

POWER OF POSITIVITY

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Remaining undaunted in the face of macroeconomic challenges and using them as opportunities for learning and growth, the power of positivity will be the mantra for Vidullanka as we embark on a new decade of exploring and nurturing sustainability.

By upholding people and the planet before profits, Vidullanka entered the renewable energy field in 1997 with a bold vision and mission. In 2020, this very same, sustainable philosophy reaffirmed our resilient nature as we gained impetus from within ourselves and faced challenges with fortitude and innovative thinking.

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VISION

Be the foremost in promoting and developing renewable energy resources while ensuring good stakeholder returns.

MISSION

Passionately develop business opportunities aligned to our core business that will maximise economic value to our stakeholders, thereby giving us a competitive advantage in the marketplace. Use the strength of our engineering team to become the leader in supplying renewable energy.

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 team work and professionalism.

Vidullanka PLC, our name springs from this very promise. It is a promise to create a sustainable future by working for the benefit of the environment and all our communities. It is a promise for the future that is energised by renewable energy.

Vidullanka PLC takes great pride in being a driving force in the nation's power and energy sector. We have placed ourselves as a premier renewable energy power developer whilst we have become a 'change agent' in the Power and Energy Sector in Sri Lanka. Over the last two decades the company's capacity has steadily grown and presently is at 29MW with a total energy supply exceeding 100GWh annually to the national grids. Leveraging on this success the company commissioned the 3.3MW Dehiyathakandiya Dendro Power Project last year and we are on the verge of commissioning our second overseas hydro power project, 6.5MW Bukinda Small Hydro Power Plant, continuing its steps toward growth and diversification.

Sustainable energy is the future. Our unique strategy interweaves business goals with environmental sustainability and social responsibility, producing mutually beneficial results. By contributing to community's socio-economic development in the short-term, we foresee delivery of continual value to our shareholders. Through our community engagement initiatives, we are contributing to uplift the lifestyle of communities we work with.

At Vidullanka, we are committed to deliver clean and sustainable energy for all. Vidullanka is now on the way to innovate and create new paradigms in renewable energy.



OPERATIONAL PROJECTS

11



TOTAL CAPACITY

29Mw



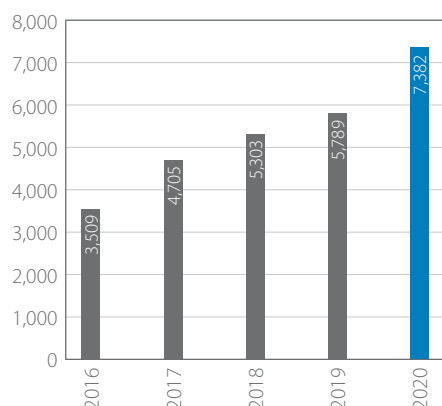
TOTAL ENERGY SUPPLY

115GWh

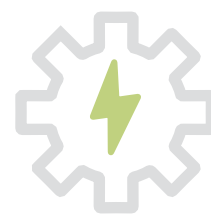
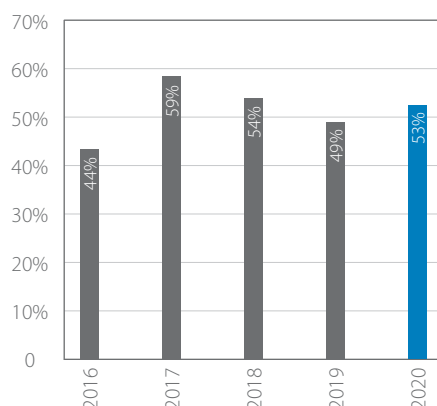
FINANCIAL HIGHLIGHTS

As at March	2020	2019	2018
Group Revenue (Mn)	1,440.4	1,282.0	974.8
Gross Profits (Mn)	1,062.5	980.4	726.4
Profits After Tax (Mn)	361.7	527.3	509.2
Output GWh	114.9	108.0	92.6
Net Profit Margin	25%	41%	52%
ROE	12%	19%	23%
EPS	0.41	0.62	0.60
DPS	0.23	0.15	0.20
Net Assets Value per share	3.51	3.24	2.66
Asset turnover ratio	0.20	0.22	0.18
Gearing Ratio	53%	49%	54%

Total Assets



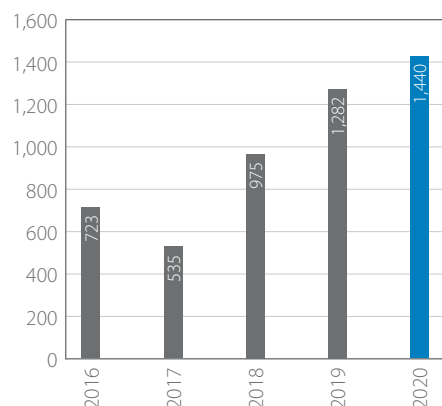
Financial Leverage



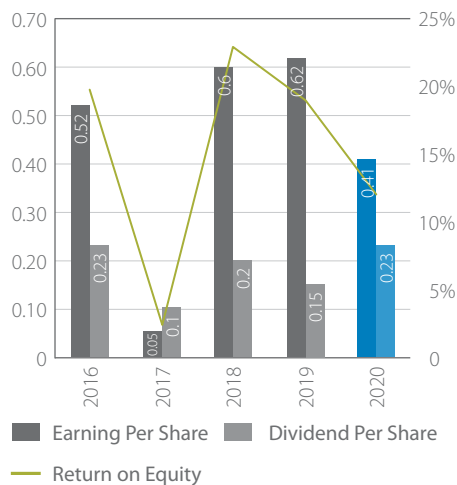
ENERGY SUPPLIED
IN SRI LANKA

79.8GWh

Group Revenue

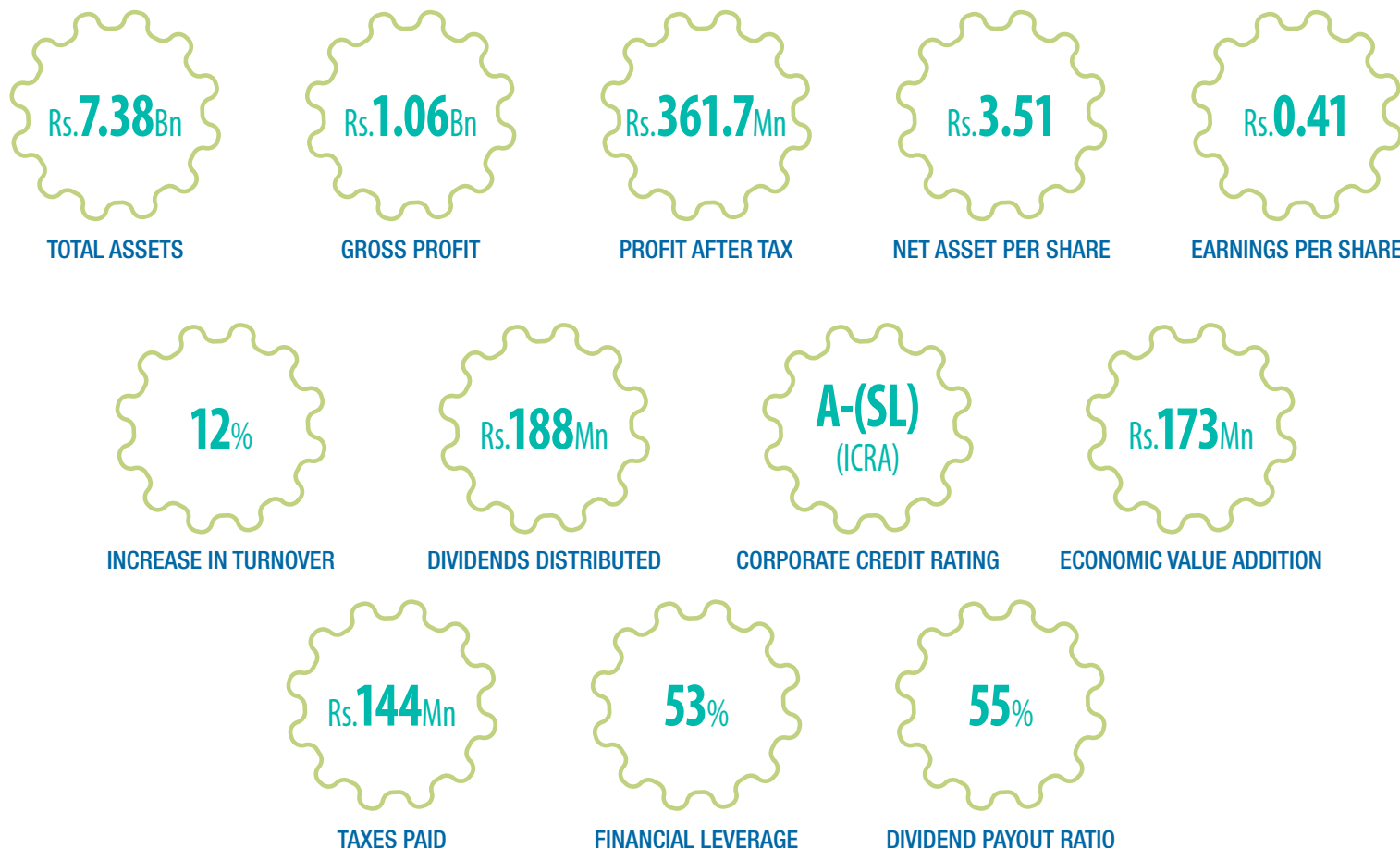


ROE, Earnings Per Share &
Dividend Per Share

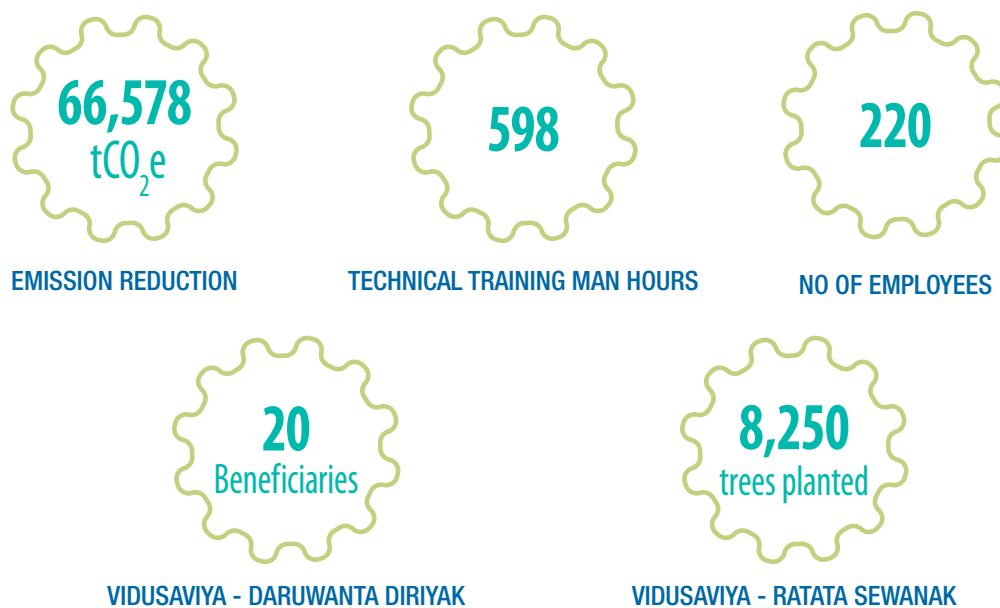


ELECTRICITY GENERATED
IN UGANDA

35.1GWh



Non Financial Highlights



OUR PLANT PORTFOLIO

Bambarabatuoya MHPP



Project Company	Vidullanka PLC
Installed Capacity	3.2 MW
Location	Ratnapura
Project Cost	US\$ 3.4 mn
River	Kalu Ganga
Catchment Area	76 km ²
Plant Factor	44%
Designed Annual Energy	12.33 GWh
Gross Head	47 m
Channel Length	2,850 m
Penstock Length	150 m
Turbine	Francis Turbines (4*800kW)
Status	An interim SPPA upto 31 May 2021 signed with an option to extend upto 31 December 2038.

Batathota MHPP



Project Company	Vidullanka PLC
Installed Capacity	2.0 MW
Location	Ratnapura
Project Cost	US\$ 2.5 mn
River	Kuru Ganga
Catchment Area	64 km ²
Plant Factor	58%
Designed Annual Energy	10.25 GWh
Gross Head	41.6 m
Channel Length	1,700 m
Penstock Length	140 m
Turbine	Francis Turbines (2*800kW+1*400kW)
Status	Commissioned on 6 March 2007

Ganthuna MHPP



Project Company	Gurugoda Hydro (Pvt) Ltd
Installed Capacity	1.2 MW
Location	Kegalle
Project Cost	US\$ 1.6 mn
River	Gurugoda Oya
Catchment Area	5 km ²
Plant Factor	38%
Designed Annual Energy	4.0 GWh
Gross Head	220 m
Channel Length	220 m
Penstock Length	560 m
Turbine	Pelton Turbines (2*600kW)
Status	Commissioned on 26 March 2010

Wembiyagoda MHPP



Project Company	Walagamba Balashakthi (Pvt) Ltd
Installed Capacity	1.3 MW
Location	Ratnapura
Project Cost	US\$ 2 mn
River	Koswathu Ganga
Catchment Area	77 km ²
Plant Factor	40%
Designed Annual Energy	4.5 GWh
Gross Head	22.5 m
Channel Length	440 m
Penstock Length	40 m
Turbine	Francis Turbines (2*650kW)
Status	Commissioned on 19 March 2013

Madugeta MHPP



Project Company	Vidul Madugeta (Pvt) Ltd
Installed Capacity	2.5 MW
Location	Galle
Project Cost	US\$ 4.4 mn
River	Gin Ganga
Catchment Area	179 km ²
Plant Factor	46%
Designed Annual Energy	10.1 GWh
Gross Head	15 m
Channel Length	660 m
Penstock Length	-
Turbine	Kaplan Turbines (2*1,250kW)
Status	Commissioned on 1 November 2013

Lower Kotmale Oya MHPP



Project Company	Lower Kotmale Oya Hydro Power (Pvt) Ltd
Installed Capacity	4.0 MW
Location	Nuwara Eliya
Project Cost	US\$ 8.2 mn
River	Kotmale Oya
Catchment Area	89 km ²
Plant Factor	37%
Designed Annual Energy	13 GWh
Gross Head	71.5 m
Channel Length	1,430 m
Penstock Length	870 m
Turbine	Francis Turbines (2*1,600kW+1*800kW)
Status	Commissioned on 25 June 2014

Rideepana MHPP



Project Company	Rideepana Hydro (Pvt) Ltd
Installed Capacity	1.75 MW
Location	Badulla
Project Cost	US\$ 3.1 mn
River	Badulu Oya
Catchment Area	205 km ²
Plant Factor	44%
Designed Annual Energy	5.9 GWh
Gross Head	30.5 m
Channel Length	590 m
Penstock Length	60 m
Turbine	Francis Turbines (1*1,250kW+1*500kW)
Status	Commissioned on 15 May 2015

Ethamala Ella MHPP



Project Company	Nilwala Vidulibala Company (Pvt) Ltd
Installed Capacity	2 MW
Location	Matara
Project Cost	US\$3.5 mn
River	Nilwala Ganga
Catchment Area	119 km ²
Plant Factor	44%
Designed Annual Energy	7.8 GWh
Gross Head	40 m
Channel Length	300 m
Penstock Length	80 m
Turbine	Francis Turbines (2*800kW+1*400kW)
Status	Commissioned on 30th September 2016

OUR PLANT PORTFOLIO

Muvumbe SHPP



Project Company	Muvumbe Hydro (U) Ltd
Installed Capacity	6.5 MW
Location	Kabale Uganda
Project Cost	US\$ 13.5 mn
River	Muvumbe River
Catchment Area	868 km ²
Plant Factor	55%
Designed Annual Energy	31.4 GWh
Gross Head	120 m
Channel Length	2,080 m
Penstock Length	295 m
Turbine	Francis Turbines (1*4,000kW+1*2,500kW)
Status	Commissioned on 15th March 2017

Udawela MHPP



Project Company	Udawela Hydro (Pvt) Ltd
Installed Capacity	1.4 MW
Location	Badulla
Project Cost	US\$ 3.1 mn
River	Badulu Oya
Catchment Area	242 km ²
Plant Factor	35%
Designed Annual Energy	4.3GWh
Gross Head	21 m
Channel Length	37 m
Penstock Length	200 m
Turbine	Francis Turbines (1*1,400kW)
Status	Commissioned on 29th December 2017

Dehiyathakandiya Dendro PP



Project Company	Vidul Biomass (Pvt) Ltd
Installed Capacity	3.3 MW
Location	Ampara
Project Cost	US\$ 8.4 mn
Plant Factor	76%
Designed Annual Energy	22.0 GWh
Primary Fuel-wood	Gliricidia (Gliricidia sepium)
Turbine	Boiler Steam Turbine (1*3,300kW)
Status	Commissioned on 30th May 2019

Under Construction

Plant Name Bukinda SHPP



Project Company	Timex Bukinda Hydro (U) Ltd
Installed Capacity	6.5 MW
Location	Rugashari (Kagadi District)
Project Cost	US\$ 13.6 mn
River	Nkusi River
Catchment Area	2317 km ²
Plant Factor	48%
Designed Annual Energy	27.4 GWh
Gross Head	110.6 m
Channel Length	726 m
Penstock Length	396 m
Turbine	Francis Turbines (1*4,000kW+1*2,500kW)
Status	Construction on going

In pipeline

Rooftop Solar PP



Installed Capacity	600kW
Location	Panadura
Project Cost	US\$0.4mn
Plant Factor	16%
Designed Annual Energy	0.8GWh
Status	Installation planned for 2020

I also congratulate the team at Vidullanka PLC for the recognition at the CIMA- ICCSL Most Admired Company Awards 2019, which recognizes the Sri Lankan enterprises that drive prosperity and create long-term value in Sri Lanka.

CHAIRMAN'S MESSAGE

It is my privilege to present this review for the financial year ended 31 March 2020 to our shareholders.

The financial year 2019/20 was another year where we encountered challenges which we overcame, maintained growth momentum and capping the year with a sense of achievement for Vidullanka PLC. Significant highlights for the year was the commissioning of its very first Dendro Power Plant in Dehiyathakandiya and in Africa the development of a 6.5MW Bukinda SHPP in Uganda. The Company recorded a Profit After Tax of Rs. 361.7Mn for the year and is committed to pursuing growth endeavours and diversification in the future as well.

The Operating Environment

Vidullanka PLC ensures that its strategies are formulated considering the political and economic development globally and in countries where it operates.

The pace of global economic activities remains weak - a phenomenon that commenced in the latter part of 2018. Rising trade and geopolitical tensions have increased uncertainty about the future of the global trading system and international cooperation, severely affecting business confidence, investment decisions, and global trade. The global business environment remains precarious according to the recent IMF reviews.

During the year 2019, Sri Lanka's performance continued at a slow pace in terms of real economic growth, although macroeconomic stabilization measures helped correct the external sector imbalances to some magnitude, while inflation remained subdued on average. The Easter Sunday attacks had a severe impact and the adverse spill over effects were felt across the economy, stifling business confidence and worsening the growth of the economy. Subdued demand conditions resulted in low inflation during the year.

The growth of the Sri Lankan economy declined to 2.3% in 2019, compared to the growth of 3.3% in 2018, amidst the challenging domestic environment, which reverberated negatively across most of the key economic activities. Adverse impact on the tourism segment which has many backward and forward linkages to other key economic activities especially related to Services and Industry further compounding the overall slowdown of economic activities.

With policy measures outlined by the new Government and the economy showing signs of revival, the outbreak of the COVID-19 pandemic dampened the expectations as a result of the global impact of the virus.

The Industry

Although the global renewable energy industry is flourishing with large scale investments being directed toward newer capacity and technological developments, the Sri Lankan renewable energy industry has not moved forward given the absence of proper policy direction and bureaucratic red tape. However, a great deal of optimism now prevails under the visionary leadership of the incumbent president, His excellency, Gotabaya Rajapaksa who has set ambitious targets of achieving 30% of renewable energy capacity by 2030, while renewable energy combined with large hydro to contribute up to 80% of the overall energy mix.

The overall power sector recorded a growth of 3.3% in total electricity generation in 2019 compared to its growth of 4.8% in 2018. The contribution of hydropower to the generation mix declined by 24.9% in 2019, largely due to low rainfall in the catchment areas, particularly during the first half of the year, in comparison to the substantial growth of 59.4% recorded in 2018.



The total power generation increased by 3.3% from 15,374GWh in 2018 to 15,879GWh in 2019. The drought conditions that prevailed during the first half of the year resulted in an increase dependency in thermal power generation. It is noteworthy that the NCRE's contribution to the national electricity generation mix was marginally affected from 11.9% in 2018 to 10.8% in 2019, whilst the contribution from the large hydro contracted severely from 33.5% in 2018 to 23.8% in 2019.

The Government continued to pursue the licensing of the new solar power development through competitive tendering. During 2018 - 2019, CEB floated two tenders, awarding 150 licenses to build and operate ground-mounted solar power plants each with 1MW capacity. Although a great deal of interest is in these tenders, the country is yet to see a substantial increase in the new solar capacity addition to the national grid.

It is noteworthy that the annual Least Cost, Long-Term Generation Expansion Plan for the period from 2020 to 2039 presented by CEB in 2019, and submitted for the approval of the PUCSL is yet to be aligned to the vision as presented by the President, His excellency Gotabaya Rajapaksa. The energy mix proposed through the LCLTGEP expects only to fulfil 15% of the national demand for power supply through renewable energy resources which is to be achieved by end 2039. Strategic alignment and timely implementation of the set strategy is of paramount importance to ensure national development goals are achieved.

The Company Performance

Vidullanka group continued the operations at its local mini hydropower plants as well as the Muvumbe Small hydropower plant in Uganda. Further, the Vidul Biomass (Pvt) Ltd, commissioned

the dendro power plant in May 2019. The Dehiyathakandiya Dendro power plant is undergoing continuous improvements for operational and thermal efficiencies of the power plant. Accordingly, the power plant is expected to achieve profitability during the new financial year. Vidul Plantation (Pvt) Ltd, the dedicated subsidiary focused on developing energy crops and supply of sustainably grown fuelwood for the Dendro power plant, commenced operations with the sourcing of fuelwoods from its out-grower schemes.

The construction of the Bukinda hydropower plant commenced in June 2019, and it is expected to complete the construction within a period of 15 months. Despite the challenges, the construction of the Bukinda SHPP progressed satisfactorily. Vidullanka's unconventional and calculated risk management approaches in dealing with the overseas investment decision has commenced bearing fruitful outcomes, being the Company's second off boundary project and is set to commission during the year 2020.

Vidullanka Group generated a Profit After Tax of Rs. 361.7Mn during the financial year compared to the Rs. 527.3Mn in 2018/19. The overseas subsidiary, Muvumbe Hydro (U) Limited performed well during the financial year, allowing the group to benefit from the geographical diversification it introduced to the group. The group recorded yet another year with turnover exceeding Rs. 1Bn and a total energy output exceeding 100GWh. The group reported a turnover of Rs. 1.4Bn compared to the turnover of Rs. 1.2Bn in 2018/19. The tax expense has risen sharply to Rs. 220.4 Mn from Rs. 96.9 Mn in FY2018/19, mainly contributed by income tax, deferred tax and dividend tax expenses incurred by Muvumbe hydro (U) Limited in Uganda.

Despite the challenges posed by the COVID19 pandemic, all the power plants owned by Vidullanka continued to operate as an essential service. It is our humble moment of satisfaction of being able to be an active partner in helping the countries to win the battle against the global outbreak.

Developing a Sustainable Future

Vidullanka embodies a true social enterprise by upholding social and environmental wellbeing throughout the value chain while generating healthy financial returns. The group holds a positive carbon footprint on the environment with the generation of electricity from renewable sources and the sustainably grown fuelwood accounting for the entirety of the group turnover.

The company has created employment opportunities for the rural workforce uplifting the local livelihoods. The groups latest projects, Dehiyathakandiya Dendro power plant and the accompanying fuelwood supply chain are benefiting a larger number of the population with direct and indirect employment opportunities thus assisting in fair wealth distribution.

The construction at Bukinda power project created employment opportunities in rural Uganda and solely driven by engineering talent from Sri Lanka. It is noteworthy that the installation of machinery, other mechanical and electrical installations are being carried out solely by in-house engineers in the absence of the supplier engineers who were not able to reach the site due to the travel restrictions imposed due to the COVID19 pandemic. This bears testimony of the continuous emphasis the Company has placed in the development of the human capital in-house.

CHAIRMAN'S MESSAGE

The Company continued to uphold the highest standards of ethics and code of conduct and strives continuously in improving governance framework and records yet another year without any violation of such standards on record.

The Company continued its flagship community service initiative "ViduSaviya" during the year undertaking several positive initiatives focused toward the local populace. The reforestation initiative continued with tree plantation schemes being implemented across all the power plants in Sri Lanka as well as in Muvumbe power plant in Uganda. Talented students from the rural communities continued to be supported with financial assistance by the company's "ViduSaviya – Daruwanta Diriyak" initiative. The company constructed a building and developed a playground for the local school in the Kagadi region where Bukinda power project is located.

Growth Outlook

The world is at a brink of recession with many global enterprises finding it extremely challenging to overcome the resultant impact posed by the pandemic and the economic slowdown. Many organisations are considering maintaining the status quo and postponing investments. The economic stimulus packages by the governments include many investor-friendly initiatives including rate cuts and concessions. The Company stands positive on the prospects in the renewable energy industry in Sri Lanka as well as overseas and will take calculated steps in growth endeavours whilst ensuring the financial and operational stability of the company remains robust.

The Company is continuing the development of the Bukinda hydropower project in Uganda despite lockdowns, whilst taking maximum precautionary measures recommended by the government of Uganda. Use of modern

technology together with the expertise of our engineers at the site helped the company to carry forward the implementation without any hindrance. The company is poised to add the Bukinda power plant into the operational power plant portfolio soon.

Vidullanka as a continuously expanding organization has set its focus on developing new hydropower capacities in Africa and Asia. Additionally, the company is focused on developing ground-mounted and rooftop solar projects in Sri Lanka. These power projects together with the existing hydro and Dendro power generating capacities will enable the group to be more resilient to the climatic and other economic shocks to its performance.

Although the CEB has awarded solar power projects via competitive tenders, the difficulties in securing the land rights and other approvals have delayed many such projects from being implemented. The time delays and rising prices have resulted in many such tenders awarded eventually becoming financially unattractive. Lack of proper guidelines in developing rooftop solar projects in 3rd party commercial buildings is a challenge to developers to secure funding arrangements.

Acknowledgements

I deeply appreciate the guidance and the support extended by fellow directors of the Board of Vidullanka PLC. I would like to thank Mr. Riyaz Sangani, the CEO, the senior management, the core engineering, and operations teams and all the support services for their steadfast dedication and commitment toward achieving Vidullanka's growth targets during the times of extreme challenges. I further congratulate and admire the commitment of the team at Bukinda power plant in driving a truly exceptional performance at the site.

I congratulate the Company on its commitment towards implementing the best practices in its day to day operations, resulting in the power plants gaining repeat recognition in the National arena. My special compliments to the team at Ethamala Ella MHPP and Wembiyagoda MHPP earning Gold and Bronze awards at the 5S competition held by Japan- Sri Lanka Technical & Cultural Association (JASTECA) and Wembiyagoda MHPP for securing the Silver award at the Presidential Environment Awards 2019 in recognition of the environmentally friendly operations at the power plant. I also congratulate the team at Vidullanka PLC for the recognition at the CIMA- ICCSL Most Admired Company Awards 2019, which recognizes the Sri Lankan enterprises that drive prosperity and create long-term value in Sri Lanka.

Finally, I would like to acknowledge and thank all the shareholders for the confidence placed in the Company and the Board of Directors. I assure that the Board will continue to perform at its utmost to preserve your best interests as we continue to make important decisions in driving the company in its growth endeavours.

(Sgd.)

Osman Kassim
Chairman

10 July 2020

The company commenced the financial year with two key targets, commissioning of the very first dendro power plant and the commencement of the Bukinda small hydro power plant (SHPP) in Uganda. Despite the challenges the company continued to achieve its targets and recorded many notable achievements during the year under review.

CEO'S REVIEW

I warmly welcome the shareholders of Vidullanka PLC to the 24th Annual General Meeting held online.

The company commenced the financial year with two key targets, commissioning of the very first dendro power plant and the commencement of the Bukinda small hydro power plant (SHPP) in Uganda. Despite the challenges the company continued to achieve its targets and recorded many notable achievements during the year under review.

The performance

The group recorded a Profit After Tax of Rs.361.7mn and a comprehensive income of Rs.448.4mn for the financial year 2019/20. The performance moderated from the Profit After Tax of 527.3mn and a comprehensive income of Rs. 595.4mn during the previous financial year. The group recorded a turnover of Rs. 1,440mn, an increase of 12.3% from the financial year 2018/19.

The hydro power plants recorded a reduction of output to 105.3GWh from 108GWh, whilst the Dehiyathakandiya dendro power plant recorded an output of 9.2GWh during its maiden year of commercial operation. Although the output from the local hydro power plants reduced due to the drought condition that prevailed during the first six months of the financial year, the increased generation at the Muvumbe SHPP in Uganda helped the company to maintain the total output without considerable impact. Dendro power generation & plantation segment reported a loss for the financial year amounting to Rs 51.6mn, mainly due to the mark to market losses arisen from its foreign currency denominated liabilities.

The tax expenses have risen sharply, which include the deferred tax charge and the taxes on dividends paid by the group companies. Despite that, the company declared two interim dividends amounting to a total distribution of Rs. 0.23 per share. Although the payment of the 2nd interim dividend was due in March 2020, the countrywide lockdown and the resultant market closure resulted in XD date and the actual dispatch being shifted to May 2020.

The company won a number of notable recognitions during the year. The 5S culture adopted in all aspects of operations has helped Ethamala Ella MHPP and Wembiyagoda MHPP to win the Gold and Bronze awards respectively at the 5S competition organized by Japan Sri Lanka Technical and Cultural Association (JASTECA). Its noteworthy that the three power plants were among the six finalists shortlisted from over one hundred competitors. The Wembiyagoda MHPP also won the Silver award at the Presidential Environment Awards 2019, in recognition of the nature friendly operations. Another remarkable achievement during the year had been the honorable recognition at the "CIMA – ICCSL Most Admired Company Awards 2019", which recognise and celebrate the best in Sri Lankan businesses that built strong reputations and drive prosperity in Sri Lanka through the creation of long-term value.

The operating teams at each power plant, were empowered and encouraged to support the authorities working to contain the spread of the COVID19. Accordingly, the sanitizing solutions including sanitizing chambers and foot operated handwashing units were developed and donated by the respective plant employees to the local community, namely hospitals, police stations and so on.



CEO'S REVIEW

ICRA Lanka, a group entity of Moody's investor service, reaffirmed the entity credit rating of A-(SL), whilst upgrading the short-term outlook to stable as a testament for the sound financial position of the company. The company continued to operate its power plants amidst the coronavirus outbreak with the highest standard of health and safety measures in place. Deemed as an essential service, the group continued to support the nations with stable supply of electricity.

The Growth Strategy

The company continued to build new renewable energy capacity and added its very first dendro power capacity into its power plant portfolio. The commissioning of the Dehiyathakandiya dendro power plant in May 2019, marks a key departure of Vidullanka group from solely a hydro power operator. Given the complexities of the technology, the project experienced the expected teething challenges. Continuous improvements to the power plant and a steady fuel supply chain have improved the performance of the power plant to a large extent. We have also managed to build a dedicated team lead by CEO of Dendro SBU, Mr. Chamil Silva who are poised to take on the challenge of developing larger capacity dendro plants in the near future.

Following the addition of the dendro power plant, the total capacity operated by Vidullanka stands at 29MW hitherto and will be enhanced to 35MW upon commissioning of the Bukinda SHPP in 2020.

The company commenced the construction of the Bukinda SHPP in June 2019, armed with the learnings from the implementation of Muvumbe SHPP in 2015-2017.

The company continued to explore growth opportunities in terms of developing renewable energy sources in Sri Lanka as well as in Africa. Company strengthened the relationship with renewable energy focused funds and regional banks, which is essential to tap into larger capital base required for the upcoming power projects. Locally, the company continues its endeavours in solar power developments, with the installation of the 600kW rooftop solar project which is set to commence during the new financial year.

Challenges ahead

Vidullanka PLC, continues to take up calculated risks in continuing its operations and implementing its expansion plans. The COVID19 outbreak has opened challenges in multiple fronts, which are unique and has exposed the world to uncharted territories.

Despite the lockdown being announced in Sri Lanka and Uganda, the operations at the power plants continued as essential services. The company swiftly adopted all strict guidelines mandated by the respective governments in order to contain the outbreak. The head office operations continued with the work-from-home arrangement and directly monitored on a daily basis by the senior management. Due to the highly contagious nature of the outbreak, a backup plan for each senior member of the executive team has being put in place to mitigate the risks.

Vidullanka's growth endeavours in new capacity development require long gestation period in terms of time and effort spent on conducting project feasibility studies and other related technical assessments and securing the required approvals.

Given the fact that Vidullanka is predominantly focusing on overseas markets for new capacity development, the company faces challenges in terms of business travel and carrying out the required studies within the set timelines. The company hopes to resume these activities upon the relaxation of the strict controls that have been implemented at present. Given the partial relaxation of restrictions in Sri Lanka and in most parts of Africa as of now, the company is in the process of deploying innovative approaches to project development taking into consideration the new ground realities.

The IMF and WB forecasts indicates a possible recession amidst the outbreak of the pandemic. Most governments have launched stimulus packages and their central banks have announced a number of measures to support their struggling economies, including interest rate cuts among others. Whilst this opened a whole new vista of opportunities for Vidullanka, the anticipated rise in the non-performing loans of COVID19 affected businesses have resulted in banks and financial institutions limiting their commercial and developmental lending.

