



Lotus *Renewables*

LOTUS HYDRO POWER PLC



# POTENTIAL

ANNUAL REPORT 2024/25

# ABOUT

Lotus Hydro Power PLC, headquartered in Colombo, Sri Lanka, is a prominent corporation specializing in the development and operation of renewable energy sources. The company currently oversees the operation of four active power plants strategically located in the Rathnapura, Kandy, and Nuwara Eliya regions. Lotus Hydro Power PLC is deeply committed to delivering value to its shareholders and stakeholders while upholding principles of integrity, social responsibility, and environmental stewardship. Central to its ethos is the prioritization of renewable and sustainable energy initiatives. The company maintains a steadfast dedication to the effective management of economic, social, and environmental aspects of its operations, reflecting its core values of concern for both people and the environment.

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## VISION & MISSION

To be a valuable stakeholder in the Sri Lankan Renewable Energy Industry by supplying green energy while safeguarding the environment



## VALUES

<b>Accountability</b>	- Responsibility to all our stakeholders
<b>Bias for action</b>	- We are driven to get results, swiftly
<b>Integrity</b>	- Treat others with respect and honesty and are true ourselves
<b>Innovative</b>	- Develop outside the box solutions
<b>Passion</b>	- Develop outside the box solutions
<b>Quality</b>	- What we do, we do well

## DELIVERY OF VALUE



Total kW Installed  
**4,900** kW



Revenue  
Rs. **257** Mn.



Taxes paid to Government  
Rs. **36** Mn.



Operating Profit  
Rs. **99** Mn.



No. of Employees  
**51**



Number of Shareholders  
**2,421**



Net Assets Value per Share  
Rs. **6.83**



CO2 Avoided  
**60,527** Tons



Electricity Generation  
**15,397,454** kW

## FINANCIAL HIGHLIGHTS - GROUP

Year Ended 31 <sup>st</sup> March	2025	2024	Change	2023
	Rs.	Rs.	%	Rs.
<b>Operating Results</b>				
Group revenue (Rs.)	257,434,078	221,656,786	16.14	200,234,291
Profit before taxation (Rs.)	121,454,599	81,534,704	48.96	81,276,067
Profit after taxation (Rs.)	87,792,815	65,008,250	35.05	43,709,694
Other comprehensive income/(Loss) (Rs.)	26,531,076	339,293	7,719.52	(42,416,434)
<b>Total Comprehensive income (Rs.)</b>	<b>114,323,891</b>	<b>65,347,543</b>	<b>74.95</b>	<b>1,293,260</b>

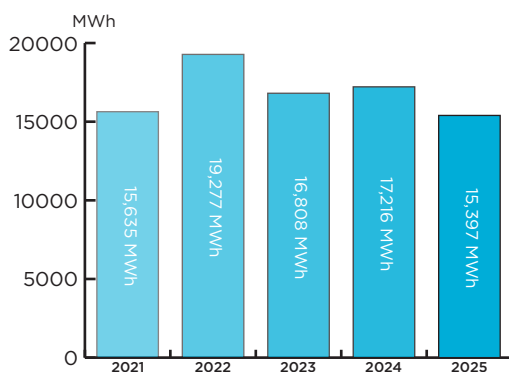
### Financial Position highlights

Total shareholders' funds (Rs.)	744,878,156	706,915,943	5.37	794,291,758
Total assets (Rs.)	922,131,054	879,778,012	4.81	968,768,702
No of ordinary share (Nos.)	109,088,112	109,088,112	-	109,088,112

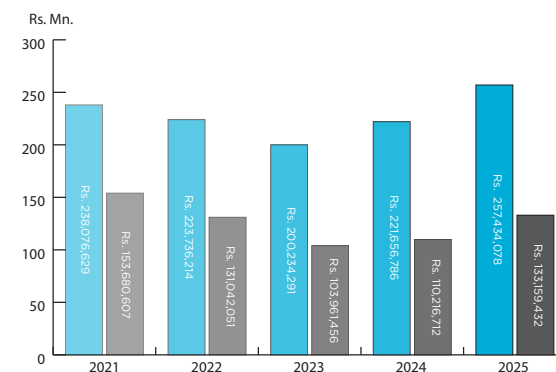
### Shareholders information

Earnings per share (Rs.)	0.80	0.60	33.33	0.40
Return on equity (%)	11.79	9.20	28.15	5.50
Net asset per share (Rs.)	6.83	6.48	5.40	7.28
Current ratio (Times)	11.91	11.01	8.17	14.89
Dividend payout ratio (%)	86.98	234.93	(62.98)	-
Market price as at 31 <sup>st</sup> March (Rs.)	12.00	9.50	26.32	7.80
Market capitalization (Rs.)	1,309,057,344	1,036,337,064	26.32	850,887,274

### Electricity Generation - MWh



### Turnover (Rs.) / Gross Profit (Rs.)



# OUR BUSINESS OPERATIONS



*We operate four mini hydropower plants across Sri Lanka and are expanding into other renewables, driven by our commitment to clean energy, sustainability, and community development.*



## Global Energy

*Global energy today represents the cumulative demand for power across the world-spanning electricity, oil, natural gas, coal, and increasingly, renewable sources such as wind, solar, and hydropower. This demand continues to grow steadily, fueled by population increases, industrialization, and changing consumer behaviors.*

While fossil fuels have long dominated the global energy mix, a clear shift is now underway toward cleaner, more sustainable alternatives. Technological innovation and heightened global awareness of climate change have accelerated the adoption of renewable energy solutions. Governments around the world are responding with progressive policies and regulatory

incentives aimed at reducing carbon emissions and promoting a low-carbon future. The evolving dynamics of global energy production and consumption will remain central to shaping economic development, energy security, and environmental sustainability in the decades to come.

## Local Energy – Sri Lanka

Sri Lanka's energy sector is undergoing a transformative shift. While the country has historically relied on imported fossil fuels such as oil and coal, there has been a strategic and policy-driven push in recent years to diversify the energy mix and increase the share of renewables.



Hydropower has long been a cornerstone of Sri Lanka's power generation, harnessing the natural potential of its rivers. More recently, solar and wind energy have gained significant traction, supported by government incentives and the growing deployment of solar farms and rooftop systems across the island.

Sri Lanka has set ambitious national targets to increase the share of renewable energy in its energy mix, reduce reliance on imports, and strengthen energy independence. However, challenges such as infrastructure limitations and the need for modernized grid systems persist. Even so, the country remains well-positioned to accelerate its renewable energy transition, with strong potential for innovation, investment, and sustainable growth.

## Our Operations

We are proud to contribute to Sri Lanka's national vision of a sustainable, renewable energy future. At present, we operate four mini-hydropower plants located in diverse regions across the country. These facilities are equipped with state-of-the-art electromechanical systems and are managed by a highly experienced and skilled workforce, ensuring reliable and efficient energy generation.

Our core expertise lies in hydropower, but our commitment to renewable energy extends further. We are actively exploring opportunities in solar, wind, and biomass energy to

broaden our impact. Across all our operations, we uphold the principles of environmental stewardship and sustainability, maintaining a minimal carbon footprint while maximizing long-term value.

Beyond our technical operations, we are equally focused on community engagement and inclusive development. We work closely with local communities to foster socio-economic growth, create employment opportunities, and ensure that our presence supports the holistic advancement of the regions in which we operate. As we grow, we remain dedicated to aligning our goals with both national priorities and global climate objectives.



Sanquhar Mini Hydro Power Project

Project Details	
Capacity	1,600 kW
Date of SPPA	December 2003
Tenure of SPPA	December 2038
Status of the Project	Operational
Location	Sanquhar Estate
District	Kandy
River	Galatha Oya
Tariff	Rs. 13.36 (2025)

Plant factor	
2024/2025	24.18%
2023/2024	35.23%

Generation	
2024/2025	3,388,640 kWh
2023/2024	4,937,940 kWh

Revenue	
2024/2025	Rs. 44,236,521
2023/2024	Rs. 62,514,953



Delta Mini Hydro Power Project

Project Details	
Capacity	1,600 kW
Date of SPPA	April 2006
Tenure of SPPA	April 2041
Status of the Project	Operational
Location	Delta Estate
District	Kandy
River	Atabage Oya
Tariff	Rs. 11.29 (2025)

Plant factor	
2024/2025	38.64%
2023/2024	43.54%

Generation	
2024/2025	5,416,299 kWh
2023/2024	6,103,002 kWh

Revenue	
2024/2025	Rs. 59,409,248
2023/2024	Rs. 65,035,549





## Stellenberg Mini Hydro Power Project

### Project Details

Capacity	900 kW
Date of SPPA	January 2014
Tenure of SPPA	January 2034
Status of the Project	Operational
Location	Pupuressa
District	Kandy
River	Atabage Oya
Tariff	Rs. 13.04

### Plant factor

2024/2025	48.33%
2023/2024	41.20%

### Generation

2024/2025	3,810,513 kWh
2023/2024	3,247,999 kWh

### Revenue

2024/2025	Rs. 49,693,367
2023/2024	Rs. 42,353,907



## Thebuwana Mini Hydro Power Project

### Project Details

Capacity	800 kW
Date of SPPA	June 2015
Tenure of SPPA	June 2035
Status of the Project	Operational
Location	Devipahala
District	Rathnapura
River	Devipahala Maha Ela
Tariff	Rs. 13.04

### Plant factor

2024/2025	39.70%
2023/2024	41.77%

### Generation

2024/2025	2,782,002 kWh
2023/2024	2,927,240 kWh

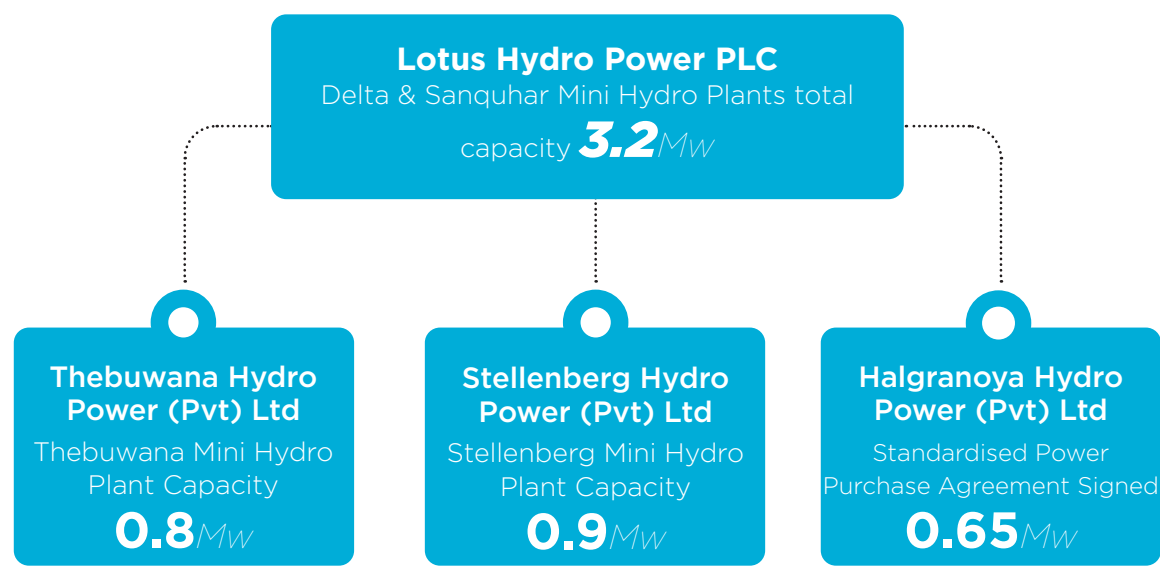
### Revenue

2024/2025	Rs. 36,277,306
2023/2024	Rs. 38,171,210



# OUR ORGANISATIONAL STRUCTURE

Lotus Hydro Power PLC is a limited liability company listed on the Colombo Stock Exchange. The Company and its subsidiaries are incorporated and domiciled in Sri Lanka.



