Senfin Growth Fund	4,338,632	0.5%	4,000,000	0.5%
18 Ms. N. R. Mather	3,513,228	0.4%	3,239,019	0.4%
19 Mr. Shahid M. Sangani	3,378,136	0.4%	3,114,488	0.4%
20 Ms. S. S. Sangani	2,977,337	0.3%	-	-
- Mr. Osman Kassim/Ms. K Kassim	-	-	38,120,144	4.4%
- Vanguard Industries (Pvt) Ltd	-	-	11,606,012	1.3%
Top 20 Shareholders	902,129,212	95.5%	811,506,270	93.1%

Ordinary Non-Voting Share

Name		2025		2024	
		Shares	%	Shares	%
1	Ms. N.R. Mather	23,017,839	28.0%	20,293,295	28.0%
2	Amana Bank PLC/Mr. Osman Kassim	8,145,585	9.9%	7,181,419	9.9%
3	Ms. R. L. Mather / Mr. Sujendra Mather	4,541,389	5.5%	4,003,840	5.5%
4	Mr. Osman Kassim / Ms. K. Kassim/ Mr. A. O. Kassim	2,563,433	3.1%	-	-
5	Ms. Yumna Kunimoto	2,446,151	3.0%	2,156,608	3.0%
6	Mr. Mohamed Shafee Mohideen	2,072,909	2.5%	1,806,546	2.5%
7	Mr. M.Z.H. Hashim / Mr. N.R.M. Hashim	1,852,434	2.3%	1,771,174	2.4%
8	Mr. Ranjan Mather	1,724,872	2.1%	1,520,705	2.1%
9	Mr. G.D.M. Ranasinghe / Ms. O.R.K. Ranasinghe	1,701,388	2.1%	1,500,000	2.1%
10	Mr. Damian Amal Cabraal	1,446,179	1.8%	1,275,000	1.8%
11	Macksons Paint Industries (Private) Limited	1,361,110	1.7%	1,200,000	1.7%
12	DFCC BANK PLC / Mr. P. Pranavan	1,300,000	1.6%	1,000,000	1.4%
13	Ms. Sheema Haroon Admani	952,260	1.2%	839,544	1.2%
14	Mr. Asanka Ubhaya De Alwis Goonewardena	850,694	1.0%	750,000	1.0%
15	Ms. Farhat Farook Kassim	754,602	0.9%	-	-
16	Mr. Riyaz M. Sangani	750,615	0.9%	966,317	1.3%
17	Vanguard Industries Pvt Ltd	736,109	0.9%	648,978	0.9%
18	Mr. Buddhika Pathmalal Singhage	700,000	0.9%	600,000	0.8%
19	Mr. Pradeep Dilshan Rajeeva Hettiaratchi	652,199	0.8%	575,000	0.8%
20	Mr. Liaqat Ally Mohamed Hisham	623,842	0.8%	-	-
-	Mr. Osman Kassim / Ms. K. Kassim	-	-	2,260,008	3.1%
-	Dynawash Ltd	-	-	995,543	1.4%
-	Trade First (Pvt) Ltd	-	-	772,835	1.1%
Top 20 Shareholders		58,193,610	70.87%	52,116,812	72.0%

SHAREHOLDING CLASSIFICATION : LOCAL AND 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	1,218	270,831	0.0%	3	1,393	0.0%	1,221	272,224	0.0%
1,001 to 10,000 shares	605	2,152,811	0.2%	6	16,599	0.0%	611	2,169,410	0.2%
10,001 to 100,000 shares	263	8,344,006	0.9%	5	166,692	0.0%	268	8,510,698	0.9%
100,001 to 1,000,000 shares	53	15,011,358	1.6%	4	697,395	0.1%	57	15,708,753	1.7%
Over 1,000,000 shares	25	746,322,833	79.0%	5	172,095,708	18.2%	30	918,418,541	97.2%
Total	2,164	772,101,839	81.7%	23	172,977,787	18.3%	2,187	945,079,626	100%

INVESTOR INFORMATION (Contd...)

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	321	68,663	0.1%	3	436	0.0%	324	69,099	0.1%
1,001 to 10,000 shares	160	507,816	0.6%	3	20,899	0.0%	163	528,715	0.6%
10,001 to 100,000 shares	157	5,347,150	6.5%	7	226,406	0.3%	161	5,573,556	6.8%
100,001 to 1,000,000 shares	67	21,720,030	26.5%	5	2,048,886	2.5%	72	23,768,916	28.9%
Over 1,000,000 shares	11	49,727,138	60.6%	1	2,446,151	3.0%	12	52,173,289	63.5%
Total	716	77,370,797	94.2%	16	4,742,778	5.8%	732	82,113,575	100%