Although we have managed to have all the vital machinery and equipment shipped to the Bukinda project site, and all of our engineers reach the site prior to the lockdown, the travel restrictions have prevented the suppliers' engineers from reaching the site for the mechanical and electrical installations. With the swift decision made to isolate the project site from external contacts, our engineers carried out the installation of the machinery and equipment on their own with the remote assistance from the suppliers via video links. It

is noteworthy that this marvellous job undertaken by our engineers in spite of the formidable challenges, have earned considerable media recognition in countries where the suppliers hail from. Presently Bukinda power plant is undergoing the final testing. We anticipate a delay in the final commissioning due to the challenges in mobilizing the required institutions to formalize the power grid connection. Vidullanka with its dedicated engineering team, has nevertheless proven worthy of recognition when almost all other project developments have reached a standstill in Uganda.

Going forward, the Board of Directors and the management are confident and positive on the prospects of the company despite the challenges faced locally and internationally in achieving the organizational goals and growth targets. I remain optimistic of the ability of the organization to face the fast-changing ground realities with the support of strong human capital and continuously engaging Board of Directors.

Acknowledgements

I would like to thank the engineering, operational and support services teams, who displayed the true spirit of positivity and dedication in driving the company forward at times of hardships. I am confident that Vidullanka will be able to reach greater heights and mark exceptional performances in the years to come.

Further I would like to express gratitude to the officials of Ceylon Electricity Board and Uganda Electricity Transmission Company Limited, joint venture partners, contractors and suppliers for the positive business relationship and

the value they have brought into Vidullanka and its value chain. I would like to further thank the government authorities, Sri Lanka Police, Tri-forces, provincial, district and divisional offices for their continuing support extended to us to operate the power plants uninterrupted. I also wish to express our special thanks to the Sri Lanka Police for facilitating our suppliers to transport fuelwood to our dendro power plant unhindered even during the lockdown.

I would also like to thank the Board of Directors for their unwavering support and guidance in driving the company during the challenging times. The wealth of knowledge and decades of experience brought in by each director has helped the company to take on the challenges positively and drive towards success.

Finally, I would like to thank the shareholders, for your utmost confidence in the leadership of Vidullanka PLC and its sustainable business model. I am glad to be associated with all shareholders and other stakeholders in creating a cleaner, greener future for the generations ahead.

Thank you

(Sgd.)

Riyaz Sangani
CEO

10 July 2020

BOARD OF DIRECTORS

Osman Kassim

Chairman

The visionary leader and the founder Chairman of the Expolanka Group, Mr. Osman Kassim is an entrepreneur with vast experience in the fields of management and strategy. He counts over 40 years of senior management experience both internationally and locally in diverse business sectors.

Mr. Kassim is well versed in Islamic Banking and Insurance and was instrumental in introducing the concept of Islamic finance into Sri Lanka. He is one of the promoters of the Amana Bank PLC offering non-interest-bearing participatory banking solutions in Sri Lanka. Similarly, Amana Takaful PLC, was also his brainchild which exclusively offers takaful insurance covers. He currently serves as the Chairman of Amana Bank PLC, Amana Takaful PLC and its subsidiary company, Amana Takaful Life PLC.

He holds directorships in Aberdeen Holdings (Pvt) Limited, Ex-Pack Corrugated Cartons (Pvt) Limited, Crescentratings (Pvt) Limited – Singapore and Amana Takaful PLC. Mr. Kassim also serves the Board of a number of overseas companies including Amana Takaful Maldives Ltd and Maldives Islamic Bank and serves as a trustee to the OrphanCare Trust.

He holds an Honorary Doctorate from the Staffordshire University in recognition of his achievements as both a global entrepreneur and visionary educationalist.

Ranjan Mather

Non-Executive Director

Being an angel investor of the company, Mr. Ranjan Mather serves the Board of Vidullanka PLC since inception. Mr. Mather is a well-known business leader with interests in number of industries including textile, fast food, and

renewable energy. He counts over 25 years of senior management experience in various business industries and sectors. He serves as the director of number of companies including Chinese Dragon Café (Pvt) Limited and Boruka Power Lanka (Pvt) Limited.

In addition to serving the Board of Vidullanka PLC as a non-executive Director, Mr. Mather serves in the Boards of number of companies in the Vidullanka group.

Riyaz M. Sangani

Chief Executive Officer

An exemplary leader spearheading the organization from the forefront, Mr. Riyaz Sangani is one of the founders of Vidullanka PLC. He has over two decades of senior management experience. In addition to serving the Boards of all the companies of the Vidullanka group, he serves the Board of the number of other companies in different facets of business.

Mr. Sangani has made vital contributions to the development of the small hydro power industry in Sri Lanka. As a former President of the Small Hydro Power Developers Association, his actions further enhanced the importance and value of hydro power within the country. Moreover, Mr. Sangani is a committee member of the Ceylon Chamber of Commerce representing the small hydro power industry. He is also an Ex officio member of the Board of Management of the Sri Lanka Sustainable Energy Authority and an advisory committee member for Public Utilities Commission of Sri Lanka and Export Development Board of Sri Lanka.

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

M. Rizvi Zaheed

Independent Non-Executive Director

Mr. Rizvi Zaheed is the present Chairman of Oceanpick (Pvt) Limited and previously served as the Managing Director of Hayleys Agriculture Holdings Ltd and as a director of Hayleys PLC. He counts over three decades of senior management experience in Sri Lanka. During his tenor at Hayleys, he represented the company on the Board of Sri Lanka Institute of Nanotechnology (SLINTEC) and he also served as the Chairman of the Agriculture and Livestock Steering Committee and as Vice Chairman of the Imports Section of Ceylon Chamber of Commerce. He currently serves as Chairman of the National Industry Biotechnology Association. He is also a member of the University Grants Commission Standing Committee on Agriculture and Livestock, the Food and Beverage Advisory Committee of the Sri Lanka Export Development Board and a Member of the Economic Policy Committee of the Ceylon Chamber of Commerce. He also serves on the council of the Faculty of Technology of the University of Colombo.

Mr. Zaheed is currently the Chairman of the Sri Lanka Agripreneurs' Forum and has been noteworthy contributor to the agriculture sector in Sri Lanka. He was previously the Chairman of the National Agribusiness Council and Vice Chairman of CSR Sri Lanka (Guarantee) Limited, an NGO formed and represented solely by the private sector companies 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 holds a bachelor's degree from the University of Kelaniya and an MBA from the University of Colombo. Mr. Zaheed is also a member of the Industrial Society, UK and Swedish Institute of Management, Sweden and a JCI International senator.

Mr. Rizvi Zaheed serves as an Independent Non-Executive Director.

Shahid M. Sangani

Non-Executive Director

An Attorney-at-Law of the Supreme Court of Sri Lanka by profession, Mr. Shahid Sangani serves as the Managing Director of Lanka Equities (Pvt) Limited, Dynawash Limited and Co-Energi (Pvt) Limited. He has over 30 years of senior management experience in diverse industries ranging from Apparel, Jewellery, Renewable Energy and Trading.

Further, he holds directorships on the boards of Autus Chemicals (Pvt) Ltd, Diamond Cutters Sales (Pvt) Ltd and Trade First (Pvt) Ltd.

Mr. Shahid Sangani served as the CEO of Kenanga Investment Corp Ltd during 2010 to 2012; the Sri Lankan Investment Banking unit of the K&N Kenanga Holdings Berhad, a listed investment company in Malaysia. Further he served as the Chief Operating Officer (COO) of the World Memon Organization (WMO), a UK registered Charity and Social Organization of the Worldwide Memon Community from 2012 to 2018.

Mr. Sangani serves the Board of Vidullanka PLC as a Non-Executive Director.

Sidath Fernando

Independent Non-Executive Director

Mr. Sidath Fernando is the managing partner of the Crystal Holding (Pvt) Ltd and the principal shareholder and Chairman of V.D.P. Fernando Co. Ltd, a family owned business established in 1938.

Mr. Fernando is a successful entrepreneur in Sri Lanka with diverse interests in business sectors including Manufacturing, Real Estate, Property Management, and Information Communications Technology.

Mr. Fernando has extensive experience in the real estate and property development businesses. He has been successful ventures include developing and managing large scale commercial and retail outlets in Colombo.

During 2008, he has served as a Director of the Sri Lanka Telecom PLC, Sky Network (Pvt) Ltd, SLT Manpower Solutions (Pvt) Ltd and People's Leasing and Finance PLC. Overall, Mr. Fernando has 3 decades of hands-on experience in business management, finance, manufacturing and marketing whilst managing his own Small and Medium Enterprises.

He had been a committee member of Chamber of Young Entrepreneurs in Sri Lanka and a Rotarian at the Rotary Club of Colombo.

He serves the Board of Vidullanka PLC as an Independent Non-Executive Director since 2012.

Sattar Kassim

Non-Executive Director

Mr. Sattar Kassim is one of the founder Directors of the Expolanka Holding PLC, a conglomerate that has diversified to be a leading player in a range of business sectors such as transportation, manufacturing, travel & leisure, international trade and strategic investments, with subsidiary companies in 14 countries.

He is one of the Founders and Group Director of Aberdeen Holdings (Pvt) Ltd., under its umbrella, comes the leading player in Poultry & Agriculture, Commodity Trading, Airline, Tea Exports, UPS courier Agency & the largest Corrugated Carton Manufacturing and Solar Energy companies. Aberdeen

Holdings also has strategic investments in the pioneering ventures in oceanic fish farming, fast food, 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 is the Chairman for more than 40 companies including Bio Extracts (Pvt) Ltd., the pioneer in Sri Lanka and the largest in black seed Extraction Company in South East Asia, Roar Media (Pvt) Ltd; a digital media company with presence in the Asian Region, who's founder was featured in the Forbes 30 Under 30 Asia List for 2020, Ruhunu Farms Pvt Ltd; a state of the Art Poultry Farm, and also Expack Corrugated Cartons (Pvt) Ltd; the market leaders in manufacturing corrugated cartons in Sri Lanka.

He also holds directorships in Aberdeen Holdings (Pvt) Ltd, Fits Aviation (Pvt) Ltd, Lanka Commodity Holdings (Pvt) Ltd, HiEnergy Services (Pvt) Ltd, Expoceylon Pharmaceuticals (Pvt) Ltd, Expoteas Ceylon (Pvt) Ltd., Lanka Commodity Trading (Pvt) Ltd, Aberdeen Produce (Pvt) Ltd, Solar Universe (Pvt) Ltd, Colombo Realty (Pvt) Ltd, Classic Enterprises (Pvt) Ltd, Neptune Recyclers (Pvt) Ltd, Tropical Exotics (Pvt) Ltd and Silver Wings (Pvt) Ltd, Denshun Industries (Pvt) Ltd, just to name a few.

He is a pioneer in the commodity trading in Sri Lanka, who have offices in Dubai, USA, Madagascar, Vietnam & Comoros Island. He is also actively involved in trading, import & export of agricultural products and an executive member of the Sri Lanka-Pakistan Business Council.

He serves the Board as a Non- Executive Director.

BOARD OF DIRECTORS

Sujendra Mather

Non-Executive Director

Mr.Sujendra Mather is currently Co-head of Investment Banking at Asia Securities Advisors (Pvt) Ltd. Prior to this he was a co-founder and Managing Director of YSP Advisors (Pvt) Ltd, a leading boutique Investment Banking firm in Sri Lanka. Previously, Sujendra has had over 12 years of international Investment Banking and Corporate Finance experience working with Houlihan Lokey Howard & Zukin, John Keells Holdings PLC and Deloitte & Touche Corporate Finance in the US, Sri Lanka, and Singapore, respectively.

Sujendra has successfully managed and lead several billion dollars of Mergers & Acquisitions, Fund Raising, Restructuring and Strategic Advisory transactions in the North America and Asia Pacific regions across the Consumer, Retail, Financial Services, Manufacturing, Real Estate, Hospitality, Infrastructure, Technology and Mining sectors. He has acted both as a key strategic advisor to CEO's and entrepreneurs as well as a principal investor throughout his career.

Also, Sujendra is a board member of several publicly listed and private companies in Sri Lanka.

Sujendra received a B.A. in Economics-Mathematics from Claremont McKenna College in California, USA.

C. F. Fuhrer

Non-Executive Director

Mr. C.F. Fuhrer serves the Board of Vidullanka PLC as a Non-Executive Director. He has also served as the Director of Ranmalu Fashion (Pvt) Ltd and Chesa Swiss Restaurants (Pvt) Ltd and has over a decade of experience in senior management and Board positions in Sri Lanka.

Deepthie Wickramasuriya

Independent Non-Executive Director

Ms.Deepthie serves as an Independent Non-Executive Director and the chairperson of the Audit Committee of Vidullanka PLC. She is also an independent consultant mainly in the fields of business process management, treasury management and business counselling, at Board / senior management levels.

Counts over 35 years of corporate experience that ranges across many industries and countries including the United Kingdom, Singapore, India, Indonesia & the Fiji Islands. She is renowned for successfully leading special projects (locally & internationally) relating to organizational strategy, operations, finance, risk & governance. She has also been very successful in mitigating the generation gaps that are currently faced by the management of many reputed companies.

She has been a board member/advisor to the boards of many companies including Expolanka Freight (Pvt) Ltd, AHL Business Solutions (Pvt) Ltd, (the Information Technology and Business Process Management arm of Goodhope Asia Holdings Ltd, a part of Carson Cumberbatch PLC), Aviva Global Services a member of the Aviva group (formerly known as Norwich Union, UK), GFH Management Company (Galle Face Hotel), Lanka Equities (Pvt) Ltd., Flour Mills of Fiji PLC, AMW Management Company (management company of Associated Motorways Limited – AMW) and Family Health Services Authority – Oxfordshire, UK.

The Chitrasena Vajira Dance Foundation, the oldest and most prestigious school of traditional dance in Sri Lanka is an organization close to her heart of which she is a member of the Board.

She also held the post of vice president of the Sri Lanka Army Medical Corps Seva Vanitha Unit from 2012 -2015.

Deepthie is a Fellow Member of the Chartered Institute of Management Accountants (CIMA), UK, and holds an MBA from the University of Sri Jayewardenepura, Sri Lanka.

MANAGEMENT DISCUSSION AND ANALYSIS

The year under review had been challenging year for the businesses with challenges emerging from various fronts. The company's focus during the year had been on implementing the Bukinda Small hydro power plant in Uganda within a short period of time, and also to develop the value chain attached to the dendro power generation.

Sri Lankan Economy

Sri Lankan economy faced a severe challenge after a decade long peaceful environment that persisted in the country. The Easter Sunday attack and the spill over impacts worsened the already sluggish growth of the economy and further stifled business confidence. This resulted in the growth of the Sri Lankan economy moderated further to 2.3% in 2019, compared to the growth of 3.3% in 2018, amidst the challenging domestic environment. The service segment was worse effected with the tourism industry and the related supply chain absorbing most of the detrimental economic impact.

Though the economy began to flourish in response to the policy measures taken by the government to regain the economic stabilization, the outbreak of the COVID-19 pandemic will lead to the projected contraction in the global economy resulting in a downward movement of the local economy. The situation has created uncertainties in the day to day operations of the businesses

COVID19 and Sri Lanka

After its first emergence in China, COVID19 rapidly spread across the world resulting in World Health Organization (WHO) declaring it as a global pandemic. The resultant "worldwide lockdown" and the economic downturn created a global chaos & crisis. While Sri Lanka has been relatively successful in combating the outbreak thus far, due to the early measures adopted to contain the spread. Government took commendable actions

at the precise time to restrict the mobility of the people and empowering the health and security apparatus to take the needful measures to prevent the spread from becoming communal. Although the spread was contained largely, the effect on economy is yet to be fully ascertained.

WTO forecasts that global merchandise trade can decline by as much as 32% in 2020. The poor economic performance of key trading partners will directly impact Sri Lanka's export earnings. Another key spill over effect of the contraction of the global economy is the decline in remittances, which have been a vital cushion for Sri Lanka's external sector. In recent years, the leading shares of workers' remittances have been reduced from the Middle East, the European Union, and Far East Asia. The government implemented tighter exchange control measures to combat the sharp depreciation of the rupee.

Although the recovery of global economic activity is likely to be a slow process, measures to achieve normalcy in domestic economic activities will enable Sri Lanka to record a faster recovery, as domestic demand accounts for a significant portion of aggregate demand in Sri Lanka.

Sri Lankan Power and Energy Industry

The local power generation increased to 15,879 GWh in 2019, in comparison to 15,374 GWh generated in 2018, with increased dependence on thermal power generation. This represents a growth of 3.3% in 2019 in electricity generation compared to the growth of 4.8% in 2018. The drought conditions that prevailed during the first seven months of the year resulted in a decline in hydropower generation excluding mini hydro generation, by 26.5% to 3,783 GWh in 2019. However, the share of hydropower in electricity generation gradually improved towards the end of the year with increased rainfall to the catchment areas.

The Non-Conventional Renewable Energy (NCRE) sources including the mini hydro power plants' contribution contracted to 1,718 GWh in 2019 compared to 1,832 GWh in 2018. This represent a moderate contraction of 6.2% because NCRE segment composed on mini hydro, wind, solar, biomass and other renewable sources, which complement each other in terms of establishing overall stability in the output.

The NCREs contribution to the national generation mix stood at 11%, whilst thermal power generation contributed for the 30% for the overall electricity need of the nation. Vidullanka continued to operate the power plants as essential services during the challenging times while taking necessary precautionary measures.

ORGANIZATIONAL PROFILE

Organizational Structure

Vidullanka group has adopted a dynamic cross functional organizational structure establishing closely knit links between power plant operations, engineering services, business development and support services. A highly integrated and relatively flat organization structure is also supported by a flexible workforce and supportive culture.

The Company

Vidullanka was incorporated as a private limited company in 1997 to undertake investment as a BOI approved venture. The company began its commercial operations in 2001, with commissioning of the 3.2MW Bambarabatuoya MHPP to the national grid. The company commissioned the 2MW Batathota MHPP, in 2007. The company was the first renewable energy company to be listed in the Colombo Stock Exchange on 10th June 2005. Subsequently the company was re-registered under the Companies Act No 07 of 2007 on 27 September 2007 and bears the registration number PQ 83. Vidullanka developed and operates

MANAGEMENT DISCUSSION AND ANALYSIS

several renewable energy power plants in Sri Lanka. In addition, the group also owns and operates 6.5MW Muvumbe SHPP in Uganda through its subsidiary Muvumbe Hydro (U) Limited and undertaking the development of 6.5MW Bukinda SHPP through the subsidiary Timex Bukinda Hydro (U) Ltd in the same nation. Moreover, Vidullanka is exploring possible entry opportunities into renewable energy industry in number of African and Asian countries as its further step towards geographical diversification.

Subsidiaries

Vidul Engineering Ltd

Incorporated as Vidul Construction Limited and renamed as Vidul Engineering Limited in later years, the company is focused on serving the renewable energy industry with engineering services, turnkey solutions and operation and management services.

Walagamba Balashakthi (Pvt) limited

Walagamba Balashakthi is a fully owned subsidiary of Vidullanka PLC, which owns and operates the 1.3MW Wembiyagoda mini hydro power plant (MHPP) in Kalawana. The project was commissioned on 19th March 2013.

Rideepana Hydro (Pvt) Limited

Rideepana owns and operates the Rideepana MHPP with an installed capacity of 1.75MW in Badulla. The project was commissioned on 15th May 2015. Vidullanka owns 95% equity shares of the company.

Lower Kotmale Oya Hydro Power (Pvt) Limited

The company owning the 4.0MW Lower Kotmale Oya MHPP is a fully owned subsidiary of Vidullanka PLC. The group acquired the shares held by the joint venture partners during FY 2015/16.

Muvumbe Hydro (U) Limited

The group's first overseas subsidiary incorporated and domiciles in Uganda, where it owns and operates the 6.5MW Muvumbe small hydro power plant (SHPP) in Kabale District. Vidullanka holds 95% equity shares in the company.

Udawela Hydro (Pvt) Limited

The company owns and operated the 1.4MW Udawela MHPP, which was commissioned to the national grid on 29 December 2017. The company is a wholly owned subsidiary of Vidullanka PLC.

Timex Bukinda Hydro (U) Limited

A fully owned subsidiary of Vidullanka PLC, the Timex Bukinda Hydro (U) Limited is presently undertaking the investment in the development of Bukinda SHPP with an installed capacity of 6.5MW in Kagadi District of Uganda.

Vidul Plantation (Pvt) Limited

A fully owned subsidiary of Vidullanka PLC, the Vidul Plantation (Pvt) Ltd is focused on establishing a sustainable Glidicidia plantation in the Sri Lanka through its own plantations and out grower schemes in the other plantations.

Vidul Engineering (U) Limited

A wholly owned subsidiary of Vidullanka PLC, the company is incorporated to serving the renewable energy industry in the region with engineering services, turnkey solutions and operation and management services.

Joint Ventures

Vidul Madugeta (Pvt) Limited

A joint venture with RenewGen (Pvt) Limited, the company owns and operates Madugeta MHPP with an installed capacity of 2.5MW. Vidullanka owns 50% equity shares of the company.

Gurugoda Hydro (Pvt) Limited

Gurugoda Hydro (Pvt) Ltd is a joint venture with RenewGen (Pvt) Ltd. The company owns and operates the Ganthuna MHPP with an installed capacity of 1.2MW. Vidullanka owns 50% equity shares of the company.

Vidul Biomass (Pvt) Limited

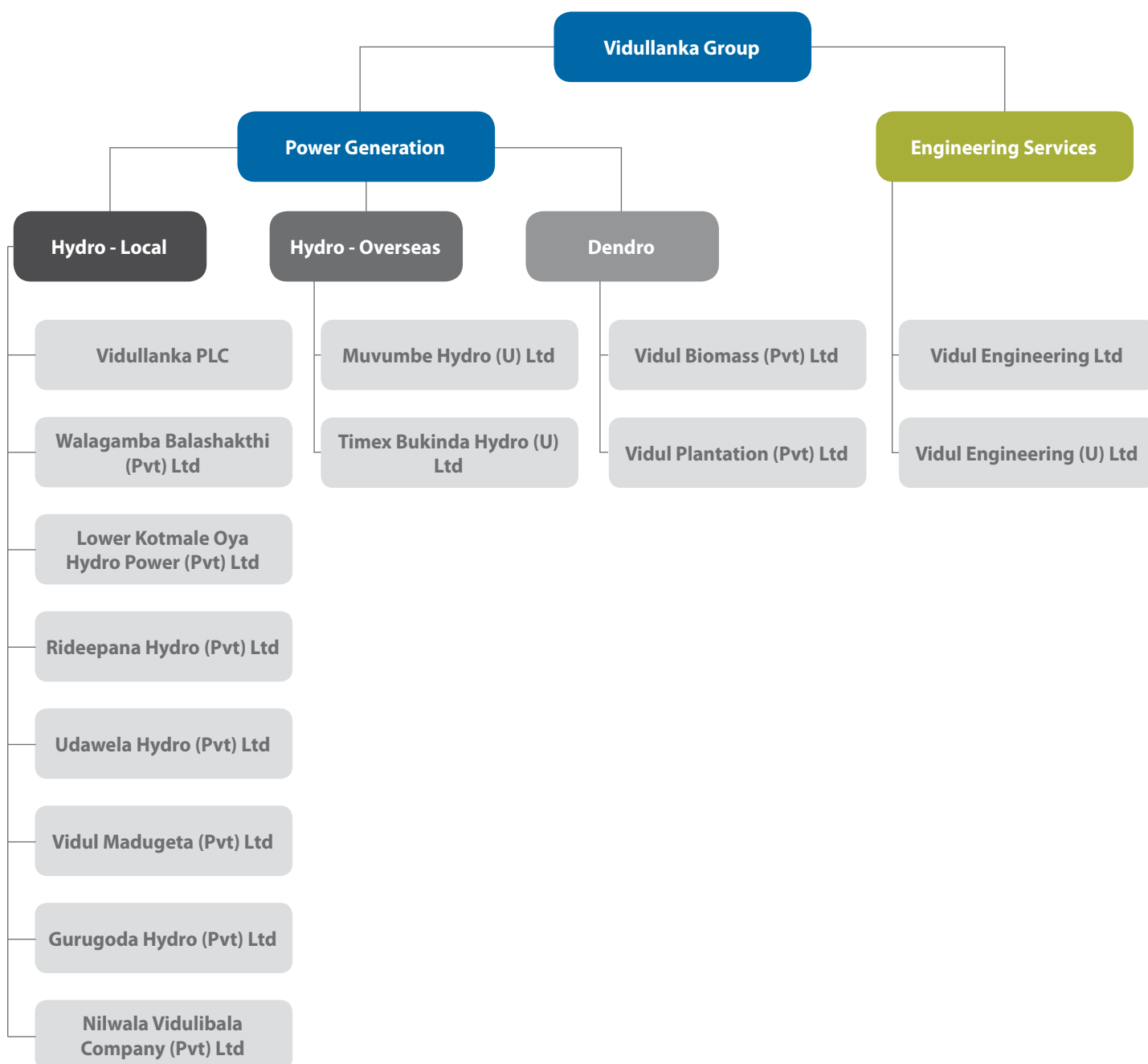
A joint venture investment with OC Energy Lanka (Pvt) Limited, the Vidul Biomass (Pvt) Limited grid connected the 3.3MW Dehiyathakandiya Dendro power plant on 30th May 2019. Vidullanka PLC owns 51% of the equity stake in the company.

Associate

Nilwala Vidulibala Company (Pvt) Limited is an associate of Vidullanka PLC with a 26.3% equity stake, the company developed and operates Ethamala Ella MHPP with an installed capacity of 2.0MW.

Operational Matrix

Vidullanka group continues operate under four strategic business units namely Hydro Power Generation – Local segment, Hydro Power Generation – Overseas segment, Dendro Power Generation & Plantation segment and Engineering & Consultancy Services segment. Dedicated engineers are allocated for the clusters of hydro and dendro segments. Further engineering services are rendered through head office in Colombo. Given the challenging nature of the operations, the operations in Uganda are coordinated directly from the head office in Colombo with the technical assistance sourced from both Uganda and Sri Lanka.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The group reported a Profit After Tax of Rs. 361.7mn and a comprehensive income of Rs. 448.4mn for the financial year under review. The performance is modest in comparison to the previous year's performance with a Profit After Tax of Rs. 527.3mn and a comprehensive income of Rs. 595.4mn. The group reported an increase of 12.4% on its consolidated revenue from Rs. 1,281mn in FY 2018/19 to Rs. 1,440 in FY 2019/20.

The gross profit of the group increased to Rs.1,062mn during the FY 2019/20 from Rs. 980.4mn reported for the FY2018/19. This represents a year on year increase of 8.3%. However, the gross profit margin reduced to 73.7% compared with 76.5% reported during previous financial year.

Although gross profit of the group has increased, the reductions reported in other income and investment income together with the increase of administrative and finance expenses have resulted in company's Profit Before Tax declining by 10% year on year to Rs. 582mn.

The increase in tax expenses from Rs 96.9mn in FY 2018/19 to Rs.220.4mn in FY 2019/20 had been the major contributor to the reduction in its overall reported profits. The tax expense includes the deferred tax charges amounting to Rs. 76.4mn, income tax payments amounting to Rs 116.7mn and taxes paid on inter-company dividends amounting to Rs 27.4mn. Accordingly, the group reported a 32% reduction to its Profit After tax for the current year.

As a result, the group reported earnings per share of Rs. 0.41, dividend per share of Rs 0.23 and net book value per share of Rs 3.51 adjusted for SLFRS 16. It represents a return on equity of 12.3% on closing equity and return of assets of 12.2% for the financial year 2019/20. The group has reported financial leverage of

53% compared against 49.3% reported last year, driven mainly due to the project finance facility obtained by the Timex Bukinda Hydro (u) Limited for the ongoing development of the Bukinda SHPP.

Despite the challenges, the credit rating agency, ICRA Lanka Limited, reaffirmed the corporate credit rating of A- (SL) for the 5th consecutive year in testament to the financial strength and health of the group despite the aggressive expansions it has undertaken.

Impact of SLFRS 16- Lease

The standard requires the lease assets including that of long-term operating nature to be recognized in the financial statements as a right to use asset and a lease liability. The lease expense is replaced with depreciation of right to use asset and finance cost on lease liability. The first-time adoption of the standard resulted in recognition of Rs. 169mn as right to use assets and a lease liability of Rs. 87mn. This further resulted in a depreciation expense of Rs. 14.5mn and a finance cost of Rs. 6.6mn to the group.

Vidullanka PLC

Vidullanka PLC recorded a revenue of Rs. 288.5mn from the sale of electricity from the Bambarabatuoya and Batathota power plants, an increase of 18% compared to the previous financial year. The revenue from the Bambarabatuoya and Batathota recorded Rs. 97.2mn and Rs. 191.3mn, respectively. The company received dividends from subsidiaries amounting to Rs. 258mn including Rs.58mn received from Muvumbe Hydro U Ltd. Accordingly, the Company recorded an increase on gross profit by 23.3% and net profit by more than 650%.

Subsidiaries

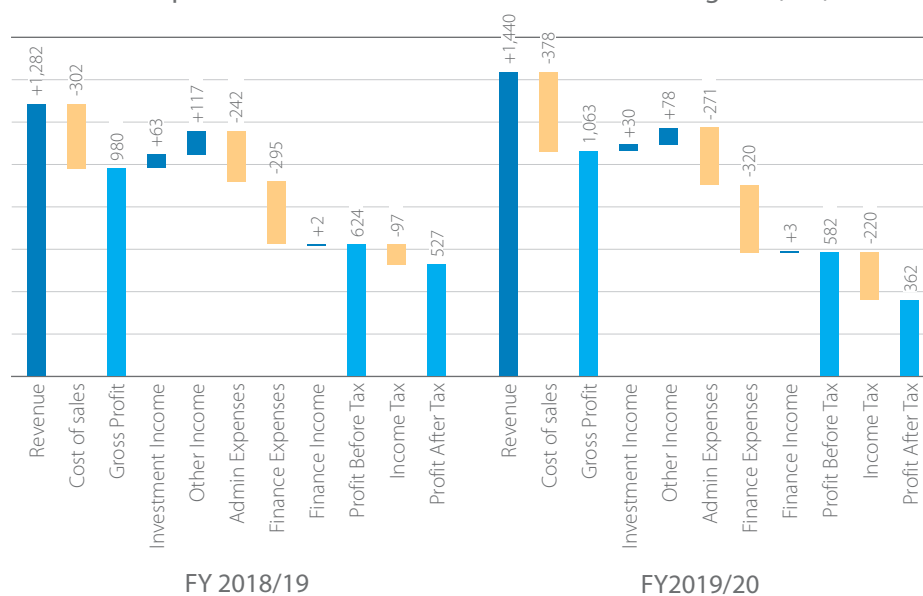
Vidul Engineering Ltd

The company reported a loss of Rs. 8.7mn from the revenue of Rs. 19.9mn in comparison to the loss of Rs. 0.97mn reported for the previous reporting period.

Walagamba Balashakthi (Pvt) Ltd

The company reported a revenue of Rs. 72.8mn and Profit After Tax of Rs. 21.2mn during the financial year 2019/20 compared to the revenue of Rs. 79.8mn and Profit After Tax of Rs. 34.1mn reported for the previous financial year.

Comparative Income Statements in Waterfall Diagram (Mn)



Rideepana Hydro (Pvt) Ltd

The company reported a revenue of Rs. 90.2mn from the sale of electricity generated by Rideepana MHPP. The profit for the year declined by 23% to Rs. 52.6mn in comparison to the financial year 2018/19.

Lower Kotmale Oya Hydro Power (Pvt) Ltd

The subsidiary generated revenue of Rs. 222.5mn and reported a Profit After Tax of Rs. 106.3mn. The revenue and the profit reported indicate 24% and 46% decline respectively when compared with the financial year 2018/19.

Udawela Hydro (Pvt) Ltd

The Company recorded the revenue of Rs. 55mn and Net Profit After Tax of Rs. 12mn for the financial year 2019/20. In comparison, the company reported a Profit After Tax of Rs. 19.2mn and a revenue of Rs. 68.8mn during the previous financial year.

Muvumbe Hydro (U) Ltd

Muvumbe SHPP, the power plant operated by the Muvumbe Hydro (U) Limited generated 34.5 GWh of electricity during the year under review compared to 28.7GWh during the financial year 2018/19. The company reported a revenue of Rs. 593mn and a Profit After Tax of Rs. 309.8mn for the financial year.

Timex Bukinda Hydro (U) Ltd

The company is presently undertaking the development of the Bukinda SHPP with an installed capacity of 6.5MW and scheduled to commence the commercial operations during the new financial year.

Vidul Plantation (Pvt) Ltd

Having commenced its commercial operations in February 2019, the Vidul Plantations reported a revenue of Rs. 97.8mn and recorded a loss of Rs. 12.5mn for the financial year 2019/20.

Joint Ventures and Associate

Vidul Madugeta (Pvt) Ltd

A joint venture with RenewGen (Pvt) Ltd, the company recorded revenue of Rs. 155.5mn and the Profit After Tax of Rs. 91.6mn for the financial year in comparison to the revenue of Rs. 155.2mn and a Profit After Tax of Rs. 81.9mn reported for the previous financial year.

Gurugoda Hydro (Pvt) Ltd

The Gurugoda Hydro (Pvt) Ltd recorded revenue of Rs. 20.5mn from the sale of electricity generated from the Ganthuna MHPP and reported a loss of Rs. 2.9mn for the period under review. The company reported a Profit After Tax of Rs. 2.2mn from the revenue of Rs. 24.7mn reported for the financial year 2018/19.

Nilwala Vidulibala Company (Pvt) Ltd

The company generated a revenue of Rs. 157.1mn from the sale of electricity generated from the Ethamala Ella MHPP and reported a Profit After Tax of Rs. 93.2mn during the financial year 2019/20, in comparison to the revenue of Rs. 152.6mn and a Profit After Tax of Rs. 83.1mn reported during the previous financial year.

Vidul Biomass (Pvt) Ltd

Having started its operations at the end of May 2019, Vidul Biomass (Pvt) Ltd reported a loss for the year end of Rs. 76mn from a revenue of Rs. 225mn from generation and sale of electricity. The reported loss includes a market to market loss of Rs. 60.4mn arisen out the foreign currency denominated liabilities due to the sharp depreciation of rupees during the latter part of the financial year under review. The company has taken measures

to mitigate the exposure and carrying out operational and supply chain optimizations to ensure the company becoming profitable during the new financial year.

Vidul Biomass (Pvt) Ltd is a joint venture of Vidullanka PLC with OC Energy Lanka (Pvt) Ltd which is a fully owned subsidiary of Obayashi Corporation, Japan.