Name of Company	Reg: No.	Date of Incorporation	Ownership	Stated capital (Rs.)	Principal Activities	Directors
Stellenberg Hydro Power (Pvt) Ltd	PV 70024	19/11/2009	100%	150 Mn	The Company was established to generate Hydro Power.	<div><div></div>Mr. Gary Seaton</div> <div><div></div>Mr. Menaka Athukorala</div> <div><div></div>Mr. Gowri Shankar</div>
Thebuwana Hydro Power (Pvt) Ltd	PV 70022	19/11/2009	100%	200 Mn	The Company was established to generate Hydro Power.	<div><div></div>Mr. Gary Seaton</div> <div><div></div>Mr. Menaka Athukorala</div> <div><div></div>Mr. Gowri Shankar</div>
Halgranoya Hydro Power (Pvt) Ltd	PV 68774	20/08/2009	100%	10 Mn	The Company was established to generate Hydro Power (not commenced)	<div><div></div>Mr. Gary Seaton</div> <div><div></div>Mr. Menaka Athukorala</div> <div><div></div>Mr. Gowri Shankar</div>

## CHAIRMAN'S REVIEW



### Dear Shareholders,

It is with great pleasure that I present to you the Annual Report of Lotus Hydro Power PLC for the financial year ended 31st March 2025—a year marked by prudent operational management, steady financial performance, and forward-looking strategic recalibration in the context of a dynamic energy landscape.

### Performance Highlights

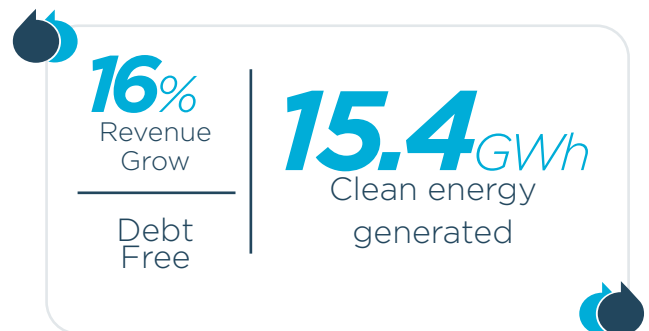
Despite operating in an environment shaped by climate variability and macroeconomic volatility, we maintained a stable growth trajectory and continued to uphold our core values of sustainability, operational resilience, and shareholder responsibility. The Group recorded a consolidated revenue of Rs. 257.4 million, reflecting a 16.1% year-on-year increase. The reported revenue growth of 16.1% includes the receipt of delayed payments interest totaling Rs. 67.8 million pertaining to the Delta, Sanquhar, and Stellenberg projects. Meanwhile, profit after tax rose to Rs. 87.8 million, representing a 35% growth. These figures are a testament to the resilience of our operational model and the strength of our management approach, particularly in navigating the hydrological uncertainties that continue to affect small hydropower generation in Sri Lanka.

### Operational Resilience

Our four mini-hydropower plants—Sanquhar, Delta, Thebuwana, and Stellenberg—remained in optimal condition, with all plants being well-maintained and operating under high plant availability metrics. While generation volumes declined due to lower rainfall, operations at Delta and Sanquhar were affected by two significant shutdowns—one due to canal path repairs at Delta, and the other due to generator repairs at Sanquhar. Nevertheless, our disciplined approach to preventive maintenance, equipment efficiency, and resource allocation helped mitigate the effects on the bottom line. In parallel, several minor upgrades were undertaken to improve asset reliability and long-term sustainability.

### Board Composition and Governance

During the year, the Board underwent several key changes. Mr. Uditha Paliakkara resigned as Senior Independent Non-Executive Director with effect from 31<sup>st</sup> December 2024. We extend our sincere appreciation for his valuable contributions and dedicated service. He was succeeded by Mr. Mayura Fernando as an Independent Non-Executive Director. Subsequently, Mr. Indrajith Fernando, who was appointed as the Senior Independent Director, tendered his resignation with effect from 22<sup>nd</sup> July 2025. We are grateful for his commitment and guidance during his tenure. On the same date, Dr. Rohantha Athukorala was appointed as an Independent Non-Executive Director, and Mr. Mayura Fernando was



appointed as the Senior Independent Director, further strengthening the independence and effectiveness of the Board.

## Strategic Outlook

Looking forward, our medium-to-long-term strategic vision is firmly aligned with Sri Lanka's national objective of transitioning to a more sustainable and diversified energy mix. The Board is actively evaluating new investment opportunities in the broader renewable energy space, with particular emphasis on Hydro Power and solar. These sectors not only provide diversification against weather-dependent hydropower risks but also offer the potential for scalable, grid-integrated power generation across multiple regions.

## Policy and Advocacy

We are mindful of the evolving challenges facing the energy sector—ranging from tariff uncertainties to delayed regulatory reforms. Through collective industry advocacy via the Small Hydropower Association, we continue to urge policymakers and regulators to adopt a fair and sustainable pricing framework that will incentivize further private investment in renewable energy infrastructure.

## Capital Position and Growth Readiness

While we have not initiated any capital market transactions during the year, the Company remains well capitalized

and debt-free, giving us the flexibility to evaluate long-term projects that align with our return expectations and ESG values.

## Sustainability Commitment

In terms of sustainability, we continue to make a meaningful contribution to the country's clean energy goals. By generating over 15.4 GWh of renewable electricity in FY 2024/25, we have helped reduce dependency on fossil fuels and avoided significant CO<sub>2</sub> emissions. While we have not yet formalized ESG reporting under global frameworks, the Board recognizes the importance of sustainability disclosures and intends to explore adoption of internationally accepted guidelines in the coming years.

## Appreciation

On behalf of the Board of Directors, I take this opportunity to thank our shareholders for their continued confidence, our employees for their unwavering dedication, and our partners and regulators for their cooperation throughout the year. Our commitment remains to deliver long-term value to all stakeholders while advancing Sri Lanka's transition to a more secure, inclusive, and low-carbon energy future.



**G D Seaton**  
Chairman  
15<sup>th</sup> August 2025

## Conclusion

The financial year 2024/25 demonstrated Lotus Hydro Power PLC's resilience and steady growth despite a challenging environment. Strong operational performance, prudent management, and a debt-free capital structure enabled us to deliver solid results while supporting Sri Lanka's clean energy goals.

Looking ahead, we remain focused on diversifying into solar energy to strengthen our renewable portfolio and align with national energy objectives.

With a clear strategy and strong financial position, we are well placed to seize new opportunities and continue creating long-term value for our stakeholders. We thank our shareholders, employees, partners, and regulators for their ongoing support.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Operating Environment and Strategic Focus

The financial year 2024/25 was shaped by a gradually recovering local economy and a growing global imperative to transition toward renewable energy. Within Sri Lanka, the renewable energy sector continued to be influenced by climate-related unpredictability, tariff reform delays, and the broader national policy direction aimed at enhancing energy security. In this context, Lotus Hydro Power PLC remained resilient and forward-looking, maintaining operational stability and financial discipline while staying aligned with national sustainability objectives. The Company's medium-term strategic focus has been defined by its intent to diversify its renewable energy portfolio, particularly through future investments in solar and biomass power. This strategic outlook aims to complement the existing hydropower asset base while mitigating generation risks associated with changing rainfall patterns.

## Financial Performance Overview

The Company delivered a strong financial performance in the financial year 2024/25, achieving year-on-year growth in both revenue and profitability despite a decline in total electricity generation. Revenue recorded a notable increase, largely attributable to interest income

earned on delayed payments from the Ceylon Electricity Board (CEB), as well as consistent contributions from the Delta, Sanquhar, and Stellenberg plants. Profit after tax also rose, underpinned by effective cost management and the Company's prudent, debt-free capital structure. Earnings per share improved significantly compared to the previous year, while the Company sustained a robust dividend payout ratio of 87 percent. The balance sheet remained healthy, with strong net assets and zero borrowings, positioning the Company well to pursue future investment opportunities with enhanced financial flexibility and minimal risk.

## Operational Performance and Asset Management

The Company's four operational mini-hydropower plants—Sanquhar, Delta, Thebuwana, and Stellenberg—collectively contributed 15.4 GWh of renewable energy to the national grid during the year. Although this marked a decrease from the prior year's generation due to reduced rainfall in key catchment areas, the Company's strong maintenance regime ensured that all plants operated with high availability and minimal downtime. During the year under review, operations at Delta and Sanquhar were affected by two significant shutdowns — one due to canal path repairs at Delta, and the other due

to generator repairs at Sanquhar.

While the Sanquhar and Delta plants were affected by lower hydrological inflows, performance improvements were recorded at the Thebuwana and Stellenberg facilities. The Company undertook several minor equipment upgrades and continued to follow a structured preventive maintenance schedule to ensure long-term plant sustainability and reliability.

## Project Development and Investment Pipeline

In keeping with its strategic focus on renewable energy diversification, Lotus Hydro Power PLC has initiated internal reviews and technical considerations for the development of the Halgranoya Hydro Power Project, with a proposed capacity of 0.65 MW. While this project remains at the strategic planning stage, it reflects the Company's commitment to growing its renewable energy footprint in a responsible and phased manner.

During the year, the Company evaluated several potential projects in the Hydro and Solar sectors by conducting detailed financial and technical feasibility studies. However, no new investments were undertaken, as the projects did not meet the Company's expected return on investment thresholds. No MoUs or formal project approvals were finalized during the reporting period. However, the Board continues to assess investment opportunities



that meet the Company's return expectations and align with environmental and regulatory priorities.

## Regulatory Environment and Industry Advocacy

The Company continues to operate under a licensing framework regulated by the Ceylon Electricity Board (CEB) and the Public Utilities Commission of Sri Lanka (PUCSL). During the year, tariff revisions remained a key area of concern, particularly for the small hydropower sector, which faces economic challenges in the absence of fair and inflation-adjusted pricing models. As a member of the Small Hydropower Association, the Company actively contributed to industry-wide advocacy efforts calling for more equitable and transparent pricing structures. Ensuring regulatory clarity and economic viability remains crucial for the long-term sustainability of small hydropower projects across the country.

## Risk Management and Climate Adaptation

The most significant operational risk faced by the Company continues to be climate variability. Unpredictable rainfall patterns and extended dry spells directly impact generation capacity, particularly at run-of-river plants. While no major operational disruptions occurred during the year, generation output was lower due to such climatic challenges.

In response, the Company continues to emphasize conservative forecasting, robust maintenance schedules, and operational flexibility. While no new risk control mechanisms were introduced during the period, the Company acknowledges the growing importance of climate adaptation strategies and intends to integrate more structured climate risk assessments into future planning.

## Capital Structure and Financial Discipline

Lotus Hydro Power PLC maintained its zero-debt policy during the year, funding all operations and capital needs through internal cash flows. With no changes to the dividend policy, the Company ensured consistent shareholder returns while preserving financial strength to pursue future growth.

## Sustainability and Environmental Commitment

The Company has not formally adopted global ESG frameworks, but sustainability is integral to its operations. All electricity generated is 100% renewable, reducing greenhouse gas emissions and supporting the national energy mix. While no specific CSR initiatives were undertaken, all projects fully comply with environmental regulations and are continuously monitored to minimize ecological impact.

## Human Capital and Governance

The Company's workforce, comprising 51 employees, continued to demonstrate technical excellence and operational dedication. Employee safety, regulatory compliance, and skills development remained priorities throughout the year. The Board of Directors maintained its oversight responsibilities with diligence, ensuring alignment with the Corporate Governance Code issued by CA Sri Lanka and the Colombo Stock Exchange. The Board was reconstituted during the year with the appointment of a new Independent Non- Executive Directors, further strengthening its diversity and governance capabilities.

## Future Outlook

Looking ahead, Lotus Hydro Power PLC remains cautiously optimistic. While climate risk remains a concern, the Company is confident in its ability to deliver sustainable performance through operational efficiency, prudent financial management, and selective expansion into complementary renewable energy segments. As Sri Lanka accelerates its renewable energy transition, the Company is well positioned to contribute meaningfully to national goals while delivering long-term value to shareholders and stakeholders alike.