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	1,200	267,144	0.0%	21	5,080	0.0%	1,221	272,224	0.0%
1,001 to 10,000 shares	594	2,124,327	0.2%	17	45,083	0.0%	611	2,169,410	0.2%
10,001 to 100,000 shares	245	7,637,053	0.8%	23	873,645	0.1%	268	8,510,698	0.9%
100,001 to 1,000,000 shares	47	12,018,122	1.3%	10	3,690,631	0.4%	57	15,708,753	1.7%
Over 1,000,000 shares	21	613,492,763	64.9%	9	304,925,778	32.3%	30	918,418,541	97.2%
Total	2107	635,539,409	67.2%	80	309,540,217	32.8%	2,187	945,079,626	100%

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	317	67,423	0.1%	7	1,676	0.0%	324	69,099	0.1%
1,001 to 10,000 shares	153	480,534	0.6%	10	48,181	0.1%	163	528,715	0.6%
10,001 to 100,000 shares	147	5,038,812	6.2%	14	534,744	0.7%	161	5,573,556	6.8%
100,001 to 1,000,000 shares	52	17,194,242	20.9%	20	6,574,674	8.0%	72	23,768,916	28.9%
Over 1,000,000 shares	9	41,366,594	50.4%	3	10,806,695	13.1%	12	52,173,289	63.5%
Total	678	64,147,605	78.1%	55	17,965,970	21.9%	732	82,113,575	100%

Public Shareholding as of 31 March 2025

	Ordinary Voting Share	Ordinary Non- Voting Share
Issued Share No of shares	945,079,626	82,113,575
Public Shareholding	259,096,608	62,849,633
Public Holding	27.42%	76.54%
Public Holding - No of Shareholders	2,171	719
Non-Public Shareholding	685,983,018	19,263,942
Non-Public Shareholding	72.58%	23.46%
Non-Public Holding - No of Shareholders	16	13
Existing Floated adjusted Market Capitalization (Rs.)	3,497,804,208	597,071,514
Option for Compliance	Option 2 of 7.13.1 (b) of the Listing Rules	

TEN YEAR SUMMARY

(in '000 otherwise stated)	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.	2017 Rs.	2016 Rs.
ASSETS										
Non-Current Assets										
Property, Plant and Equipment	7,417,463	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
Right of Use Assets	142,127	189,995	197,503	186,827	172,118	169,148	-	-	-	-
Investment in Joint Ventures	1,512,589	1,127,498	772,120	623,833	629,673	572,995	537,798	319,172	327,305	313,587
Other Project Investments	62,700	49,807	76,378	81,566	79,879	91,991	92,716	112,929	134,519	79,022
Goodwill	143,336	204,818	206,883	259,355	275,692	277,175	249,000	215,879	215,879	215,879
Other assets	24,378	50,814	80,925	48,317	47,084	26,150	26,045	10,008	3,541	-
	9,302,593	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
Current Assets	3,892,840	3,620,655	3,407,723	2,784,024	1,410,193	1,312,820	767,337	587,862	504,205	633,211
Total Assets	13,195,433	13,019,465	13,023,778	11,505,892	8,291,754	7,382,488	5,789,278	5,303,325	4,705,043	3,509,004
Equity & Liabilities										
Equity & Liabilities										
Total Equity	8,491,566	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
Total Loans and Borrowings	2,641,354	3,157,856	3,975,948	4,357,951	3,846,807	3,397,825	2,672,769	2,629,451	2,604,609	1,448,370
Total Capital Employed	11,132,920	10,686,697	10,865,233	10,083,077	7,491,733	6,398,622	5,426,138	4,841,606	4,412,199	3,318,770
Other Liabilities	2,062,513	2,332,768	2,158,545	1,422,814	800,021	983,866	363,140	461,719	292,844	190,234
Total Equity & Liabilities	13,195,433	13,019,465	13,023,778	11,505,892	8,291,754	7,382,488	5,789,278	5,303,325	4,705,043	3,509,004
Operating Results										
Group Revenue	5,424,848	5,692,546	3,836,435	2,567,672	1,797,070	1,440,380	1,281,956	974,838	534,754	723,224
Gross Profits	2,949,195	3,191,325	2,720,321	1,879,819	1,205,147	1,062,483	980,401	726,369	391,062	601,700
Operating Profits	2,827,155	2,714,335	2,248,750	1,654,858	1,125,011	899,346	917,576	908,559	199,934	479,792
Profit Before Tax	2,539,043	2,242,006	1,649,743	1,357,075	814,920	582,099	624,212	649,490	40,715	392,464
Profit After Tax	1,577,471	1,353,186	1,023,010	865,877	594,951	361,662	527,318	509,220	41,677	371,591
Cash generated from Operating Activities	2,551,787	2,913,009	2,618,993	1,664,361	1,161,248	899,154	729,590	866,127	465,004	340,003
Cash utilized in Investing Activities	263,234	431,198	986,281	311,010	735,787	916,675	60,370	431,244	1,392,648	305,623
New Capacity Added (MW)	-	200	1000	190	730	330	-	140	850	175
Generation (GWh)	198.7	215.2	183.2	185.9	139.6	114.9	108.0	92.6	48.5	68.0
Emission Reduction (in ton of CO2 equivalent)	149,949	142,294	106,727	108,300	81,355	66,578	68,040	58,338	30,555	42,840
Key Indicators										
Net Profit Margin (%)	29.1	23.8	26.7	33.7	33.1	25.1	41.1	52.2	7.8	51.4
ROE (%)	18.6	18.0	14.8	15.1	16.3	12.1	19.2	23.0	2.3	19.9
ROA (%)	21.4	20.8	17.3	14.4	13.6	12.2	15.8	17.1	4.2	13.7
Earning per Share (Rs.)	1.57	1.35	1.02	0.93	0.68	0.41	0.62	0.60	0.05	0.52
Dividend per Share (Rs.)	1.70	0.36	0.20	0.30	0.10	0.23	0.15	0.20	0.10	0.23
Net Asset Value Share (Rs.)	7.99	7.69	7.07	5.99	4.21	3.51	3.24	2.66	2.41	2.50
Current Ratio (No. of times)	2.10	1.61	1.54	1.61	0.99	0.81	1.11	0.48	0.53	0.99
Equity Asset Ratio (No. of times)	1.55	1.73	1.89	2.01	2.27	2.46	2.10	2.40	2.60	1.88
Asset Turnover Ratio (No. of times)	0.41	0.44	0.29	0.22	0.22	0.20	0.22	0.18	0.11	0.21
Gearing Ratio (%)	23.7	29.5	36.6	43.2	51.3	53.1	49.3	54.3	59.0	43.6