Segmental Performance

Vidullanka PLC has four identified operational segments, hydro power generation – Local segment, hydro power generation – Overseas segment, dendro power generation & plantation segment and Engineering & consultancy services segment. The local hydro power generation segment reported a Profit After Tax of Rs. 137.2mn from the consolidated revenue of Rs. 729.2mn. The overseas power generation segment reported a Profit After Tax of Rs. 299.2mn from the revenue of Rs. 593.4mn. The dendro power generation & plantation segment reported a loss of 51.6mn, arising from share of loss of Rs. 39.1mn from investment in Vidul Biomass together with plantations reporting a loss of Rs. 12.5mn for the period. The Engineering, consultancy, and project management segment reported a loss of Rs. 23.1mn for the period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS VALUE CREATION

The business value creation model envisages the entire business model in the context of its utilization of various capitals and transforming them into outputs and outcomes through proper planning, leadership, business strategies, activities and interactions over the short, medium and long term creating value to the organization, environment and its stakeholders.

Vidullanka value creation starts from the use of financial, natural, human, environmental, social and intellectual capitals. The company drives the value creation process through implementation of carefully developed plans and strategies, leadership, code of conduct, risk management, internal controls, and organisational culture.

As a pioneer developer of renewable energy sources in Sri Lanka, Vidullanka PLC has built a strong base for its overseas expansion. The company is successful in adding new renewable energy capacity to its portfolio on a steady pace. The continuous investments in the capacity building activities in terms of new projects have resulted in Vidullanka becoming the listed renewable energy developer with highest amount of installed capacity. The company believes in creating a growth environment that drives performance and value creation. The company believes in creating value in long term with its entire business model revolving across the sustainable use of natural resources. The increased emphasis placed on the climatic change and the extreme events raising the need for such sustainable business models.

The “*run of the river*”, the technology popularly used by mini hydro power plants, including that of Vidullanka’s power plants, utilises the kinetic energy of the flowing water to generate electricity as opposed to the large hydro

power plants which utilizes the large Dams to interrupt and retain the flow of water from its natural stream.

The “*run of the river*” technology has much smaller environmental footprint with virtually no inundation of lands as it only divert the required amount for water from the river flow and released it back immediately after the power generation. The Dehiyathakandiya dendro power plant utilises “*steam turbine boiler*” technology, which is tried and tested across the globe as best suited for the small capacity power plants, combined with the sustainable grown energy crop; the *Gliricidia* (*Gliricidia sepium*) plants as the primary fuelwood. In contrast to hydro power plants that are designed to operate at an overall plant factor of less than fifty percent to ensure the optimal utilisation of the hydro resources, the dendro power plant is designed to operate at higher plant factors to ensure high thermal efficiency.

During the year under review the group generated a total of 115GWh of electricity from its power plants reporting an increase of 6.5% over the previous financial year. The power generation in Uganda from Muvumbe SHPP increased to 35.1GWh from 28.7GWh in the previous year. Although the group output in Sri Lanka remained flat 79GWh, the generation from hydro power plants contracted by 14% YoY due to the drought condition prevailed during the first seven months of the year.

The group employed a cadre of 220 personal comprised of skilled professionals including in the fields of electrical, mechanical and civil engineering, environmental and social science, accountancy and finance human resource management as well as skilled and semi-skilled workforce at power plants facilitating the operations. The company continuously focusses on building a strong human capital base as it

identifies that inhouse technical expertise as one of the key resources in its growth ambitions overseas.

Vidullanka creates value through empowering the staff and fostering an innovative culture. The company facilitates innovation through rewards and recognitions. This has enabled the employees at our power plants to design and develop sanitization facilities including touchless handwashing mechanisms and sanitization chambers using the material available at the power plants, which were donated to the government offices and police stations that are driving the country in containing the COVID19 spread.

The company places great importance of training and development activities including technical and soft skill development. Such continuous trainings helped the engineers in driving the installation of machineries and electrical systems at Bukinda power plant at the absence of suppliers’ engineers, who were not able to reach the site due to the lockdowns and travel restrictions in place.

As a public listed company in Colombo Stock Exchange, Vidullanka is strengthened by nearly 1,500 shareholders. The diverse pool of shareholders brings in a unique identity to the company. The shareholders are the cornerstones of success of the company with the trust and confidence placed on the business model and the growth of the company. The company ensures it shares its success with its shareholders by way of dividend payments and growth. During the year under review the company distributed a total of Rs. 188mn to the shareholder as dividend payments.

EXTERNAL ENVIRONMENT

(Opportunities and Threats)

INPUTS

Financial Capital <ul style="list-style-type: none"> Shareholders' Funds - Rs. 3,001mn Debt Capital - Rs. 3,389mn 	Natural Capital <ul style="list-style-type: none"> Renewable energy sources including water streams, energy crops etc. 	Human Capital <ul style="list-style-type: none"> BoD - 10 Non Executive Cadre - 156 Executive Cadre - 64 Consultants 	Physical Capital <ul style="list-style-type: none"> PPE - Rs. 3,916mn Other physical assets - Rs. 1,016mn 	Intellectual Capital <ul style="list-style-type: none"> In house Innovation Expert Knowledge In house R & D 	Social & Relationship Capital <ul style="list-style-type: none"> Community & schools in the project localities
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BUSINESS PROCESSES

INTERNAL ENVIRONMENT

(Strengths and Weaknesses)

Plant operations & Power Generation

Engineering, Procurement & Finance Management

Growth through Investment in capacity Addition, Acquisitions & partnerships.

• Vision, Mission & Objectives • Goals • Governance Principles • Risk Management Framework • Organizational Culture • Internal Controls • Best Practices • Support Services • Strategy & Leadership

OUTPUTS & OUTCOMES

Shareholders <ul style="list-style-type: none"> Revenue - Rs. 1,440 mn PAT - Rs. 362 Mn DPS - Rs. 0.23 ROE - 12.1% EVA - Rs. 173mn EPS - Rs. 0.43 NAPS - Rs. 3.51 Dividend - Rs.188mn 	Banks & NBFIs <ul style="list-style-type: none"> Finance Cost- Rs. 320mn Entity rating A-(SL) (ICRA) 	Customers <ul style="list-style-type: none"> Power generated- 115GWh Installed Capacity - 29MW 	Governments / Nations <ul style="list-style-type: none"> Tax paid- Rs. 144mn Investment in Infrastructure Facilities - Rs. 811mn 	Employees <ul style="list-style-type: none"> Salary & Other Benefits - Rs. 216mn T&D Activities Technical - 598hrs Non Technical - 12hrs ViduSaviya - Lowata Aruthak - structured program to promote innovation 	Community <ul style="list-style-type: none"> Benefits from "ViduSaviya - Gamata Eliyak" Benefits from "ViduSaviya - Daruwanta Diriyak" 	Environment <ul style="list-style-type: none"> ViduSaviya - Ratata Sewanak" reforestation Program 10,695 trees planted & sustained Carbon Emission savings 66,578 tCO₂e
<i>Sustained dividend yield and investment performance to shareholders</i>	<i>Rated corporate with improved risk profile for the financiers</i>	<i>Improved living standard of the consumers</i>	<i>Improved social welfare and livelihoods</i>	<i>Work satisfaction, Motivation, Work life balance and Career progress</i>	<i>• Upfilling rural social & infrastructure facilities • Supporting the talented students in need</i>	<i>Work satisfaction, Motivation, Work life balance and Career progress</i>

MANAGEMENT DISCUSSION AND ANALYSIS

Going forward, Vidullanka will be exploring the development of its second dendro power project in Sri Lanka. Further it is carrying out research and development activities through the subsidiary Vidul Plantation (Pvt) Ltd to identify and develop high yielding varieties of the primary energy Gliricidia (Gliricidia sepium).

GROWTH STRATEGY

Vidullanka has grown out from being an operator of a single power plant to a listed company with investments and operations spanning across multiple mini hydro power plants in Sri Lanka. The continuous expansion and investment into building new capacity in the renewable energy space has transformed the company from a local hydro power operator into a renewable energy operator with hydro power generating capacities in Sri Lanka & Uganda coupled with dendro based power generation in Sri Lanka.

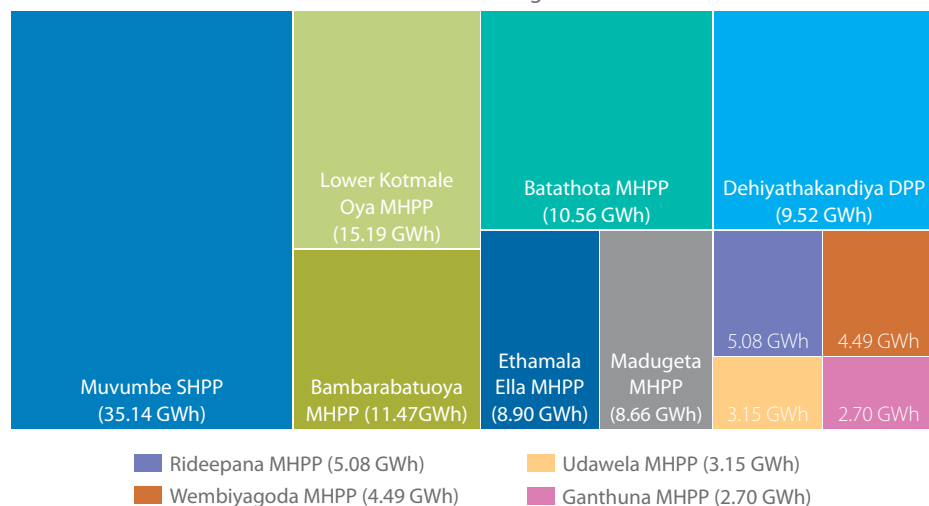
The company identifies the continuous capacity addition as the key performance driver for growth in the renewable energy industry. Hence it deploys resources and make investments in identification of renewable resources/ locations, technical and financial evaluations, and development of new power projects in Sri Lanka as well as overseas. As the continuously evolving organization, the company retains the best engineering talent in house and ensures a continuous stream of projects in pipeline that could emerge for development in the years to come.

Traditionally Sri Lanka had been the primary growth and investment destination for Vidullanka PLC. However, with most of the feasible hydro resources being developed, the investments in the recent past have been directed toward Uganda. Although, hydro resources in Sri Lanka does not attract new investments, the company perusing on securing opportunities to invest in new solar capacities. The company is planning to commence the installation of a roof mounted solar plant during the new financial year as a pilot project and planning to invest in ground mounted solar installations with 1~10MW capacities in the future.

The company continued the development of the Bukinda SHPP in Uganda during the year and made inroad to several other countries in Africa and Asia which have renewable energy resources are in abundance and present investor friendly environment.

The first year operation of Dehiyathakandiya dendro power plant had been challenging. The company continued to operate the power plant with supplier nominated operators for the first six months with internal engineering teams taking over the operations gradually. Number of operational challenges have been resolved with the assistance from the EPC contractor and the owner's engineers. Further improvements made to the supply chain including ensuring uninterrupted fuelwood supply during the times of lockdown. The company's performance was adversely affected by the market to market losses arisen on the foreign currency denominated liabilities, resulting in the project company reporting a notable loss during its very first year of operation. Necessary actions are now in place and the power plant is expected to reach profitability during the new financial year. Going forward, Vidullanka will be exploring the development of its second dendro power project in Sri Lanka. Further it is carrying out research and development activities through the subsidiary Vidul Plantation (Pvt) Ltd to identify and develop high yielding varieties of the primary energy Gliricidia (*Gliricidia sepium*).

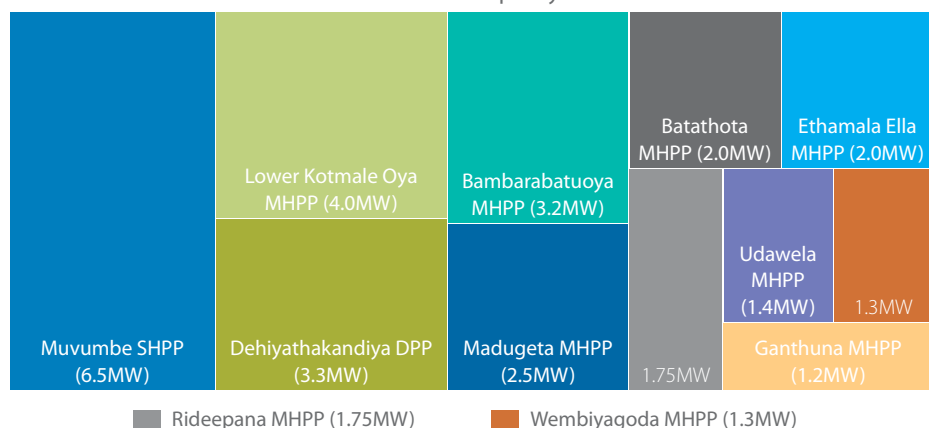
Power Generation during FY2019/20



In addition, the company will be focussing on adding value through leveraging on its expertise and presence across different countries and regions, by engaging in related industries and sectors. Although such endeavours are in the very early stages of development, any positive outcome will immensely benefit the company in gaining synergy from its existing lines of operations.

Vidullanka as a dynamic and growing organisation will continuously be on the look out for new project locations, identify, evaluate, and develop new projects. Vidullanka as a renewable energy developer, is poised to develop a cleaner, greener future through all its business endeavours.

Installed Capacity



Renewable energy industry is capital intensive and has longer gestation period from project identification to commissioning. Developing larger power projects requires substantial amounts of capital as well as continuous effort in undertaking expert studies and evaluations that are required to secure approvals and signing power purchasing agreements. The company pursuing on identifying new opportunities, forming partnerships and joint ventures, and building strong relationship with regional development banks and energy focussed funds.

The COVID19 pandemic has disrupted the progress on the new project development activities in Sri Lanka and overseas with government institutions and companies continuing to remain closed or operating at minimal service levels. However, we are confident that the closure will not be causing substantial delays in the overall time taken for the project development. Hence the company is focussing on carrying out desk reviews and studies that would help kick starting the project development activities once the lockdowns eases and the travel restrictions relaxed.

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN CAPITAL

Human capital is the intangible asset or quality not listed on a company's balance sheet. It can be classified as the economic value of an employee's experience and skills. This includes assets like knowledge, expertise, employee engagement including among others culture and values embodied in the organization.

Most Admired Company – honourable mention

From Vidullanka's perspective it is abundantly clear that this intangible asset is valued at a high premium for the simple reason when compared in terms of its achievements hitherto. In a span of 20 years, Vidullanka has amassed tacit knowledge and skills in each of the phases in its expertise value chain from identifying potential locations, to design, construct and operate successful projects not only in Sri Lanka but also overseas, Uganda in particular. It has demonstrated its prowess not only in design and engineering but also in efficient and effective project management, which has emboldened Vidullanka to venture into other renewable energy sources including dendro, solar and wind. It has also mastered its expertise in developing suitable business relationships with entities with complementing resources to carry out successful projects locally and abroad. This bears ample testimony of value of human capital Vidullanka has built and generated in real terms, which is evidenced and acknowledged by the honourable mention it received at the "Most Admired Companies in Sri Lanka" award ceremony conducted by the International Chamber of Commerce (ICCSL) in partnership with Chartered Institute of Management Accountants (CIMA) Sri Lanka. In keeping with the mantra of continuous improvement and harnessing the innate abilities of our own employees, the idea of setting up of an Innovation Hub was conceived and this is to be included as a corporate initiative in the forthcoming Goal 2020 as well.

The overall team comprises 220 employees with 19 located in Uganda as at end of the financial year. Their disciplines cover from civil, electrical, and mechanical engineering to social and environmental sciences, legal, human resources, finance and IT. Vidullanka has a relatively young and vibrant work force where the average age is around 34 years. It is solidly built on a culture of meritocracy where delivery, performance, talent and living the values of Vidullanka by employees takes pride of place.

Performance and Career Management

Vidullanka has over the years built a robust culture of performance. It was further enhanced last year by incorporating behavioural indicators as well, along with weighted key performance indicators (KPIs) to recognize and reward holistic performance of the employee as opposed to only on KPIs. The identified behavioural indicators were premised on Vidullanka's

culture and values. Vidullanka considers internalizing of its culture and values by its employees so crucial that it plays a predominant role in one's career progression in the organization. Further, special achievements of employees i.e. instance where they went above and beyond their call of duty, were also recognized and rewarded this year. In January an elaborate discussion, on the depth of the talent pool in Vidullanka was held with the top team and a few directors. This will be an annual feature on the HR calendar henceforth. This is done in view of implementing and reviewing the career paths of top talent and nurture their career progression within the organization whilst at the same time to address Vidullanka's strategic HR risks and have a succession plan in place.



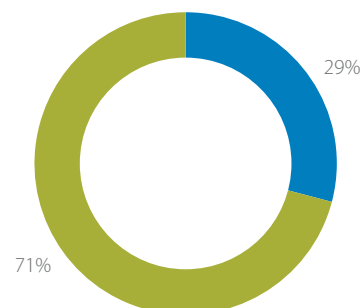
Executive Development

With Vidullanka's emphatic focus on continuous development of its human capital, it embarked on an initiative to conduct a 360-degree feedback survey of the top team and subsequently identify the personal development plan for each top team member. This is being carried out by a renowned HR Consultancy based out of India. Further it is also looking at developing the talent at the next level in order to ensure a solid bench strength of capable successors to take over when the need arises or should any unforeseen HR risks precipitate.

Human Resources Information System (HRIS)

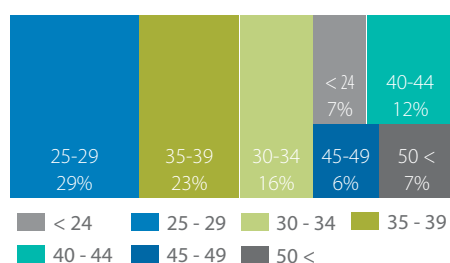
Vidullanka implemented a Human Resources Information System (HRIS) which enables performance management, digital recording of time and attendance, processing of payroll and payment of employee salaries direct to the respective banks as well as the statutory payments to external regulatory bodies. Further this system, which is cloud based, also gives remote access to employees to apply leave, HR to track performance, training and development. HR dashboard with strategic information is now available for decision makers to make strategic people related decisions relating to compensation design and employee life cycle among others. It is envisaged that with time, HRIS will enable more productive use of time and ensure informed strategic HR decisions will be made.

Employee Composition by Employee Category

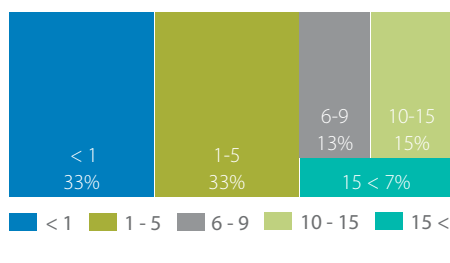


Executive (64) Non executive (156)

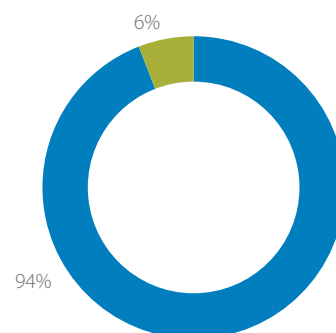
Employee Composition by Age Group (%)



Employee Composition by Service Years (%)

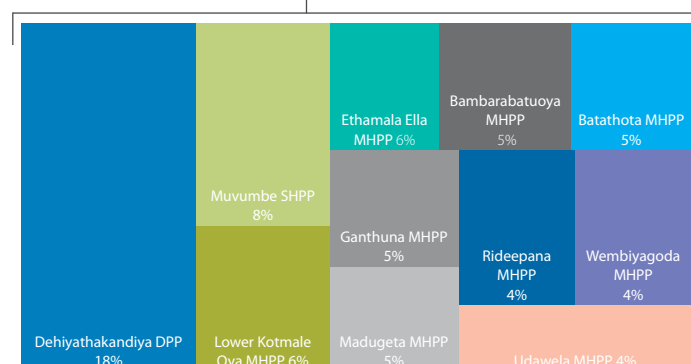
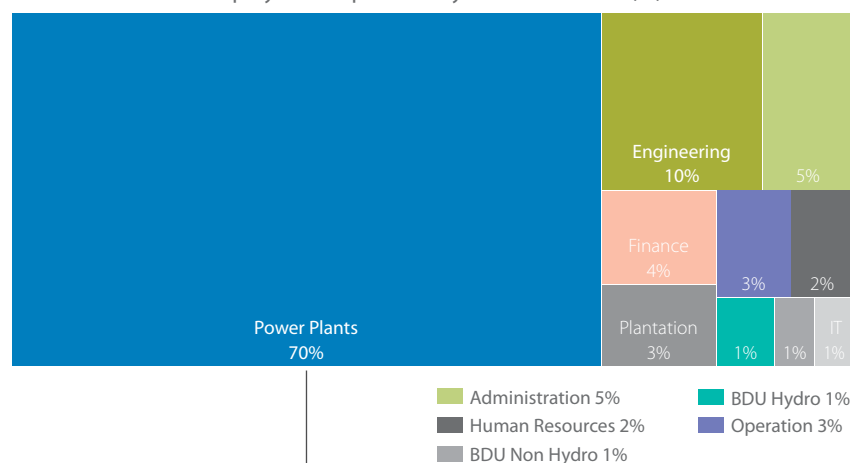


Composition by Gender

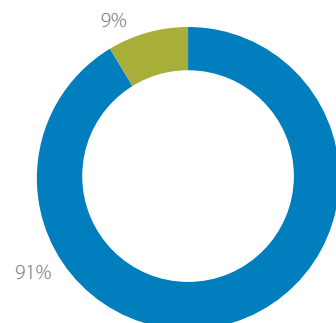


Male (207) Female (13)

Employee Composition by Functional Area (%)



Employee Composition by Geography



Sri Lanka (201) Uganda (19)

MANAGEMENT DISCUSSION AND ANALYSIS

HR Policies and Procedures

A full review of all HR Policies and Procedures were undertaken and where required. It was further refined and communicated to all staff through the HRIS. Employees have easy access to HR Policies now to make references and this specially enabled the smooth on boarding and orientation of new recruits. Vidullanka HR policies are formulated in a manner such that the core values and culture are amply reflected in them. For example, being an equal opportunity employer upholding meritocracy, maintaining a healthy employee work/life balance, creating a safe and harassment free work environment, an ethical and performance driven workforce are key elements of Vidullanka culture and values. These values are deliberately enshrined in our policies such that our employees internalize these to secure a successful career in the organization in addition to just delivering results alone. HR Policies go into detail with aspects relating to Official Conduct, Recruitment, Performance Management, Harassment, Whistleblowing and Grievance Handling to name a few.

Response to COVID19

With the onset of COVID19, Vidullanka, on an urgent basis had to ensure smooth operation of its activities taking into consideration all relevant risks. HR's primary concern was to ensure the health and safety of all employees. Even before the lockdown was in place, a policy decision was taken to freeze all local and foreign business travel of employees, which was subsequently enforced by the authorities as well. IT department acted swiftly to ensure each, and every head office employee was able to Work From Home (WFH). Web based team meetings, necessary approvals for payment, remote accessing of HRIS and so on were carried out with ease with WFH arrangements. HR was even able to carry out initial screening interviews of recruits via Microsoft O365 Teams application. Able support by the IT team was instrumental in making this a success. With the advent of COVID19, Vidullanka has also introduced other types of work arrangements such as assignment-based work, part time work and remote working in keeping with the 'gig' economy in the "new" normal.

As the lockdown was eased by the authorities to allow employees to get back to work, a cross functional team comprising HR, Finance, Administration and Operations called Return to Work (RTW) was formed to ensure all employee health and safety precautions were put in place to welcome employees back to work. This was very efficiently carried out by the RTW team with committed support by all employees.

Vidullanka, in spite of the prevailing conditions during COVID 19 challenges, paid salaries of all staff and even the increments and bonuses of non-executive staff on time. This gave rise

to tremendous motivation and loyalty among employees, in that they acknowledged it is a perceptive employer that invested in employee welfare and benefit. The employees in return displayed unmatched volunteerism and organizational citizenship behaviour by designing and producing touchless handwashing mechanisms, sanitizers and automated sanitizing chambers and gifted these to the local communities and government institutions where the hydropower and dendro power plants were located. The beneficiaries of these efforts were the local police stations, hospitals and CEB offices and so on.



Enhanced Cybersecurity Measures

Given the geographical reach expanding with existing and new projects being commissioned, the need for a robust IT system with enhanced capacity and advanced cybersecurity measures was felt. Therefore, with the support of a Sri Lanka based international consultancy firm, a thorough study was carried out last year and appropriate mitigants have been identified to address potential IT risks in the coming years. Microsoft O365 was installed across the head office to improve staff productivity and increase capacity for data storage via cloud and optimize IT capital expenditure in the long run. As a matter of fact, the smooth operation of work activities during COVID19 lockdown was primarily possible due to the implementation of O365 in the organization.

SUSTAINABILITY

The COVID19 pandemic has thrown open some of the most daunting challenges the world has seen in many years, but it can also be a turning point that propels us forward – in being a better corporate citizen, how do we as an organization enhance our social capital which includes the fight against climate change as well.

In addition to our focus on performance as an organization and of our human capital, our obligation and accountability towards to our community and environment is certainly not lost on us. Community outreach and climate change are an integral part of our sustainability efforts. Sustainability is made up of three pillars: economy, society, and the environment. Social capital is the cement of society's good will – it creates a cohesive society. From Vidullanka's perspective it tells the society at large who we are, what we are like, what we do and why do we do it. The shared values that we work with in Vidullanka and our community help shape that 'sense of sharing' and 'belonging'. Trust is an important dimension of social capital. Trust underlies and contributes to the quality of interactions between Vidullanka, its employees, their families and the community at large. It is certainly a critical component of any social cohesion.

Taking our understanding and ethos of sustainability into consideration we conceived and branded an overarching concept to deal with it at the ground, named ViduSaviya. It has 4 sub themes, namely; Daruwanta Diriyak, Gamata Eliyak, Ratata Sewanak and Lowata Aruthak.



"Daruwanta Diriyak" – support the children

- Continued providing the financial assistance to those who have excelled academics and sports. This was further extended to support the children with special needs. – a sum of Rs.564,500 distributed among 20 recipients during the year.
- Provided educational essentials (school shoes, school bags & stationery) for children from 3 preschools by Bambarabatuoya MHPP
- Provided school bags annually to Malith preschool in Maldeniya Village by Lower Kotmale Oya MHPP
- Organised art competitions among school children at Lower Kotmale MHPP and Ethamala Ella MHPP
- Repaired computer lab and donated computers to Kosnigoda Kanishta Vidyalaya, Morawaka

MANAGEMENT DISCUSSION AND ANALYSIS

The shared values that we work with in Vidullanka and our community help shape that 'sense of sharing' and 'belonging'. Trust is an important dimension of social capital. Trust underlies and contributes to the quality of interactions between Vidullanka, its employees, their families and the community at large. It is certainly a critical component of any social cohesion.

"Gamata Eliyak" – village upliftment initiative

- Provided financial support for the construction of Pudamayaya Village Road by Udawela MHPP
- Provided sanitary facilities, foot operated wash basins and disinfection chambers to the local authorities
- Renovation of training and development building for Pundaluoya police station by Lower Kotmale Oya MHPP
- Financial assistance to various village societies for development activities, youth welfare initiatives etc

"Ratata Sewanak" – shade the nation

Vidullanka has established its own plant nurseries in order to provide plants for an extensive reforestation project.

- We started our first nursery in Wembiyagoda with the capacity of 4,000 plants and the second at Udawela with 5,000 whilst another in Badulla with another 5,000 plants.

Further, multiple tree planting campaigns were also carried out under the above theme;

- Ganthuna MHPP - planting 600 Mahogany trees in Moratiya village in Kegalle district with the help of villagers.
- Madugeta MHPP - planting 250 fruit plants in Happitiya school with the help of school children and the staff.
- Lower Kotmale MHPP - planting 350 Bamboo plants in Maldeniya village.

- Batathota MHPP - planting 350 Kubuk plants.
- Ethamala Ella MHPP - planting 700 Kubuk plants in Ethamalaella area with the help of school children.
- Bambarabatuoya MHPP - planting 350 Kumbuk plants in Gurubilagama Tamil school with the help of school children and villagers.
- Wembiyagoda MHPP - planting 200 fruit plants and 50 Kubuk plants in Kalawana Wathurawa Janapada Vidyalaya with the participation of school children and school staff.
- Muvumbe MHPP - planting 420 Eucalyptus and 180 Grueveria plants and distributed further 11,000 plants among schools and local communities.

"Lowata Aruthak" – promote innovation at the village level

The rationale behind this program is to enable a participative approach within the communities to increase social innovations and act as a means of sustainable future to the employees as well as local communities.

- Process of separation and compressing of trash to optimize space and collect plastic waste in the water channels. Compressed waste is converted into compost where part of it is sold as income for the employee welfare fund, and the rest to the plant nursery.
- Design and production of foot operated sinks and disinfection chambers to the local authorities during COVID19 period.

Accolades

Our efforts have borne fruit and the accolades received bear ample testimony of the recognition at a national level;

- **Gold, Bronze and Merit** awards in the **Taiki Akimoto 5S 2019** competition – Under Small Business category
- Honourable mention at the **ICCSL - CIMA Most Admired Company Awards 2019**
- **Silver Award** winner at the **Presidential Environment Awards 2019** for Wembiyagoda MHPP



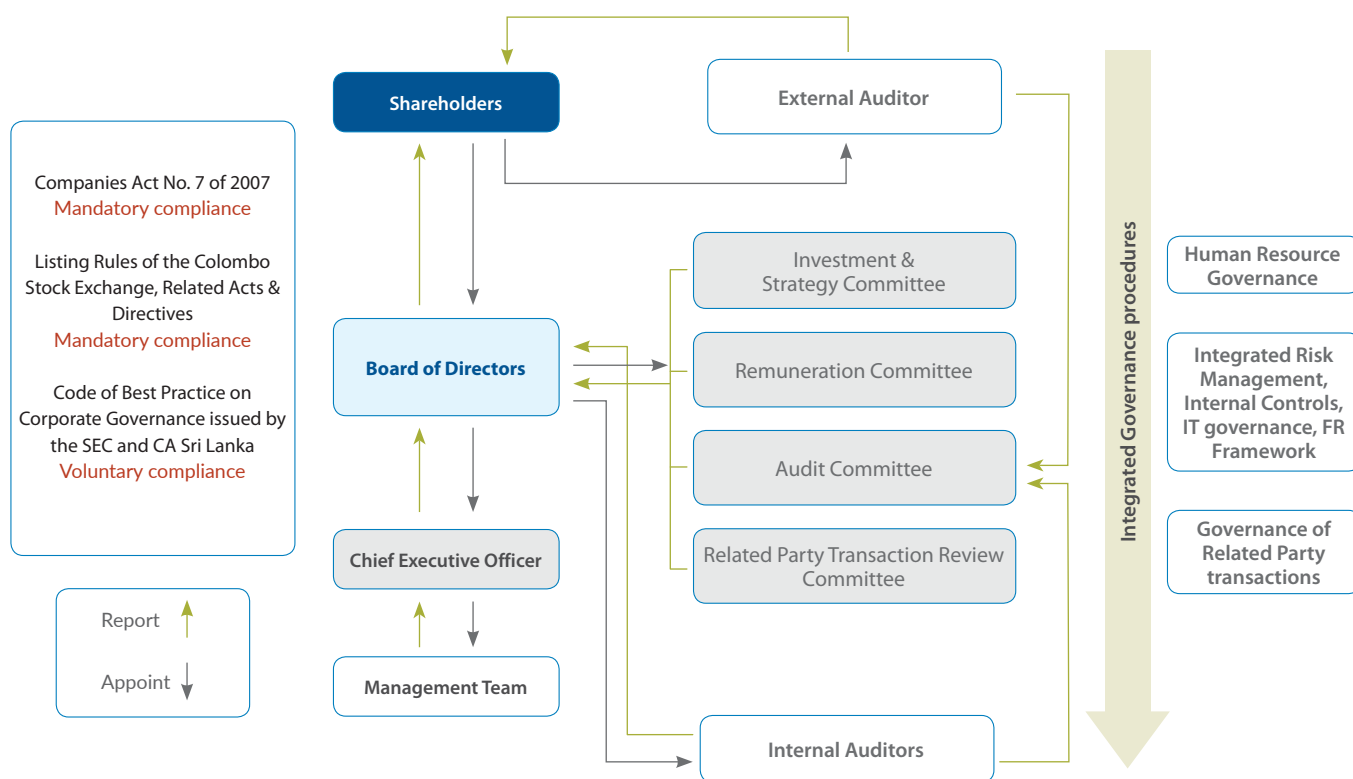
CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices, and processes by which a firm is directed and controlled. Corporate governance fundamentally involves balancing the dynamic interest of company's stakeholders while allowing the entity to thrive in its economic activities. The proper governance of the company is ensured by the Board of directors which is appointed by the Shareholders of the company.

Good corporate governance practices are vital to an organization's growth, competitiveness, and sustainability. Strong business ethics, sound policies, systems and procedures, ethical values and effective monitoring systems ensure the proper adaptation of good corporate governance. Vidullanka PLC's Group governance framework includes the own set of internal benchmarks, processes and structures towards the best practices,

voluntary compliances, and mandatory regulatory requirements. The Board of directors firmly believes in upholding the values of good corporate governance and has shaped the company policies and practices throughout the growth for the inclusion of transparency in the business.

Governance structure of Vidullanka PLC



The Board

The Board of Directors of the Company sets the strategy directions and responsible for safeguarding the shareholder interest. The Board of directors ensure and guide the company in progressing in the strategic direction while compliance requirements are met, and policies and procedures are adhered. It ensures the integrity of information, internal controls and risk management. Board is responsible for the compliance with ethical standards, laws, internal controls, and regulations.

The Board Composition

The Board of Directors of Vidullanka PLC is comprised of one executive director and nine non-executive directors. The non-executive directors provided their annual declaration of independence in accordance with the rule 7.10.2 (b) of the Listing rules of the Colombo Stock Exchange. Consequently, three out of the nine non-executive directors, who met all the required criterion were declared as independent directors. The Directors of the company believe the present composition of the Board has the range of skills, experience and business acumen that are relevant in the present and future context of the company. There were no material changes to the composition of the Board during the period under review.