## BOARD OF DIRECTORS



### MR. GARY SEATON

*Executive Director/ Chairman*

Mr. Gary Seaton was born and educated in Sydney, Australia, completing his formal education at the University of New South Wales. He began his career in agribusiness by joining the Gardner Smith Group as a trainee in 1975. In 1984, Mr. Seaton established Gardner Smith's Singapore office—marking the company's initial step toward becoming a global player in the international commodity market. In 1988, he rejoined Gardner Smith to lead its international operations and was instrumental in driving the company's global expansion, establishing offices in India, Pakistan, Sri Lanka, China, Korea, South Africa, the United Kingdom, Tanzania, and Turkey. In 1998, Mr. Seaton left Gardner Smith to establish his own group of companies, including the Oceanic Group, which has continued to invest and operate across Asia. Today, he serves as the head of the Oceanic Group, with operations spanning Singapore, Malaysia, Sri Lanka (tea plantations), India (manufacturing investments), and Australia, primarily within the agricultural sector. Mr. Seaton has served as a Director of Australian Oilseeds Investments since its inception and has held key executive roles including Managing Director of Cootamundra Oilseeds Pty Ltd, Cowcumbra Investments Pty Ltd, and CQ Oilseeds Pty Ltd since 2014. He is currently the Chief Executive

Officer and Chairman of the Board of Directors of Australian Oilseeds Holdings, a NASDAQ-listed company. In addition, Mr. Seaton holds directorships in several companies across multiple sectors, including Hatton Plantations PLC, Lotus Renewable Energy (Private) Limited, Thebuwana Hydro Power (Private) Limited, Stellenberg Hydro Power (Private) Limited, Halgranoya Hydro Power (Private) Limited, Zyrex Power Company Limited, Hi-Tech Power Systems (Private) Limited, Sri Bio-Tech Lanka (Private) Limited and G & G Agro Commodities (Private) Limited. Mr. Seaton is also the Chairman of the Heart of Love Foundation Australia, a philanthropic organisation dedicated to providing free healthcare, education, nutrition, and social services across Australia and the Pacific. The Foundation is part of the One World, One Family Mission, a global humanitarian initiative offering essential services entirely free of charge to those most in need. The Mission operates the world's largest network of free paediatric cardiac hospitals, having performed over 36,000 surgeries to date. It also manages 27 values-based educational campuses and provides free morning nutrition to 10 million schoolchildren daily in India and other countries.



### MR. MENAKA ATHUKORALA

*Executive Director*

Mr. Menaka Athukorala studied at Nalanda College, Colombo and is a Higher National Diploma holder in Plantation Management and Agriculture, and currently, he has pursued an MBA (General) from the University of Bedfordshire (UK). His career path started as a Junior Assistant Superintendent in 1992 and was promoted to Superintendent at Salawa Estate under Pussellawa Plantations Limited in 2002. He was subsequently promoted to Deputy General Manager. He joined Lalan Rubber as the Group General Manager in 2013 and is presently the Chief Operating Officer and Country Manager Director of

Lotus Renewable Energy (Pvt) Ltd. He also carries out duties and responsibilities in the capacity of a Chief Executive Officer of Lotus Hydro Power PLC. Mr. Menaka Athukorala also holds Directorship in Origin Tea Exports (Private) Limited, Hatton Plantations PLC, Lotus Renewable Energy (Private) Limited, Thebuwana Hydro Power (Private) Limited, Stellenberg Hydro Power (Private) Limited, Halgranoya Hydro Power (Private) Limited, Zyrex Power Company Limited, Hi - Tech Power Systems (Private) Limited, Sri Bio Tech Lanka (Private) Limited and G & G Agro Commodities (Private) Limited.


**MR. GOWRI SHANKAR**
*Non- Executive Director*

Mr. Gowri Shankar is a seasoned professional with over 22 years of experience spanning mechanical engineering, corporate strategy, renewable energy, agri-commodity trading, and financial structuring. He is currently the Managing Director and CEO of the G&G Group of Companies, Singapore, with operations across Southeast Asia and Australia. His areas of expertise include structuring finance for mergers and acquisitions, managing diversified portfolios, and advising governments, development banks, and private sector entities on strategic investments. He holds a Bachelor of Technology in Machine Design and Automation Engineering from NIT Jalandhar and an MBA in Finance and Systems from NIT Warangal. He is currently pursuing research in Economics and International Trade at NIT Warangal and was recently recognised with the "Distinguished Young Alumni" award by the institute. Mr. Shankar also holds directorships in several companies, including Australian Oilseeds Holdings (NASDAQ), Hatton Plantations PLC, Lotus Renewable

Energy (Pvt) Limited, Thebuwana Hydro Power (Pvt) Limited, Stellenberg Hydro Power (Pvt) Limited, Halgranoya Hydro Power (Pvt) Limited, Zyrex Power Company Limited, G & G Agro Commodities (Private) Limited and Hi-Tech Power Systems (Pvt) Limited. In addition to his corporate roles, Mr. Shankar serves as Board Advisor to the Prashanthi Balamandira Trust, the lead trust of the One World One Family Mission—a global humanitarian organisation that offers world-class healthcare, education, and nutrition, completely free of charge to those who need it most. In this role, he leads financial strategy, impact investment, fundraising, and partnerships, designing strategic financial frameworks to support the Mission's large-scale philanthropic operations. The Mission operates the world's largest network of free paediatric cardiac hospitals, with over 36,000 surgeries performed to date. It also runs 27 values-based educational campuses and provides free morning nutrition to 10 million school children every day across India and other countries.


**DR. THIRUGNANASAMBANDAR SENTHILVERL**
*Non- Executive Director*

Dr. Thirugnanasambandar Senthilverl was appointed to the Board of Directors of Lotus Hydro Power PLC in 2010 as a Non - Executive director. For over 5 decades he has been actively engaged in Manufacturing, Trading, Land Development, Health Insurance, Finance, Power and Energy sectors and in industrial turnkey projections. At present Dr. Senthilverl currently serves on the Boards of several public listed and private companies.



### MR. MAYURA FERNANDO

*Senior Independent Non- Executive Director (Independent Non-Executive Director appointed w.e.f. 31<sup>st</sup> December 2024 and Senior Independent Non-Executive Director appointed w.e.f. 22<sup>nd</sup> July 2025)*

Mr. P M B Fernando started his professional career at KPMG Ford Rhodes Thornton & Company and was a Partner of the Firm. He has extensive experience as Head of Finance, holding positions of Senior Vice President – Finance of Vanik and Forbes Ceylon Group, Group Finance Director of Confifi Group, and Director Finance – Asian Region of Virtusa (An Information Technology Company based in Boston USA). In General Management Mr. Fernando was the Managing Director of Capital Reach Holdings Ltd, Director/Chief Executive Officer of Softlogic Finance PLC, Director/Chief Executive Officer of Laugfs Capital Ltd, and Chief Executive Officer of Orient Finance PLC. He was

a Non-Executive Independent Director and the Chairman of the Audit Committee of DFCC Bank PLC from 2013 to 2022 and The Lanka Hospitals Corporation PLC from 2020 to 2024. Currently, he is a Non-Executive Independent Director of Laugfs Gas PLC, Laugfs Power PLC, Renuka Hotels PLC, PGP Glass Ceylon PLC, Hatton Plantations PLC, and several other non-listed companies. Mr. Fernando is a Fellow Member of The Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants of the UK. He holds a Bachelor of Science (Applied Science) Degree from the University of Sri Jayawardenapura.



### DR. ROHANTHA ATHUKORALA

*Independent Non- Executive Director (appointed w.e.f. 22<sup>nd</sup> July 2025)*

Dr. Rohantha Athukorala is a seasoned business professional with over 21 years of experience in brand marketing and sales management, having worked with renowned multinationals such as Unilever, Reckitt Benckiser, and Diversey Lever India. His extensive career includes serving as the Country Head for Sri Lanka and the Maldives, where he has made significant contributions to brand development and strategic marketing. Dr. Athukorala's exceptional achievements have been recognized with multiple accolades, including the prestigious 'Marketing Achiever' award from the Chartered Institute of Marketing and the Business Achiever award from the Postgraduate Institute of Management (PIM) at the University of Sri Jayewardenepura. Notably, he was the youngest individual to chair the Sri Lanka Export Development Board and Sri Lanka Tourism. His expertise led to his appointment as the Commissioner General for the World Expo in Milan, where he showcased Sri Lanka on a global platform. Subsequently, he was recruited by the United Nations Office for Project Services (UNOPS) as the Portfolio Development Head for Sri Lanka and the Maldives, during which time Sri Lanka won the 'Best Project' award globally and received the Dr. A.P.J. Abdul Kalam "Pride of the Nation" award. Dr. Athukorala holds a double degree

in marketing, an MBA, and a doctorate in business administration. He is also an alumnus of Harvard University, further enhancing his credentials. He is the only Sri Lankan to have received the coveted 'Rotary International People of Action' award on a global scale. As a team leader, he has spearheaded several significant projects, including the UNDP-funded Tourism projects for the Central Province Master Plan and the Sigiriya Carrying Capacity Study for 2022-2027. He also led the EU-funded Uva Province Tourism Master Plan for 2023-2028 for the Ministry of Tourism. In 2025 the Government of Sri Lanka appointed him to develop the Strategic Plan 2025-2029 for the University Grants Commission (UGC), Ministry of Higher Education and subsequently the National Insurance Trust Fund (NITF), Ministry of Finance. Dr. Athukorala serves as the Country Head of Clootrack Software Labs, a leading South Asian artificial intelligence brand mapping company, covering Sri Lanka and Maldives, Board Director Asia Pacific Institute of Information Technology (APIIT), Strategic Lead for Sun Match Company (Owners Soorya Matches brand). Dr Athukorala was appointed recently as the Vice President World Rural Tourism Council to overlook Asia Pacific.



### MR. INDRAJITH FERNANDO

*Former Senior Independent Non- Executive Director (resigned w.e.f. 22<sup>nd</sup> July 2025)*

Mr. Indrajith Fernando is a Director of Strategic Insurance Brokers (Pvt) Ltd. Beyond Wealth (Pvt) Ltd and Global Connect Partners.

He serves as a Chartered Institute of Securities Investments (CISI) Advisory Committee member in Sri Lanka and as a Non-Executive Director, Chairman of the Audit Committee and the Integrated Risk Management Committee of listed companies. Indrajith serves as a Director on the Board of Lanka Rating Company Ltd (LRA), Kerner Haus Global Solutions Plc, Kandy Hotels PLC and Hatton Plantations PLC.

Indrajith is a thought leader with over 35 years of experience in business and the accountancy profession. He is a past president of the Institute of Chartered Accountants of Sri Lanka (ICA), Member of International Federation of Accountant (IFAC) Developing Nations Committee, President-South Asian Federation of Accountants, Advisor/ Chairman SAFA Committee on improving Transparency, Accountability and Governance (CiTAG). He is a fellow of the ICA-SL, CIMA UK and CMA Sri Lanka and a Senior Member of CPA-Maldives. He holds an MBA from the University of Queensland, Australia.



### MR. UDITHA PALIHAKKARA

*Former Senior Independent Non- Executive Director (resigned w.e.f. 31<sup>st</sup> December 2024)*

Mr. Uditha Harilal Paliyakkara, a leading accounting and finance personality with membership in many recognized professional institutions—accounting, banking, corporate secretarial, and economics—has been the President of Sri Lanka's three leading accountancy professional bodies: the Institute of Chartered Accountants of Sri Lanka (ICASL), CIMA Sri Lanka, and ACCA Sri Lanka. The Organization of Professionals Association of Sri Lanka (OPA), a multi-disciplinary professional institution with 52 member associations, elected him as its President in 2010. He has held leadership positions in several public and private Sector establishments, including the Ceylon Electricity Board, Development Finance Corporation, People's Merchant Bank, Merchant Bank of Sri Lanka, Acland Insurance Services Ltd., Securities Council of Sri Lanka, National Enterprise Development Authority, Postgraduate Institute of Management, etc., and served as a Financial Management Specialist in the Commonwealth Secretariat (CFTC) UK. After a successful career in investment banking, he expanded his outreach by engaging in many projects and programs of the World Bank, Asian Development Bank, African Development Bank, International Fund for Agricultural Development, European Development Bank, International Labour

Organization, etc. In 2015, the President of Sri Lanka, on the recommendation of the Constitutional Council, appointed him as the Chairman of the Finance Commission of Sri Lanka. In 2014, ICASL inducted him into its Hall of Fame in recognition of his dedicated service. In 2016, OPA presented him with the National Apex Award in recognition of his outstanding contribution to the profession and the nation. The Institute of Personnel Management (IPM) conferred the title "People Leader—Finance 2017" on him in June 2017, acknowledging his contribution to promoting sound and vibrant people management practices in the workplace. The Institute of Personnel Management (IPM) honored him with a Recognition Award in September 2017 for his outstanding leadership, contribution, and service to CIMA Sri Lanka. Mr. Paliyakkara is the Vice Patron of the Sri-Lanka Thailand Society and the Immediate Past President of the Sri Lanka -China Business Cooperation Council. He is a Trustee of the Organization of Professional Associations and serves on its National Issues Committee, Development Policies, Strategies, and Development Finance Committee; the National Issues Committee; and the Education and Human Resources Committee. He was an independent, non-executive director of Hatton Plantations PLC.