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of Vidullanka PLC will be held on 25 September 2025 at 10.00a.m 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 2025 together with the Annual Report of the Directors thereon.
2. Re-elect following Directors by Rotation in terms of Article 20.5 of the Articles of Association of the Company.
 - a. Mr. Shahid M. Sangani
 - b. Mr. Sidath Fernando
3. Re-elect the following Directors in terms of section 211 of the Companies Act No. 07 of 2007.
 - a) Mr. Osman Kassim, 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. 07 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. Ranjan Mather, 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. 07 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. Ranjan Mather.
4. Re-appoint 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 2025/2026.

By order of the Board VIDULLANKA PLC

Sgd.
Mrs. C. Salgado
MANAGERS & SECRETARIES (PRIVATE) LIMITED
Secretaries

25 August 2025

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 Vidullanka PLC are entitled to take part at the AGM of Vidullanka PLC.
3. A pre-registration form is enclosed for this purpose to be completed by Vidullanka PLC Shareholders only. Alternatively, the registration could be completed via the company web site 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. A form of proxy is enclosed for this purpose.
5. The instruments for pre-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 and samanga@mssl.lk not less than Forty Eight hours prior to the time appointed for holding the meeting.

NOTES

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 25 September 2025 at 10.00am 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. Re-election of Directors in terms of Article 20.5 of Articles of Association of the Company. a. Mr. Shahid M. Sangani b. Mr. Sidath Fernando			
2. Re-election of Directors in terms of Section 211 of the Companies Act No. 7 of 2007. a. Mr. Osman Kassim b. Mr. Ranjan Mather			
3. Re-appointment of the retiring Auditors M/s Ernst & Young, Chartered Accountants for the ensuing year and authorize the Directors to determine their remuneration.			
4. Authorize the Directors to determine contributions to charities for the financial year 2025/2026.			

Signed this day of 2025.

Signature

Please see overleaf for Instructions for completion.

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.

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 or samanga@msl.lk not later than 48 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.

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 10, Gothami Road
Colombo 08

STATED CAPITAL

Rs. 2,939,293,738 /-

ISSUED NUMBER OF SHARES

Voting Shares - 945,079,626 Nos
Non-Voting Shares - 82,113,575 Nos

REGISTERED OFFICE

Level 04, Access Towers
No 278 Union Place
Colombo 02
Telephone - 011 4760000
Fax - 011 4760076
Email - info@vidullanka.com
Web - www.vidullanka.com

INVESTMENT RELATIONS OFFICER

Email : parthipans@vidullanka.com

AUDITORS

M/s. Ernst & Young, Chartered Accountants
No 201, De Saram Place
Colombo 10

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)
OCBC Bank(Singapore)

WEBSITE

www.vidullanka.com

Concept & Designed by





VIDULLANKA PLC

Building on Renewable Energy Sources

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