The profiles of the Board of Directors are set out on pages 18 to 20. The Board met four times during the financial year with the objectives of determining the future directions and monitoring and reviewing the performance of business operations. Considering the social distancing measures introduced, the Board made use of digital conferencing facilities to conduct meetings when required. The Board conducted four Board meetings and 13 subcommittee meetings during the financial year, the details of which is tabulated below.

Name Of Directors	Directorship Status	Board Meetings	Audit Committee Meetings	Investment and Strategy Committee Meetings	Remuneration Committee Meetings	Related Party Transaction Committee Meetings
Mr. Osman Kassim	Chairman	4/4	N/A	5/5	N/A	N/A
Mr. Riyaz M. Sangani	Chief Executive Officer	4/4	4/4	5/5	2/2	N/A
Mr. Shahid M. Sangani	Non-Executive Director	4/4	4/4	N/A	N/A	N/A
Mr. Ranjan Mather	Non-Executive Director	4/4	N/A	5/5	2/2	N/A
Mr. Sattar Kassim	Non-Executive Director	3/4	N/A	N/A	N/A	N/A
Mr. C.F.Fuhrer	Non-Executive Director	4/4	N/A	N/A	N/A	N/A
Mr. Sidath Fernando	Independent Non-Executive Director	3/4	4/4	N/A	2/2	1/2
Mr. Sujendra Mather	Non- Executive Director and Alternate Director to Mr. Ranjan Mather and Mr. C.F. Fuhrer	4/4	N/A	N/A	N/A	2/2
Mr. Rizvi Zaheed	Independent Non-Executive Director	4/4	N/A	5/5	2/2	N/A
Ms. Deepthie Wickramasuriya	Independent Non-Executive Director	4/4	4/4	N/A	N/A	2/2

The Board of Directors takes into consideration the stakeholders' interests in corporate decisions. The Board ensured that adequate time and effort spent by the Directors in making strategic decisions and consulted the subcommittees when necessary. The senior management is responsible for giving accurate information to the Board. Some of the major rules and functions of the Board in upholding the good corporate governance in the affairs of the company are shown below:

1. Establishing a process of monitoring and evaluating the implementation of strategy, budgets, plans and related risks of forecasts.
2. Ensuring effective internal control systems to secure integrity of information and internal controls.
3. Creating the sustainable value to stakeholders in the long run by overseeing the overall operations.
4. Delegating and monitoring the authority to subcommittees and to the senior management.
5. Analyzing and approving the annual business plan to ensure the allocation of sufficient resources and time.

CORPORATE GOVERNANCE

Further, the company ensures that new directors receive induction training on joining the Board and every director receive appropriate training to remain up to date on the regulations. As a good corporate citizen, the roles of the Chairman and the Chief Executive are separated; Mr Osman Kassim hold the position of Board Chair whilst Mr. Riyaz Sangani serves the group as the Chief Executive Officer.

Board Committees

The Board of Vidullanka PLC is supported by four Board committees, that are tasked with important duties in assisting the Board discharging its fiduciary duties. The committees of the company comprised of Audit Committee, Remuneration Committee, Related Party Transaction Review Committee and Investment and Strategy Committee. These committees regularly met over the year to discharge their duties in the areas of Financial reporting, risk management, governance, internal controls, remuneration and HR, related party transactions and strategy implementation. Attendance of all meetings are given above on page 37

Audit Committee

Audit committee comprised of three non-executive directors and chaired by Ms. Deepthie Wickramasuriya, an Independent Non-Executive Director as well as a fellow member of CIMA, UK and an MBA holder from PIM, USJP. The other two member of the committee are Mr. Sidath Fernando and Mr. Shahid M. Sangani. The majority of the committee members are independent directors as per the requirement set in the section 7.10.6(a) of listing rules. The committee held four meetings during the year with the participation of all members along with the Chief Executive officer attending by an invitation.

The committee's primary function is to oversee the preparation, presentation, and adequate disclosures in the financial statements with the aim of improving transparency and integrity of the financial reporting process. Additionally, the committee oversee the compliance with financial accounting and reporting standards, reporting related regulations and requirements, internal controls, and risk management by assessing the ability to continue as a going concern.

Investment and Strategy Committee

The investment and strategy committee is chaired by the Board Chairman Mr. Osman Kassim and tasked with assisting the Board with critically evaluating the on going businesses and new investment opportunities with the strategic direction of the company. The committee effectively evaluates groups' investment assets including those in new power projects and liability management. The committee further advises the Board on the aspects of strategy formulation, growth, diversification, and asset allocation whilst ensuring the shareholder interests are safeguarded.

In addition to the Board Chairman, the Chief Executive officer, an independent director, Mr. Rizvi Zaheed and a Non-executive director, Mr Ranjan Mather serve as the committee members. The investment and strategy committee held five meetings during the year with the participation of all the committee members.

Remuneration Committee

The remuneration committee of the company comprise of three-members, exclusively made up of non-executive directors. The committee is chaired by Mr Ranjan Mather along with committee members, Mr. Rizvi Zaheed and Mr. Sidath Fernando.

The committee is responsible for making remuneration policies and incentive schemes to executive directors, senior management with reference to the operational results, individual performance, and prevailing market rates.

Related Party Transaction Review Committee

Related party Transaction Review Committee was established in compliance with the Code of best practice on Corporate governance 2017 consisting exclusively of Non-executive directors. The committee comprises of the chairman, Mr. Sidath Fernando, Ms Deepthie Wickramasuriya, and Mr. Sujendra Mather of whom two are independent directors. Further, in compliance with the requirement of the listing rules, the chairperson of the committee is an independent Non-executive director.

During the year under review, the committee held 2 meetings with the aim of reviewing the interest of related party, changes in status and the transactions with the related party and the company as defined in LKAS 24 unless they are exempted according to the CSE listing rules.

Detail terms of the above subcommittees are shown in the Board committee section in the annual report.

Compliance Management

Vidullanka PLC places a great effort on operating the group in compliance with the applicable laws and regulations of the countries where it operates. Each department is tasked with compliance requirements relating the specific area of concern and a clear line of reporting to the Board is in place.

Compliance with the accounting and financial reporting standards, listing rules of Colombo Stock Exchange, the directives issued by Securities and Exchange Commission, rules and regulations by the Central Bank of Sri Lanka, and tax laws of the countries where the company operates are fulfilled by the Finance Department. The Human Resource department ensures the company is in compliance with the labour laws and health and safety regulations. The legal department

together with the company secretaries ensure the group is in compliance with the requirements of the Companies Act and any other related legislations. A compliance report and the checklists are updated and presented at the Audit Committee meetings and the Board meetings.

Audit committee also monitors the ongoing process of the compliance requirements and focuses on improving the compliance. Periodic self-assessments and internal audits are conducted annually, and Standard Operating Procedures (SOP) are updated covering both financial and accounting functions in accordance with the recommendations made by the internal auditors, Messer BDO partners.

The power plant operations of the company are regulated through internally developed best practices, safety and operational standards set by off-takers; CEB and UETCL and health and safety mandates. Plant wise internal audits, internal controls, clearly defined chain of responsibilities are set in place by operational department.

As a renewable energy developer and operator, Vidullanka PLC directly linked with the society and environment and use the natural resources. Vidullanka continues to comply with the rules and regulations set by Central Environment Authority, Mahaweli Authority, and regional offices of each provinces where the plants are located. Additionally, the group continues to comply with the tax and other regulatory requirements relating to the affairs of companies operating in Uganda.

As a reputable corporate citizen, Vidullanka PLC makes every effort to be in full compliance with the laws of the countries where it operates and adheres to all the rules and regulations applicable. The company continues to monitor the changes in the regulatory environment and swiftly adopt to the changes while obtaining required legal and professional consultations.

CORPORATE GOVERNANCE

Corporate Governance compliance with the Listing rules 7.10 & 9.0 of the Colombo Stock Exchange (CSE)

Listing Rule	Requirement	Compliance	Reference
Board of Directors			
7.10.1 (a) Non-Executive Directors	At least 1/3 of the total number of Directors should be Non-Executive Directors.	Yes	Corporate Governance report on Page 40
7.10.2 (a) Independent Directors	2 or 1/3 of Non-Executive Directors, whichever is higher should be independent.	Yes	Corporate Governance report on Page 40
7.10.2 (b) Independent Directors	Each Non-Executive Director should submit a declaration of independence or non-independence.	Yes	Profile of Directors on page 18
7.10.3 (a) Disclosures regarding Directors	The Board shall make a determination annually as the independence or non-independence of each Non-Executive Director.	Yes	Annual Report of the Board of Directors on the affairs of the company is given on page 66
7.10.3 (b) Disclosures regarding Directors	In the event a director does not qualify as independent, but the Board is of the view that the Director is nevertheless independent, shall specify the criteria not met and the basis for the determination in the annual report.	N/A	
7.10.3 (c) Disclosures regarding Directors	A brief resume of each director should be included in the annual report.	Yes	Profiles of Directors Page 18
7.10.3 (d) Disclosures regarding Directors	Upon appointment of a new director to the Board a brief resume of each director should be provided to the CSE.	N/A	No new appointment to the Board during the year under review.
Remuneration Committee			
7.10.5 Remuneration Committee	A listed company shall have a Remuneration Committee.	Yes	Remuneration Committee report on page 72
7.10.5 (a) Composition of Remuneration Committee	Shall comprise of Non-Executive Directors, majority of whom shall be independent.	Yes	
7.10.5 (b) Functions of the Committee	The Remuneration Committee shall recommend the remuneration of CEO and the Executive Directors.	Yes	
7.10.5 (c) Disclosure in the annual report relating to the Remuneration Committee	The annual report should set out the names of the directors comprising the Remuneration Committee, a statement of the remuneration policy and the aggregate remuneration paid to Executive and Non- Executive Directors.	Yes	Remuneration Committee report on page 72 Aggregate salary to the Directors indicated in the Notes to the Financial Statements on Note 26.5 On page 125

Listing Rule	Requirement	Compliance	Reference
Audit Committee			
7.10.6	The company shall have an Audit Committee.	Yes	
7.10.6 (a) Composition of the Audit committee	Shall comprise of Non-Executive Directors, majority of whom shall be independent.	Yes	Report of the Audit Committee is given on page 71
	The CEO and CFO shall attend Audit Committee meetings.	Yes	
	The Chairman of the Audit Committee or one member of the committee should be a member of a Professional Accountancy Body.	Yes	The Chairman of the Audit Committee is a Fellow Member of CIMA (UK).
7.10.6 (b) Functions of the Audit Committee	Oversee of the preparation, presentation, and adequacy of disclosures in the Financial Statement, in accordance with Sri Lanka Accounting Standards (SLFRS & LKAS).	Yes	Report of the Audit Committee is given on page 71
	Oversee compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements.	Yes	
	Oversee the processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Financial Reporting Standards.	Yes	
	Assessment of the independence and performance of the External Auditors.	Yes	
	Make recommendations to the Board pertaining to appointment, reappointment and removal of External Auditors and to approve the remuneration and terms of engagement of the External Auditors.	Yes	
7.10.6 (c) Disclosure in the Annual Report relating to the Audit Committee	Names of the Directors comprising the Audit Committee.	Yes	Report of the Audit Committee is given on page 71
	The Audit Committee shall decide of the independence of the Auditors and disclose the basis for such determination.	Yes	
	The Annual Report shall contain a Report of the Audit Committee setting out the manner of compliance of the functions.	Yes	

CORPORATE GOVERNANCE

Listing Rule	Requirement	Compliance	Reference
Related Party Transactions Review Committee			
9.2 Related Party Transaction Review Committee (RPTRC)	The Board shall appoint/have a RPTRC.	Yes	Annual Report of the Board of Directors is presented on page 66. Report of the RPTRC presented in page 73.
9.2.1 Review of Related Party Transactions	The committee shall review all the Related Party Transactions other than the transactions specified under section 9.5 of the listing rule.	Yes	Report on RPTRC is presented on Page 73
9.2.2 Composition of the committee	The committee shall comprise of Non-Executive Directors and Independent Non-Executive Directors. An Independent Non-Executive Director shall function as the chairman of the committee.	Yes	
9.2.4 Committee Meetings	The committee shall meet at least once a calendar quarter. All meetings should be properly documented, and the meeting minutes should be communicated to the Board.	No	Report of the RPTRC presented in page 73
9.2.5 Information Gathering and Approval	The committee shall ensure they have enough knowledge/expertise to assess all the aspects of the transactions.	Yes	Report of the RPTRC presented in page 73
9.1.1 (a) Non-Recurrent Transactions	Obtain shareholder approval if transaction value is more than 1/3 of the total assets of the entity or the aggregate of the value of similar transactions with the same related party within the given period.	N/A	Report on RPTRC is presented on page 73
9.1.1 (b) Acquisition/Disposal of substantial asset from/ to the related party or its associates	Obtain shareholder approval by way of a special resolution for transactions other than the transactions specified under section 9.5 of the listing rule.	N/A	
9.1.2 (a) Recurring Related Party Transactions	Obtain shareholder approval if Related Party Transaction or the aggregate of the transaction with the same related party during the period exceeding the 1/3 of the group consolidated revenue AND Transaction/s not of the ordinary course of business and on the opinion of the Related Party Transactions Review Committee, are on favorable terms than those generally available to the public.	N/A	

Listing Rule	Requirement	Compliance	Reference
9.1.3 Aggregation of Related Party Transactions	Transactions once approved need not to be aggregated with the future transactions with the same related party.	N/A	Report on RPTRC is presented on page 73
9.1.4 Approval from shareholders	Shareholder approval where necessary should be obtained prior to entering into the transaction or shall be conditional to shareholder approval.	N/A	
9.3 Disclosures relating to the Related Party Transactions	The Board shall make immediate disclosures to the CSE, where necessary. Annual Report shall contain a report from the RPTRC.	Yes	Report on RPTRC is presented on Page 73
9.3.2.(d)	A declaration by the Board of Directors in the Annual Report as an affirmative statement of the compliance with these Rules pertaining to Related Party Transactions or a negative statement in the event the Entity has not entered any Related Party Transaction/s.	Yes	A negative statement indicating there were not any material related party transaction within the year under review is included in the report on RPTRC presented on page 73

CORPORATE GOVERNANCE

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)	Names of persons who were the directors during the year of the entity.	Yes	Profiles of the Board of Directors on page 18
7.6 (ii)	Principal activities of the entity and its subsidiaries and changes thereon.	Yes	Management Discussion and Analysis given on page 21
7.6 (iii)	Names and the numbers of shares held by the 20 largest holders and the percentage of such shares.	Yes	Investor information on page 134
7.6 (iv)	The float adjusted market capitalization, public holding %, number of public shareholders	Yes	Investor information on page 134
7.6 (v)	A statement of each director's holding and Chief Executive Officer's holding in shares in the beginning and the end of the year.	Yes	Directors shareholdings given in Annual report on the Board of Directors on page 66
7.6 (vi)	Information pertaining to material foreseeable risk factors of the entity.	Yes	Risk management report given on page 58
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the entity.	N/A	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	Details of the property plant and equipment held by the company is given in note no 4 to the financial statements on page 98
7.6 (ix)	Numbers of shares representing the entity's stated capital	Yes	Annual report of the Board directors given in page 66
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 given in page 134
7.6 (xi)	The following ratio and the market price information need to be disclosed. 1. Dividend per share 2. Dividend pay out 3. Net asset value per share 4. Market value per share	Yes	Five year summery & investor information given on page 137 and 134 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 given in page 66
7.6 (xiii)	If the entity has raised funds during the year through a public issue, rights issue, and private placement, - Statement as to the manner in which the proceeds of such issue has been utilized, - Number, classes of shares and reason for the issue, - Any material changes of the funds raised through an issue of securities.	N/A	No such transactions taken place during the year.

Section	Description	Status of compliance	Reference in the Annual report
7.6 (xiv)	Disclosures of each employee share option schemes and employee share purchase schemes.	Yes	Refer to the note no 31 to the financial statements on page 133
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	Refer corporate governance report on page 36
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. Name of the related party 3. The relationship between entity and the related party 4. Amount of the transaction and terms of the transaction 5. The rationale for entering into the transaction 	Yes	<p>Related party transactions occurred were not exceed the limits specified in the rules.</p> <p>Report of the related party transactions committee given on page 73</p>

CORPORATE GOVERNANCE

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

Rule	Requirement	Compliance	Explanatory Notes
Directors			
A.1 The Board	Company should be headed by an effective Board, which should direct, lead, and control the Company.	Yes	Except the managing director, all directors are Non-Executive Directors. The Board gives leadership skills to the strategic directions. Notable Board functions are given in pages 38 and 66
A 1.1	Board should regularly meet. Board meetings should be held at least once in every quarter.	Yes	The Board conducted four meetings during the financial year, the details of which given in page 37
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 & 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
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.	Yes	The Board of Directors and the individual directors have direct and unrestricted access to the company secretary with respect of the affairs of the company.
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 Board is comprised of Directors with range of skills and expertise that are relevant for the company at present and in the future. Refer Corporate governance on page 36
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	Details relating to the meetings are given in page 37
A 1.7	One third of directors can call for a resolution to be presented to the Board where they feel it is in best interest to the company to do.	Yes	No clauses in the Articles of Association prohibits directors from tabling a resolution.

Rule	Requirement	Compliance	Explanatory Notes
A 1.8	Every director should receive appropriate training when first appointed to the Board.	Yes	Adopted. However, no changes to the composition of the Board during the financial year.
A 2 Division of power	Clear division of responsibilities between chairman and chief executive officer.	Yes	The role of chairman and the chief executive are clearly separated and held by two different directors.
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 on page No 18
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	Chairman's message is given on page 12 Annual report of the board of directors given on page 66
A 4 Financial Acumen	The Board should ensure the availability of those sufficient financial acumen and knowledge to offer guidance on matters of finance.	Yes	The Board includes directors with sufficient financial knowledge, acumen and experience. Profiles of the directors are given in page 18
A 5 Board Composition	There should be a balance of executive & non-executive directors such that no individual or small group of individuals can dominate the Board's decision making.	Yes	Board comprise of 9 non-executive directors of which 3 are independent non-executive directors. Further, the posts of Board chairman and the Chief executive are held by two separate directors
A 5.1	The Board should include non- executive directors of sufficient caliber and number for their views to carry out the Board's decision making.	Yes	Profiles of the directors are given in page 18
A 5.2	Composition of the Board of directors	Yes	The detail of the Board composition is given in page 36
A 5.3	Independence of the directors	Yes	
A 5.4	Each Non-Executive Director should submit a signed declaration annually of the independence or non- independence.	Yes	
A 5.5	Criteria to evaluate independence of Non-executive directors.	As per the criteria set in the Listing rules of CSE.	
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	Alternate director to Mr. C. F Fuhrer; Mr. Sujendra Mather is not a non-executive director of the company.

CORPORATE GOVERNANCE

Rule	Requirement	Compliance	Explanatory Notes
A 5.7 & A 5.8	Appointment of senior Independent Director, in the event of both Chairman and the Chief Executive are the same person	N/A	Chairman of the Board and Chief Executive 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	There were no scheduled meetings with non-executive directors during the year under review. However, chairman met/consulted with the respective non-executive directors on need basis.
A 5.10	In the event the Directors have concern which cannot be unanimously resolved, and concerns need to be recorded in the Board minutes.	Yes	Board proceedings are duly documented by the secretaries and approved at the subsequent Board meetings
A 6 Provision of Information	The Board should be provided information timely manner in a form and of a quality	Yes	Management present financial & non-financial information to the Board on timely manner.
A 6.1	Management has obligation to provide the Board with appropriate and timely information.	Yes	Senior managers participated in the Board meetings by invitation, whenever required by the Board and provided necessary information and clarifications.
A 6.2	Adequate time for Board meetings	Yes	The minutes, reports, and Board papers are dispatched to the directors in advance and the meetings are conducted in accordance with a meeting agenda.
A 7 Appointments to the Board	There should be a formal & transparent procedure for appointment of new directors to the Board.	Yes	The strategy committee in consultation with the remuneration committee evaluate the potential candidate for their fit and the potential value addition to the Board and make appropriate recommendation to the Board on the appointments.
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	No new appointment to the Board during the financial year.
A 7.3	Disclosure to the shareholder on the appointment of new directors	N/A	
A 8 Re-election & Resignation	All directors should be required submit themselves for re-election at regular intervals and at least once in every three years.	Yes	Directors who are retiring by rotation, offered themselves for re-election, details of which given in annual report of the Board of Directors on page 66
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 the non-executive directors are appointed for a period of three years, subject to re-election.

Rule	Requirement	Compliance	Explanatory Notes
A 8.2	All directors of the Board should be subject to election by shareholders at the first opportunity after their appointment, and to reelection thereafter at intervals of no more than three years	Yes	No new appointment to the Board during the financial year. All the non-executive directors are appointed for a period of three years, subject to re-election.
A 8.3	The director should provide a written communication to the Board of reasons for resignation.	N/A	No resignation from the Board during the financial year
A 9 Performance Appraisal	Board should periodically appraise their own performance to ensure that Board responsibilities are satisfactorily discharged.	No	The Board has engaged a specialist to implement the said procedure.
A 10 Disclosure of information in respect of directors			
A 10.1	Disclosure of each director in annual report including 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 concern as a director, number of the Board meetings of the company attended during the year, total number of Board seats held by each director, names of the Board committees which the director act as the chairman.	Yes	Profile of the directors given in page 18 Details of the meetings held and the attendances given in page 37
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, Board should consult the CEO regarding targets with the short, medium, and long term to be achieved during the year.	Yes	The targets are set through brainstorming session conducted and the budgets are prepared, presented and approved accordingly.
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	Board deliberates on the performance of the Chief executive 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 & transparent procedure for developing policies on executive remunerations. No directors involved in deciding his own remuneration.		
B 1.1	Directors should set up a remuneration committee	Yes	Remuneration committee report given on page 72
B 1.2 & B 1.3 Composition	Remuneration committee should consist exclusively of Non-executive directors with the minimum of three Non-executive directors of whom the majority should be independent. The chairman should be 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	Board as whole shall determine the remuneration of the non-executive directors, including members of remuneration committee, within the limits of the article. 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 CEO about its proposals relating to remuneration of other executive directors.	N/A	CEO is the only executive director of the company.
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	Executive director's remuneration should be designed to promote the long-term success of the company and it should be comparable with other companies	Yes	Remuneration committee report given on page 72
B 2.4	The committee should consider remuneration & employment conditions elsewhere within the group.	Yes	Remuneration committee report given on page 72
B 2.5	The performance related elements of remuneration of executive directors should be designed in a manner of transparent and appropriate.	Yes	Remuneration committee report given on page 72
B 2.6	Executive share options should not be offered at a discount.	N/A	

Rule	Requirement	Compliance	Explanatory Notes
B 2.7	In deciding the remuneration related to the performance, remuneration committee should follow the provisions set out in schedule E.	Yes	Remuneration committee report given on page 72
B 2.8	Remuneration committee should consider what compensation commitments in the events 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 72
B 3.1	The annual report should set out the names of the directors contain a statement of remuneration policy and aggregate remuneration paid to executive and non-executive directors.	Yes	The details of the remuneration to the Board of Directors and the key management personal given in Note 26.5 on page 125
Relationships with shareholders			
C 1 Annual General Meeting	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>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 director to be available to answer questions at the AGM.</p> <p>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 FY 2018/19 was held on 24 July 2019.</p> <p>Notice of meeting, form of proxy and other relevant documents dispatched to the shareholders in advance.</p> <p>All the directors of the company shall be present at the AGM on the scheduled day.</p> <p>The procedures of the voting at the AGM is circulated along with the notices of meeting.</p>

CORPORATE GOVERNANCE

Rule	Requirement	Compliance	Explanatory Notes
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 responsible to present interim, other price sensitive public reports and statutory requirements.</p> <p>The Board should obtain a declaration from CEO and Chief Financial Officer mentioning that financial records of the entity have been properly maintained and give true and fair view.</p>	Yes	<p>Financial Statement for the FY 2019/20 presented in page 80</p> <p>Company published interim accounts in the Colombo Stock Exchange and made disclosures when necessary.</p> <p>Directors' responsibilities for annual reporting is on page 74</p>
D 1.4	Declarations by the directors should be included in "Directors' report".	Yes	The annual report of the Board of the directors are on page 66
D 1.5	Statement of Directors' and Auditors' responsibility for the Financial Statements	Yes	<p>Statement of Directors' responsibilities in relation to the Annual financial statements is presented on page 74</p> <p>Independent auditors' report is on page 77</p>
D 1.6	The annual report should contain a "Management Discussion & Analysis"	Yes	Management Discussion & analysis is contained from page 21 to 35
D 1.7	Directors shall summon an extraordinary General meeting to notify the shareholders in the event of net assets fall 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 the Related party transactions in its Annual Report.	Yes	<p>Company comply the requirements in Sri Lanka Accounting standard -24 (LKAS 24) in the financial statements and the annual report.</p> <p>The related party transaction review committee presented on page 73</p>

Rule	Requirement	Compliance	Explanatory Notes
D 2 Risk Management & Internal Control	The Board is responsible for determining the nature and extend 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 organizational goals and objectives.		
D 2.1	The Board should review and ensure the effectiveness of the risk management & internal control systems at least annually. Report on the review to be presented in the annual report.	Yes	The Board with the assistance of the Audit Committee reviewed the risk categories that may affected to the company and the control measures in place. Risk management report of Vidullanka PLC given in page 58
D 2.2	Assessment of principle risks facing the company that would threaten future performance, solvency, and liquidity.	Yes	Audit committee continuously assesses the key risk with the use of multiple risk assessment and risk mapping techniques and advise the Board accordingly. Risk management report of Vidullanka PLC given in page 58
D 2.3	Company should have internal audit function	Yes	Internal Audits are conducted by Messer, BDO partners. Additionally, finance department conducts surprise audits at the power plants
D 2.4 & D 2.5	Review of the process & effectiveness of the risk management & internal controls by the audit committee.	Yes	Details are presented in Risk management report on page 58 Audit committee report presented on page 71
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 comprised of minimum of three non-executive directors, of whom at least two should be independent. Committee should be chaired by an independent non-executive director	Yes	The committee is comprised 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 & duties.	Yes	Audit committee adheres the charter detailed in the Corporate governance best practices published jointly by the SEC & CA Sri Lanka. The authority & role of the committee are included in Audit committee report on page 71
D 3.3	Disclosure of the audit committee responsibility	Yes	Audit committee report on page 71

CORPORATE GOVERNANCE

Rule	Requirement	Compliance	Explanatory Notes
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 apply the conditions of the standard when preparing and presenting financial statements.
D 4.2	The committee should be comprised exclusively non executive directors, majority of whom 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 on page 73
D 4.3	Disclosures on the related party transaction review committee	Yes	The report on the affairs of the related party transaction review committee on page 73
D 5 Code of Conduct and Ethics	Company must adopt a code of business conduct & ethics for directors, key management personnel, including dealing in the shares of the company, compliance, bribery & corruption, confidentiality, unethical behavior etc		
D 5.1	The company shall have a code of business conduct and ethics.	Yes	Report of corporate governance is given on page 73
D 5.2	The company should have a process in place to ensure that all material and price sensitive information are promptly identified.	Yes	Material and price sensitive information is promptly identified in accordance with relevant regulations.
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	The share transactions entered by the Directors are disclosed to the market as per requirements of the listing rules
D 5.4	Disclosure by the chairman that there is no violation of the code of conduct and ethics	Yes	Refer Chairman’s message on page no 12
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	Director should include in the company’s annual report, a corporate governance report setting out with the principles and provisions of this code.	Yes	Refer corporate governance on page 36

Rule	Requirement	Compliance	Explanatory Notes
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	<p>The company is maintained a good communication with investors.</p> <p>Annual General Meeting is used to have an effective way to communicate with shareholders to share performance of the company during the year and obtain the overall feedback of the shareholders.</p>
E 2	Institutional investors are encouraged to give due weight to all relevant factors drawn to their attention when evaluating the governance structure in relating to Board structure and composition.	Yes	<p>Further disclosures are made via the Colombo Stock Exchange.</p>
F 1 Investor relations – Other investors	Company should be encouraged to carry out analysis in investing or divesting decisions of individual shareholders.	Yes	Company maintains and coordinates investments analysts who carryout company specific, sector wise and market wide share analysis.
F 2	Individual shareholders should be encouraged to participate in general meetings of companies and exercise their voting rights.	Yes	Multiple means of facilitations and communication channels arranged, and adequate notice given for the shareholders to attend the general meetings.
Internet and Cybersecurity			
G 1	The Board should have a process to identify how the organization's business model, IT devices within and outside the organization and consequent cybersecurity risks that may affect the business.	Yes	Please refer the risk report on page 58
G 2	The Board should appoint a Chief Information Security Officer (CISO) with sufficient expertise, authority to implement a cyber security risk management policy which could be approved by the Board.	Yes	The CISO role is outsourced to a specialized organization.
G 3	The Board should allocate regular and adequate time on the Board meeting agenda for discussions about cyber risk management.	Yes	Refer the risk report on page no 58 And report of the Audit committee on page 71
G 4	The Board should ensure the effectiveness of the cybersecurity risk management through periodic review.	Yes	Refer the risk report on page no 58
G 5	The Board should disclose in the annual report, the process and manage cyber security risks.	Yes	Refer the risk report on page no 58

CORPORATE GOVERNANCE

Rule	Requirement	Compliance	Explanatory Notes
Environment, Society and Governance (ESG)			
H 1	The company's annual report should contain sufficient information to investors and stakeholders to assess how ESG risks and opportunities are recognized and reported.	Yes	<p>Risk managements and corporate governance frameworks sufficiently covers the ESG and further information is provided in Management Discussion and Analysis (MD&A).</p> <p>Risk management report is given in page 58, corporate governance report given in page 36 and MD&A given in page 21</p>
H 1.1	<p>Company should provide the information in relation to,</p> <p>relevance of environmental, social factors to the business, how ESG may affect their business, how risks and opportunities pertaining to the ESG are recognized, managed, and reported.</p>	Yes	Details given in Chairman's message, CEO's review and MD&A in pages 12 , 15 and 21 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)	State of the company's affairs or of its subsidiaries, any changes during the period in nature of the business.	Yes	Plant portfolio on page 8 and organizational profile on page 24
168 (1) (b)	Financial statements of the company and the group in accordance with section 151 ,152 for the accounting period completed.	Yes	Financial statements and notes are included in page no 80
168 (1) (c)	Auditors' report on financial statements of group financial statements.	Yes	Auditors' report on page 77
168 (1) (d)	Changes in accounting policies made during the year.	Yes	Accounting policies are included with the changes on page 84
168 (1) (e)	Particulars of the entries in the interests register made during the accounting period.	Yes	Annual Report of the Board of Directors given in page 66
168 (1) (f)	Remunerations and other benefits of directors during the accounting period.	Yes	Details are given on note no 26.5 to the Financial Statements in page 125
168 (1) (g)	Amounts of donations made by the company during the accounting period.	Yes	Refer Management Discussion and Analysis on page 21
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 18 the annual report of the Board of directors given in page 66
168 (1) (i)	Amounts payable to the external auditors as audit fees and other fees for other services.	Yes	Details are given on note no 14 to the Financial Statements in page 117
168 (1) (j)	Any relationships and interests with the auditors and the group.	Yes	Audit committee report on page 71 Annual Report of the Board of directors on page 66
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 on page 66

RISK MANAGEMENT

The global outbreak of Covid19 pandemic is driving the global corporations through an acid test of resilience and agility.

The responses have been varying, from entities choosing to responding in many different forms including scaling down operations, layoffs, filing for bankruptcy protection etc, whilst some organization responding positively with resilience and agility.

Effective risk management process with forward looking approach can help the companies to identify the critical risks in advance and have systems and processes in place to counter in the events of adversities. It also ensures the company accomplishing its goals and objectives whilst assuming calculated risks. Since the company's return is positively correlated with the business-related risks, the company is expected to possess an appropriate level of risk appetite to generate the expected return of the business.

Vidullanka PLC, a well-known player in the local renewable energy industry and expanding its operations globally with two power plants in Uganda and many projects in pipeline. Being company with ambitious growth targets, Vidullanka improved its risk management framework during the year that ensures sustainability of the company by systematically addressing the risks that are impacting the financial performance, investments, employment related practices, social responsibility, and corporate image. Present framework takes into consideration the different risks, drivers and impact based on a systemic risk ranking and a more visually interactive traffic light system.

The company ensures the proper risk management by annually engaging in risk assessment through brainstorming sessions and other assessment methodologies. Annual risk assessments assist the company in understanding the risks the organization is exposed to and the perceived impacts of those risk.

The evaluated risk, risk interventions are carefully decided in consultation with the internal team as well as the professional assistance from outside the organization when necessary. Further the resulting residual risks, after the risk interventions are evaluated against the target risk intended to be retained.

Quarterly risk review by the Audit committee in consultation of the operational departments help the company adopting its risk profile to fast changing environment and appropriately adjusting the responses. Heads of each functional department bear the responsibility of the related risks identified while the audit committee of the company evaluates risk assessment to ensure the suitable strategies are formed to handle the various risks.

The ERM Framework created by the Vidullanka PLC is as follows.

Determination	<ul style="list-style-type: none"> • Understanding the strategic goals and objectives of the company • Strategic Priorities & Objectives of the risk management process • Formulating the risk appetite
Assessment	<ul style="list-style-type: none"> • Identification of the key risks through collective approach and consultation. the assigned prior to any interventions. • Determine the acceptable level of risk that could be retained
Development	<ul style="list-style-type: none"> • Develop appropriate risk responses to the identified risks based on the risk ratings assigned. • Formulate the overall risk response strategy by the management.
Implementation	<ul style="list-style-type: none"> • Implementation of risk response strategy. • Delegate and monitor the implementation • Risk financing and consultation
Control	<ul style="list-style-type: none"> • Periodic review of risk profile to monitor the retained risks, and perceived volatility with the help of tariff light and risk rating mechanism. • System audits & continuous monitoring of control mechanisms • Systematic approach to communication on any adverse issues identified.
Revision	<ul style="list-style-type: none"> • Review and update the existing control mechanism • Continuous improvements to the interventions utilized

Below are the key risks faced by the company in pursuing its growth endeavors whilst ensuring operational performance is at optimal levels.

Business Risk

This involves the inherent risks of renewable energy industry in Sri Lanka and other countries where Vidullanka has active presence or has engaged in new project development. Whilst adverse exposure can lead to below expected performance in terms of operational excellence and may lead up to ineffective investments in new project developments, thereby resulting in lower profitability, capital erosion and lack of organizational growth.