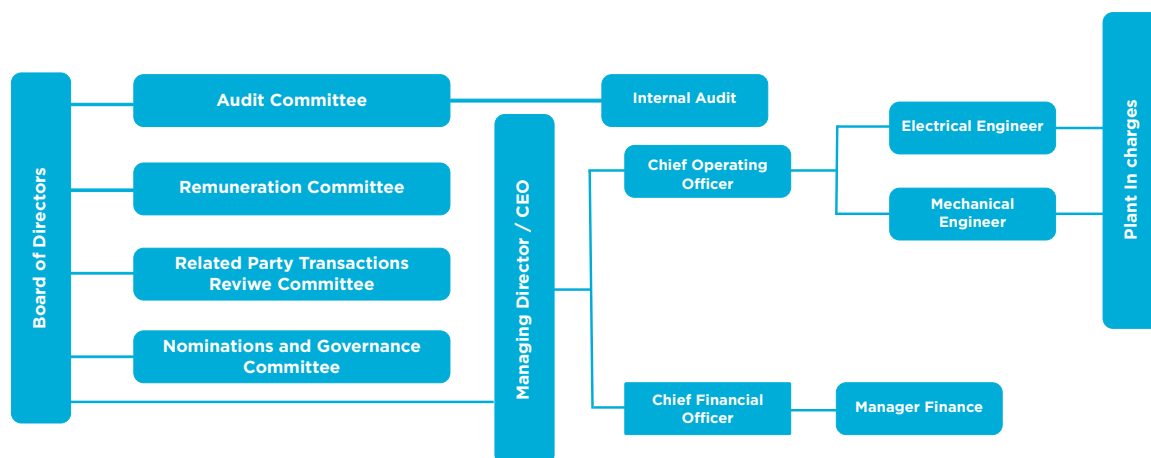
## CORPORATE MANAGEMENT TEAM

Board of Directors		
01	Mr. Gary Seaton	Executive Director/ Chairman
02	Mr. Menaka Athukorala	Executive Director
03	Mr. Gowri Shankar	Non- Executive Director
04	Dr. Thirugnanasambandar Senthilverl	Non- Executive Director
05	Mr. Mayura Fernando ( <i>appointed w.e.f. 31<sup>st</sup> December 2024</i> )	Senior Independent Non- Executive Director
06	Dr. Rohantha Athukorala ( <i>appointed w.e.f. 22<sup>nd</sup> July 2025</i> )	Independent Non- Executive Director
07	Mr. Indrajith Fernando ( <i>resigned w.e.f. 22<sup>nd</sup> July 2025</i> )	Senior Independent Non- Executive Director
08	Mr. Uditha Palihakkara ( <i>resigned w.e.f. 31<sup>st</sup> December 2024</i> )	Senior Independent Non- Executive Director

Management Team		
01	Ms. Disna Lokugalappaththi	Chief Financial Officer
02	Mr. Shamindra Saparamadu	Chief Operating Officer
03	Mr. Asanka Ekanayake	Manager Finance
04	Mr. Harsha Jayathilaka	Mechanical Engineer
05	Mr. Upendra Yatawaka	Electrical Engineer
06	Mr. Anjana Maveekumbura	Electrical Engineer

Power Station In Charge			
01	Mr. B L D Udayakumara	Plant In Charge	Delta Mini Hydro Power Project
02	Mr. K T S C Ruwanthilaka	Plant In Charge	Thebuwana Mini Hydro Power Project
03	Mr. D R R Abeysinghe	Plant In Charge	Thebuwana Mini Hydro Power Project
04	Mr. H A S K Sarathchandra	Plant In Charge	Stellenberg Mini Hydro Power Project
05	Mr. S G G C K De Silva	Plant In Charge	Stellenberg Mini Hydro Power Project
06	Mr. G W L Rajawansa	Plant In Charge	Sanquhar Mini Hydro Power Project
07	Mr. H G M Kularatne	Plant In Charge	Sanquhar Mini Hydro Power Project

## GOVERNANCE STRUCTURE



## CORPORATE GOVERNANCE

Governance is the responsibility of the Board of Directors for the competent and ethical operations of the business. Lotus Hydro Power PLC understands the paramount importance of practicing Corporate Governance, as any non adherence would cause consequences.

The Corporate Governance framework of the company given below is a reflection of our culture, policies, relationships with stakeholders and commitment to values. It also expects a high level of commitment across the Company and the creation of awareness at all levels.

The Corporate Governance framework of the Company is depicted below:



- ◆ Complying with laws, rules and regulations of the Sri Lanka
- ◆ Recognition to the Group Values
- ◆ Ensuring that no individual has unfettered decision making powers
- ◆ Exercising professionalism and integrity in all business transactions

Timely and efficient decision making and resource allocation within a framework that is compliant with the laws of the organizational territory and standards of governance.

The key components of the Corporate Governance framework of the Company comprise the Internal Governance Structure, Assurance of Compliance and Regulatory Frameworks guiding the Company towards progress by way of developing and implementing appropriate corporate strategies, are discussed in this report.

### A. INTERNAL GOVERNANCE STRUCTURE

Internal Governance Structure of the Company facilitates effective and efficient decision making with accountability. This is based on,

#### I. The Chairman and the Board of Directors

The Chairman's primary role is to ensure that the Board is effective in its tasks of setting and implementing the Company's directions and strategy. The Board of Directors, along with the Chairman is the ultimate governing body of the Company. The wide and varying knowledge and experience of the directors make a well balanced board.

The Board is responsible for the ultimate supervision and accountability for the stewardship function of the Company. It provides leadership in setting the strategic direction and establishing a sound control framework for successful functioning of the Company. The Board of Directors is committed to upholding the highest standards of integrity, transparency, accountability and professional ethics, rewarding all its stakeholders with greater creation of values within the Company. Directors and employees of the Company and the Group at all levels are expected to display ethical and transparent behavior through their communication and role modeling in keeping with acceptable business practices.

## Corporate Governance (Contd.)

The Board ensures compliance with the Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

As of date, the Board consists of 06 members as follows-

- 2 Non-Executive Directors
- 2 Independent Non-Executive Directors
- 2 Executive Directors

No	Name of Director	Executive/Non Executive	Independent/ Non Independent	Gender Representation
01	Mr. Gary Seaton	Executive (Chairman)	Non-Independent	Male
02	Mr. Menaka Athukorala	Executive	Non-Independent	Male
03	Mr. Gowri Shankar	Non-Executive	Non-Independent	Male
04	Dr. Thirugnanasambandar Senthilverl	Non-Executive	Non-Independent	Male
05	Mr. Mayura Fernando ( <i>appointed w.e.f. 31<sup>st</sup> December 2024</i> )	Non-Executive	Independent	Male
06	Dr. Rohantha Athukorala ( <i>appointed w.e.f. 22<sup>nd</sup> July 2025</i> )	Non-Executive	Independent	Male
06	Mr. Indrajith Fernando ( <i>resigned w.e.f. 22<sup>nd</sup> July 2025</i> )	Non-Executive	Independent	Male
07	Mr. Uditha Palihakkara ( <i>resigned w.e.f. 31<sup>st</sup> December 2024</i> )	Non-Executive	Independent	Male

The Board consists of Directors with varied experience and skills. The Profiles of the Chairman and each Director with their experience in business and profession, are set out in pages 13 and 16.

Independence of the Directors has been determined in terms of the prevailing Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. The two Independent, Non- Executive Directors have submitted signed confirmations of their Independence. Apart from the determination of Independence, each Director has a continuing responsibility to determine whether he has a potential or actual conflict of interest arising from external associations, interests or

personal relationships in material matters. All Directors make a formal declaration of all their interests on an annual basis.

All Directors are able to and willingly add value and express an Independent opinion on the decision-making process, which is of immense benefit to the effective functioning of the Board. The Board of Directors is accountable to the shareholders for the governance of the company, the proper stewardship of the Company's affairs, and share the responsibility for ensuring the highest standards of disclosure and reporting, ethics, and integrity across the Company and the Group. The Board of Directors maintains an appropriate dialog with the share holders and any issues raised by them at General Meeting are dealt with.

All the Directors have access to the Company Secretaries, S S P Corporate Services (Pvt) Ltd who are responsible to the Board in ensuring that the proper Board practices are followed and that applicable rules and regulations are complied with.

### Board Meetings

Board Meetings are held for the following purposes:

- ◆ To review strategic and operational issues.
- ◆ To approve annual budgets and interim and full year financial statements.
- ◆ To review profit and working capital forecasts and monthly management accounts.
- ◆ To provide advice and guidelines to Divisional Heads and Senior Managers.
- ◆ To provide and circulate timely and periodic reports to shareholders.

## Corporate Governance (Contd.)

- ◆ To sanction major investments.
- ◆ To adopt annual and interim reports before they are published.

In addition, ad hoc meetings are scheduled to discuss and review urgent matters.

The Directors are provided with all relevant information prior to each meeting to enable their effective participation.

For the financial year ended 31<sup>st</sup> March 2025 only three (03) Board Meetings were held.

Name	Attendance
Mr. Gary Seaton	3/3
Mr. Menaka Athukorala	3/3
Mr. Gowri Shankar	3/3
Dr. Thirugnanasambandar Senthilverl	2/3
Mr. Uditha Palihakkara ( <i>resigned w.e.f. 31<sup>st</sup> December 2024</i> )	0/3
Mr. Indrajith Fernando ( <i>resigned w.e.f. 22<sup>nd</sup> July 2025</i> )	3/3
Mr. Mayura Fernando ( <i>appointed w.e.f. 31<sup>st</sup> December 2024</i> )	2/3
Dr. Rohantha Athukorala ( <i>appointed w.e.f. 22<sup>nd</sup> July 2025</i> )	0/3

### II. Sub-Committees

The Board has delegated some of its functions to Board Committees while retaining final decision rights pertaining to matters under the purview of these committees.

The Sub-Committees and their responsibilities;

#### Audit Committee:

Oversight of Internal Controls and Financial Reporting

#### Remuneration Committee:

Recommendation of remuneration framework of the Company

#### Related Party Transactions Review Committee:

To assist the Board in reviewing all Related Party Transactions.

### Nominations and Governance Committee:

To assist the Board in complying with the requirements of the Code of Best Practice on Corporate Governance and the Listing Rules of the CSE.

### Audit Committee

The Audit Committee comprises:

#### Mr. Mayura Fernando

Chairman / Senior Independent Non-Executive Director (*appointed w.e.f. 31<sup>st</sup> December 2024*)

#### Dr. Rohantha Athukorala

Member/ Independent Non-Executive Director (*appointed w.e.f. 22<sup>nd</sup> July 2025*)

#### Mr. Gowri Shankar

Member/ Non-Executive Director

#### Mr. Indrajith Fernando

Former Chairman / Senior Independent Non-Executive Director (*resigned w.e.f. 22<sup>nd</sup> July 2025*)

#### Mr. Uditha Palihakkara

Member/ Senior Independent Non-Executive Director (*resigned w.e.f. 31<sup>st</sup> December 2024*)

The Executive Director, Chief Financial Officer and other representatives of Senior Management are invited to join the meetings of the committee by invitation when necessary. S S P Corporate Services (Pvt) Ltd functions as the Secretary to the Committee.

For the financial year ended 31<sup>st</sup> March 2025 there were a total number of four (04) Audit Committee Meetings.

The Audit Committee report is given on page 65-66 of the Annual Report.

### Remuneration Committee

The Remuneration Committee comprises of:

#### Mr. Mayura Fernando

Chairman / Senior Independent Non-Executive Director (*appointed w.e.f. 31<sup>st</sup> December 2024*)

#### Dr. Rohantha Athukorala

Member/ Independent Non-Executive Director (*appointed w.e.f. 22<sup>nd</sup> July 2025*)

#### Mr. Gowri Shankar

Member/ Non-Executive Director

#### Mr. Indrajith Fernando

Former Chairman / Senior Independent Non-Executive Director (*resigned w.e.f. 22<sup>nd</sup> July 2025*)

#### Mr. Uditha Palihakkara

Member/ Senior Independent Non-Executive Director (*resigned w.e.f. 31<sup>st</sup> December 2024*)

S S P Corporate Services (Pvt) Ltd functions as the Secretary to the Committee. The Chairman of the Company shall be invited to attend meetings and shall be consulted on the performance and remuneration of Directors and senior management.