Weather Risk

Weather risk had been a major risk for Vidullanka and companies in renewable energy space in Sri Lanka.

The primary risk factor that affects each entity in the renewable energy industry is the weather as any adverse changes can lead to serious impact on power generation, thereby leading to reduced profitability or even losses. Whilst increased research has paved ways to better understand the changing nature of the weather patterns over the period, the impact of such changes also have become more severe, categorizing weather risk as a high priority risk for a company in the renewable energy industry.

During the year, the Dehiyathakandiya dendro power plant was commissioned to the national grid, along with it, the Vidul Plantation also commenced commercial operation on supply of sustainably grown fuelwood from its owned plantations and out grower schemes. Although Vidul Biomass (Pvt) Ltd, the project company operating the dendro power plant, yet to start generating profits, the addition of new energy source into the generation mix has helped the group to stabilize the annual output.

The operation at Muvumbe SHPP in Uganda is exposing the company into a completely different climatic condition. The year under review is a best example of the effective management of weather risk in terms of power generation. The revenue shortfall in from generation in Sri Lanka due to the prolonged draught condition was largely mitigated by the improved revenues from power generation in Uganda, sale of fuelwood by Vidul Plantation etc. Going forward the group revenue mix to be further strengthened with the addition of Bukinda SHPP and Solar power project in pipeline.

Foreign Exchange risk

Exchange risk involves loss of value of assets and receipts or increase of liabilities when the transactions are denominated in a different currency than the reporting currency. The impact on the performance of the company due to the foreign exchange rate risk may arise in three forms, transactional, translational, and economic risk.

The group is exposed to foreign currency risk though its operations in Uganda. Whilst the United States Dollar denominated borrowings has exposed the company to foreign exchange risk, the United States Dollar denominated feed in tariff in Uganda ease the group from exchange risk associated with the Ugandan Shilling while creating a natural hedge over its liabilities.

Given the year under review with strong United States Dollar environment, the company recorded a gain on translations amounting to Rs.86mn compared to Rs.70mn in FY 2018/19 in the Statement of Comprehensive Income.

Since the group is focused in building renewable energy assets overseas, the management of foreign exchange risk has become a key priority in Vidullanka, as it can have impact on the overall performance of the group. The group places careful consideration in evaluating the projects for financial viability, benchmarking the project returns in terms of both Sri Lankan rupees and United States Dollars. The company further undertakes country studies prior to embarking on new project developments and due diligence studies are conducted prior to entering any agreements overseas.

Despite the mitigatory measures undertaken, the risk remains material with the possibility of the substantial changes in monetary policies,

macroeconomic conditions, political environment of the host countries which may have impact on the group performance.

Legal and Regulatory Risk

The group has operations in Sri Lanka and Uganda and undertaking project development activities in several other countries. This exposes the group to multiple regulatory and legal frameworks. Failure to comply with the laws of the countries and regulations can lead to severe repercussions.

Vidullanka PLC, as a listed entity in Colombo Stock exchange complies with the listing rules and directives issued by the Securities and Exchange Commission. The company also complies with the mandatory provisions relating the Corporate governance rules specified in the listing rules and Company's Act of Sri Lanka. Additionally, the company voluntarily complies with most of the corporate governance best practices recommended in the Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka jointly with the Securities and Exchange Commission of Sri Lanka. The company strives to enhance the compliance through continuous improvements to the affairs of the company.

Audit committee oversees the compliance status of the company. The compliance checklist is reviewed at each audit committee meeting and forward for board concurrence at the board meetings. Whilst the finance and legal departments ensure the compliance with financial reporting, tax and legal aspects, the other departments ensure the compliance across their respective areas of operations. The Board is updated with the status of the ongoing court cases and necessary expert advice is sought when required.

RISK MANAGEMENT

Country Risk

Vidullanka with presence and financial interest spread across multiple countries, exposed to risks associated with those respective countries. This includes political risk, economic risk, exchange rate risk, sovereign risk and repatriation risk that are specific to the respective countries.

Vidullanka has taken adequate measures to safeguard its investments overseas including securing investment protection agreements with the host country governments. The company also ensures it holds the legitimate title for the projects in pipeline through securing permits. The company over the course of its presence outside Sri Lanka has built a strong relationship with major player in the industry including development funds, donor agencies, renewable energy developers, development banks and other stakeholders.

The in-depth country review undertaken prior to commencing any project developments in any new country. This aims at gaining a comprehensive understanding on the overall political, social, economic, and external sector conditions. This assist the company in making informed decision in line with its risk appetite and where the perceive risk is beyond acceptable levels, mitigatory measures undertaken.

Credit Risk

Counter party risk involves the possible failures over the realization or loss of economic value in realizing the receivable arising from the transactions entered by the entity. Vidul group primarily transect with two off-takers; Ceylon Electricity Board (CEB) and Uganda Electricity Transmission Company Limited (UETCL). The power purchasing agreements and other investment protection agreements details the terms of payments relating to the power generation and the dispute resolutions.

Off-taker profile is one of the key areas of concern for Vidullanka, when evaluating any new investments. The strategy formulation also takes into consideration the presence of world renewed institutions promoting renewable energy development.

The credit risk from a steady status has been ranked as volatile due to the delay in receiving the settlements from CEB experienced during the year under review. However, the status of the risk is categorized as low due to the fact theses are firm receivables from the government of SL. The receipt of payments from UETCL, Uganda is in accordance to the terms and conditions of the agreement.

Operational Risk

Operational risk covers the possible losses in undertaking the affairs of the company in general course of business.

Core operational activity of the group is the generation of power from hydro and dendro power sources. Failures that can result from human, systems, and procedural failures. The operations department regularly reviews and monitors the conditions of the machineries, and situations of the natural disasters to minimize the risks and decide preventive actions for each site.

The board is responsible to formulate the strategies and set goals taking into consideration the risks that company face. Heads of each department are tasked with leading the employees toward the achievements of the goals while appropriately managing the risks and accountable to the Board on the outcomes. Internal audits are undertaken periodically, and findings are reported for appropriate actions. The audit committee manages risks by reviewing group risk profile and reducing the impact of those risks through appropriate measures. Compliance programs, IT system

governance, internal investigations, risk communication are important strategies adopted by the Company to mitigate the risks.

The Audit Committee place significant attention on this risk management because all operations and the progress have been depended on the risk appetite of the Company.

Further we have established internal controls relating to operations that help to identify and detect the operational risk. The company has also put in place a continuous monitoring system for each plant to identify failures, breakdowns, and any other material affairs. Vidullanka PLC recognizes the need for the active involvement of employees and the management in detecting and managing the risk at very early stages.

Stakeholder Risks

Stakeholder expectation management is regarded as a key area of concern for the Vidullanka PLC as it involves a wide range of stakeholders in each of its places of operations. The company identifies the stakeholders through stakeholder analysis specific to every key operational area. The risk management strategies are based on the stakeholder profiles identified and risk is mitigated accordingly.

In the event of operational power projects, the company places great amount of importance to the rural populace and respond accordingly with number of welfare and livelihood development programs and engages the local populace on an organized and systematic process. Vidullanka's "ViduSaviya" CSR initiative has helped the company to formalize such interactions.

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

Risk Rating Matrix

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

High Risk Ranking (R) ■

Medium Risk Ranking (A) ■

Low Risk Ranking (G) ■

Volatile Outlook

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
1 Financial and Economic Risk								
		Credit Risk	Risk of loss of principal or loss of financial reward stemming from a debtors' failure to repay a due amount or to meet contractual obligations.	Significant	Vidullanka sells electricity to CEB in Sri Lanka and UETCL in Uganda. The transactions are undertaken according to the Power Purchase Agreements. Both entities are backed by the respective states, reducing the credit risk. UETCL receivables are further supported by a Bank guarantee.	Fin. Controller	Adopted	
		Financial Risk	Risk of losing shareholders' wealth because of Company's incompleteness to match the liquidity with financial obligations.	Significant	The Company closely monitors changes in the macroeconomic environment, changes in weather and strategic investments to efficiently manage the liquidity. The Company has diversified its revenue streams geographically and product wise giving more stable cash inflows. The Audit Committee periodically reviews the debt position of the group as well as the contingent liabilities. Moving Cash flow forecasting considering the uncertainties carried out in ongoing basis	CEO	Adopted	

RISK MANAGEMENT

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
		Economic Risk	The chances of the investments and financial operations to be affected by regulations, macroeconomic conditions, interest rates, exchange risk and political stability.	Critical	The Company carries out in-depth macroeconomic analysis and economic feasibility prior to embarking on investments. Other measures include securing investment protection agreements as well as insurance coverages. However, the risk remains uncontrollable due to the macro nature of the risk.	CEO & Director - Business Development	Adopted	
		Interest Rate Risk	Adverse impact on profitability of the Company due to the interest rate fluctuations.	Significant	The Company maintained proper combination of fixed and variable borrowing rates. It may assist to minimizing the risk of negative variation of interest rates.	Fin. Controller	Adopted	
		Exchange Rate Risk	The risk of losses due to the fluctuation of exchange rates. This further brings in translation and transaction risk to the Business.	Significant	The Company constantly monitors the movements in exchange rate fluctuations take mitigation measures as detailed under risk management report.	Fin. Controller	Adopted	
2 Environment, Health and Safety Risks								
		Health and Safety Risk	The risk of employees getting exposed to dangers during the working hours in the power plant construction sites and the office space.	Critical	The employees are provided with the required safety equipment during both construction and operations. Trainings like 5S, KAIZEN process is given to them periodically to mitigate the risks themselves. In addition to that, plant operating instructions, image signals are in place in workplaces as safety measures. The Company strives for a zero-accident workplace.	Director - Operations	Adopted	
		Environment & Disaster Risk	The risks of potential adverse disaster events occurring during the operations/ disrupting the operations.	Critical	The company employs environmental officers who continuously monitors & engage in understanding and mitigating the environmental risk. The company also acquire professional assistance from external consultants, relating to management of such adverse events. Insurance covers adequately covering such risks in place.	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.	Critical	In consideration of the challenges relating to COVID19, the power plants operated as isolated facilities during the peak of the outbreak and strictly adhered the guidelines mandated. Flexible working hours with the option of working from home arrangements are being practiced considering the social distancing advisories issued.	Director - Operations & Director – Business Development	Adopted	
		Weather Risk	Risk of disruptions and financial losses due to the changing weather conditions.	Critical	The company has diversified its power plant portfolio geographically and technologically. Whilst the hydro power plants operated in Sri Lanka and Uganda helps to mitigate the seasonal and cyclical variations of the weather condition, the dendro power plant stabilizes the overall performance with stable generation.	Director - Operations & Director – Business Development	Adopted	
3 Risk of reputations								
		Public Relations Risk	This is the risk of losing the reputation and leading to conflicts with the stakeholders.	Low	The company continues to engage in CSR Activities including Scholarship program, infrastructure development, reforestation etc. Further, the company has implemented corporate communication guidelines that moderates the formal conduct of its employees.	Operations Department	Adopted	
		Stakeholder Risk	The risk of failure to adequately manage the stakeholder expectations.	Significant	The stakeholder identification and expectation management are conducted through a continuous process by respective functional units. The interventions are deployed in accordance with the level of importance and impact stakeholder can have on the affairs of the company. Since the power plants are in rural areas, the company builds a lasting relationship with the local populace through continuous engagement, welfare & CSR activities, employment etc	CEO & Head of Departments	Adopted	

RISK MANAGEMENT

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
4 Operational Risk								
		Operational Risk	This involves the risk of losses arising from the internal activities, processes, and procedures.	Significant	Standard Operating Procedures/ Operating Manuals are in place covering all the support services including Finance, Procurement, HR, IT etc. The adherence to the SOPs and Manuals is monitored and audited through internal audits. The findings are escalated, and remedial actions taken. However, COVID19 lockdown, has resulted in company having to make exceptions in place and may result in adopting the SOPs to better suit for the requirements	Fin. Controller & Head of Departments	Adopted	
		Fraud Risk	Possible losses of suboptimal use of company assets, corruption etc.	Significant	The company adopts the internal control mechanisms including segregation of duties to optimize the use of assets, minimize the chances of fraud.	All head of departments	Adopted	
5 Information Technology								
		Information Risk	Risk of unauthorized access, manipulation and dissemination of public and confidential information relating to the company.	Critical	The access to confidential information limited to authorized officers of the company. Further company engaged EY Advisory Services during the year to assess and mitigate the cybersecurity risk.	IT department	Adopted	
6 Regulatory Environment								
		Regulatory & Legal Risk	Risk of changes in laws and regulations with material impact on business and viability of its investments	Low	Company continuously monitors the developments in the legal and regulatory environments and complies swiftly. The company also engages Tax and legal consultants and undertake due diligence prior to entering business transactions. The company also adopts and complies with mandatory and voluntary corporate governance best practices.	Finance & Legal	Adopted	

#	Risk Category	Risk	Definition	Catastrophic/ Critical/ Significant/ Low	Mitigation Action	Risk Owner	Risk Review Status	Risk Ranking
7 Global business environment								
		Competition Risk	The risk of failure to adopt to the changing business environment amidst the increased competition between renewable energy developers	Low	<p>The Board is comprised of directors with knowledge and experience from various business industries. The high business acumen demonstrated by the Board has helped the company to foresee the changing dynamics in the renewable energy industry in Sri Lanka and internationally. Strategic partnerships have helped the company in securing much needed edge in competing for international projects and tenders.</p> <p>The strategy committee assists the Board with critically evaluating the new opportunities and providing timely advises.</p>	Senior Management & Board of Directors	Adopted	
		Country & Political risk	Collection of risks associated with investing in foreign countries including political risk, economic risk, exchange rate risk, sovereign risk, and repatriation risk.	Low	<p>The company undertakes comprehensive country study prior to embarking the project development in foreign soils. The company further ensures adequate professional assistance is sought from the country intended for investment, in understanding the tax, legal, political risks. Further due diligence studies were undertaken with such assistance prior to engaging in investment commitments.</p> <p>Over the past years, the company has developed a mechanism through which it evaluates the overseas investments and considers the possibilities of entering into investments agreements with the respective governments as one of the key requirements.</p>	CEO, Director – Business Development & Fin. Controller	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 31 March 2020, to be presented at the 24th Annual General Meeting of the Company.

Review of the Year

Principal Activity of the Company / Core Activity

The principal activity of the company is to produce electricity and transmit to feed the national grid from the Bambarabatuoya Mini Hydro Power Plant (MHPP) and Batathota MHPP in Banagoda and Kuruwita, respectively.

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.

Walagamba Balashakthi (Pvt) Ltd's principal activity is to generate electricity through its Wembiyagoda MHPP located in Kalawana, Ratnapura and transmit to the national grid. The power plant was commissioned to the national grid on 29 March 2013.

The principal activity of Rideepana Hydro (Pvt) Ltd is to produce electricity and transmit to feed the national grid from its Rideepana MHPP in Badulla. The Rideepana MHPP was commissioned to the national grid on 15 May 2015.

The principal activity of Lower Kotmale Oya Hydro Power (Pvt) Ltd is to produce electricity and transmit to feed the national grid from its Lower Kotmale MHPP in Kotmale, Nuwaraeliya. The power plant was grid connected on 25 June 2014.

The principal activity of Udawela Hydro (Pvt) Ltd is to produce electricity and transmit to feed the national grid from its Udawela MHPP in Badulla. The power

plant was commissioned to the national grid on 29 December 2017.

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 the commercial operation on 15 March 2017.

The principal activity of the Vidul Plantation (Pvt) Ltd is to engage in agribusiness relating to fuelwood supply to the Dendro power plants including Dehiyathakandiya 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 proposed Bukinda SHPP in Kagadi District of Republic of Uganda. The Bukinda power plant is presently under construction.

The principal activity of Vidul Engineering (U) Ltd is the provision of Engineering, procurement, and construction services related to renewable energy plants in Uganda and in the region.

Principal Activity of the Joint Venture & Associates

The primary 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.

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

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

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

Material Business Transactions

During the year company has invested Rs. 222,728,682/- in the ordinary shares of Timex Bukinda hydro (U) Ltd for the development of Bukinda SHPP in Uganda.

Financial Statements

The financial statements prepared in compliance with the requirements of Section 151 of the Companies Act No. 7 of 2007 are given on page 80 of this annual report.

Independent Auditor's Report

The Auditor's Report on the financial statements is given on page 77 of this report.

Accounting Policies

The Accounting Policies adopted in preparation of the financial statements is given on page 84. There were no changes in Accounting Policies adopted by the Company during the year under review, other than those given in the Note no 2.3.10 to the financial statements on page 89.

Financial Results / Profit and Appropriations

The Group recorded a Profit After Tax of Rs. Rs 361,661,833/- of which Rs. 344,143,760 is attributed to the equity shareholders of the company. During the year under review, the Company declared two interim dividends of Rs 0.125 & Rs. 0.10 per share amounting to a total distribution of Rs. 188,501,730/- . The distribution of the 2nd interim dividend was delayed amidst the market closure due to the COVID19 outbreak and dispatched on 22 May 2020.

Property, Plant and Equipment

During the year under review the Group invested a sum of Rs. 798,816,844 /- (2019 – Rs. 906,906,051) in property, plant & equipment of which Rs. 12,782,728 /- (2019 - Rs. 55,237,410) is in plant & machinery, Rs. 1,985,719/- (2019 - Rs. 5,038,845) is in Computer and other equipment and

Rs. 3,918,838/- (2019 – Rs. 1,595,267/-) is in Furniture and fixtures. Further, Rs. 3,665,321/- (2019 – Rs. 3,610,385) is invested in office equipment,

Further Rs 1,487,200/- made in Motor Vehicles (2019 – Rs. 11,569,706) , Rs. 773,278,756/- (2019 – Rs. 829,854,438) in Power plants Work – in – progress, and in Freehold Land Rs 1,698,282/- (2019 – No investments made).

During the year, no investment made in biological assets (2019 – Rs.17,044,899).

Further , the acquisition of Vasanagama plantation (Pvt) Ltd by Vidul Planation (Pvt) Ltd has resulted in addition of Rs. 1,324,766/- to the group Plant & machineries.

The exchange rate differences caused a total increase of Rs 192,665,185/- (2019- Rs. 237,809,722) in the group property plant and equipment.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 4 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 102.

Impairments

The details relating to the impairment provisions given in notes 5.3 and 6 to the financial statements on pages 107 & 108.

Directors' Responsibilities

The Statement of the Directors' Responsibilities is given on page 74 of this report.

Corporate Governance

The Company has complied with the corporate governance rules laid down under the listing rules of the Colombo Stock Exchange and the report on corporate governance best practices given in page 36

Dividend

Company paid one interim dividend of Rs. 0.125 and announced another interim dividend of Rs 0.10 per share amounting to Rs. 188,501,730/- during the financial year.

Reserves

The Reserves and Accumulated Profits as at 31 March 2020 amount to Rs. 1,338,790,365 vs Rs. 1,192,078,259 as at 31 March 2019. The breakup and the movement are shown in the Statement of Changes in Equity in the financial statements.

Stated Capital

As per the terms of the Companies Act No. 7 of 2007, the stated capital of the Company was Rs. 1,417,908,484. The movements are shown in the Statement of Changes in Equity in the financial statements.

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.

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 73 to the financial statements on page 80 and have been declared at the Board meeting, pursuant to Section 192 (2) of the Companies Act No. 7 of 2007.

BOARD COMMITTEES

Audit Committee

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

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

The report of the Audit Committee on page 71 set out the manner of compliance by the Company in accordance with the requirements of the Rule 7.10.6 of the Rules of the Colombo Stock Exchange on Corporate Governance.

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

Remuneration Committee

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

Mr. Ranjan Mather (Chairperson)
Mr. Rizvi Zaheed
Mr. Sidath Fernando

The report of the Remuneration committee on page 73 contain a statement of the remuneration policy. The details of the aggregate remuneration paid to the Executive, Non – Executive Directors and other key management personals during the financial year are given in Note 26.5 on page 125 to the financial statement.

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. Riyaz M.Sangani
Mr. Rizvi Zaheed

The report of the Investment and Strategy Committee on the strategic direction and the investment policy is given on page 70.

Related Party Transaction Review Committee

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

Mr. Sidath Fernando (Chairperson)
Mr. Sujendra Mather
Ms. Deepthie Wickramasuriya

The report of the Related Party Transactions Review Committee is given on page 73.

Investor Information and Shareholdings

The investor information is given on Page 134.

Major Shareholders

Details of twenty largest shareholders of the company and percentage held by each of them are disclosed in page 134.

Directors

The Directors of the Company as at 31 March 2020 and their brief profiles are given on page 18 in this report.

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

Mr. Shahid M. Sangani
Mr. Sattar Kassim

Mr. Ranjan Mather retire by rotation in terms of section 211 of the Companies Act No. 07 of 2007.

Independence of Directors

In accordance with Rule 7.10.3 of Colombo Stock Exchange Rules on Corporate Governance ('CSECG Rules'), Mr. Osman Kassim, Mr. Shahid M. Sangani, Mr. Ranjan Mather, Mr. C.F. Fuhrer, Mr. Sidath Fernando, Mr. Sattar Kassim, Mr. Sujendra Mather, Mr. M. Rizvi Zaheed, Ms. Deepthie Wickramasuriya who are Non-Executive Directors of the Company have submitted a signed and dated declaration to the Board of their Independence.

Directors' Shareholding

The interest of the Directors in the shares of the Company as at 31 March of 2019 and 2020 were as follows:

Director	No of Ordinary Shares	
	As at 31-03-2020	As at 31-03-2019
Mr. Osman Kassim	65,217,391	65,217,391
Mr. Osman Kassim / Mrs. K. Kassim	10,942,641	10,442,641
Mr. Riyaz M. Sangani	109,608,206	103,720,253
Mr. Shahid M. Sangani	4,227,569	4,227,569
Mr. Ranjan Mather	134,985,923	18,871,875
Mr. C. F. Fuhrer	1,098,398	1,098,398
Mr. Sidath Fernando	5,000,000	5,000,000
Mr. Sattar Kassim	74,137,368	73,637,368
Mr. Sujendra Mather	19,827,892	19,827,892
Mr. Rizvi Zaheed	NIL	NIL
Ms. Deepthie Wickramasuriya	NIL	NIL

Auditors

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

As far as the Directors are aware, the Auditors do not have any relationship 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 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.

Notice of Meeting

The Annual General Meeting will be held online on 4th August 2020 at 10.00am.

The Notice of the Annual General Meeting appears on page 138.

For and on behalf of the Board,

(Sgd.)

Osman Kassim

Chairman

(Sgd.)

Riyaz Sangani

CEO

(Sgd.)

Managers & Secretaries (Pvt) Ltd

Secretaries

Vidullanka PLC

10 July 2020

Colombo

BOARD COMMITTEES

Board appointed sub committees support the Board of Vidullanka PLC in effectively discharging its fiduciary duties toward the shareholders. The Board of Vidullanka PLC has appointed four subcommittees, which are, Investment & Strategy Committee, Audit committee, Remuneration Committee and Related Party transactions review committee.

Each of the committee is delegated with specific roles and duties to facilitate the Board making informed decisions. The committees comprised of directors who demonstrate required knowledge, experience, and expertise in assisting the Board functioning more effectively.

Investment & Strategy Committee

Dear Shareholder,

The report of the investment and strategy committee for the financial year 2019/20.

The Investment and Strategy Committee is delegated with the responsibility of critically reviewing investment proposals to ensure informed investment decision are made by the Board.

The committee also considers the long-term stability and focusses on improving the asset quality when evaluating the existing investments and recommends any remedial actions to be undertaken with regard to the underperforming investments. In addition, the committee ensures the compliance of the business and investment decisions with the investment policies and procedures in place. The committee also focuses on the developments in technological front internationally and advises the management on necessary actions to be taken accordingly.

The committee headed by the chairman of the board and the committee consist of following members.

Mr. Osman Kassim – Committee chairman (NED)
Mr. Ranjan Mather (NED)
Mr. Riyaz M. Sangani (CEO)
Mr Rizvi Zaheed(INED)

The key considerations during the period include the investment opportunities presented in several countries in Africa, formulation of collaborations with energy focused funds, determinations of required rate of return in investment based on different technologies and destinations etc.

Other considerations include review and approval of new countries for project developments in Africa and strategies to consolidate the overseas investments through an investment holding entity.

During the year 2019/20, the committee focused on,

1. Performance of the operations in existing projects.
2. Evaluation of new investments in foreign countries considering the climate, earlier access, regulatory requirements, and country risk profile.
3. Funding requirements of ongoing projects.
4. Capital structure and gearing level of the group before financing the funds of investments.

The committee held five meetings during the financial year with the participation of the all committee members.

(Sgd.)

Osman Kassim

Chairman - Investment and Strategy Committee.

10 July 2020

Audit Committee

Dear Shareholder,

Report on the affairs of the Audit Committee during the financial year 2019/20.

The primary objective of the company's audit committee is to ensure proper supervision of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations. Audit committee also plays pivotal role in ensuring the governance framework of the organization is in place and adhered.

It performs a key role in corporate governance regarding the organization's direction, control, and accountability. As a representative of the board of directors and as a key element of the corporate governance mechanism, the audit committee is involved in Vidullanka's both internal and external audits, internal control, accounting and financial reporting, regulatory compliance, and risk management.

Compositions of the Audit Committee

Ms. Deepthie Wickramasuriya (INED) – Chairman
Mr. Sidath Fernando (INED)
Mr. Shahid M. Sangani (NED)

In accordance with the corporate governance best practices, the Audit committee is comprised of non-executive directors of which majority are independent. The chairperson of the committee is a finance professional, also a member of a professional accounting body. Accordingly, the composition of the committee is in line with the requirements set out in the listing rules of the Colombo Stock Exchange.

Role of the Committee

The Audit committee focused on overseeing the preparation & presentation of financial statements, and ensure adequate disclosures are made in the financial statements in accordance with the requirements set out in the Sri Lanka Accounting Standards, Companies act, Listing rules of the Colombo Stock Exchange and other relevant reporting requirements. The committee members also ensured that internal controls and risk management framework are in place to safeguard the company and its stakeholders in the event of adverse events.

During the year, the audit committee focused on improving internal controls and the risk management framework. Further committee also reviewed and advised other committees when required including evaluating the related party transactions.

The Committee met 4 times during the year under review by participation by all members. Information on the attendance of these meetings is given on page 37

Duties carried out by the committee during the year are as follows,

1. Reviewed the quarterly and annual financial statements before publications.
2. Reviewed the internal risk management and control mechanism and advised on required improvements.

3. Reviewed the internal audit report and advised to management to adopt the appropriate improvements and followed up on the progress.
4. Reviewed new business proposals and assessed the impacts of the operations.
5. Reviewed and approved the appointment 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) Limited, Timex Bukinda Hydro (U) Limited and Vidul Engineering (U) Limited
6. Discussed the audit plan, key audit matters and management responses which related to the audit issues.
7. Reviewed the annual audited financial statements with management and the auditor by checking the legal and mandatory requirements.
8. Discussed the new policies & procedures which require changes, additions or amendments to the existing operations.
9. Engaged with management to assess the key risks faced by the company using risk mapping and assisted building appropriate mitigation actions.
10. Obtained formal confirmations from management on quarterly basis regarding the internal controls and compliance with laws & regulations.
11. Critically evaluated the performance and independence of the external auditors of the group and made recommendations to the Board.

BOARD COMMITTEES

Independent Auditors

Messer Ernst & Young, Chartered Accountants, 201, De Saram Place, Colombo 10 functions as the external auditor of all the group companies except for Muvumbe Hydro (u) Limited, Timex Bukinda Hydro (U) Limited and Vidul Engineering(U) Ltd. As details above the BDO East Africa, Kampala, Uganda functions as the external auditors of the above entities.

The audit committee having carefully evaluated the performance, terms of engagement, remuneration range and independence of the external auditors, recommends the reappointment of Messer, Ernst & Young, Chartered Accountants as the group external auditor for the financial year 2020/21.

I hereby confirm that the committee received adequate and relevant information from the Management assisting the committee fulfilling its duties and responsibilities to the Board.

(Sgd.)

Deepthie Wickramasuriya
Chairman - Audit Committee

10 July 2020

Remuneration Committee

Dear Shareholder,

Report on the affairs of the remuneration Committee during the financial year 2019/20.

Remuneration committee is assigned with the responsibilities of ensuring the remuneration policies and procedures of the company are best aligned with the industry best practices and capable of acquiring and retaining required talent and foster a performance driven culture to ensure that organizational goals are achieved. Committee also focuses on designing appropriate rewards that are market sensitive and flexible on the executive talent and performance.

The committee is also responsible for evaluating and recommending compensation schemes for the executive directors and the senior management.

The committee consists of following members, while CEO participated by invitation.

Mr Ranjan Mather (Chairman)- NED
Mr Sidath Fernando (INED)
Mr Rizvi Zaheed (INED)

Duties carried out by the committee during the year are as follows,

The Committee recommended the remuneration scales and policies ensuring that they are in line with the company's objectives, values, goals, and the long-term strategies taking into consideration the internal and external equity. During the year, HR policies and procedures were reviewed, refined and implemented.

The Committee members evaluated & approved the remuneration scale of the senior management including the annual performance bonuses. The Committee also reviewed the annual performance of the Board of directors in recommending a bonus payout. The details of the key management personnel compensation are given on note 26.5 to the financial statements on page 125. The non-executive directors are not eligible for any performance-based incentive payments.

The committee held two meeting during the year under review.

The annual evaluation of the remuneration committee was carried out by the Board during the year and no changes to the composition was made.

(Sgd.)

Ranjan Mather
Chairman – Remuneration Committee

10 July 2020

Related party Transaction Review Committee

Dear Shareholder,

The report on the activities of the related party transaction review committee during the year 2019/20.

The committee assists the board by critically reviewing and monitoring the proposed transactions with the related parties with ensuring such transactions are carried out on arm's length basis, by adhering with the requirements of section 9 of the Colombo stock exchange listing rules and Sri Lanka Accounting standards (LKAS 24).

In accordance with CSE listing rules – section 9.2.2, committee consists of Non-executive directors, among them majority are independent.

Mr Sidath Fernando -Committee chairman (INED)

Mr Sujendra Mather (NED)

Ms. Deepthie Wickramasuriya (INED)

Duties & responsibilities of the Related party Transaction Review Committee of Vidullanka PLC.

1. Review and approve in advance all the non-recurring intercompany and related party transactions occurred during the year.
2. Review and ratify the recurring intercompany transactions within the group, made changes to the transactions where necessary.
3. Review and approve any material changes to the ongoing related party transactions that were previously approved by the committee.
4. Review the effectiveness of the internal controls relating to the related party transactions and ensure compliance with the policies and procedures.
5. Obtain required information from the management and source external expertise if required to better understand and assess the implications of the related party transactions.
6. Review the interim and annual financial statements to ensure related party disclosures have been made accurately.
7. Check the appropriate management approvals before the transactions taken place.
8. Identify and advise the board on the scenarios that requires shareholder approval.
9. Recommend to the board on disclosures need to be made in the annual report.

During the year the committee evaluated and approved related party transactions including an addendum to the agreement between Vidul Biomass (Pvt) Limited and Vidul Plantation (Pvt) Limited, Transactions between Timex Bukinda Hydro (U) Limited and Vidul Engineering (U) Limited and exchange of foreign currency between Muvumbe Hydro (U) Limited, Timex Bukinda Hydro (U) Limited and Vidul Engineering (U) Limited.

The committee having reviewed the related party transactions and balances summarized in the notes 7, 11 and 26 of the financial statements, declared that the company has not entered into any non-recurrent related party transactions which in aggregate value exceed 10% of the equity or 5% of the total assets whichever is lower as per the latest Audited Financial Statements and the company has not entered into recurrent related party transactions which in aggregate value exceeds 10% of the gross consolidated revenue/income as per the latest Audited Financial Statements.

The committee met two times during the year including once using the audio-visual technologies considering the social distancing requirements in place.

(Sgd.)

Sidath Fernando

Chairman - Related Party Transaction Review Committee

10 July 2020

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,

(Sgd.)

Managers & Secretaries (Pvt) Ltd
Secretaries

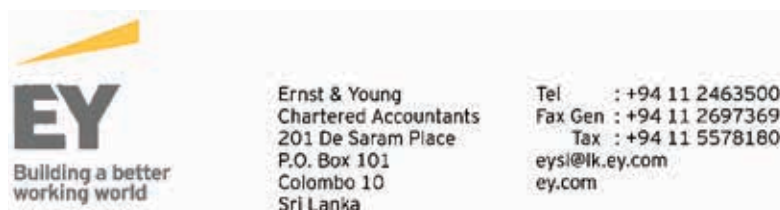
Vidullanka PLC
10 July 2020



FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT



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 2020, 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 summary of significant accounting policies.

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 2020, 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 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: W R H Fernando FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H De Silva ACA ACMA W K B S P Fernando FCA FCMA
Ms. K R M Fernando FCA ACMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA Ms. P V K N Sajeewani FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA
Principals: G B Goudian ACMA A A J R Perera ACA ACMA T P M Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
Annual impairment of Goodwill	
The financial statements, include Goodwill on consolidation amounting to Rs. 277,174,512 which is subject to an annual impairment test using significant judgment and estimates as disclosed in Note 5.2.1 to the financial statements.	Our audit procedures included the following procedures amongst others. We involved our internal specialists to assist us, in assessing the appropriateness of the models and reasonableness of estimates used by the management.
Therefore, we have determined this to be a Key audit matter.	We also assessed the adequacy of the related disclosures in Note 5.2.1 to the financial Statements.

Other Information included in the 2020 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.

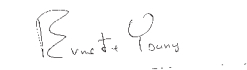
We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Accountant of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is M-2440.