The Remuneration Committee is responsible for-

- ◆ Assisting the Board of Directors in establishing remuneration policies and practices in the Company;

## Corporate Governance (Contd.)

- Reviewing and recommending to the Board appropriate remuneration packages based on industry level and the contributions made to the organization

For the financial year ended 31<sup>st</sup> March 2025 one (01) Remuneration Committee Meetings was held.

The Remuneration Committee Report is given on page 67 to 68 of the Annual Report.

### Related Party Transactions Review Committee

The Committee comprises the following members and meets on a quarterly basis:

**Mr. Mayura Fernando**  
Chairman / Senior Independent Non-Executive Director (*appointed w.e.f. 31<sup>st</sup> December 2024*)

**Dr. Rohantha Athukorala**  
Member/ Independent Non-Executive Director (*appointed w.e.f. 22<sup>nd</sup> July 2025*)

**Mr. Gowri Shankar**  
Member/ Non-Executive Director

**Mr. Gary Seaton**  
Member / Executive Director

**Mr. Menaka Athukorala**  
Member / Executive Director

**Mr. Indrajith Fernando**  
Former Chairman / Senior Independent Non-Executive Director (*resigned w.e.f. 22<sup>nd</sup> July 2025*)

**Mr. Udittha Palihakkara**  
Member/ Senior Independent Non-Executive Director (*resigned w.e.f. 31<sup>st</sup> December 2024*)

The purpose of the Committee is to review in advance all proposed Related Party Transactions of the Company as per the terms given in the Listing Rules of the Colombo Stock Exchange.

The Related Party Transactions Review Committee is responsible for the following:

- To review in advance all proposed Related Party Transactions of the Company except those explicitly exempted;
- To adopt policies and procedures to review Related Party Transactions of the Company and reviewing and overseeing existing policies and procedures;
- To determine whether Related Party Transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the Company;
- To establish separate guide lines to follow Recurrent Related Party Transactions of the Company;
- To ensure that no Director of the Company shall participate in any discussion of a proposed Related Party Transaction which he or she is a related party, unless such a Director is requested to do so by the Committee for the express purpose of providing information concerning the Related Party Transaction to the Committee;
- If there is any potential conflict in any Related Party Transaction, the Committee may recommend the creation of a special committee to review and approve the proposed Related Party Transaction;
- To ensure that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules and regulations are made in a timely and detailed manner.

The Related Party Transactions Review Committee Report is given on page 69-70 of the Annual Report.

### Nominations and Governance Committee

The Nominations and Governance Committee comprises of:

**Mr. Mayura Fernando**  
Chairman / Senior Independent Non-Executive Director (*appointed w.e.f. 31<sup>st</sup> December 2024*)

**Dr. Rohantha Athukorala**  
Member/ Independent Non-Executive Director (*appointed w.e.f. 22<sup>nd</sup> July 2025*)

**Mr. Gowri Shankar**  
Member/ Non-Executive Director

**Mr. Indrajith Fernando**  
Former Chairman / Senior Independent Non-Executive Director (*resigned w.e.f. 22<sup>nd</sup> July 2025*)

**Mr. Udittha Palihakkara**  
Member/ Senior Independent Non-Executive Director (*resigned w.e.f. 31<sup>st</sup> December 2024*)

This committee was established to ensure that the Company complies with the requirements of the Code of Best Practice on Corporate Governance and the Listing Rules issued by the Colombo Stock Exchange with effect from 02<sup>nd</sup> August 2024.

The Nominations and Governance Committee is responsible for the following:

- To evaluate the appointment of the Directors.
- To consider and recommend (or not recommend) the re-appointment / reelection of current Directors.
- To establish and maintain formal and transparent procedures to evaluate, select and appoint/ re-appoint Directors.
- To evaluation of the performance of the Board, Sub committees, Individual directors, and the Managing Director.



## Corporate Governance (Contd.)

- ◆ To formulate a succession plan for the Board of Directors and the Key Management Personnel of the Entity.
- ◆ To review the structure, size and composition of the Board and Board Committees regarding effective discharge of duties and responsibilities.
- ◆ To review and recommend the overall corporate governance framework and periodically update and review it.

The Nominations and Governance Committee Report is given on page 71 of the Annual Report.

### III. Internal Controls

Internal Controls namely, the Code of Business Conduct and Ethics, The Governance and the Internal Audit are designed to support and maintain a transparent and effective internal control system and institutionalize of the best processes of governance. The Board is committed to maintain high ethical standards in conducting its business and communicating its values to its employees and ensure their conduct is based such values.

## B. ASSURANCE OF COMPLIANCE

Assurance of compliance is the supervisory module of the Corporate Governance structure, where a range of assurance mechanisms such as monitoring, tests on effectiveness are carried out and corrective actions are proposed and implemented towards a sound governance system. The Board is conscious of its responsibility to the shareholders, the Government and the society in which it operates

and is committed to upholding the highest standards of ethical behavior in conducting its business. The Board, through the Group Legal Division, the Group Finance Division and its other operating structures, monitors and assesses the level of compliance of the Company with laws and regulations. It also reviews the changes in regulations and strives to ensure that the Company is in compliance with the regulatory requirements of the country.

### Report to the Shareholders and Public

The Board considers the Annual General Meeting as a prime opportunity to communicate with its shareholders and encourages their participation. A Form of Proxy accompanies each Notice of Meeting giving an opportunity to those who are unable to attend, to cast their vote. The Notice of the Annual General Meeting and the relevant documents are published and dispatched to the shareholders fifteen working days prior to the meeting as required by the Companies Act No. 07 of 2007.

### Going Concern and Financial Reporting

The Directors are satisfied that the company has sufficient resources to continue its operations in the foreseeable future. The company has adopted the going concern principle in preparing the financial statements. The Directors, Report highlights all Statutory and material declarations. The Statement of Directors' Responsibilities in relation to financial

reporting is given on page 62. The Directors' interests in contracts of the company are disclosed in note 27.1 to the Financial Statements.

## Corporate Social Responsibility

The Company recognizes sensitively the need to look after the rights and claims of non-shareholder groups such as employees, consumers, suppliers, lenders, and government. The Company is also mindful, when making corporate decisions, of the outcome affecting the stakeholder groups.

The Company considers the natural environment as one of its key and important stakeholders and makes deliberate efforts to take care of it in the best possible manner. The business units of the Company adhere to stringent eco- friendly practices, which ensure outputs that contribute towards a sustainable environment.

### External Audit

M/s. KPMG, Chartered Accountants have functioned as the external Auditors of the Company.

## C. REGULATORY FRAME WORK

This refers to the regulatory structure within which the Company operates, conforming to established governance related laws, regulations and best practices.

## Corporate Governance (Contd.)

### COMPLIANCE SUMMARY

REGULATORY BENCHMARKS		
Adoption	Standard/Principle/Code	Adherence
Mandatory Provisions	The Companies Act No.7 of 2007 and regulations	✓
Mandatory Provisions	Listing Rules of the Colombo Stock Exchange (CSE)	✓
Mandatory Provisions	Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021, together with applicable regulations, directives, and circulars issued thereunder	✓
Mandatory Provisions	Code of Best Practice on Related Party Transactions (2013) advocated by the Securities and Exchange Commission of Sri Lanka (SEC)	✓
Voluntary provisions	Code of Best Practice on Corporate Governance 2023 issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC)	✓

Adoption	Adherence
Articles of Association	✓
Environmental Management System	✓
Project Management Manual	✓
Code of Business Ethics	✓
Internal Control System	✓
Risk Management Framework	✓
HR Policies	✓
Finance Policies	✓
Operational Manual	✓

### STATEMENT OF COMPLIANCE UNDER SECTION 7.6 OF THE RULES OF THE COLOMBO STOCK EXCHANGE (CSE).

MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
7.6 Contents of Annual Report			
I	Names of persons who during the financial year were Directors of the Entity.	✓	Annual Report of the Board of Directors on page 13 to 16.
II	Principal activities of the Entity and its subsidiaries during the year and any changes therein.	✓	Annual report of the board of directors on the affairs of the company page 58 and our organisational structure 08.

## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
III	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held.	✓	List of 20 major shareholders on page 129.
IV	The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement.	✓	Share Information on page 129.
V	A statement of each Director's holding and Chief Executive Officer's holding" in shares of the Entity at the beginning and end of each financial year.	✓	Annual report of the board of directors on the affairs of the company page 60.
VI	Information pertaining to material foreseeable risk factors of the Entity	✓	Risk Management on page 48 to 51.
VII	Details of material issues pertaining to employees and industrial relations of the Entity.	✓	Annual report of the board of directors on the affairs of the company page 61.
VIII	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	✓	Notes to the Financial Statements (Note 11.3).
IX	Number of shares representing the Entity's stated capital.	✓	Notes to the Financial Statements, (Note 19) Share Information.
X	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings in different categories.	✓	Share Information on page 128 to 129.
XI	<p>The following ratios and market price information:</p> <ul style="list-style-type: none"> <li>◆ Dividend per share</li> <li>◆ Dividend pay out</li> <li>◆ Net asset value per share</li> <li>◆ Market value per share</li> </ul> <p>-Highest and lowest values recorded during the financial year.</p> <p>-Last traded price.</p>	✓	Financial Highlights page 03 and Share Information on page 128.
XII	Significant changes in the Entity's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value.	✓	Notes 11 to the Financial Statements.
XIII	<p>If during the year, the Entity has raised funds either through a public issue, Rights Issue, and private placement;</p> <p>a. Statement as to the manner in which the proceeds of such issue has been utilized;</p> <p>b. If any shares or debentures have been issued, the number, class and consideration received and the reason for the issue; and,</p> <p>c. Any material change in the use of funds raised through an issue of Securities.</p>	N/A	

## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
XIV	Disclosures of each employee share option schemes and employee share purchase schemes.	N/A	
XV	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules.	✓	Corporate Governance on page 18 to 47.
XVI	<p>Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower. Details of investments in a Related Party and/or amounts due from a Related Party to be set out separately.</p> <p>The details shall include, as a minimum;</p> <p>I. The date of the transaction</p> <p>II. The name of the Related Party</p> <p>III. The relationship between the Entity and the Related Party</p> <p>IV. The amount of the transaction and terms of the transaction</p> <p>V. The rationale for entering into the transaction</p> <p>(This section was repealed on 1<sup>st</sup> January 2016 and the Code of Best Practices on Related Party Transactions are applicable w.e.f 1<sup>st</sup> January 2016).</p>	✓	No non-recurrent transactions meeting threshold.
XVII	In the event a Listed Entity has its Foreign Currency denominated Securities listed on the Exchange, the Entity shall additionally disclose the following in its Annual Report.	N/A	

## Corporate Governance (Contd.)

**STATEMENT OF COMPLIANCE UNDER SECTION 9 OF THE RULES OF THE COLOMBO STOCK EXCHANGE (CSE).**

## MANDATORY PROVISIONS - FULLY COMPLIANT

CSE Rule	CSE Rule and Description	Compliance Status	The Company's Action
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules.	✓	Chairman's Statement on page 9 to 10.
9.2.1	<p>Listed entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website.</p> <p>a. Policy on the matters relating to the Board of Directors.</p> <p>b. Policy on Board Committees.</p> <p>c. Policy on Corporate Governance, Nominations and Re-election.</p> <p>d. Policy on Remuneration.</p> <p>e. Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities.</p> <p>f. Policy on Risk Management and Internal Controls.</p> <p>g. Policy on Relations with Shareholders and Investors.</p> <p>h. Policy on Environmental, Social and Governance Sustainability.</p> <p>i. Policy on Control and Management of Company Assets and Shareholder Investments.</p> <p>j. Policy on Corporate Disclosures.</p> <p>k. Policy on Whistleblowing.</p> <p>l. Policy on Anti-Bribery and Corruption.</p>	✓	<p>The Company has already established and implemented these policies, which continue to be effective. These policies were published on the Company's website and remain accessible at: <a href="https://www.lotusreenergy.com/corp-governance-policies.pdf">https://www.lotusreenergy.com/corp-governance-policies.pdf</a>.</p>
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted.	N/A	
9.2.3	<p>i. List of policies in place as per Rule 9.2.1, with reference to website.</p> <p>ii. Any changes to policies adopted.</p>	✓	Complied. The policies are published and remain accessible at <a href="https://www.lotusreenergy.com/corp-governance-policies.pdf">https://www.lotusreenergy.com/corp-governance-policies.pdf</a> .
9.2.4	Entity shall make available all such policies to shareholders upon a written request being made for any such Policy.	✓	A process has been introduced to provide these policies to shareholders upon written request.



## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	The Company's Action
9.3.1	Entity shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; i. Nominations and Governance Committee ii. Remuneration Committee iii. Audit Committee iv. Related Party Transactions Review Committee.	✓	The company has established all the mandatory sub committees.
9.3.2	Listed entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.	✓	Please refer the Audit Committee Report and sections 9.11, 9.12, 9.13 & 9.14 below.
9.3.3	The Chairperson of the Board of Directors of the listed entity shall not be the Chairperson of the Board committees referred to in Rule 9.3.1 above.	✓	The Chairman of the Board does not act as chairman of any committee.
9.4.1	Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the CSE and/or the SEC. i. The number of shares in respect of which proxy appointments have been validly made; ii. The number of votes in favour of the resolution iii. The number of votes against the resolution; and iv. The number of shares in respect of which the vote was directed to be abstained.	✓	The company secretary keeps records of this information, and the company will supply copies upon request by the CSE and SEC.
9.4.2	Communication and relations with shareholders and investors: a. Listed entities shall have a policy on effective communication and relations with shareholders and investors. b. Listed entities shall disclose the contact person for such communication. c. The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders. d. Listed entities holding shareholder meetings virtually or in hybrid form must comply with the Exchange's published guidelines.	✓	The Company has established a formal policy for communication with investors, which will be complied with as and when required.
9.5.1	Listed entities must establish and maintain a formal policy for their Board of Directors.	✓	The company maintains a formal policy in this regard covering the areas specified in section 9.5.1.

## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
9.5.2	Listed entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any noncompliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	N/A	Company will be on alert regarding such events and will be disclosed when required.
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such entity in terms of Rule 9.6.3 below.	✓	The Chairman of the Company serves as an Executive Director, and a Senior Independent Director (SID) has been appointed in accordance with Rule 9.6.3. The functions of the Managing Director and Chairman are separated.
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance.	✓	The initial appointment as Senior Independent Director (SID) was announced to the market on 21st November 2023. Upon his resignation, new Senior Independent Directors were appointed, as disclosed on page 63
9.6.3	The requirement for a SID.	✓	The Chairman of the Company serves as an Executive Director. A Senior Independent Director has been appointed; please refer to page 63 for further details.
9.6.4			
9.7.1	The listed entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, listed entities shall utilize the "Fit and Proper Assessment Criteria".	✓	The company annually collects declarations from directors, confirming that each has consistently met the fit and proper assessment criteria according to the Rule.
9.7.2	Listed entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.	✓	The Nominations and Governance Committee will carry out the Fit and Proper Assessment of the Directors at least annually for current Directors and maintain records of the assessments.
9.7.3	Fit and Proper Assessment Criteria. 1. Honesty, Integrity and Reputation 2. Competence and Capability 3. Financial Soundness	✓	
9.7.4	Listed entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria is set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	✓	During the year the company obtained confirmation from Directors and satisfied the fit and proper assessment criteria set out.

## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
9.7.5 (a)	A statement that the Directors and CEO of the entity satisfy the Fit and proper assessment criteria stipulated in the CSE.	✓	Board of Directors profiles are given in the Annual Report.
9.7.5 (b)	Any non-compliance and remedial actions taken by the entity.	N/A	
9.8.1	The Board of Directors of a listed entity shall, at a minimum, consist of five (05) Directors.	✓	The Board Consist of 06 Directors as of 31 <sup>st</sup> March 2025.
9.8.2	Minimum Number of Independent Directors.	✓	The Board consists of Two Independent Non-Executive Directors.
9.8.3	A Director is not independent if they have recent employment, business, or family ties with the Listed Entity, hold significant shares, served over nine years, are linked to conflicting businesses, or are over 70 without required approvals.	✓	The Company is complied with the criteria for determining independence of a Director.
9.8.4	For Rule 9.8.3: "Acting in Concert" per Takeovers Code; "Business Connection" is greater than or equal to 30% turnover (or greater than or equal to 50% assets for banks); "Close Family" are dependents; "Financially dependent" means over 50% support from director/CEO; "Listed Entity" includes related companies; "Material Business" is greater than or equal to 20% of income; "Significant Shareholding" is greater than or equal to 10% voting rights.	✓	The Company is complied with the criteria for determining independence of a Director.
9.8.5	The Board of Directors of listed entities shall require: a. Each Independent Director to annually submit a signed and dated declaration of their "independence" or "non-independence". b. Annually assess the "independence" or "nonindependence" of each Independent Director based on their declaration and other available information. c. If the Board finds that the independence of an Independent Director is compromised according to the criteria in Rule 9.8.3, it should immediately issue a market announcement regarding this determination.	✓	Please refer the Board Of Directors in pages 13 - 16.
9.9	Requirements to be complied in relation to the Alternative Director.	N/A	Company will be on Alert regarding such events and will be disclosed when required.
9.10.1	Listed entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such a number is exceeded by a Director(s), the entity shall provide an explanation for such noncompliance in the manner specified in Rule 9.5.2 above.	✓	The policy on the maximum number of directorships its Directors are permitted to hold.

## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
9.10.2	Listed entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; 1. A brief resume of such Director; 2. His/her capacity of directorship; and 3. Statement by the entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	✓	New Directors were appointed to the Board during the Year. Announcement published on 02 <sup>nd</sup> January 2025 and 22 <sup>nd</sup> July 2025.
9.10.3	Listed entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	✓	The Company made an immediate Market Announcement as per the Rule 9.10.3.
9.10.4	Listed entities shall also disclose the following in relation to the Directors in the Annual Report: a. Name, qualifications and a brief profile. b. The nature of his/her expertise in relevant functional areas. c. Whether either the Director or Close Family Members has any material business relationships with other Directors of the Entity. d. Whether Executive, Non-Executive and/or independent Director. e. The total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel. f. Number of Board meetings of the Listed Entity attended during the year; g. Names of Board Committees in which the Director serves as Chairperson or a member. h. Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall be by each member; and, include the number of meetings held and the number attended. i. The terms of reference and powers of the SID.	✓	Please refer the Below pages in This Report • Directors' profiles page 13-16. • Committee Meeting Reports page 65-71.
9.11.1	Listed entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	✓	Please refer the Report of the Nominations and Governance committee in page 71.
9.11.2	Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and reelection of Directors to the Board through the Nominations and Governance Committee.	✓	Complied on the effective date of 01 <sup>st</sup> October 2024 complying with Rule 9.11.3.
9.11.3	The Nominations and Governance Committee shall have written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings.	✓	Complied on the effective date of 01 <sup>st</sup> October 2024 complying with Rule 9.11.3

## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
9.11.4	Composition of the Committee complied with as per section 9.11.4 the committee. 1. The members of the Nominations and Governance Committee shall; • comprise a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. • It should not comprise of Executive Directors of the Entity.	✓	Appointed the Nominations and Governance committee w.e.f 02 <sup>nd</sup> August 2024 complying with Rule 9.11.4 (refer page 71).
9.11.4	2. An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board 3. The Chairperson and the members of the Nominations and the Governance Committee shall be identified in the Annual Report of the entity.	✓	Appointed the Nominations and Governance Committee w.e.f 02 <sup>nd</sup> August 2024 complying with Rule 9.11.4
9.11.5	Functions of the Nomination and Governance Committee	✓	Please refer the Report of the Nominations and Governance Committee Report in page 71.
9.11.6	Disclosures in Annual Report.	✓	Please refer the Report of the Nominations and Governance Committee Report in page 71.
9.12.2	Listed entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	✓	Please refer the Report of the Remuneration Committee in page 67 to 68.
9.12.3	The Remuneration Committee shall set and maintain a clear, formal process for developing Executive Directors' remuneration policy and determining individual Directors' packages. No Director shall participate in deciding their own pay.	✓	Please refer the Report of the Remuneration Committee in page 67 to 68.
9.12.4	Non-Executive Directors' remuneration should follow a fair, non-discriminatory policy to maintain their independence	✓	Please refer the Report of the Remuneration Committee in page 67 to 68.
9.12.5	The Remuneration Committee shall have written terms of reference outlining its scope, authority, duties, and meeting quorum.	✓	Please refer the Report of the Remuneration Committee in page 67 to 68.
9.12.6	Composition of the Remuneration Committee 1. The members of the Remuneration Committee shall • Comprise a minimum of three (03) Directors of the Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. • Not comprised of Executive Directors of the Listed Entity. 2. An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	✓	Please refer the Report of the Remuneration Committee in page 67 to 68.



## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
9.12.7	<p>Functions:</p> <ol style="list-style-type: none"> <li>1. The Remuneration Committee shall recommend the Report on remuneration payable to the Executive Directors and the CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.</li> <li>2. The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.</li> </ol>	✓	Please refer the Report of the Remuneration Committee in page 67 to 68.
9.12.8	<p>Disclosure in Annual Report The Annual Report should set out the following:</p> <ol style="list-style-type: none"> <li>a. Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company).</li> <li>b. A statement regarding the remuneration policy and,</li> <li>c. The aggregate remuneration of the Executive and Non-Executive Directors.</li> </ol>	✓	Please refer the Report of the Remuneration committee in page 67 to 68 and Note 8 in page 99.
9.13	Audit Committee.	✓	Please refer the Audit Committee report page 65-66.
9.13.1	Where Listed entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	✓	Please refer the Audit Committee report page 65-66.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	✓	Please refer the Audit Committee report page 65-66.
9.13.3	<p>Composition</p> <ol style="list-style-type: none"> <li>1. The members of the Audit Committee shall. <ol style="list-style-type: none"> <li>a. comprise a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.</li> <li>b. not comprise Executive Directors of the entity.</li> </ol> </li> <li>2. The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.</li> <li>3. The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommend the financials to be released to the market.</li> <li>4. An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.</li> </ol>	✓	Please refer the Report of the Audit Committee in page 65-66 and the Directors' profiles in pages 13-16.

## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
9.13.3	5. Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.  6. The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.	✓	Please refer the Report of the Audit Committee in page 65-66 and the Directors' profiles in pages 13-16.
9.13.4	Functions of the Audit Committee.	✓	Please refer the Audit Committee report in pages 65-66.
9.13.5	Disclosures in the Annual Report.	✓	Please refer the Audit Committee report in pages 65-66.
9.14	Board Related Party Transactions Review Committee.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.1	Listed entities shall have a Related Party Transactions Review committee (RPT) that conforms to the requirements set out in Rule 9.14 of these Rules.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.2	The Related Party Transactions Review Committee (RPT) shall comprise a minimum of three (03) Directors of the entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Entity. An Independent Director shall be appointed as the Chairperson of the Committee.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.3	Functions of the Related Party Transaction Review Committee.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.4 (1)	The Related Party Transactions Review Committee shall meet quarterly and ensure meeting minutes are properly documented and shared with the Board.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.4 (2)	The Related Party Transactions Review Committee members must have or access sufficient knowledge to assess proposed transactions and obtain expert advice when needed.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.4 (3)	Where needed, the Committee shall seek Board approval for Related Party Transactions under review, obtaining it before proceeding.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.4 (4)	If a Director has a material personal interest in a Related Party Transaction under Rule 9.14.4(3), they must not be present during the discussion or vote on the matter.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.5	The Committee reviews all related party transactions and major changes in advance. Management provides details. It considers benefits, fairness, and director independence, may seek Board approval or form a special committee. Involved directors don't vote but can inform. Ongoing transactions are guided and reviewed yearly.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.