26 June 2020
Colombo

STATEMENT OF FINANCIAL POSITION

		2020	Group	2019	2020	Company	2019
As at 31 March	Notes	Rs.		Rs.	Rs.		Rs.
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	4	4,932,208,960		4,116,382,099	446,284,304		459,794,276
Biological Assets	4.1.8	25,607,709		25,607,709	-		-
Right of Use Assets	4.3	169,148,138		-	13,134,049		-
Investments in Subsidiaries	5.1	-		-	1,318,896,133		951,167,461
Investment in Joint Ventures and Associate	5.2.4	572,994,834		537,798,194	414,291,550		387,045,434
Other Project Investments	6	91,991,105		92,715,919	91,991,105		91,047,169
Goodwill	5.2.1	277,174,512		248,999,594	-		-
Deferred Tax Asset	10.3	542,659		437,545	-		-
		6,069,667,917		5,021,941,060	2,284,597,141		1,889,054,340
Current Assets							
Inventories		31,865,565		19,223,619	6,058,913		4,994,018
Trade and Other Receivables	7	882,888,947		507,802,191	509,376,557		436,528,976
Other Financial Assets	5.3.1	31,841,500		-	31,841,500		-
Cash and Cash Equivalents	20	366,223,883		240,310,787	7,637,282		28,940,347
		1,312,819,895		767,336,597	554,914,252		470,463,341
Total Assets		7,382,487,812		5,789,277,657	2,839,511,393		2,359,517,681
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated Capital	8	1,417,908,484		1,417,908,484	1,417,908,484		1,417,908,484
Retained Earnings		1,338,790,365		1,192,078,259	662,268		34,566,059
Other Components of Equity		188,042,668		101,794,975	-		-
Equity attributable to Equity Holders of the Parent		2,944,741,517		2,711,781,718	1,418,570,752		1,452,474,543
Non Controlling Interest		56,055,377		41,587,769	-		-
Total Equity		3,000,796,894		2,753,369,487	1,418,570,752		1,452,474,543
Non-Current Liabilities							
Loans and Borrowings	9.1	2,350,231,672		2,110,490,967	550,000,000		650,000,000
Defined Benefit Liability	12	33,355,135		27,524,488	28,371,220		23,503,282
Deferred Tax Liability	10.2	283,192,233		192,446,454	10,264,733		-
Lease Liability	21.3	87,540,780		13,760,607	8,267,600		9,734,095
		2,754,319,820		2,344,222,516	596,903,553		683,237,377
Current Liabilities							
Trade and Other Payables	11	479,111,776		138,155,658	280,327,355		149,801,156
Loans and Borrowings	9	1,047,593,612		543,519,435	538,118,673		70,000,000
Income Tax Liabilities		89,856,490		5,013,070	-		-
Lease Liability	21.3	10,809,220		4,997,491	5,591,060		4,004,605
		1,627,371,098		691,685,654	824,037,088		223,805,761
Total Equity and Liabilities		7,382,487,812		5,789,277,657	2,839,511,393		2,359,517,681
Net Asset Value Per Share (Rs.)		3.51		3.24	1.69		1.73

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

(Sgd.)
Mafaz Ansar
 Finance Controller

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 84 through 133 form an integral part of these Financial Statements.

26 June 2020
 Colombo

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Notes	Group		Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Revenue	13	1,440,380,462	1,281,956,166	288,524,941	244,866,953
Cost of Sales		(377,897,714)	(301,555,104)	(48,726,744)	(50,443,665)
Gross Profit		1,062,482,748	980,401,062	239,798,197	194,423,288
Other Income and Gains / (Losses)	17	77,626,039	116,567,320	258,899,857	118,185,541
Investment Income from Joint Ventures / Associates		29,754,121	62,975,199	-	-
Administrative Expenses		(270,517,125)	(242,367,402)	(197,802,087)	(199,444,924)
Finance Cost	15	(320,155,540)	(295,440,813)	(129,096,357)	(92,148,304)
Finance Income	16	2,908,304	2,076,753	2,671,922	1,971,297
Profit/(Loss) Before Tax	14	582,098,546	624,212,119	174,471,532	22,986,898
Income Tax (Expense) / Reserve	10	(220,436,714)	(96,893,955)	(10,264,733)	(1,266,579)
Profit/(Loss) for the Year		361,661,833	527,318,164	164,206,799	21,720,319
Other Comprehensive Income (OCI)					
Other Comprehensive Income Not to be Reclassified to Profit or Loss in Subsequent Period					
Net Actuarial Gain/(Loss) on Defined Benefit Plan	12	(138,088)	(645,021)	(211,505)	(340,570)
Income Tax on Other Comprehensive Income		14,298	108,950	29,611	47,680
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Period					
Exchange differences on translation of foreign operations		86,247,693	70,332,078	-	-
Share of other Comprehensive Income of Equity Accounted Investees (Net of Tax)		621,403	(1,716,095)	-	-
Other Comprehensive Income for the Year, Net of Tax		86,745,306	68,079,912	(181,894)	(292,890)
Total Comprehensive Income for the Year, Net of Tax		448,407,139	595,398,076	164,024,905	21,427,429
Profit Attributable to :					
Equity Holders of the Parent		344,143,760	513,612,052	164,206,799	21,720,319
Non-Controlling Interests		17,518,073	13,706,112	-	-
		361,661,833	527,318,164	164,206,799	21,720,319
Total Comprehensive Income Attributable to :					
Equity Holders of the Parent		430,888,495	581,692,568	164,024,905	21,427,429
Non-Controlling Interests		17,518,644	13,705,508	-	-
		448,407,139	595,398,076	164,024,905	21,427,429
Earnings Per Share - Basic	18	0.41	0.62	0.20	0.03
Dividend Per Share		-	-	0.23	0.15

The accounting policies and notes on pages 84 through 133 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Group	Note	Stated Capital Rs.	Retained Earnings Rs.	Foreign currency translation reserve Rs.	Non-Controlling Interest Rs.	Total Rs.
Balance as at 31 March 2018		1,342,608,484	806,385,589	31,462,897	27,882,261	2,208,339,231
Profit for the Year		-	513,612,052	-	13,706,112	527,318,164
Other Comprehensive Income		-	(2,251,562)	70,332,078	(604)	68,079,912
Total Comprehensive Income for the Year		-	511,360,490	70,332,078	13,705,508	595,398,076
Share Issue		75,300,000	-	-	-	75,300,000
Dividend paid during the year	19	-	(125,667,820)	-	-	(125,667,820)
Balance as at 31 March 2019		1,417,908,484	1,192,078,259	101,794,975	41,587,769	2,753,369,487
Balance as at 01 April 2019		1,417,908,484	1,192,078,259	101,794,975	41,587,769	2,753,369,487
Profit for the Year		-	344,143,760	-	17,518,073	361,661,833
Other Comprehensive Income		-	497,043	86,247,693	570	86,745,306
Total Comprehensive Income for the Year		-	344,640,802	86,247,693	17,518,643	448,407,139
Prior Year Adjustment		-	(9,426,967)	-	-	(9,426,967)
Dividend Paid during the Year	19	-	(104,723,183)	-	(3,051,035)	(107,774,218)
Dividend Payable as at End of the Year	19	-	(83,778,547)	-	-	(83,778,547)
Balance as at 31 March 2020		1,417,908,484	1,338,790,365	188,042,668	56,055,377	3,000,796,894

Company	Note	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31 March 2018		1,342,608,484	138,806,450	1,481,414,934
Profit for the Year		-	21,720,319	21,720,319
Other Comprehensive Income		-	(292,890)	(292,890)
Total Comprehensive Income for the Year		-	21,427,429	21,427,429
Share Issue		75,300,000	-	75,300,000
Dividend Paid during the Year	19	-	(125,667,820)	(125,667,820)
Balance as at 31 March 2019		1,417,908,484	34,566,059	1,452,474,543
Opening Balance as at 01 April 2019		1,417,908,484	34,566,059	1,452,474,543
Profit for the Year		-	164,206,799	164,206,799
Other Comprehensive Income		-	(181,894)	(181,894)
Total Comprehensive Income for the Year		-	164,024,905	164,024,905
Prior Year Adjustment		-	(9,426,967)	(9,426,967)
Dividend Paid during the Year	19	-	(104,723,183)	(104,723,183)
Dividend Payable as at end of the Year	19	-	(83,778,547)	(83,778,547)
Balance as at 31 March 2020		1,417,908,484	662,268	1,418,570,752

The accounting policies and notes on pages 84 through 133 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

		Group	Company		
Year ended 31 March	Notes	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Operating Activities					
Profit / (Loss) Before Tax		582,098,546	624,212,119	174,471,532	22,986,898
Adjustments for					
Depreciation Property, Plant and Equipment	4	150,165,822	149,982,744	21,659,258	24,470,006
(Profit) / Loss on Disposal of Property, Plant and Equipment	17	(943,620)	28,738	(943,620)	28,738
Expenses on Defined Benefit Plan	12	6,218,451	5,189,922	5,294,396	4,238,419
Net (Gain) / Loss on Translation of Foreign Currency		14,091,529	-	-	-
Dividend Income	17	-	-	(257,980,250)	(47,512,500)
Impairment / Written Off		2,419,365	13,750,000	580,309	13,750,000
Profits on Disposal of Stakes		-	(43,627,679)	-	(69,830,708)
Share of Profits from Joint Ventures		(29,754,121)	(62,975,199)	-	-
Finance Income		(3,078,793)	(2,076,753)	(2,671,922)	(1,971,297)
Finance Cost	15	320,155,540	295,440,813	129,096,357	92,148,304
Amortization of Goodwill	5.2.1	1,482,890	-	-	-
Depreciation of Right to Use Assets	4.3.2	14,550,695	-	5,232,243	-
Stock Written (Back) / Off		(886,057)	-	-	-
Operating Profit Before Working Capital Changes		1,056,520,248	979,924,706	74,738,303	38,307,860
(Increase) / Decrease in Inventories		(11,223,358)	(1,590,919)	(1,064,900)	(404,107)
(Increase) / Decrease in Trade & Other Receivables		(934,610,481)	(20,388,847)	(82,277,379)	51,335,661
Increase / (Decrease) in Other Payables		788,467,859	(228,355,151)	46,747,653	(23,046,224)
Cash Generated from / (Used in) Operations		899,154,269	729,589,789	38,143,677	66,193,190
Finance Cost Paid		(316,877,677)	(251,949,749)	(129,096,357)	(47,682,957)
Defined Benefit Plan Cost Paid	12	(362,313)	(409,500)	(152,000)	(409,500)
Income Tax Paid		(45,151,454)	(24,261,660)	-	-
Capital Gain Tax Paid		-	(5,449,816)	-	(5,449,816)
Net Cash from / (Used in) Operating Activities		536,762,824	447,519,064	(91,104,680)	12,650,917
Investing Activities					
Acquisition of Property, Plant and Equipment		(811,481,798)	(60,006,714)	(21,225,915)	(14,175,598)
Acquisition of Right to Use Asset		(70,620,868)	-	-	-
Proceeds from sale of Property, Plant and Equipment		1,000,000	-	1,000,000	-
Proceeds from Disposal of Stake		-	74,415,573	-	74,415,573
Investment in New Projects		(1,524,245)	(18,837,042)	(1,524,245)	(17,168,292)
Investment on Other Financial Assets	5.3.1	(31,841,500)	-	(31,841,500)	-
Finance Income Received		2,614,759	2,076,753	2,218,401	1,971,297
Investment in Subsidiaries		-	-	(367,728,672)	(71,459,000)
Investment in Joint Ventures		(27,246,116)	(75,531,107)	(27,246,116)	(75,479,597)
Dividend Received		22,425,000	17,512,061	257,980,250	47,512,500
Net Cash Flows from / (Used in) Investing Activities		(916,674,768)	(60,370,476)	(188,367,796)	(54,383,117)
Financing Activities					
Dividend Payments		(107,774,218)	(125,667,820)	(104,723,183)	(125,667,820)
Principal Payment under Ijara-Leases (Motor Vehicle)	9.1.1	(5,144,838)	(9,916,987)	(4,004,604)	(3,031,154)
Principal Payment under Murabaha Facilities		-	(44,003,178)	-	(44,003,178)
Principal Payment under Diminishing Musharakah Facilities	9.1.2	(508,571,696)	(500,198,066)	(50,000,000)	-
Principal Payment under Wakala Facilities	9.1.3	(7,000,000)	(113,000,008)	-	(110,000,008)
Principal Payment under Short Term Facilities	9.1.4	(104,714,453)	(790,917,717)	(104,714,453)	(790,917,717)
Proceeds from Ijara-Leases (Motor Vehicle)	9.1.1	2,026,500	20,215,000	-	14,550,000
Proceeds from Wakala Facilities		5,000,000	5,000,000	-	-
Proceeds from Diminishing Musharakah Facilities	9.1.2	713,457,782	912,980,000	-	700,000,000
Proceeds from Short Term Facilities	9.1.4	522,833,126	393,054,708	522,833,126	393,054,708
Principal Payment under SLFRS 16 - Non- Motor	21.3	(4,287,163)	-	(1,221,475)	-
Net Cash Flows from / (Used in) Financing Activities		505,825,040	(252,454,068)	258,169,411	33,984,831
Net Increase / (Decrease) in Cash and Cash Equivalents		125,913,096	134,694,521	(21,303,065)	(7,747,368)
Cash and Cash Equivalents at the Beginning of the Year		240,310,787	105,616,266	28,940,347	36,687,715
Cash and Cash Equivalents at the End of the Year	20	366,223,883	240,310,787	7,637,282	28,940,347

The accounting policies and notes on pages 84 through 133 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Vidullanka PLC ("the Company") is a public quoted Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at Level 4, Access Towers, No.278, Union Place, Colombo 02 and the principal places of business are situated in Rathnapura District.

The Consolidated financial statements of the Company for the year ended 31 March 2020 comprise the Company and its Subsidiaries (together referred as the "Group").

Subsidiaries

Vidullanka PLC has investments in 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%
Walagamba Balashakthi (Pvt) Ltd.	07 Jul 2008			100%
Rideepana Hydro (Pvt) Ltd.	19 Mar 2010			95%
Lower Kotmale Oya Hydro Power (Pvt) Ltd.	06 Apr 2010			100%
Udawela Hydro (Pvt) Ltd.	24 Nov 2009			100%
Vidul Plantation (Pvt) Ltd.	20 Feb 2015			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 4846, Kampala.	95%
Timex Bukinda Hydro (U) Ltd.	30 may 2011			100%
Vidul Engineering (U) Ltd.	11 Jan 2019			100%

Additionally, Vidul plantation (Pvt) Limited has acquired control of Vasanagama Plantations (Pvt) Limited, during the financial year. The Vasanagama Plantations (Pvt) Limited 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 at Kandaketiya Badulla District. Vidul Plantation (Pvt) Limited holds 100% equity stake in the company.

Joint Ventures

Vidullanka PLC has following investment in the following joint venture companies;

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

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

Associate

Nilwala Vidulibala Company (Pvt) Limited is a limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at Pahuruthota, Morawaka, Matara and the principal place of business is located at Morawaka, Matara. Vidullanka PLC holds 26.3% equity stake in the company.

1.2 Principal Activities and Nature of Operations

Company

The principal activity of the company is to produce electrical energy and transmit to feed the national grid. For this purpose the company has constructed two hydro power plants at Bambarabatuoya, Balangoda Ratnapura and Batathota Kuruwita. Bambarabatuoya Mini Hydro power plant commenced its operation during June 2001 and the Batathota Mini Hydro Power Plant commenced its operation during March 2007.

Subsidiaries

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

The principal activity of Walagamba Balashakthi (Pvt) Limited is to produce electrical energy and transmit to feed the national grid from its Wembiyagoda mini hydro power plant in Kalawana Rathnapura.

The principal activity of Rideepana Hydro (Pvt) Limited is to produce electrical energy and transmit to feed the national grid from its Rideepana mini hydro power plant in Badulla.

The principal activity of Lower Kotmale Oya Hydro Power (Pvt) Ltd is to produce electrical energy and transmit to feed the national grid from its Kotmale mini hydro power plant in Kotmale.

The principal activity of Udawela Hydro (Pvt) Limited is to produce electrical energy and transmit to feed the national grid from its Udawela mini hydro power plant in Badulla.

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

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

Joint Ventures

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

The principal activity of Vidul Biomass (Pvt) Ltd is to produce electrical energy and transmit to feed the national grid

from the Dehiyathakanidiya dendro power plant in Nawamedagama, Ampara. The power plant was commissioned to the national grid on 28th May 2019.

Associate

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.

1.3 Date of Authorization for Issue

The Consolidated Financial Statements of Vidullanka PLC, for the year ended 31 March 2020 was authorized for issue in accordance with a resolution of the Board of Directors on 26 June 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

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

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Group's annual financial statements in the previous financial year, except for the adoption of new standards effective as of 1st April 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applied SLFRS 16 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

2.1.3.1 Leases

New and amended standards and interpretations SLFRS 16, Leases

SLFRS 16 "Leases" replaced Sri Lanka Accounting Standard (LKAS 17) - Leases, IFRIC 4 – Determining whether an arrangement contains a Lease, SIC 15 - Operating Leases-Incentives and SIC 27- Evaluating the Substance of Transactions Involving the Legal Form of a Lease. SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under LKAS 17.

The Group has applied SLFRS 16 using the modified retrospective approach from 1 April 2019, without restating comparatives for 2019 reporting period, as permitted under the specific transitional provisions in the standard. Additionally, the disclosure requirements in SLFRS 16 have not generally been applied to comparative information.

Recognition

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

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

Company as a lessee

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under LKAS 17. It results in almost all leases being recognized on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized.

The exceptions were short-term and low-value leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for the users of financial statements to assess the effect that leases have on the financial position.

The Group has applied the standard from its mandatory adoption date which financial reporting period starting from 1st April 2019 under the modified retrospective method. The Group used

the simplified transition approach and not restates comparative amounts for the year prior to first adoption. The standard affects primarily the accounting for the operating leases and lease commitments.

The lease commitments of the Group has in relation to the motor vehicles, the land where the power plants located and head office building. The Group has adopted SLFRS 16 on the remaining lease term at end March 2019 where the lease commitment was discounted using an incremental borrowing rate of a similar term borrowing.

Right to use asset

The company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The depreciation charged during the lease term is recognized in the Statement of Comprehensive Income.

Lease liability

At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Interest on lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance lease liability. Interest cost is charges to the comprehensive income statements. Interest rate is the entity's incremental borrowing rate.

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 2020. 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 re-classified wherever necessary to conform to the current year's presentation.

The comparative amounts presented, have not been restated due to the adoption of SLFRS 16 as specified in Note 2.1.3. The reclassification of previous year's lease liability been specified in Note 30.

2.2 Significant Accounting Judgments, Estimates And Assumptions

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

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

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

2.2.1 Going Concern

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

NOTES TO THE FINANCIAL STATEMENTS

Impact of COVID 19 on business continuity

COVID 19 has been relatively minimal impact to Vidullaka Group as a power producer. Power been essential services declared during COVID 19 pandemic there were no disruptions in supply of power.

The power generation at local hydro power plants and Muvumbe small hydro power plant in Uganda continued without any disruptions, as essential services. The company implemented all the precautionary measures advised in operating the power plants. However, further delays being experienced in receiving the payments from the CEB.

Dehiyathakandiya dendro power plant operated at reduced capacity due to the fuel supply shortages experienced during the lockdown period.

Construction work at Bukinda small hydro power plant continued, despite the lockdowns preventing supplier's engineers travelling to the project site. The relevant works undertaken by the company's own engineering team at site with the technical assistances from the supplier's engineers via video links.

The dividend declared by the company on 13 March 2020, had to be deferred as it had not completed relevant number of Market days required for XD date. Subsequently the XD date rescheduled to 13 May 2020 and payments dispatched on 22 May 2020.

2.2.2 Impairment loss on non-financial assets

The Group determines whether the assets have been impaired by performing an impairment review. If any such indication exists or when annual impairment testing for the assets is required, the Group makes an estimate of the assets recoverable amount. This requires the estimation of the 'value

in use' of the cash generating units. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the cash generating unit and also to select a suitable discount rate in order to calculate the present value of the relevant cash flows. This valuation requires the Group to make estimates about expected future cash flows and discount rates, and hence, they are subject to uncertainty.

2.2.3 Defined Benefit Plan

The cost of the defined benefit plans and the present value of their obligations are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of Sri Lanka Government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rates and expected future salary increase rate of the Company.

2.2.4 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.

2.3 Summary of Significant Accounting Policies

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

Gurugoda Hydro (Pvt) Limited, Vidul Madugeta (Pvt) Limited, Lower Kotmale Oya Hydro Power (Pvt) Limited and Walagamba Balashakthi (Pvt) Limited, Udawela Hydro (Pvt) Limited are the companies approved under Board of Investments Law, as such the companies enjoy a tax holiday for five years effective from the year in which the company commences to make profits or any year of assessment not later than two years reckoned from the date of commencement of commercial operations, whichever is earlier, as per the agreement dated 28 May 2009, 29 September 2011, 2 June 2011, 28 October 2010 and 07 April 2016 respectively. Currently, the companies are in the tax holiday period except Lower Kotmale oya hydro power (Pvt) Ltd Gurugoda Hydro (Pvt) Limited, Walagamba Balashakthi (Pvt) Ltd and Vidul Madugeta (Pvt) Ltd.

After the expiration of the tax exemption period or tax holiday, the income of the Company shall be charged at the concessionary rate of 10% for a period of 2 years and 20% thereafter.

Rideepana Hydro (Pvt) Limited is a BOI approved company entitle for a 6 year tax holiday under subsection 16 of the inland revenue act of 10 of 2006 having invested

over Rs.300mn by 31 March 2015 as an specific undertaking. In accordance with the transitional provisions of the Inland Revenue Act No.24 of 2017, the benefits and concessions extended under BOI agreements will prevail.

After the expiration of the aforesaid concessionary tax rate the profits and income of the enterprises shall for any year of assessment be changed at the rate specified in the Inland Revenue Act.

However, other income of the company is liable for income tax in accordance with the provisions of the Inland Revenue Act.

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

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.

2.3.5 Borrowing Costs

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

2.3.6 Inventories

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

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

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

2.3.7 Financial Instruments – Initial Recognition and Subsequent Measurement

2.3.7.1 Financial Assets

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

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

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or

loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in income statement.

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

Subsequent Measurement

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

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

a) Financial assets at amortized cost (debt instruments)

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

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

Financial assets at amortized cost are subsequently measured using the effective interest (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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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 instalments.

Office Furniture	10 Years
Office Equipment	02 Years to 05 Years
Plant and Machinery	40 Years
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 Measurement 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.

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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 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.

2.3.12 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.

2.3.13 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.

2.3.14 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/ expenses in the year in which it arose itself.

b) Funding Arrangements

The gratuity liability is not externally funded.

2.3.15 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.

2.4 Statement of Comprehensive Income

2.4.1 Revenue Recognition

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

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

a) Energy Supplied

Revenue from energy supplied is recognized, upon delivery of energy from the power plant and the adjustment

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

b) Interest

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

c) Rendering of Services

Revenue from rendering of services is recognized by reference to the stage of completion.

d) Dividend Income

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

e) Other Income

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

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

presented on a net basis.

2.4.2 Expenditure Recognition

- a) Expenses are recognized in the income statement on the basis of direct association between the cost incurred and the earning of specific item of income. All expenditure incurred in the running of the business and the maintenance of the property plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.
- b) For the purpose of presentation of Statement of Comprehensive Income, the Directors are of the opinion that function of expenses method presents fairly the elements of the Group’s performance, and hence such presentation method is adopted.
- c) Finance expenses are recognized in the Statement of Comprehensive Income on effective interest cost basis.

2.4.3 Segment Reporting

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

The Group comprises of Four major business segments: Hydro-Power Generation (Local), Hydro-Power Generation (Overseas), Dendro and Plantation-Local and Engineering, Consultation & Project Management (Local and Overseas). Details of the segment reporting are shown in Note 22

NOTES TO THE FINANCIAL STATEMENTS

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.

3. AMENDMENT TO STANDARDS ISSUED BUT NOT YET EFFECTIVE AS AT REPORTING DATE

Amendments to Sri Lanka Accounting Standard - LKAS 1 "Presentation to Financial Statements" and Sri Lanka Accounting Standard - LKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendments LKAS 1 "Presentation of Financial Statements" and LKAS 8 "Accounting policies, Changes in accounting Estimates and Errors" align the definition of "material" across the standard and clarify certain aspects of the definition. The new definition states that, "information is material if omitting or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose Financial Statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments are applied prospectively for the annual periods beginning on or after 1st January 2020 with early application permitted.

4. PROPERTY, PLANT AND EQUIPMENT

4.1 GROUP

4.1.1 Gross Carrying Amounts

	Balance As at 01.04.2019 Rs.	Additions/ Transfers Rs.	Transfers/ Disposals Rs.	Exchange Differences Rs.	Balance As at 31.03.2020 Rs.
Freehold Land	65,671,962	1,698,282	-	629,836	68,000,080
Office Furniture and Fittings	14,233,279	3,918,838	-	171,512	18,323,629
Office Equipment	21,570,956	3,665,321	(241,032)	485,951	25,481,197
Computers and Computer Equipment	26,031,394	1,985,719	-	360,806	28,377,919
Plant and Machinery	4,517,405,872	12,782,728	(2,788,090)	138,711,094	4,666,111,604
Motor Vehicles	42,314,057	1,487,200	(4,932,335)	503,804	39,372,726
	4,687,227,520	25,538,088	(7,961,457)	140,863,005	4,845,667,156
Transferred to Right of Use Asset					
Motor Vehicle	14,891,072	-	(14,891,072)	-	-
	14,891,072	-	(14,891,072)	-	-
Total Value of Depreciable Assets	4,702,118,592	25,538,088	(22,852,529)	140,863,005	4,845,667,156

4.1.2 In the Course of Construction

Power Plant Work-in-Progress	96,535,044	773,278,756	(1,120,100)	51,802,180	920,495,880
	96,535,044	773,278,756	(1,120,100)	51,802,180	920,495,880
Total Gross Carrying Value	4,798,653,636	798,816,844	(23,972,629)	192,665,185	5,766,163,036

4.1.3 Depreciation

	Balance As at 01.04.2019 Rs.	Charge for the year/Transfers Rs.	Transfers/ Disposals Rs.	Exchange Differences Rs.	Balance As at 31.03.2020 Rs.
At Cost					
Office Furniture and Fittings	8,571,411	1,695,587	-	79,764	10,346,762
Office Equipment	13,464,209	3,155,392	-	185,288	16,804,889
Computers and Computer Equipment	18,366,916	3,269,108	-	239,171	21,875,195
Plant and Machinery	602,305,442	137,172,752	(270,806)	10,951,239	750,158,627
Motor Vehicles	34,435,203	4,872,983	(4,932,335)	392,752	34,768,603
	677,143,181	150,165,822	(5,203,141)	11,848,214	833,954,076
Transferred to Right of Use Asset					
Motor Vehicle	5,128,356	-	(5,128,356)	-	-
	5,128,356	-	(5,128,356)	-	-
Total Depreciation	682,271,537	150,165,822	(10,331,497)	11,848,214	833,954,076

NOTES TO THE FINANCIAL STATEMENTS

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

4.1.4 Net Book Values

At Cost	2020 Rs.	2019 Rs.
Freehold Land	68,000,080	65,671,962
Office Furniture and Fittings	7,976,867	5,661,868
Office Equipment	8,676,308	8,106,747
Computers and Computer Equipment	6,502,724	7,664,478
Plant and Machinery	3,915,952,979	3,915,100,430
Motor Vehicles	4,604,124	7,878,854
	4,011,713,080	4,010,084,339
Transferred to Right of Use Asset		
Motor Vehicles	-	9,762,716
	-	9,762,716
In the Course of Construction		
Power Plant Work-in-Progress	920,495,880	96,535,044
	920,495,880	96,535,044
Total Carrying Amount of Property, Plant and Equipment	4,932,208,960	4,116,382,099

4.1.5 During the year the group acquired Property, Plant and Equipment aggregate value of Rs. 25,538,088/- (2019 - Rs. 77,051,613/-) and during the year Group incurred Rs. 773,278,756/- for the development of Bukinda SHPP (2019 - Rs. 99,755,774/-)

4.1.6 Property, Plant and Equipment includes fully depreciated assets that are still in use having a gross carrying amount of Rs. 67,970,015/- and in (2019- Rs 66,004,805/-).

4.1.7 The Group holds a gross extent of 20.48 acres of land in Balangoda, Kalawana, and Kuruwita, Ratnapura District. The Group also owns the civil structures of the power plants located in Balangoda, Kalawana and Kuruwita, Lower Kotmale and Badulla.

4.1.8 Biological Assets

	Balance As at 01.04.2019 Rs.	Additions/ Transfers Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2020 Rs.
Gross Carrying Amounts				
Gliricidia fuel wood	28,621,828	-	-	28,621,828
	28,621,828	-	-	28,621,828
Depreciation				
	Balance As at 01.04.2019 Rs.	Charge for the Year Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2020 Rs.
Gliricidia fuel wood	3,014,119	-	-	3,014,119
Total Depreciation	3,014,119	-	-	3,014,119

Net Book Values At Cost	2020 Rs.	2019 Rs.
Written Down Value	25,607,709	25,607,709

As at period ended 31 March 2020, Biological Assets were in immature stage thereby not depreciated for the current year.

4.2 COMPANY

4.2.1 Gross Carrying Amounts

At Cost	Balance As at 01.04.2019 Rs.	Additions / Transfers Rs.	Transfers / (Disposals) Rs.	Balance As at 31.03.2020 Rs.
Freehold Land	27,839,175	-	-	27,839,175
Office Furniture and Fittings	9,614,200	3,421,184	-	13,035,384
Office Equipment	13,051,620	224,805	-	13,276,425
Computers and Computer Equipment	14,531,389	1,451,666	-	15,983,055
Plant and Machinery	647,099,749	4,581,352	-	651,681,101
Motor Vehicles	22,548,639	-	(4,932,335)	17,616,304
	734,684,772	9,679,007	(4,932,335)	739,431,444

Transferred to Right of Use Asset

Motor Vehicle	7,458,075	(7,458,075)	
	7,458,075	(7,458,075)	-

4.2.2 In the Course of Construction

Work-in-Progress	-	800,000	-	800,000
	-	800,000	-	800,000
Total Gross Carrying Value	742,142,847	10,479,007	(12,390,410)	740,231,444

4.2.3 Depreciation

At Cost	Balance As at 01.04.2019 Rs.	Charge for the year/ Transfers Rs.	Transfers/ (Disposals) Rs.	Balance As at 31.03.2020 Rs.
Office Furniture and Fittings	6,528,052	855,236		7,383,288
Office equipment	9,726,006	1,441,380		11,167,386
Computers and Computer Equipment	10,600,559	1,564,909		12,165,468
Plant and Machinery	227,835,129	17,795,306		245,630,435
Motor Vehicle	22,530,469	2,428	(4,932,335)	17,600,562
	277,220,215	21,659,258	(4,932,335)	293,947,139

Transferred to Right of Use Asset

Motor Vehicles	5,128,356	-	(5,128,356)	-
	5,128,356		(5,128,356)	-
Total Depreciation	282,348,571	21,659,258	(10,060,691)	293,947,139

NOTES TO THE FINANCIAL STATEMENTS

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

4.2.4 Net Book Values

At Cost	2020 Rs.	2019 Rs.
Freehold Land	27,839,175	27,839,175
Office Furniture and Fittings	5,652,096	3,086,148
Office Equipment	2,109,039	3,325,614
Computers and Computer Equipment	3,817,586	3,930,830
Plant and Machinery	406,050,666	419,264,620
Motor Vehicles	15,742	18,170
	445,484,304	457,464,557
Transferred to Right of Use Asset		
Motor Vehicles	-	2,329,719
	-	2,329,719
In the Course of Construction		
Work-in-Progress	800,000	-
Total Carrying Amount of Property, Plant and Equipment	446,284,304	459,794,276

4.2.5 During the year the company acquired Property, Plant and Equipment aggregate value of Rs 9,679,007/- (2019- Rs. 14,175,598/-)

4.2.6 Property, Plant and Equipment includes fully depreciated assets that are still in use having a gross carrying amount of Rs. 48,249,764/- and in (2019- Rs. 48,190,134/-).

4.2.7 The Company holds lands with a gross extent of 7.51 acres in Balangoda and Kuruwita in Ratnapura District. The Company also owns the civil structures associated with the power plants in the above said locations.

4.3 Right of Use Assets

4.3.1 Gross Carrying Amounts

Group	Balance As at 01.04.2019	Recognition of Right of use asset	Additions & Improvements / (Disposals)/ Exchange gain or loss	Balance As at 31.03.2020
At Cost	Rs.	Rs.	Rs.	Rs.
Land	-	132,026,095	-	132,026,095
Buildings	-	29,192,993	-	29,192,993
Motor Vehicle (4.1.1)	14,891,072		12,717,030	27,608,102
	14,891,072	161,219,088	12,717,030	188,827,190

4.3.2 Depreciation

At Cost	Balance As at 01.04.2019 Rs.	Charge for the year Rs.	Exchange Gain / loss Rs.	Balance As at 31.03.2020 Rs.
Land	-	3,573,013	-	3,573,013
Buildings	-	7,255,701	-	7,255,701
Motor Vehicle (4.1.3)	5,128,356	3,721,982		8,850,338
	5,128,356	14,550,696	-	19,679,052

4.3.3 Net Book Values

At Cost	2020 Rs.	2019 Rs.
Land	128,453,082	-
Buildings	21,937,292	-
Motor Vehicle	18,757,764	
	169,148,138	-

4.3.4 Company

Gross Carrying Amounts	Balance As at 01.04.2019 Rs.	Recognition of Right of Use Asset Rs.	Additions & Improvements / (Disposals)/ Exchange Gain or Loss Rs.	Balance As at 31.03.2020 Rs.
At Cost				
Land	-	5,346,044	-	5,346,044
Motor Vehicle		7,458,075	10,690,530	18,148,605
	-	12,804,119	10,690,530	23,494,649

4.3.5 Depreciation

At Cost	Balance As at 01.04.2019 Rs.	Charge for the year Rs.	Exchange Gain / loss Rs.	Balance As at 31.03.2020 Rs.
Land	-	1,782,015	-	1,782,015
Motor Vehicle	5,128,356	3,450,229	-	8,578,585
	5,128,356	5,232,244	-	10,360,600

NOTES TO THE FINANCIAL STATEMENTS

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

4.3.6 Net Book Values

At Cost	2020 Rs.	2019 Rs.
Land	3,564,029	-
Motor Vehicle	9,570,020	-
	13,134,049	-

4.3.7 Impact on the Financial position from the adoption of SLFRS 16- Leases

The Group as a lessee has applied SLFRS 16 as initial application with effect from 01 April 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under LKAS 17.