## Corporate Governance (Contd.)

CSE Rule	CSE Rule and Description	Compliance Status	Section Reference in the Annual Report
9.14.6	Shareholder Approval for the transactions as specified by the Rules 9.14.6.(1) – 9.14.6.(3).	✓	No Transactions were occurred as specified in Section 9.14.6.
9.14.7	Disclosures.	✓	Made relevant disclosures as required by the section.
9.14.8	Disclosures in the Annual Report.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.9	Acquisition and disposal of assets from related parties 1. Shareholder approval via Special Resolution is required if a Listed Entity or its subsidiary acquires/disposes of a substantial asset (over 1/3 of Total Assets) from/to a Related Party, unless exempt under Rule 9.14.10. 2. Approval must be obtained before the transaction or its completion (if conditional). 3. Exemptions: transactions with wholly owned subsidiaries, inter-subsidiary deals, takeover offers, and arm's length bank transactions. 4. The RPT Review Committee must obtain competent independent advice from an unaffiliated expert. 5. This advice must be shared with shareholders in the meeting notice. 6. The advice must detail assumptions, valuation methods, data sources, expert credentials, independence, and confirm if the transaction is fair, reasonable, and in the Entity's best interest.	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70.
9.14.10	Exempted related party transactions: <ul style="list-style-type: none"> <li>• Recurrent, revenue/trading transactions necessary for operations on fair terms;</li> <li>• Dividends, share issues (e.g., rights, options), sub-divisions/consolidations;</li> <li>• ESOP-related grants or issues;</li> <li>• Open market securities trades with unknown counter parties;</li> <li>• Financial services from licensed entities on normal terms;</li> <li>• Directors' fees and employee remuneration</li> </ul>	✓	Please refer the Report of the Related Party Transaction Review Committee in page 69-70 and Note to the Financial Statements Note 27.
9.17	The Board confirms that it has disclosed all material interests in contracts involving the Entity, conducted a review of the internal controls including financial, operational, compliance, and risk management systems, is fully aware of all applicable laws and regulations, and has disclosed any material instances of non-compliance or fines, if any.	✓	Refer to the Chairman's Review on pages 9 to 10 and the Management Discussion and Analysis on pages 11 to 12 of the Report.

## Corporate Governance (Contd.)

**STATEMENT OF COMPLIANCE DISCLOSURES REQUIRED BY THE COMPANIES ACT NO. 07 OF 2007.**

<b>Section reference in the Companies Act No. 07 of 2007</b>	<b>Disclosure Requirement</b>	<b>Reference in the Annual Report</b>
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period.	Notes to the financial statements -page 83 to 126.
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed.	Financial Statements and Note to the Financial Statements - page 78 to 126.
168 (1) (c)	Auditor's Report on Financial Statements of the Group and the Company.	Independent Auditors' Report page 75 to 77.
168 (1) (d)	Accounting Policies and any changes there of	Notes to the Financial Statements - page 83 to 97.
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period.	Annual Report of the Board of Directors page 59.
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	Notes to the Financial Statements page 99.
168 (1) (g)	Corporate Donations made by the Company and its subsidiaries during the accounting period.	Notes to the Financial Statements page 99.
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period.	Group structure - page 08 and Board of Directors - page 13 - 16.
168 (1) (i)	Amounts paid/payable to the External Auditors as audit fees and fees for other services rendered during the accounting period.	Notes to the Financial Statements - page 99.
168 (1) (j)	Auditors' relationship or any interest with the Company and its subsidiaries.	Annual Report of the Board of Directors page 58-61 and Audit Committee Report - page 65 - 66.
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board.	Financial statements / Annual Report of the Board of Directors page 58 - 61.

## Corporate Governance (Contd.)

**CODE OF BEST PRACTICES OF CORPORATE GOVERNANCE ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CA SRI LANKA) IN CONJUNCTION WITH THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA**

(Issued on 2017 and includes amendments to date)

**A. Directors**

Rule		Compliance Status	Company's Action
<b>A.1 The Board</b>			
A.1	Company to be headed by an effective Board to direct and control the Company.	✓	The Company is headed by an effective Board of Directors who are responsible and accountable for the stewardship function of the company.
A.1.1	Regular Board meetings at least once every quarter.	✓	The Board met three times during the year and has decided to improve regularity of meetings in future.
A.1.2	The Board should be responsible for matters including implementation of business strategy, skills and succession of the management team, integrity of information, internal controls and risk management, compliance with laws and ethical standards, stakeholder interests, adopting appropriate accounting policies and fostering compliance with financial regulations and fulfilling other Board functions.	✓	<p>Powers specifically vested in the Board to execute their responsibility include:</p> <p>Providing direction and guidance to the Company in the formulation of its strategies, with emphasis on the medium and long term, in the pursuance of its operational and financial goals;</p> <p>Reviewing and approving annual budget plans;</p> <p>Monitoring systems of governance and compliance;</p> <p>Reviewing and approving major investments, acquisitions, disposals and capital expenditure;</p> <p>Approving of the Company's equity/debt securities.</p>
A.1.3	Act in accordance with the laws of the country and obtain professional advice as and when required.	✓	The Board seeks independent professional advice when deemed necessary.
A.1.4	Access to advice and services of the Company Secretary.	✓	To ensure robust deliberation and efficient decision making, the Directors have access to the services of the Company Secretaries whose appointment and/or removal is the responsibility of the Board.
A.1.5	Bring independent judgment on various business issues and standard of business conduct.	✓	Collectively, the Non-Executive Directors bring a wealth of value adding knowledge, ranging from domestic and international experience to functional know-how, thus ensuring adequate Board diversity in accordance with principles of Corporate Governance. Furthermore, every member of the Board brings independent judgment on various business issues.
A.1.6	Dedication of adequate time and effort.	✓	Allowing for Non-Executive Director involvement in various Board Committees and time spent by them in considering various matters that require discussion and decision in between the formal Board meetings, the Company estimates that Non- Executive Directors devote sufficient time to the Group during the year.



## Corporate Governance (Contd.)

Rule	Compliance Status	Company's Action
A.1.7 Calling for resolutions for the best interest to the Company.	✓	Any single Director may call for a resolution to be presented to the Board where he feels it is in the interest of the Company.
A.1.8 Board induction and training.	✓	In instances where Directors are newly appointed to the Board, they are apprised of the values and culture, operations of the Company/Group and its strategies, Operating model, Policies, Governance framework and processes, Responsibilities as a Director in terms of prevailing legislation, Important developments in the business activities of the Company/Group.
<b>A.2 The Chairman and Chief Executive Officer</b>		
A.2.1 Maintain a clear division between Chairman and the Chief Executive Officer.	✓	Mr. Gary Seaton is the Chairman of the Company. Mr. Menaka Athukorala acts in the capacity of the Chief Executive Officer.
<b>A.3 The Chairman's role</b>		
A.3.1 The Chairman should ensure that Board proceedings are conducted in a proper manner.	✓	Refer the Chairman's role in Corporate Governance section in the Annual Report.
<b>A.4. Financial acumen</b>		
A.4 The Board shall ensure the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	✓	01 Board member hold membership in recognized professional accounting bodies. Refer Board of Director's section for more information.
<b>A.5 Board balance</b>		
A.5.1 The Board should include Non- Executive Directors of sufficient caliber.	✓	As at date, the Board consists of 06 Directors, with the majority being Non-Executive Directors.
A.5.2 Where the constitution of the Board of Directors includes only three Non-Executive Directors, both such Non-Executive Directors should be Independent Directors.	✓	The Board comprises of four Non-Executive Directors.
A.5.3 Definition of Independent Directors.	✓	All the Independent Directors of the Board are independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
A.5.4 Declaration of Independent Directors.	✓	Each Non-Executive Director has submitted a signed and dated declaration of his/her independence.
A.5.5 Board determinations on independence or non-Independence of Non-Executive Directors.	✓	All of the Independent Directors of the Company met the criteria for independency specified in this rule.
A.5.6 Alternate Director.	N/A	No alternative director.

## Corporate Governance (Contd.)

Rule	Compliance Status	Company's Action
A.5.7 In the event the Chairman and the CEO are the same person, the Board should appoint one of the Independent Non-Executive Directors to be the 'Senior Independent Director' (SID).	✓	The Company appointed Mr. U.H. Paliakkara as the Senior Independent Director on 30th October 2023, in compliance with the requirement to designate a Senior Independent Director where the Chairman is not independent. Mr. Paliakkara resigned from the Board with effect from 31st December 2024, and Mr. Indrajith Fernando was appointed as the Senior Independent Non-Executive Director with effect from the same date. Subsequently, Mr. Indrajith Fernando resigned from the Board with effect from 22nd July 2025, and Mr. Mayura Fernando was appointed as the Senior Independent Non-Executive Director effective the same day. Please refer page No. 63.
A.5.8 The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns.	✓	
A.5.9 The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, at least once each year.	✓	The Chairman will convene meetings as per this rule when deemed necessary.
A.5.10 Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board Minutes.	✓	All the Board meeting proceedings are comprehensively recorded in the Board Minutes.
<b>A.6 Supply of information</b>		
A.6.1 Board should be provided with timely information to enable it to discharge its duties.	✓	<p>The Board is provided with:</p> <ul style="list-style-type: none"> <li>Information as necessary to carry out their duties and responsibilities effectively and efficiently</li> <li>Periodic updates from management regarding significant developments, newly enacted regulations, and recognised best practices applicable to the Company's and the Group's business activities</li> <li>External and internal auditors' opinions</li> <li>Experts and other external professional services</li> <li>The services of the Company Secretaries</li> </ul>
A.6.2 Timely submission of the minutes, agenda and papers required for the Board meeting.	✓	Board agendas and necessary Board Papers and minutes are dispatched at least 07 days prior to the Board meeting.
<b>A.7 Appointment to the Board</b>		
A.7.1 Formal and transparent procedure for Board appointments.	✓	Board appointments follow a transparent and formal process.
A.7.2 Assessment of the capability of Board to meet strategic demands of the Company.	✓	The Board as a whole assesses its own composition to ascertain whether the experience and exposure of the Board members are adequate to meet the strategic demands faced by the Company.
A.7.3 Disclosure of new Board member profile and interests.	✓	Refer the Board of Directors' section.
	✓	All appointments of new Directors are informed to the shareholders through public announcements to the Colombo Stock Exchange.

## Corporate Governance (Contd.)

Rule	Compliance Status	Company's Action
<b>A.8 Re-election</b>		
A.8.1 Re-election at regular intervals and should be subject to election and re-election by Shareholders.	✓	The Directors are appointed and recommended for re-election until their prescribed Company retirement age. The Directors are subject to re-election on the basis of 'longest in the office' as provided in the Articles of the Association. One third of the Directors shall retire by rotation on the basis prescribed in the Articles of Association the Company. Directors retiring by rotation or a Director who is subject to appointment are eligible for re-election by a shareholder resolution at the AGM. Refer in page 58.
A.8.3 Resignation.	✓	Written communications are to be provided to the Board by Director.
<b>A.9 Appraisal of Board performance</b>		
A.9.1 The Board should annually appraise itself on its performance in the discharge of its key responsibilities.	✓	The Board continued with its annual Board performance appraisal. This is a formalized process of self-appraisal, whereby each member assesses, on an anonymous basis, the performance of the Board.
A.9.2 The Board should also undertake an annual self-evaluation of its own performance and that of its Committees and need for review the participation, contribution and engagement of each director at the time of re-election.	✓	The Board considers following areas for the annual self-evaluation; <ul style="list-style-type: none"> <li>◆ Role and effective discharge of responsibilities;</li> <li>◆ Systems and procedures;</li> <li>◆ Quality of participation;</li> <li>◆ Board image.</li> </ul>
A.9.4 The Board should state how such performance evaluations have been conducted.	✓	The performance evaluations are analyzed to give the Board an indication of its effectiveness as well as areas that require addressing and/or strengthening.
<b>A.10 Disclosure of information in respect of Directors</b>		
A.10.1 <ul style="list-style-type: none"> <li>◆ Profiles of the Board of Directors</li> <li>◆ Directors' interests</li> <li>◆ Board meeting attendance</li> <li>◆ Board Committee memberships</li> </ul>	✓	Refer Board of Directors, Corporate Governance and Annual Report of the Board of Directors sections.
<b>A.11 Appraisal of the Chief Executive Officer</b>		
A.11.1 Target/Goals for the Managing Director.	✓	At the commencement of each financial year, the Board in consultation with the Managing Director sets financial and non financial goals based on the short, medium and long term objectives of the Company.
A.11.2 Evaluation of the performance of the Managing Director.	✓	The annual appraisal of the Managing Director is carried out by the Board with pre-agreed performance targets at the end of each financial year.