Following are the amounts recognized in group income statement for the year ended 31 March 2020

		Group	Company
Depreciation of the Assets	4.3.2	14,550,696	5,232,244
Interest expenses on Lease Liability	15	6,622,711	641,525
Reajustments to the previous payments			-
Total amounts recognized in Income Statement		21,173,407	5,873,769

5. INVESTMENTS

5.1 Investments in Subsidiaries (Company)

Group and Company

Year ended 31 March	Relationship	2020 Holding Percentage	2019 Holding Percentage	2020 Cost Rs.	2019 Cost Rs.
Non Quoted					
Vidul Engineering Ltd	Subsidiary	100%	100%	26,700,080	26,700,080
Walagamba Balashakthi (Pvt) Ltd	Subsidiary	100%	100%	36,000,000	36,000,000
Rideepana Hydro (Pvt) Ltd	Subsidiary	95%	95%	62,500,000	62,500,000
Muvumbe Hydro (U) Ltd	Subsidiary	95%	95%	400,912,327	400,912,327
Timex Bukinda Hydro (U) Ltd	Subsidiary	100%	100%	369,588,682	146,860,000
Vidul Plantation (Pvt) Ltd	Subsidiary	100%	100%	45,000,000	10
Lower Kotmale Oya Hydro Power (Pvt) Ltd	Subsidiary	100%	100%	258,195,044	258,195,044
Udawela Hydro (Pvt) Ltd	Subsidiary	100%	100%	120,000,000	20,000,000
Vidul Engineering (U) Ltd	Subsidiary	100%	100%	-	-
				1,318,896,133	951,167,461

5.1.1 Material Partially Owned Subsidiaries

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

5.2 Investments in Joint Ventures and Associates

	Relationship	2020 Holding Percentage	2019 Holding Percentage	2020 Cost Rs.	2019 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	221,008,022
Nilwala Vidulibala Company (Pvt) Ltd	Associate	26.3%	26.3%	44,625,000	44,625,000
				414,291,550	387,045,434

5.2.1 Goodwill

Year ended 31 March	2020 Rs.	Group 2019 Rs.
Goodwill From Walagamba Balashakthi (Pvt) Ltd	11,999,960	11,999,960
Goodwill From Rideepana Hydro (Pvt) Ltd	42,499,000	42,499,000
Goodwill From Muvumbe Hydro (U) Ltd	582,129	582,129
Goodwill From Lower Kotmale Oya Hydro Power (Pvt) Ltd	160,798,294	160,798,294
Goodwill From Timex Bukinda Hydro (U) Ltd	33,120,211	33,120,211
Goodwill From Vasanagama Plantation (Pvt) Ltd	29,657,808	-
	278,657,402	248,999,594
(-) Goodwill Impairment	(1,482,890)	-
	277,174,512	248,999,594

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 1,482,890/- 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.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS (Contd..)

5.2.1 Goodwill (Contd..)

Period covered & Tariff

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

Subsidiary	Remaining years	Tariff Scheme Applicable
Walagamba Balashakthi Private Ltd	12 years	2009 Three tier Tariff
Rideepana Hydro (Private) Ltd	15 Years	2012 Three tier Tariff
Muvumbe Hydro (U) Ltd	17 Years	Rs 16.93 (US \$ 0.0941)
Lower Kotmale Oya Hydro Power (Pvt) Ltd	14 years	2010 Three tier Tariff
Timex Bukinda Hydro (U) Ltd	20 Years from the Date of Commissioning	Rs 16.92 (US \$ 0.094)

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.

Acquisition of Subsidiaries

On 1st of April 2019 Vidul Plantation (Pvt) Ltd (Subsidiary of Vidullanka PLC) acquired 100% control on equity stake in Vasanagama Plantation (Pvt) Ltd

The Fair Value of assets acquired and liabilities assumed are as follows,

Year ended 31 March 2020	Vasanagama Plantation (Pvt) Ltd Rs.
Property, Plant and Equipment	1,324,766
Other Payables	(5,982,574)
Amount Due to Related Party	(24,472,597)
Net identifiable assets and liabilities	(29,130,405)
Goodwill Acquired	29,657,808
	527,403
Satisfied by	
Settlement by way of Bank draft	527,403

5.2.2 Investment in Joint Ventures & Associate (Group)

Share of Net Asset Value from Joint Ventures & Associate	2020	Group
Year ended 31 March	Rs.	2019 Rs.
Investment in Gurugoda Hydro (Pvt) Ltd	52,435,870	53,885,923
Investment in Vidul Madugeta (Pvt) Ltd	226,065,394	193,677,549
Investment in Nilwala Vidulibala Company (Pvt) Ltd	96,695,538	81,091,920
Investment in Vidul Biomass (Pvt) Ltd	197,798,032	209,142,802
Total Investment in Joint Ventures	572,994,834	537,798,194

5.2.3 Share of Comprehensive Income from Joint Ventures & Associate

	2020	Group
	Rs.	2019 Rs.
Gurugoda Hydro (Pvt) Ltd	(1,450,053)	1,109,716
Udaka Energy Group (Pvt) Ltd	-	3,105,567
Vidul Madugeta (Pvt) Ltd	45,887,845	39,385,899
Nilwala Vidulibala Company (Pvt) Ltd	24,528,618	21,885,560
Vidul Biomass (Pvt) Ltd	(38,590,886)	(4,227,638)
Total Share of Comprehensive Income from Joint Ventures	30,375,524	61,259,104

5.2.4 Movement in Investment in Joint Ventures & Associate during the Period

	2020	Group
	Rs.	2019 Rs.
Balance as At the Beginning of the reporting Period	537,798,194	319,172,245
Share of total Comprehensive Income	30,375,524	61,259,104
Dividends received	(22,425,000)	(17,512,061)
Acquisition of Stake in the Joint Ventures	27,246,116	213,370,440
Transfer / Disposal of Stake in the Joint Ventures	-	(38,491,534)
Balance As at the End of the Reporting Period	572,994,834	537,798,194

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS (Contd...)

5.2.5 The Group has a 50% interest in Gurugoda Hydro (Pvt) Ltd and Vidul Madugeta (Pvt) Ltd and 51% in Vidul Biomass (Pvt) Ltd. The Group's interest in those companies are accounted for using the equity method in the consolidated Financial Statements. Summarised financial information of the joint ventures, based on their SLFRS financial statements, and reconciliation with the carrying amount of the investments in consolidated financial statements are set out below as at 31 March 2020. Nilwala Vidulibala Company (Pvt) Ltd is an associate entity of Vidullanka PLC with 26.3% stake.

As at 31 March 2020	Gurugoda Hydro (Pvt) Ltd Rs.	Vidul Madugeta (Pvt) Ltd Rs.	Nilwala Vidulibala Company (Pvt) Ltd Rs.	Vidul Biomass (Pvt) Ltd Rs.
Current Assets	9,519,547	79,871,499	101,409,675	145,815,600
Non-Current Assets	123,295,371	484,840,824	325,539,637	1,434,949,383
Current Liabilities	(19,887,466)	(75,581,234)	(37,247,187)	(961,914,637)
Non-Current Liabilities	(21,430,537)	(37,000,401)	(104,555,350)	(212,334,382)
Equity	91,496,915	452,130,688	285,146,775	406,515,964
Equity Proportionate	45,748,458	226,065,344	74,993,602	207,323,142
Goodwill or other adjustments	6,687,412	50	21,701,936	(9,525,110)
Group carrying amount of the Investment	52,435,870	226,065,394	96,695,538	197,798,032

Summarised statement of profit or loss for the year ended 31 March 2020	Gurugoda Hydro (Pvt) Ltd Rs.	Vidul Madugeta (Pvt) Ltd Rs.	Nilwala Vidulibala Company (Pvt) Ltd Rs.	Vidul Biomass (Pvt) Ltd Rs.
Revenue	20,511,019	155,455,266	157,126,575	225,236,497
Cost of Sales	(18,059,374)	(37,910,182)	(49,007,184)	(206,287,779)
Administrative Expenses	(1,063,073)	(384,601)	(1,719,070)	(26,014,790)
Finance Cost	(4,270,936)	(14,301,577)	(20,357,164)	(9,850,602)
Other Income	131,680	399,250	8,024,318	(59,568,025)
Profit Before Tax	(2,750,684)	103,258,156	94,067,475	(76,484,699)
Income Tax Expense	(172,814)	(11,623,737)	(801,973)	(241,116)
Profit for the Year	(2,923,498)	91,634,419	93,265,502	(76,725,815)
Total Comprehensive Income for the year	(2,900,106)	91,775,691	93,264,708	(75,668,404)
Group's share of profit/(loss) for the year	(1,450,053)	45,887,846	24,528,618	(38,590,886)

Summarised Financial Information for the year ended 31 March 2020	Gurugoda Hydro (Pvt) Ltd Rs.	Vidul Madugeta (Pvt) Ltd Rs.	Nilwala Vidulibala Company (Pvt) Ltd Rs.	Vidul Biomass (Pvt) Ltd Rs.
Cash and Cash Equivalent	1,963,978	20,917,020	8,337,511	19,517,806
Current Financial Liabilities (Excludes Trade & Other Payables)	8,000,004	50,759,784	33,334,464	6,769,040
Non Current Financial Liabilities	20,379,990	24,752,392	102,774,480	203,371,867
Depreciation	5,983,484	16,581,251	11,461,499	40,283,729
Finance Income	131,680	399,250	8,024,318	861,128
Finance Cost	4,270,936	14,301,577	20,357,164	7,959,852
Income Tax Expenses	172,814	11,623,737	801,973	241,116

5.3 Other Financial Assets

5.3.1 Financial Assets at Fair Value Through Profit or Loss

	2020 Number of shares	2019 Number of shares	2020 Rs.	2019 Rs.
Non Quoted				
Investment in Shares - ADL Capital Ltd	250,000	250,000	2,500,000	2,500,000
Less: Impairment Provision (ADL Capital Ltd)			(2,500,000)	(2,500,000)
Africeylon Power (Pvt) Ltd			22,841,500	-
Fergasam Power (Pvt) Ltd			9,000,000	-
			31,841,500	-

As at 1st April 2019, the Company assessed its Financial Assets at fair value through profit or loss, There has been no change in the fair value assessed on 1st April 2019 with the fair value as of 31st March 2020.

6. OTHER PROJECT INVESTMENTS

Summary	2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	2019 Rs.
Balance as at the beginning of the Year	123,396,650	139,720,495	121,727,900	139,720,495
Project Costs incurred during the Year	35,235,467	18,837,042	35,235,467	17,168,292
Less: Transfers to Project Companies	-	-	-	-
Other Transfers	(35,379,972)	(25,300,000)	(33,711,222)	(25,300,000)
Written off	(580,309)	(9,860,887)	(580,309)	(9,860,887)
Impairment Provision	(30,680,731)	(30,680,731)	(30,680,731)	(30,680,731)
Balance as at the end of the Year	91,991,105	92,715,919	91,991,105	91,047,169

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.31,261,040 of which Rs.580,309 was written off as unrealizable.

NOTES TO THE FINANCIAL STATEMENTS

6. OTHER PROJECT INVESTMENTS (Contd...)

6.1 Impairment of Other Project Investments

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
As at 01 April 2019	30,680,731	26,791,618	30,680,731	26,791,618
Charge for the year	580,309	13,750,000	580,309	13,750,000
Written off	(580,309)	(9,860,887)	(580,309)	(9,860,887)
As at 31 March 2020	30,680,731	30,680,731	30,680,731	30,680,731

7. TRADE AND OTHER RECEIVABLES

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Trade Receivables	582,896,572	352,949,855	173,648,868	187,288,011
Other Receivables	247,319,719	50,152,590	13,935,895	34,503,926
Advances and Prepayments	30,821,824	101,805,620	25,254,229	43,335,206
Amounts Due from Related Parties (Note 7.1)	19,505,844	907,941	294,505,317	169,539,686
Loans to Company Officers (Note 7.2)	2,344,988	1,986,185	2,032,248	1,862,147
	882,888,947	507,802,191	509,376,557	436,528,976

7.1 Amounts Due from Related Parties Relationship

Year ended 31 March		Group		Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Vidul Engineering Ltd	Subsidiary	-	-	7,714,885	4,335,279
Walagamba Balashakthi (Pvt) Ltd	Subsidiary	-	-	32,703,382	-
Rideepana Hydro (Pvt) Ltd	Subsidiary	-	-	42,898,206	13,736,476
Lower Kotmale Oya Hydro Power (Pvt) Ltd	Subsidiary	-	-	78,154,234	-
Vidul Plantation (Pvt) Ltd	Subsidiary	-	-	8,208,285	42,926,034
Muvumbe Hydro (U) Ltd	Subsidiary	-	-	58,140,000	-
Udawela Hydro (Pvt) Ltd	Subsidiary	-	-	47,375,699	107,806,810
Vidul Biomass (Pvt) Ltd	Joint Venture	8,742,376	449,205	8,625,127	276,351
Gurugoda Hydro (Pvt) Ltd	Joint Venture	693,470	-	682,614	-
Vidul Madugeta (Pvt) Ltd	Joint Venture	8,678,859	-	8,657,599	-
Nilwala Vidulibala Company (Pvt) Ltd	Associate	1,391,139	458,736	1,345,286	458,736
		19,505,844	907,941	294,505,317	169,539,686

7.2 Loans to Company Officers

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Balance as at the beginning of the Year	1,986,185	2,788,489	1,862,147	2,788,489
Loans Granted/Transferred During the Year	1,850,000	1,822,675	1,550,000	1,278,475
Less: Repayments	(1,944,718)	(3,006,869)	(1,833,420)	(2,480,243)
Effective Interest Rate Adjustment	453,521	381,890	453,521	275,426
Balance as at the end of the Year	2,344,988	1,986,185	2,032,248	1,862,147

8. STATED CAPITAL

8.1 Fully paid Ordinary Shares

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Balance as at 1 April	1,417,908,484	1,342,608,484	1,417,908,484	1,342,608,484
Issue of Ordinary Shares	-	75,300,000	-	75,300,000
Balance as at 31 March	1,417,908,484	1,417,908,484	1,417,908,484	1,417,908,484

8.2 Movement in Number of Ordinary Shares

Year ended 31 March	Group		Company	
	2020 No. of Shares	2019 No. of Shares	2020 No. of Shares	2019 No. of Shares
Balance as at 1 April	837,785,465	821,869,169	837,785,465	821,869,169
Issue of Ordinary Shares during the year	-	15,916,296	-	15,916,296
Balance as at 31 March	837,785,465	837,785,465	837,785,465	837,785,465

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

9. INTEREST-BEARING LOANS , BORROWINGS AND IJARA (LEASE)

9.1 Group

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2020 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2019 Total Rs.
Diminishing Musharakah						
Facilities (9.1.2)	609,474,939	2,350,231,672	2,959,706,611	521,519,435	2,110,490,967	2,632,010,402
Wakala Facilities (9.1.3)	-	-	-	2,000,000	-	2,000,000
Short Term Working Capital						
Facilities (9.1.4)	438,118,673	-	438,118,673	20,000,000	-	20,000,000
	1,047,593,612	2,350,231,672	3,397,825,284	543,519,435	2,110,490,967	2,654,010,402

NOTES TO THE FINANCIAL STATEMENTS

9. INTEREST-BEARING LOANS , BORROWINGS AND IJARA (Lease) (Contd...)

9.1.1 Ijara Leases (Motor vehicle)

	As at 01.04.2019 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2020 Rs.
Amana Bank PLC	1,911,634	-	(357,744)	1,553,890
Hatton National Bank PLC	3,107,764	-	(635,142)	2,472,622
Commercial Bank of Ceylon PLC	13,738,700	2,026,500	(4,151,952)	11,613,248
	18,758,098	2,026,500	(5,144,838)	15,639,760
Gross Liability	24,076,363			18,581,829
Finance Charges allocated to future periods	(5,318,265)			(3,053,289)
Net Liability	18,758,098			15,639,760

9.1.1.1

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2020 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2019 Total Rs.
Ijara Leases-motor vehicle	1,630,206	14,009,554	15,639,760	4,997,491	13,760,607	18,758,098
	1,630,206	14,009,554	15,639,760	4,997,491	13,760,607	18,758,098

9.1.2 Diminishing Musharakah Facilities

	As at 01.04.2019 Rs.	Facilities Obtained Rs.	Exchange Differences Rs.	Repayments Rs.	As at 31.03.2020 Rs.
Amana Bank PLC	21,000,000	19,000,000	-	-	40,000,000
MCB Bank Ltd	316,050,621	-	-	(84,050,988)	231,999,633
National Development Bank PLC	943,626,594	-	-	(142,410,065)	801,216,529
Syndicated Facility (Bank of Ceylon & Hattan National Bank PLC)	1,208,708,187	-	87,401,082	(247,160,643)	1,048,948,626
Syndicated Facility (National Development Bank PLC & Seylan Bank PLC)		694,457,782	35,409,042	-	729,866,824
Seylan Bank PLC	142,625,000	-	-	(34,950,000)	107,675,000
	2,632,010,402	713,457,782	122,810,124	(508,571,696)	2,959,706,611
Gross Liability	3,192,674,247				4,025,655,138
Finance Charges allocated to future periods	(560,663,845)				(1,065,948,527)
Net Liability	2,632,010,402				2,959,706,611

9.1.3 Wakala Facilities

	As at 01.04.2019 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2020 Rs.
ADL	-	5,000,000	(5,000,000)	-
Hatton National Bank PLC	2,000,000	-	(2,000,000)	-
	2,000,000	5,000,000	(7,000,000)	-
Gross Liability	2,052,590			-
Finance Charges allocated to future periods	(52,590)			-
Net Liability	2,000,000			-

9.1.4 Short Term Working Capital Facilities

	As at 01.04.2019 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2020 Rs.
Commercial Papers	20,000,000	159,000,000	-	179,000,000
Hatton National Bank PLC	-	280,000,000	(80,000,000)	200,000,000
National Development Bank- IBU	-	68,538,520	(19,000,000)	49,538,520
ADL Comtrust	-	15,294,606	(5,714,453)	9,580,153
	20,000,000	522,833,126	(104,714,453)	438,118,673

9.2 Company

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2020 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2019 Total Rs.
Diminishing Musharakah Facility (9.2.2)	100,000,000	550,000,000	650,000,000	50,000,000	650,000,000	700,000,000
Short Term Working Capital Facilities (9.2.3)	438,118,673	-	438,118,673	20,000,000	-	20,000,000
	538,118,673	550,000,000	1,088,118,673	70,000,000	650,000,000	720,000,000

9.2.1 Ijara Leases-(Motor vehicle)

	As at 01.04.2019 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2020 Rs.
Commercial Bank of Ceylon PLC	13,738,700	-	(4,004,604)	9,734,096
	13,738,700	-	(4,004,604)	9,734,096
Gross Liability	17,413,895			11,682,883
Finance Charges allocated to future periods	(3,675,195)			(1,948,787)
Net Liability	13,738,700			9,734,096

NOTES TO THE FINANCIAL STATEMENTS

9. INTEREST-BEARING LOANS , BORROWINGS AND IJARA (Lease) (Contd...)

9.2.1.1

	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2020 Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2019 Total Rs.
Ijara Facilities Motor Vehicle Leases	3,645,509	6,088,587	9,734,096	4,004,605	9,734,095	13,738,700
	3,645,509	6,088,587	9,734,096	4,004,605	9,734,095	13,738,700

9.2.2 Diminishing Musharakah Facilities

	As at 01.04.2019 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2020 Rs.
National Development Bank PLC	700,000,000	-	(50,000,000)	650,000,000
	700,000,000	-	(50,000,000)	650,000,000
Gross Liability	1,227,681,233			1,161,966,164
Finance Charges allocated to future periods	(527,681,233)			(511,966,164)
Net Liability	700,000,000			650,000,000

9.2.3 Short Term Working Capital Facilities

	As at 01.04.2019 Rs.	Facilities Obtained Rs.	Repayments Rs.	As at 31.03.2020 Rs.
Commercial Papers	20,000,000	159,000,000	-	179,000,000
Hatton National Bank PLC	-	280,000,000	(80,000,000)	200,000,000
National Development Bank- IBU	-	68,538,520	(19,000,000)	49,538,520
ADL Comtrust	-	15,294,606	(5,714,453)	9,580,153
	20,000,000	522,833,126	(104,714,453)	438,118,673

10. INCOME TAX

The major components of Income Tax expense for the year ended 31 March 2020 are as follows:

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Current Income Tax				
Current Tax Expense on Ordinary Activities for the year	144,066,126	28,354,486	-	-
Capital Gain Tax Paid for the year	-	5,449,816	-	5,449,816
(Over)/Under provision of Current Taxes in respect of prior years	-	170,347	-	-
	144,066,126	33,974,649	-	5,449,816
Deferred Income Tax				
Deferred Taxation Charge/(Reversal)	76,370,588	62,919,306	10,264,733	(4,183,237)
	76,370,588	62,919,306	10,264,733	(4,183,237)
Income Tax expense reported in the Income Statement	220,436,714	96,893,955	10,264,733	1,266,579

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

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Tax on Profit from Trade, Business & Other				
Accounting profit before tax	582,128,157	624,212,119	174,501,143	22,986,898
At the statutory income tax rate of 10 % (2019 : 10%)	13,683,168	83,232,853	-	-
At the statutory income tax rate of 14 % (2019 : 12%)	35,670,964	-	24,430,160	-
At the statutory income tax rate of 28 % (2019 : 28 %)	221,280	(21,188)	-	-
At the statutory income tax rate of 30 % (2019 : 30%)	145,197,778	89,037,862	-	-
Tax effect of Disallowable Expenses	31,060,346	46,478,761	5,409,669	7,875,800
Tax effect of Aggregate Allowable Items	(109,622,969)	(111,083,027)	(37,681,098)	(17,545,505)
Tax effect of Income Exempt from Tax	(7,353,535)	(79,290,775)	-	-
WHT on Dividend	27,367,825	-	-	-
Tax effect of utilization of tax losses	7,841,269	-	7,841,269	-
At the effective income tax rates	144,066,126	28,354,486	-	(9,669,705)
Capital Gain Tax	-	5,449,816	-	5,449,816
(Over)/ Under Provision of Income Tax in respect of Prior Years	-	170,346	-	-
Deferred Taxation Charge/(Reversal)	76,370,588	62,919,307	10,264,733	(4,183,237)
Total Income Tax Expense Reported in the Income Statement	220,436,714	96,893,955	10,264,733	1,266,579
Effective Tax Rate (%)	38%	16%	6%	6%

NOTES TO THE FINANCIAL STATEMENTS

10. INCOME TAX (Contd...)

10.2 Group-Deferred Tax Liabilities

Year ended 31 March	Statement of Financial Position		Statement of Comprehensive Income	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Deferred Tax Liability				
Capital allowances for tax purposes	295,144,554	214,499,192	80,645,362	76,312,647
	295,144,554	214,499,192		
Deferred Tax Assets				
Defined Benefit Plans	(4,087,008)	(3,405,496)	(681,512)	(495,920)
Impairment Provision on Other Project Investments	(4,295,302)	-	(4,295,302)	
Tax Losses brought forward	(3,570,011)	(18,647,242)	15,077,231	3,977,878
	(11,952,322)	(22,052,738)		
Exchange Translation Adjustments			(14,270,077)	(16,702,299)
Deferred Tax Charge for OCI			(14,298)	(108,950)
Deferred Tax (Reversal) / Charge			(76,475,702)	63,092,306
Net Deferred Tax Liability/(Asset)	283,192,233	192,446,454		

10.3 Group-Deferred Tax Assets

Deferred Tax Liability				
Capital allowances for tax purposes	(54,766)	34,299	(89,065)	(85,076)
	(54,766)	34,299		
Deferred Tax Assets				
Defined Benefit Plans	(487,893)	(471,844)	(16,049)	(87,922)
Tax Losses brought forward	-	-	-	-
	(487,893)	(471,844)		
Deferred Tax Charge for OCI			(10,253)	(62,487)
Deferred Tax (Reversal) / Charge			(105,114)	(172,998)
Net Deferred Tax Liability/(Asset)	(542,659)	(437,545)		

10.4 Company- Deferred Tax Liability

Year ended 31 March	Statement of Financial Position		Statement of Comprehensive Income	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Deferred Tax Liability				
Capital allowances for tax purposes	22,102,017	21,937,701	164,316	(3,451,709)
	22,102,017	21,937,701		
Deferred Tax Assets				
Defined Benefit Plans	(3,971,971)	(3,290,459)	(681,512)	(583,728)
Impairment Provision on Other Project Investments	(4,295,302)	-	(4,295,302)	-
Tax Losses Brought Forward	(3,570,011)	(18,647,242)	15,077,231	(195,480)
	(11,837,284)	(21,937,701)		
Deferred Tax Charge for OCI			29,611	47,680
Deferred Tax (Reversal) / Charge			10,264,733	(4,183,237)
Net Deferred Tax Liability/(Asset)	10,264,733	-		

11. TRADE AND OTHER PAYABLES

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Amounts Due to Related Parties (11.1)	3,245,999	13,215,835	-	61,105,007
Sundry Creditors Including Accrued Expenses	235,023,667	72,400,986	39,485,245	36,157,312
Dividend Payable	89,122,338	-	89,122,338	-
Finance Cost Payable	144,845,929	44,395,429	144,845,929	44,395,429
Financial Guarantee	6,873,843	8,143,408	6,873,843	8,143,408
	479,111,776	138,155,658	280,327,355	149,801,156

11.1 Amounts Due to Related Parties

Year ended 31 March	Relationship	Group		Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Walagamba Balashakthi (Pvt) Ltd	Subsidiary	-	-		30,838,659
Lower Kotmale Oya Hydro Power (Pvt) Ltd	Subsidiary	-	-		30,266,348
Nilwala Vidulibala Company (Pvt) Ltd	Associate	-	-	-	-
Vidul Biomass (Pvt) Ltd	Joint Venture	3,245,999	13,215,835	-	-
		3,245,999	13,215,835	-	61,105,007

NOTES TO THE FINANCIAL STATEMENTS

12. DEFINED BENEFIT LIABILITY

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Balance as at the beginning of the year	27,524,488	22,674,659	23,503,282	19,333,793
Disposal of Subsidiary	-	(575,614)	-	-
Expenses on Defined Benefit Plan (12.1)	6,218,451	5,189,922	5,053,281	4,238,419
Net Actuarial (Gain)/ Loss recognized during the year	138,088	645,021	211,505	340,570
Payment During the year	(362,313)	(409,500)	(152,000)	(409,500)
Inter-Company Transfers during the Year	(163,579)	-	(244,848)	-
Balance as at the end of the year	33,355,135	27,524,488	28,371,220	23,503,282

12.1 Expenses on Defined Benefit Plan

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Current Service Cost	3,009,564	2,759,025	2,558,428	2,111,702
Interest Cost on Defined Benefit Liability	3,208,887	2,430,897	2,494,853	2,126,717
	6,218,451	5,189,922	5,053,281	4,238,419

12.2 Principal Assumptions

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Discount Rate	10.0%	11.0%	10.0%	11.0%
Salary increment	7.0%	8.0%	7.0%	8.0%
Retirement age	55	55	55	55
Mortality	A 1967/70 Morality Table	A 1967/70 Morality Table	A 1967/70 Morality Table	A 1967/70 Morality Table

An actuarial valuation of the gratuity fund was carried out as at 31 March 2020 by Messrs. Actuarial and Management Consultants (Private) 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	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
(+1%)		(1,710,455)	(1,763,992)	(1,400,169)	(1,215,047)
(-1%)		1,884,561	1,951,282	1,534,644	1,333,343
	(+1%)	1,859,324	1,956,278	1,499,380	1,322,757
	(-1%)	(1,714,739)	(1,796,176)	(1,390,731)	(1,225,072)

13. REVENUE

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Hydro Power Generation-Local	729,158,458	800,418,316	288,524,941	244,866,953
Hydro Power Generation- Overseas	593,430,549	461,485,175	-	-
Engineering ,Consultancy and Project Management	19,981,934	20,052,675	-	-
Dendro Power & Plantation	97,809,521	-	-	-
	1,440,380,462	1,281,956,166	288,524,941	244,866,953

14. PROFIT / (LOSS) BEFORE TAX

Stated after Charging	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Included in Cost of Sales				
Depreciation	139,694,486	138,706,770	14,494,186	17,804,385
Defined Benefit Plan Costs - Gratuity	1,164,283	1,134,565	569,395	822,837
Included in Administrative Expenses				
Depreciation	10,471,336	11,275,975	7,165,072	6,665,622
Staff Costs (Include the following Costs)	104,727,378	102,609,753	93,501,006	93,501,006
Defined Benefit Plan Costs - Gratuity	5,025,886	3,779,096	4,483,886	3,415,582
Defined Contribution Plan Costs - EPF and ETF	11,004,642	9,298,407	10,018,618	8,510,346
Auditors' Remunerations - Audit fees	3,642,642	2,207,247	1,320,000	541,294
Impairment/Written off	2,419,365	13,750,000	580,309	13,750,000

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCE COST

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Musharakah Facilities/Staff Loan	313,532,829	295,440,813	128,454,832	92,148,304
Finance cost - Right of use asset	6,622,711	-	641,525	-
	320,155,540	295,440,813	129,096,357	92,148,304

16. FINANCE INCOME

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Profit from Mudarabah Savings Accounts	2,454,783	1,801,327	2,218,401	1,695,871
Finance Income - Staff Loan	453,521	275,426	453,521	275,426
	2,908,304	2,076,753	2,671,922	1,971,297

17. OTHER INCOME AND GAINS/(LOSSES)

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Dividend Received	-	-	257,980,250	47,512,500
Profit on Disposal of Property, Plant & Equipment	943,620	(28,738)	943,620	(28,738)
Capital Gain/ (Loss) on Disposal of Subsidiaries and Joint ventures	-	43,627,679	-	69,830,708
Other income	76,706,432	72,097,308	-	-
Gain/(Loss) in Exchange Rate fluctuations	(24,013)	871,071	(24,013)	871,071
	77,626,039	116,567,320	258,899,857	118,185,541

Other income includes receipt of GET FiT grant amounting to Rs 70,380,913/- by Muvambe Hydro (U) Ltd

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.

Year ended 31 March	Group		Company	
	2020	2019	2020	2019
Amounts Used as Numerator - Group				
Net Profit/(Loss) Attributable to Ordinary Shareholders of the parent for Basic Earnings per Share (Rs.)	344,143,760	513,612,052	164,206,799	21,720,319
Number of Ordinary Shares Used as Denominator				
Weighted Average Number of Ordinary Shares in Issue	837,785,465	834,863,844	837,785,465	834,863,844
Earning Per Share	0.41	0.62	0.20	0.03

19. DIVIDEND PAID AND PROPOSED

Year ended 31 March	2020 Rs.	2019 Rs.
Declared and paid during the year		
1st Interim Dividend - 2019/20 Rs.0.125 (2018/19 Rs.0.15)	104,723,183	125,667,820
2nd Interim Dividend - 2019/20 Rs. 0.10 (2018/19- Nil)	83,778,547	-
	188,501,730	125,667,820

20. CASH AND CASH EQUIVALENTS

Year ended 31 March	2020 Rs.	Group 2019 Rs.	2020 Rs.	Company 2019 Rs.
Favourable Cash and Cash Equivalents Balance				
Cash and Bank Balances	366,223,883	240,310,787	7,637,282	28,940,347
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	366,223,883	240,310,787	7,637,282	28,940,347

21. RIGHT OF USE ASSETS

Set out below are the carrying amounts of right-of-use assets recognized and the movement during the year.

Cost	Notes	2020 Rs.	Group 2019 Rs.	2020 Rs.	Company 2019 Rs.
Balance as at 1 April 2019	4.1.1	14,891,072		7,458,075	
Effect of adoption of SLFRS 16 as at 1 April 2019	4.3.1	161,219,088	-	5,346,044	-
Restated balance as at 1 April 2019		176,110,160	-	12,804,119	-
Additions & Improvements	4.3.1	12,717,030	-	10,690,530	
Exchange Gain / loss	-				
Cost as at 31st March 2020		188,827,190	-	23,494,649	-
Accumulated Depreciation					
Balance as at 1 April 2019	4.1.3	(5,128,356)	-	(5,128,356)	
Effect of adoption of SLFRS 16 as at 1 April 2019	-		-		
Restated balance as at 1 April 2019	-	-	-	-	
Depreciation Charge for the period	4.3.2	(14,550,695)	-	(5,232,243)	-
Exchange Gain / loss	-				
Accumulated Depreciation 31st March 2020		(19,679,051)	-	(10,360,599)	-
Carrying Amount		169,148,138	-	13,134,049	-

The Company as a lessee has applied SLFRS 16 as initial application with effect from 01 April 2019 using the modified,retrospective approach and therefore the comparative information has not been restated and continues to be reported under LKAS 17.

NOTES TO THE FINANCIAL STATEMENTS

21. RIGHT OF USE ASSETS (Contd...)

21.1 Lease Liability

Set out below are the carrying amounts of lease liability recognized as per SLFRS 16 and the movement during the year.

Cost	Notes	Group		Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Balance as at 1 April		18,758,098	8,460,085	13,738,700	2,219,854
Effect of adoption of SLFRS 16 as at 1st April	21.2	86,997,399		5,346,044	
Lease addition of motor vehicle	9.3	2,026,504	20,215,000		14,550,000
Restated balance as at 1 April		107,782,001	28,675,085	19,084,744	16,769,854
Interest Expense		6,622,711	-	641,525	-
Repayments		(16,054,712)	(9,916,987)	(5,867,604)	(3,031,154)
Exchange Gain / loss		-	-	-	-
Balance as at 31 March		98,350,000	18,758,098	13,858,665	13,738,700

21.2 Lease Liabilities as at 1 April 2019 can be reconciled to the Operating Lease commitments as of 31 March 2019, as follows:

	Group 2020 Rs.	Company 2019 Rs.
Operating Lease commitments as at 31 March 2019	101,011,094	6,845,580
Weighted Average Incremental Borrowing rate as at 1 April 2019	12%	12%
Discounted operating Lease commitments as at 1st April 2019	90,188,477	6,112,125
Less:		
Commitments relating to Short term leases	(3,191,079)	(766,081)
Add:		
Lease payment relating to renewal periods not included in operating lease commitments as at 31 March 2019	-	-
Total Lease Liabilities as at 1st April 2019	86,997,398	5,346,044

The present value of operating lease commitments as at 1 April 2019 has been calculated using weighted average incremental borrowing rates of 12% for the Company and subsidiaries. Subsidiary Muvumbe Hydro (U) Limited considered 6.5%. The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Group has recognised rent of head office building discounted of Rs.29,192,992. The land leases including parent discounted amounts to Rs. 57,804,406

The Group has elected not to recognize right of use assets and lease liabilities for leases of low value assets and short term leases. The lease term which is less than one year and which also has no substance of structured extension of lease term been considered as short term by the Company.

Including parent and four other subsidiaries' water rights been classified as short term leases and the total amounts to Rs. 3,191,079

21.3 Lease Liability impact of SLFRS 16

Group	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2020 Total Rs.
Leases other than Motor Vehicle (21.1)	9,179,018	73,531,218	82,710,236
Lease Liability Motor Vehicle (9.1.2)	1,630,206	14,009,564	15,639,760
	10,809,220	87,540,780	98,349,996

	Balance As at 01.04.2019 Rs.	Effect of adoption SLFRS 16 Rs.	Repayments Rs.	Balance As at 31.03.2020 Rs.
Leases other than Motor Vehicle (21.1)		86,997,399	(4,287,163)	82,710,236
Lease Liability Motor Vehicle (9.1.1)	18,758,098	2,026,500	(5,144,838)	15,639,760
	18,758,098	89,023,899	(9,432,001)	98,349,996

Company	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	2020 Total Rs.
Leases other than Motor Vehicle (21.1)	1,945,552	2,179,018	4,124,570
Lease Liability Motor Vehicle (9.2.2)	3,645,509	6,088,587	9,734,096
	5,591,060	8,267,600	13,858,670

	Balance As at 01.04.2019 Rs.	Effect of adoption of SLFRS 16 Rs.	Repayments Rs.	Balance As at 31.03.2020 Rs.
Leases other than Motor Vehicle (21.1)	-	5,346,044	(1,221,475)	4,124,570
Lease Liability Motor Vehicle (9.2.1)	13,738,700	-	(4,004,604)	9,734,096
	13,738,700	5,346,044	(5,226,079)	13,858,666

21.4 Maturity Analysis of Lease Liability

	Group		Company	
Cost	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Less than 1 year	10,809,220	4,997,491	5,591,061	4,004,605
1 to 5 years	31,348,913	13,760,607	8,267,605	9,734,095
More than 5 years	56,191,867	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

22. SEGMENT INFORMATION

	Hydro-Power Generation-Local		Hydro-Power Generation Overseas		Dendro & Plantation-Local		Engineering Consultancy and Project Management - Local & Overseas		Group	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Segmental Revenue	729,158,458	798,617,957	593,430,549	461,485,175	97,809,521	1,800,359	19,981,935	20,052,675	1,440,380,462	1,281,956,166
Segmental Results										
Depreciation	(88,636,760)	(87,286,279)	(58,694,618)	(58,694,618)	-	(1,167,403)	(2,834,444)	(2,834,444)	(150,165,822)	(149,982,744)
Finance Cost	(204,214,828)	(181,056,381)	(102,911,932)	(113,234,993)	(8,443,809)	(307,555)	(4,584,973)	(841,885)	(320,155,540)	(295,440,813)
Finance Income	2,217,760	1,987,027	-	-	-	-	690,544	89,726	2,908,304	2,076,753
Profit share of Investment in come from Joint Ventures	68,884,287	62,975,199	-	-	(39,130,166)	-	-	-	29,754,121	62,975,199
Profit/(Loss) Before Tax	211,862,963	334,299,749	432,728,782	295,790,715	(51,624,066)	(5,691,774)	(10,869,133)	(186,571)	582,098,546	624,212,119
Income Tax Expense	(74,679,895)	(5,812,425)	(133,498,818)	(90,298,862)	-	-	(12,258,001)	(782,668)	(220,436,714)	(96,893,955)
Profit / (Loss) for the Year	137,183,068	328,487,324	299,229,964	205,491,851	(51,624,066)	(5,691,774)	(23,127,134)	(969,239)	361,661,833	527,318,164

	Hydro-Power Generation-Local		Hydro-Power Generation Overseas		Dendro & Plantation-Local		Engineering Consultancy and Project Management - Local & Overseas		Group	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Non-Current Assets	3,070,959,997	3,050,123,589	2,891,401,231	1,958,692,665	96,289,399	28,273,711	11,017,290	13,124,806	6,069,667,917	5,021,941,060
Current Assets	398,983,369	419,001,102	692,416,945	329,590,197	30,887,213	39,301,602	190,532,369	18,745,298	1,312,819,896	767,336,597
Total Assets	3,469,943,366	3,469,124,691	3,583,818,176	2,288,282,862	127,176,612	67,575,313	201,549,669	31,870,104	7,382,487,813	5,789,277,657
Non-Current Liabilities	903,873,816	1,180,087,990	1,751,584,727	1,158,422,856	75,776,295	21,058,333	23,084,982	5,711,670	2,754,319,820	2,344,222,516
Current Liabilities	889,193,034	389,573,975	540,289,095	294,178,631	31,310,443	58,946,137	166,578,526	7,933,048	1,627,371,098	691,685,654
Total Liabilities	1,793,066,850	1,569,661,965	2,291,873,822	1,452,601,487	107,086,738	80,004,470	189,663,508	13,644,718	4,381,690,918	3,035,908,170

23. COMMITMENTS & CONTINGENCIES

23.1 Capital Expenditure Commitments

During the year there were no capital commitment contracts entered into by the group.

23.2 Corporate Guarantees

Company Name	Relationship with Vidullanka PLC	Amount of Guarantee provided by the Vidullanka PLC	Amount of Loan Obtained by the Relevant Company	Loan Balance as at 31 March 2020	Loan Balance as at 31 March 2019
Lower Kotmale Oya Hydro Power (Pvt) Ltd	Subsidiary	610,000,000	610,000,000	142,815,574	243,626,554
Rideepana Hydro (Pvt) Ltd	Subsidiary	284,000,000	284,000,000	13,471,207	127,360,826
Muvumbe Hydro (U) Ltd	Subsidiary	1,291,915,000	1,291,915,000	1,048,948,666	1,208,708,227
Walagamba Balashakthi (Pvt) Ltd	Subsidiary	120,000,000	160,000,000	4,331,689	142,625,000
Udawela Hydro (Pvt) Ltd	Subsidiary	293,000,000	232,000,000	1,835,691	188,689,795
Vidul Madugeta (Pvt) Ltd	Joint Venture	160,000,000	320,000,000	75,512,177	125,764,363
Gurugoda Hydro (Pvt) Ltd	Joint Venture	40,000,000	40,000,000	28,379,994	36,299,998

24. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

24.1 Company

Nature of Liability	Carrying Amount of Pledged Assets 2020 Rs.	2019 Rs.	Included under Assets
Charge over Leased Assets on Finance Lease Liabilities previous year and ROU asset of current year	9,570,020	2,329,719	Right of Use asset
Diminishing Musharakah (Trade & Term Loan)	433,889,841	447,103,795	Property, Plant and Equipment
Total Carrying Value of Assets Pledged	443,459,861	449,433,514	

24.2 Group

Charge over Leased Assets on Finance Lease Liabilities previous year and ROU asset of current year	18,757,764	9,762,716	Right of Use asset
Diminishing Musharakah (Trade & Term Loan)	3,983,953,058	3,980,772,392	Property, Plant and Equipment
Total Carrying Value of Assets Pledged	4,002,710,822	3,990,535,108	

25. LITIGATIONS

Following Court actions have been initiated against the Company.

- a) D.C. Ratnapura Case No. 22020/L - plaintiffs have closed their case and we have concluded three witnesses

26. RELATED PARTY DISCLOSURE

26.1 Details of significant Related Party Disclosure are as follows:

NOTES TO THE FINANCIAL STATEMENTS

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	2020 Rs.	2019 Rs.
Walagamba Balashakthi (Pvt) Ltd (WMB)	Subsidiary	Expenses incurred by VLL	86,423,088	5,726,690
		Settlement/Fund Transfer done by WMB	(68,681,047)	(76,765,890)
		Dividend from WMB	45,800,000	25,800,000
Rideepana Hydro (Pvt) Ltd (RHPL)	Subsidiary	Expenses incurred by VLL on behalf of RHPL	60,775,341	4,665,249
		Settlement done by RHPL	(31,613,612)	(62,712,308)
Vidul Engineering Ltd (VEL)	Subsidiary	Expenses incurred by VLL on behalf of VEL	8,385,707	8,427,510
		Expenses incurred by VEL on behalf of VLL	(14,268,102)	(11,427,516)
		Fund transfer from VLL	5,500,000	9,648,568
Vidul Madugeta (Pvt) Ltd (VMPL)	Joint Venture	Expenses incurred by VLL on behalf of VMPL	7,268,018	6,439,711
		Settlements done by VMPL	(12,110,419)	(36,705,197)
		Dividends from VMPL	13,500,000	11,223,000
Gurugoda Hydro (Pvt) Ltd (GHPL)	Joint Venture	Expenses incurred by VLL on behalf of GHPL	6,369,649	5,379,742
		Settlement done by GHPL	(5,687,036)	(28,395,665)
Udaka Energy Group (Pvt) Ltd (UEGL) (Disposed)	Joint Venture	Expenses incurred by VLL on behalf of UEGE	-	3,844,939
		Fund transfer from VLL	-	21,000,000
		Settlement done by UEGE	-	(35,929,259)
Lower Kotmale Oya Hydro Power (Pvt) Ltd (LKM)	Subsidiary	Expenses incurred by VLL on behalf of LKM	-	7,612,128
		Funds Transfers to LKM	126,462,774	5,500,000
		Settlements by LKM	(150,282,192)	(111,889,651)
		Dividends from LKM	132,240,000	-
Muvumbe Hydro (U) Ltd (MVB)	Subsidiary	Settlement done by MVB	-	(153,200)
		Dividends from MVB	58,140,000	-
Udawela Hydro (Pvt) Ltd (UDW)	Subsidiary	Funds Transfers to UDW	38,929,028	4,560,000
		Expenses incurred by VLL on behalf of UDW	5,406,702	2,537,615
		Settlement done by UDW	(4,766,841)	(2,302,578)
		Share Issue	100,000,000	-
Vidul Biomass (Pvt) Ltd (VBL)	Subsidiary	Funds Transferred to VBL	31,746,116	86,745,373
		Expense incurred by VLL on behalf of VBL	648,777	946,198
		Expense incurred by VEL on behalf of VBL	-	172,853
		Issue of shares	27,246,116	220,956,512
		Settlements from VBL	-	(11,935,623)

Company	Relationship	Nature of Transactions	2020 Rs.	2019 Rs.
Vidul Plantations (Pvt) Ltd (VPL)	Subsidiary	Funds transferred to VPL	12,200,000	29,350,000
		Expense incurred by VLL on behalf of VPL	82,241	1,479,192
		Issue of Shares	44,999,990	
		Settlement done by VPL	(1,000,000)	
Timex Bukinda Hydro (U) Ltd	Subsidiary	Issue of Shares	222,728,682	146,860,000
Nilwala Vidulibala Company (Pvt) Ltd (NVC)	Associate	Expenses incurred by/Fund transfers VLL on behalf of NVC	8,035,450	15,358,723
		Settlement/Fund Transfer done by NVC	(15,449,150)	(15,031,439)
		Dividends from NVC	8,300,250	-

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 2020 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 is lower of the Company as per 31 March 2020 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(CFM) of the KMPs , if any, also been have taken into consideration in the following disclosure.

Key Management Personnel Compensation

	2020 Rs.	2019 Rs.
Short-Term Employee Benefits	46,635,000	33,030,000
Post Employment benefits	4,194,000	2,680,500
Other benefits paid by the company	-	-
	50,829,000	35,710,500
Other transactions - Dividend Payment	28,015,059	53,032,704

NOTES TO THE FINANCIAL STATEMENTS

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	Carrying Amount		Company	
	2020	2019	2020	Fair Value
	Rs.	Rs.	Rs.	2019 Rs.
Financial Assets				
Other Financial Assets	31,841,500	-	31,841,500	-
Trade and Other Receivables	484,122,328	393,193,770	484,122,328	393,193,770
Cash and Cash Equivalents	7,637,282	28,940,347	7,637,282	28,940,347
	523,601,110	422,134,117	523,601,110	422,134,117

Financial Liabilities				
Loans and Borrowings	1,088,118,673	733,738,700	1,097,852,769	798,998,722
Trade and Other Payables	280,327,355	149,801,156	280,327,355	149,801,156
	1,368,446,028	883,539,856	1,378,180,124	948,799,878

As at 31 March	Carrying Amount		Group	
	2020	2019	2020	Fair Value
	Rs.	Rs.	Rs.	2019 Rs.
Financial Assets				
Other Financial Assets	31,841,500	-	31,841,500	-
Trade and Other Receivables	852,067,123	405,996,571	852,067,123	405,996,571
Cash and Cash Equivalents	366,223,883	240,310,787	366,223,883	240,310,787
	1,250,132,506	646,307,358	1,250,132,505	646,307,358

Financial Liabilities				
Loans and Borrowings	3,397,825,284	2,672,768,500	3,448,976,754	2,732,320,885
Trade and Other Payables	479,111,776	138,155,658	487,512,691	138,155,658
	3,876,937,060	2,810,924,158	3,936,489,445	2,870,476,543

The management assessed that cash and short-term deposits, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments. The significant interest bearing Loans and Borrowings are in floating rate which considered the carrying value as the fair value.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

27.2 Determination of Fair Value And Fair Value Hierarchy

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an inactive market, direct observation of a traded price may not be possible. In these circumstances, the Company uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

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 2020	Group				Company			
Financial Assets	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	-	-	31,841,500	31,841,500	-	-	31,841,500	31,841,500
	-	-	31,841,500	31,841,500	-	-	31,841,500	31,841,500
As at 31 March 2019								
Other Financial Assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

During the reporting period ended 31 March 2020 and 2019, 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.

NOTES TO THE FINANCIAL STATEMENTS

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
2020	100	+/-29.03 Mn	-
2019	100	+/- 15.09 Mn	-

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

29.1.2 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates is significant as the Group now has two power plants located overseas. The electricity generation payment is linked to the USD, thus the transaction gain or loss is estimated to be minimal. The Group also imports electro-mechanical equipment in foreign currency as part of the investment in the renewable energy projects. The foreign currency related risks associated with the imports of plant & machinery are within the acceptable range of the Group's risk appetite and would be accommodated by the project contingency measures.

Since the functional currency of Muvumbe Hydro (U) Ltd & Timex Bukinda Hydro (U) Ltd are based on USD, the Group is subject to significant translation gain or loss arising from converting the USD to the LKR.

29.1.2 Foreign Currency Risk

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.

LKR Depreciation against USD	Group	
	Effect on profit before tax 2020 Rs.	Effect on profit before tax 2019 Rs.
1%	1.72 Mn	2.9 Mn
(-1%)	(1.72 Mn)	(2.9 Mn)

29.1.3 Commodity Price Risk

The Group is principally engaged in generating electricity using renewable energy sources i.e: Walagamba Balashakthi (Pvt) Ltd from the flow of Koswathu Ganga. 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.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

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 Company's and Group's financial liabilities and financial assets based on contractual undiscounted payments.

Company

As at 31 March 2020	Less than 3 Months	4 to 12 Months	2 – 3 Years	4 – 5 Years	>5 Years	Total
Financial Assets						
Other Financial Assets	-	31,841,500	-	-	-	-
Trade and Other Receivables	484,122,328	-	-	-	-	484,122,328
Cash and Cash Equivalents	7,637,282	-	-	-	-	7,637,282
	491,759,610	31,841,500	-	-	-	491,759,610

Financial Liabilities

Loans and Borrowings	280,329,504	194,445,677	254,360,921	168,430,890	712,251,941	1,609,818,933
Trade and Other Payables	280,327,355	-	-	-	-	280,327,355
Total	560,656,859	194,445,677	254,360,921	168,430,890	712,251,941	1,890,146,288

As at 31 March 2019	Less than 3 Months	4 to 12 Months	2 – 3 Years	4 – 5 Years	>5 Years	Total
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Financial Assets

Other Financial Assets	-	-	-	-	-	-
Trade and Other Receivables	393,193,770	-	-	-	-	393,193,770
Cash and Cash Equivalents	28,940,347	-	-	-	-	28,940,347
	422,134,117	-	-	-	-	422,134,117

Financial Liabilities

Loans and Borrowings	22,225,019	69,347,560	289,161,712	172,742,645	712,251,941	1,265,728,877
Trade and Other Payables	149,801,156	-	-	-	-	149,801,156
Total	172,026,175	69,347,560	289,161,712	172,742,645	712,251,941	1,415,530,033

29.3 Liquidity risk (Contd...)

Group

As at 31 March 2020	Less than 3 Months	4 to 12 Months	2 – 3 Years	4 – 5 Years	>5 Years	Total
Financial Assets						
Other Financial Assets	-	31,841,500	-	-	-	-
Trade and Other Receivables	852,067,123	-	-	-	-	852,067,123
Cash and Cash Equivalents	366,223,883	-	-	-	-	366,223,883
	1,218,291,006	31,841,500	-	-	-	1,218,291,006

Financial Liabilities

Loans and Borrowings	443,809,976	767,454,620	1,626,896,993	462,626,499	1,090,680,286	4,391,468,374
Trade and Other Payables	479,111,776	-	-	-	-	479,111,776
Total	922,921,752	767,454,620	1,626,896,993	462,626,499	1,090,680,286	4,870,580,150

As at 31 March 2019	Less than 3 Months	3 to 12 Months	2 – 3 Years	4 – 5 Years	>5 Years	Total
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Financial Assets

Other Financial Assets	-	-	-	-	-	-
Trade and Other Receivables	405,996,571	-	-	-	-	405,996,571
Cash and Cash Equivalents	240,310,787	-	-	-	-	240,310,787
	646,307,358	-	-	-	-	646,307,358

Financial Liabilities

Loans and Borrowings	170,704,955	471,957,874	1,281,622,391	842,676,578	733,693,289	3,500,655,086
Trade and Other Payables	138,155,658	-	-	-	-	138,155,658
Total	308,860,612	471,957,874	1,281,622,391	842,676,578	733,693,289	3,638,810,744

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

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 2020 and 31 March 2019.

The Group monitors capital using a gearing ratio, which is Interest – Bearing Loans and Borrowings divided by total Equity plus Interest – Bearing Loans and Borrowings. The Group's policy is to keep the gearing ratio below 65%.

	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Interest – Bearing Loans and Borrowings	3,397,825,284	2,672,768,500	1,088,118,673	733,738,700
Equity	3,000,796,895	2,753,369,487	1,418,570,752	1,452,474,543
Equity & Interest – Bearing Loans and Borrowings	6,398,622,178	5,426,137,987	2,506,689,425	2,186,213,243
Gearing Ratio	53.1%	49.3%	43.4%	33.6%

30. COMPARATIVE RECLASSIFICATION

The presentation and classification of following item in these financial statements are amended to ensure comparability with the current year.

Accounting Policy

The accounting policies have been consistently applied by the Company with those of the previous financial year in accordance with the Sri Lanka Accounting Standard - LKAS 01 on 'Presentation of Financial Statements'. Comparative information is reclassified wherever necessary to comply with the current presentation. The presentation and classification of the following items in these financial statements are amended to ensure the comparability with the current year.

Statement of Financial Position-Group	As disclosed previous year 2019 Rs.	Adjustment Rs.	Group presentation year 2019 Rs.
Non Current Liabilities			
Loans and Borrowings	2,124,251,574	(13,760,607)	2,110,490,967
Lease Liability	-	13,760,607	13,760,607
Current Liabilities			
Loans and Borrowings	548,516,926	(4,997,491)	543,519,435
Lease Liability	-	4,997,491	4,997,491
	2,672,768,500	-	2,672,768,500

Statement of Financial Position-Company	As disclosed previous year 2019 Rs.	Adjustment Rs.	Company presentation year 2019 Rs.
Non Current Liabilities			
Loans and Borrowings	659,734,095	(9,734,095)	650,000,000
Lease Liability	-	9,734,095	9,734,095
Current Liabilities			
Loans and Borrowings	74,004,605	(4,004,605)	70,000,000
Lease Liability	-	4,004,605	4,004,605
	733,738,700	-	733,738,700

31. Employee Share Option Scheme (ESOS)

The shareholders of the company approve an ESOS scheme to grant share options 5% of the issued number of shares to the eligible employees in four phases annually starting from 2017. The scheme is governed by the provisions of the listing rules.

The scheme is envisaged to have the employees engaged and committed toward the growth of the company's value, ensure building up and retaining of a strong human capital, which is essential for the company to pursue its growth endeavours.

The details of the phases, grant dates, vesting period, exercise period and the calculated exercise prices are given below.

Phase	No of Options to be granted	Grant Date	Vesting Period End Date	Exercise period Start	Exercise period End	Exercise Price
1	10,273,364	Latest of 1/5/2017 or the date of shareholder approval	31/3/2018	1/4/2018	31/3/2020	4.82
2	10,273,364	1/4/2018	31/3/2019	1/4/2019	31/3/2021	4.99
3	10,273,364	1/4/2019	31/3/2020	1/4/2020	31/3/2022	4.42

- As per the provisions of the listing rules, the number of options granted adjusted to factor in the increase in shares due to the capitalization of reserves at the rate of 1 share for every 10 shares held in FY2017/18.
- None of the above options have been converted as shares yet, due to the market price of the share remained stagnant at the range.

INVESTOR INFORMATION

Market Capitalization

The market capitalization of the Company remained at Rs 3,434,920,407/- as of 31 March 2020, compared to Rs. 3,686,256,046/- as of 31 March 2019.

Dividend Payout Ratio

The company declared two interim dividends of Rs 0.10 and Rs 0.13 representing a total distribution to the shareholders amounting to Rs. 188,501,730/-. This represents a dividend payout of 55% during financial year 2019/20 compared to dividend payout of 25% during the previous financial year.

Price to Book Value

The price to book ratio of the group as at 31st March 2020 was 1.17 compared to 1.36 reported as of 31 March 2019

Highest and Lowest Share prices for last five financial years

Financial Year	Highest price per share	Lowest price per share	Closing price per share
FY 2019/20	5.10	4.10	4.10
FY 2018/19	5.00	4.10	4.40
FY 2017/18 (Capitalisation of reserves at the ratio of 1:10)	5.90	4.60	4.70
FY 2016/17	6.20	5.00	5.20
FY 2015/16 (Capitalisation of reserves at the ratio of 1:2)	11.00	5.80	6.00

Twenty Largest Shareholders of Vidullanka PLC as at 31 March 2020

Name	Shares	2020 %	Shares	2019 %
1. Mr. Ranjan Mather	134,985,923	16.1%	18,871,875	2.3%
2. Mr. Riyaz M. Sangani	109,608,206	13.1%	103,720,253	12.4%
3. Wembley Spirit Limited	108,943,372	13.0%	108,943,372	13.0%
4. Mr. Sattar Kassim	74,137,368	8.8%	73,637,368	8.8%
5. Mr. Osman Kassim	65,217,391	7.8%	65,217,391	7.8%
6. Aberdeen Holdings (Pvt) Ltd	53,854,046	6.4%	54,929,961	6.6%
7. Mrs. R.L. Mather	42,225,000	5.0%	42,225,000	5.0%
8. ABC International Ltd	28,719,973	3.4%	28,719,973	3.4%
9. Mrs. Yumna Kunimoto	25,275,451	3.0%	25,275,451	3.0%
10. Mr. Mohamed Shafee Mohideen	21,172,720	2.5%	20,992,898	2.5%
11. Mr. Sujendra Mather	19,827,892	2.4%	19,827,892	2.4%
12. Dynawash Ltd	17,966,598	2.1%	17,966,598	2.1%
13. Jaywise Construction Ltd	14,094,251	1.7%	14,094,251	1.7%
14. Belmont Agents Ltd	13,587,431	1.6%	128,087,789	15.3%
15. Mr. Ranjeet Bhanwarlal Barmecha	11,880,003	1.4%	11,880,003	1.4%
16. Mrs. Z.M.Sangani (Deceased)	11,767,741	1.4%	11,767,741	1.4%
17. Mrs. D.Z. Kathawala	11,353,546	1.4%	11,353,546	1.4%
18. Mr. Osman Kassim /Mrs. K Kassim	10,942,641	1.3%	10,442,641	1.2%
19. Vanguard Industries (Pvt) Ltd	7,606,012	0.9%	7,606,012	0.9%
20. Timex Garments (Pvt) Ltd	7,250,769	0.9%	13,868,546	1.7%
Top 20 Shareholders	790,416,334	94.3%	789,428,561	94.2%

Shareholding Classification : Local & Foreign

Range	Local Shareholding			Foreign Shareholding			Total Shareholding		
	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%
1 - 1,000 Shares	767	162,092	0.02%	4	2,284	0.00%	771	164,376	0.02%
1,001 - 10,000 Shares	444	1,610,989	0.19%	3	8,255	0.00%	447	1,619,244	0.19%
10,001 - 100,000 Shares	184	5,624,029	0.67%	4	171,471	0.02%	188	5,795,500	0.69%
100,001 - 1,000,000 Shares	40	12,533,903	1.50%	1	165,000	0.02%	41	12,698,903	1.52%
Over 1,000,001 Shares	30	628,695,963	75.04%	6	188,811,479	22.54%	36	817,507,442	97.58%
Total	1,465	648,626,976	77.42%	18	189,158,489	22.58%	1,483	837,785,465	100.00%

Shareholding Classification : Entities & Individuals

Range	Individuals			Entities			Total Shareholders		
	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%	No of shareholders	No of Shares	%
1 - 1,000 Shares	757	158,689	0.02%	14	5,687	0.00%	771	164,376	0.02%
1,001 - 10,000 Shares	428	1,554,984	0.19%	19	64,260	0.00%	447	1,619,244	0.19%
10,001 - 100,000 Shares	175	5,304,481	0.63%	13	491,019	0.06%	188	5,795,500	0.69%
100,001 - 1,000,000 Shares	34	10,116,725	1.21%	7	2,582,178	0.31%	41	12,698,903	1.52%
Over 1,000,001 Shares	21	428,077,442	51.10%	15	389,430,000	46.48%	36	817,507,442	97.58%
Total	1415	445,212,321	53.14%	68	392,573,144	46.86%	1483	837,785,465	100.00%

INVESTOR INFORMATION

Public Shareholding

Issued Share Capital	837,785,465	
1. Parent, subsidiary, associate entities or any subsidiaries or associates of its parent entity	-	
2. Directors of the entity, spouses & their close family members		
Mr. Osman Kassim (Chairman)	65,217,391	
Mr. Osman Kassim /Mrs. K Kassim	10,942,641	
Mr. Riyaz M. Sangani (CEO)	109,608,206	
Mr. Shahid M. Sangani	4,227,569	
Mr. Ranjan Mather	134,985,923	
Mr. Sidath Fernando	5,000,000	
Mr. Sattar Kassim	74,137,368	
Mr. C. F. Fuhrer	1,098,398	
Mr. Sujendra Mather	19,827,892	
Mrs. S. R. Sangani	418,934	
Mrs. S. S. Sangani	2,819,955	
Mrs. R. L. Mather	42,225,000	
Mrs. Z.M Sangani (Deceased)	11,767,741	(482,277,018)
3. Chief Executive Officer and his close family members (as Indicated above)	-	
4. Key management Personnel and their close family members	-	
5. Any party acting in concert with the parties set out in 1,2,3 & 4	-	
6. Shares that have been allotted to employees, whereby the shares of the Entity are, directly or indirectly controlled by the management or the majority shareholder of the Entity.	-	
7. Shares that are in a locked account with the CDS due to statutory or regulatory requirement other than the shareholders exempted under (8) below.	-	
8. Entities, Single shareholders or Single shareholders jointly or severally holding 10% or more (5% for Dirisavi Board)		
Wembley Spirit Limited	108,943,372	(108,943,372)
Public Shareholding	246,565,075	
Public Holding - %	29.4%	
Public Holding - No of Shareholders	1,469	
Non-Public Shareholding	591,220,390	
Non-Public Shareholding %	70.6%	
Non-Public Holding - No of Shareholders	14	
Existing Floated adjusted Market Capitalization	1,010,916,808	
Option for Compliance - Option 5 of 7.13.1 (a) of the Listing Rules		

FIVE YEAR SUMMARY

(in '000 otherwise stated)	2020 Rs	2019 Rs.	2018 Rs.	2017 Rs.	2016 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4,932,209	4,116,382	4,057,474	3,519,594	2,267,305
Right of Use Assets	169,148	-	-	-	-
Investment in Joint Ventures	572,995	537,798	319,172	327,305	313,587
Other Project Investments	91,991	92,716	112,929	134,519	79,022
Goodwill	277,175	249,000	215,879	215,879	215,879
Other assets	-	-	-	26,045	10,008
	6,069,668	5,021,941	4,715,463	4,200,839	2,875,794
Current Assets	1,312,820	767,337	587,862	504,205	633,211
Total Assets	7,382,488	5,789,278	5,303,325	4,705,043	3,509,005
Equity & Liabilities					
Total Equity	3,000,797	2,753,369	2,212,155	1,807,590	1,870,400
Total Loans and Borrowings	3,397,825	2,672,769	2,629,451	2,604,609	1,448,370
Total Capital Employed	6,398,622	5,426,138	4,841,606	4,412,199	3,318,770
Other Liabilities	983,866	363,139	461,719	292,844	190,235
Total Equity Liabilities	7,382,488	5,789,278	5,303,325	4,705,043	3,509,005
Operating Results					
Group Revenue	1,440,380	1,281,956	974,838	534,754	723,224
Gross Profits	1,062,483	980,401	726,369	391,062	601,700
Operating Profits	899,346	917,576	908,559	199,934	479,792
Profit Before Tax	582,099	624,212	649,490	40,715	392,464
Profit After Tax	361,662	527,318	509,220	41,677	371,591
Cash generated from Operating Activities	536,763	447,519	601,713	299,477	228,043
Cash utilized in Investing Activities	916,675	60,370	431,244	1,392,648	305,623
New Capacity Added (MW)	3.30	-	1.40	6.50	2.00
Generation (GWh)	114.9	108.0	92.6	48.5	68.0
Emission Reduction (in ton of CO2 equivalent)	66,578	68,040	58,338	30,555	42,840
Key Indicators					
Net Profit Margin (%)	25.1	41.1	52.2	7.8	51.4
ROE (%)	12.1	19.2	23.0	2.3	19.9
ROA (%)	12.2	15.8	17.1	4.2	13.7
Earning per Share (Rs.)	0.41	0.62	0.60	0.05	0.52
Dividend per Share (Rs.)	0.23	0.15	0.20	0.10	0.23
Net Asset Value Share (Rs.)	3.51	3.24	2.66	2.41	2.50
Current Ratio (No. of times)	0.81	1.11	0.48	0.53	0.99
Equity Asset Ratio (No. of times)	2.46	2.10	2.40	2.60	1.88
Asset Turnover Ratio (No. of times)	0.20	0.22	0.18	0.11	0.21
Gearing Ratio (%)	53.1	49.3	54.3	59.0	43.6

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 24th Annual General Meeting of shareholders of Vidullanka PLC will be held on 10.00am on 4th August 2020 using the audio visual technology (Virtual AGM) for the following purposes:

1. To consider and adopt the Audited Financial Statements for the year ended 31st March 2020 together with the Annual Report of the Directors thereon.
2. Re-Election of Directors
 - I. To re-elect Mr. Shahid M. Sangani as a Director of the Company, who retires by rotation and has offered himself for re-election.
 - II. To re-elect Mr. Sattar Kassim as a Director of the Company, who retires by rotation and has offered himself for re-election.
3. Re-election of Directors in terms of section 211 of the Companies Act no 7 of 2007

Mr. Ranjan Mather, who is 74 years of age as a Director in terms of Section 211 of the Companies Act No. 07 of 2007. Accordingly, the following resolution to be passed for this purpose, if thought fit.

IT IS HEREBY RESOLVED to re-elect Mr. Ranjan Mather, who is 74 years of age as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and it is specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. Ranjan Mather.
4. To re-appoint the retiring auditors M/s Ernst & Young, Chartered Accountants for the ensuing year and authorize the Directors to determine their remuneration.
5. Any other business.

By order of the Board
VIDULLANKA PLC

MANAGERS & SECRETARIES (PRIVATE) LIMITED
Secretaries

10 July 2020

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.
 4. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his/her behalf. A proxy need not be a member of the Company.
 5. A form of proxy is enclosed for this purpose.
 6. The instruments for registration and appointing a proxy must be completed and deposited at the Registered Office of the Company, Vidullanka PLC, Level 04, Access Tower, No. 278, Union Place, Colombo 02, or e-mailed to agm2020@vidullanka.com within following timeline.
- The instruments for registration – 5 days (120 hours) prior to the date of AGM.
 - The proxy - not less than twenty four hours prior to the time appointed for holding the meeting.

FORM OF PROXY

I/We, the undersigned

of

being 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 4th August 2020 and at any adjournment thereof.

Ordinary Resolution

	For	Against
1. To, consider and adopt the Audited Financial Statements for the year ended 31st March 2020 together with the Annual Report of the Directors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr. Shahid M. Sangani as a Director of the Company, who retires by rotation and has offered himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. Sattar Kassim as a Director of the Company, who retires by rotation and has offered himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re- elect Mr. Ranjan Mather as a Director of the Company, who is over 70 years of age.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint the retiring auditors M/s. Ernst & Young, Chartered Accountants for the ensuing year and authorize directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2020.

Please see overleaf for Instructions for completion.

.....
Signature

Notes : 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 agm2020@vidullanka.com not later than 24 hours prior to the time appointed for holding of the meeting.
4. In the case of a proxy signed by an Attorney, the relevant Power-of-Attorney or a certified copy thereof should also accompany 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

27th September 2007

Company Registration Number

PQ 83

COMPANY SECRETARY

Managers & Secretaries (Pvt) Ltd
No 8, Tickle Road
Colombo 08

STATED CAPITAL

Rs. 1,417,908,484/-

ISSUED NUMBER OF SHARES

837,785,465 Shares

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

AUDITORS

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

BANKERS

Amana Bank PLC
MCB Bank Limited
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon
NDB Bank PLC
Stanbic Bank Uganda Limited



www.vidullanka.com