## Corporate Governance (Contd.)

**B. Directors Remuneration**

Rule	Compliance Status	Company's Action
<b>B.1 Remuneration procedure</b>		
B.1.1 The Board of Directors should set up a Remuneration Committee.	✓	Complied with.
B.1.2 The Remuneration Committees should consist exclusively of Non- Executive Directors.	✓	Refer Remuneration Committee Report.
B.1.3 The Chairman and members of the Remuneration Committee should be listed in the Annual Report each year.	✓	Refer Remuneration Committee Report.
B.1.4 Determination of the remuneration of Non- Executive Directors.	✓	NEDs receive a fee for devoting time and expertise for the benefit of the Group in their capacity as Directors.
B.1.5 The Remuneration Committee should consult the Chairman about its proposals relating to the remuneration of other Executive Directors.	✓	Complied with.
<b>B.2 Level and make-up of Remuneration.</b>		
B.2.1 Level and make-up of the remuneration.	✓	The Board makes assessments on the fact that the remuneration of Executive and the Non-Executive Directors reflects the market expectations and is sufficient enough to attract and retain the quality of Directors needed to run the Company. The remuneration package of the Managing Director is structured to link rewards to corporate and individual performance, ensuring there is strong alignment between the short-term and long-term interests of the Company.
B.2.2 Design of remuneration for long term success and to promote long term success of the Company.	✓	Executive Directors' and Key Management's remuneration is designed to promote the long-term success of the Company/Group.
B.2.3 Comparison of remuneration with other companies in the Group.	✓	It also takes into consideration data concerning executive pay among the related group companies when determining annual salary increases.
B.2.4 Performance related payments to the Managing Director.	✓	Performance based incentives have been determined to ensure that the total earnings of the Executive Directors are aligned with the achievement of objectives and budgets of the Company.

## Corporate Governance (Contd.)

Rule	Compliance Status	Company's Action
B.2.6 Executive share options.	✓	There are no share options that have been offered to the Executive Directors and senior management.
B.2.7 Deciding the Executive Directors' Remuneration.	✓	In deciding the remuneration of the Managing Director, the Committee takes note of the provisions set out in Schedule E of the Code.
B.2.8 Early termination of Directors.	✓	His terms of employment is governed by the employment contract.
B.2.9 Early termination not included in the initial contract.	N/A	
B.2.10 Remuneration of Non-Executive Directors.	✓	Please refer B.1.4 above.
<b>B.3 Disclosure of remuneration policy and aggregate remuneration.</b>		
B.3.1 Disclosure of remuneration policy and aggregate remuneration.	✓	In accordance with the guidelines of the Securities and Exchange Commission of Sri Lanka the aggregate remuneration paid to the Non-Executive Directors during the financial year 2024/2025 is disclosed in Note 8.

## C. Relations with Shareholders

Shareholders have the opportunity at the AGM, to put forward questions to the Chairman and the Board of Directors to have better familiarity with the Company's business and operational aspects.

Rule	Compliance Status	Company's Action
C.1 Constructive use of the Annual General Meeting (AGM) and conduct of General Meetings.	✓	Complied with.
C.1.1 Notice of the Annual General Meeting to be sent to shareholders with other papers as per the statute.	✓	Notice of the AGM and related documents are sent to shareholders along with the Annual Report within the specified period. The contents of this Annual Report will enable existing and prospective stakeholders to make better informed decisions in their dealings with the Company.
C.1.2 Separate resolution to be proposed for each item.	✓	Complied with.
C.1.3 Counting of proxy votes.	✓	Complied with.
C.1.4 Heads of Board sub-committees to be available to answer queries.	✓	All the Non-Executive Directors who are the heads of Board sub committees are available to answer queries.



## Corporate Governance (Contd.)

Rule	Compliance Status	Company's Action
C.1.5 Summary of procedures governing voting at General Meetings to be informed.	✓	Complied with.
<b>C.2 Communication with shareholders</b>		
C.2.1 Implementation of the policy and C.2.2 methodology for communication with C.2.3 shareholders.	✓	The Company adopts a two way communication policy with shareholders. At the Annual General Meeting, the Company openly welcomes any suggestions from the shareholders, and shareholders may elect to receive the Annual Report in printed form. The Board of Directors is prepared to provide comprehensive explanations for queries of shareholders.
C.2.4/ Contact person in relation to shareholders' matters. C.2.6	✓	Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of the Company. Such questions, requests and comments should be addressed to the Company Secretary.
C.2.5 Process to make all Directors aware of major issues and concerns of shareholders.	✓	The Company Secretary shall maintain a record of all correspondence received and will deliver as soon as practicable such correspondence to the Board or individual Director/s as applicable. The Board or individual Director/s, as applicable, will generate an appropriate responses to all validly received shareholder correspondence and will direct the Company Secretary to send the response to particular shareholder.
C.2.7 The process of responding to shareholder matters.	✓	Please refer the comment for C.2.5 above.
<b>C.3 Major and Material Transactions</b>		
C.3.1/ Disclosure of major transactions to the C.3.2 shareholders and rules and regulation of Securities and Exchange Commission and by the Colombo Stock Exchange.	✓	There have been no transactions during the year under review which fall within the definition of major transaction as set out in the Companies Act No. 07 of 2007.

## Corporate Governance (Contd.)

### D. Accountability and Audit

Rule	Compliance Status	Company's Action
<b>D.1 Financial and Business Reporting</b>		
D.1.1 Publishing of Annual Report including Financial Statements.	✓	Complied with.
D.1.2 Balanced and understandable information.		The Board is aware of its responsibility to present regulatory and statutory reporting in a balanced and understandable manner and a statement to this effect is given in the Responsibility on page 62 confirming this position.
D.1.3 CEO/CFO declaration.	✓	In preparing annual and quarterly Financial Statements, the Company complies with the requirements of the; Companies Act No. 07 of 2007 Sri Lanka Accounting Standards and Listing Rules of the Colombo Stock Exchange.  Refer the "Responsibility Statement of the Chief Executive Officer and Chief Financial Officer" on the page 64 of the Annual Report.
D.1.4 Directors' Report in the Annual Report.	✓	The Declarations required to be made by the Board are given in the Annual Report of the Board of Directors.
D.1.5 Statement of Directors' and Auditor's responsibility for the Financial Statements.	✓	Refer Statement on Directors' Responsibilities.
D.1.6 Management Discussion and Analysis.	✓	Refer Management Discussion and Analysis.
D.1.7 Remedial action at Extraordinary General Meeting (EGM) if net assets fall below half of value of Shareholders funds.	✓	In the unlikely event that the net assets of the Company fall below half of the Shareholders' funds, shareholders would be notified and an extraordinary resolution would be passed on the proposed way forward.
D.1.8 Related party transactions.	✓	The transactions entered into by the Company with the related parties is disclosed on Note 27 of the Financial Statements.
<b>D.2 Risk Management and Internal Control</b>		
D.2.1 Directors to review internal Controls.	✓	The internal audit function is outsourced to Sarukkali Associates (Chartered Accountants), who reports to the Board Audit Committee.

## Corporate Governance (Contd.)

Rule	Compliance Status	Company's Action
D.2.2 Internal Audit Function.	✓	The internal audit function of the Company is not outsourced to the external auditors of the Company to ensure the independence of the external auditor of the Company. The Auditors report on the Financial Statements of the Company for the year under review is dealt in the financial information section of the Annual Report.
D.2.3 Review of the process and effectiveness of risk management and internal controls by the Audit Committee.	✓	<p>The Audit Committee monitors, reviews and evaluates the effectiveness of the risk management and internal control system, including the internal controls over financial reporting.</p> <p>The internal auditors review the adequacy and effectiveness of the Internal control system and report their findings to the Audit Committee.</p> <p>In the financial year under review, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company. Please refer Audit Committee Report on page 65-66.</p>
D.2.4 Responsibility of Directors.	✓	Please refer the Directors' Statement on page 62.
<b>D.3 Audit Committee</b>		
D.3.1 The Audit Committee should comprise of a minimum of three of whom at least two should be Independent Non-Executive Directors or exclusively Non- Executive Directors, the majority of whom should be independent, whichever is higher.  The Chairman of the Committee should be a Independent Non- Executive Director, appointed by the Board.	✓	Refer the Audit Committee Report on page 65-66.
D.3.2 Terms of reference, duties and responsibilities.	✓	<p>The Audit Committee has the overall responsibility for overseeing the preparation of Financial Statements in accordance with the laws and regulations of the Country and also of recommending to the Board, the adoption of best accounting policies.</p> <p>The Committee is also responsible for maintaining the relationship with the external auditors.</p>

## Corporate Governance (Contd.)

Rule	Compliance Status	Company's Action
D.3.3 The Audit Committee is to have written terms of reference covering the salient aspects as stipulated in the section.	✓	The Audit Committee has written terms of reference outlining the scope.
D.3.4 Composition of the Audit Committee and Independence of the Auditors.	✓	Refer Audit Committee Report.
D.4 Risk Committee		
D.4.1 The Board must establish a Risk Committee to oversee risk culture, appetite, and management. It should consist mainly of Non-Executive Directors, meet quarterly, and operate under clear terms of reference.	✓	Refer Risk Management report page 48 - 51.
D.4.2 The Committee reviews key risks, mitigation measures, insurance, IT security, ESG risks, and disaster recovery, and reports annually to the Board.		
D.4.3		
D.4.4		
D.4.5		
D.5 Related Party Transactions Review Committee		
D.5.1 Related parties and transactions are as defined in LKAS 24 and Code D.1.8. Key management includes those with direct or indirect authority over the entity's operations, including the Chairman, CEO, Directors, and heads of strategic units.	✓	Refer Related Party Transaction Committee Report Page 69 to 70.
D.5.2 The Board shall establish an RPT Review Committee comprising at least three non-executive directors, the majority being independent. Chaired by an independent non-executive director, it shall meet quarterly. Executive directors may attend by invitation.	✓	Refer Related Party Transaction Committee Report Page 69 to 70.

## Corporate Governance (Contd.)

Rule	Compliance Status	Company's Action
D.5.3 The RPT Review Committee shall operate under written Terms of Reference approved by the Board, clearly defining its authority, responsibilities, and procedures for reviewing, approving, and reporting related party transactions.	✓	Refer Related Party Transaction Committee Report Page 69 to 70.
<b>D.6 Code of Business Conduct and Ethics</b>		
D.6.1 Disclosures on presence of code of business conduct and ethics.	✓	The Company has adopted a Code of Conduct, upheld by its Directors and Key Management Personnel.
D.6.2 Reporting of price sensitive information.	✓	The Company ensures prompt disclosure of material and price-sensitive information to the Colombo Stock Exchange following Board decisions.
D.6.3 Disclosure of share information of Key Management Personnel.	✓	Directors' share transactions are promptly disclosed to the Company Secretary, who notifies the Colombo Stock Exchange.
D.6.4 Whistle blowing policy.	✓	There is a whistle-blowing policy in place.
D.6.5 Conducting Training on the code of business conduct and ethics.	✓	Regular training on the code of business conduct and ethics is provided to all employees, including new hires during induction, with annual compliance confirmation required.
D.6.6 Process for companywide dissemination of the policy, training arrangements, violations/non compliances.	✓	
D.6.7 Affirmation from chairman.	✓	Complied with.
<b>D.7 Corporate Governance Disclosures</b>		
D.7.1 Disclosures of Corporate Governance	✓	Complied with.

## E. Institutional Investors

Rule	Compliance Status	Company's Action
<b>E.1 Shareholder voting</b>		
E.1.1 A Listed Company should conduct a regular and structured dialogue with shareholders based on mutual understanding of objectives.	✓	Complied with.

## Corporate Governance (Contd.)

### E.2 Evaluation of governance disclosures

E.2.1	When evaluating the company governance arrangements, particularly those relating to the Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawing to their attention.	✓	Complied with.
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## F. Other investors

Rule	Compliance Status	Company's Action
<b>F.1 Investing divesting decisions</b>		
F.1.1	Individual shareholders, investing directly in shares of the companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	✓ The Company maintains an active dialogue with shareholders, potential investors, investment banks, stock brokers and other interested parties.
<b>F.2 Shareholder voting</b>		
	Individual shareholders should be encouraged to participate in General Meetings of companies and exercise their voting rights.	✓ All steps are taken to facilitate exercise of shareholder rights at AGMs, including the receipt of notice of the AGM and related documents within the specified period. Shareholders carry their voting rights for the each resolution passed at the AGM.

## G. Internet of Things & Cyber Security

Rule	Compliance Status	Company's Action
G.1.1 - Internet of things and Cyber Security. G.1.5	N/A	Governance of information systems, Intranet and cyber security have not been implemented considering the nature and size of the organisation.

## H. Environment Society and Governance

Rule	Compliance Status	Company's Action
H.1.1 - Environment Society and Governance. H.1.7	✓	The Company has adopted integrated approach for environmental, social and governance factors for the business model.



# RISK MANAGEMENT

Absolutely, it's important to understand that every activity involves inherent risks. The establishment of an Audit Committee comprising industry experts and qualified professionals aids in identifying industry-specific risks and presenting mitigation recommendations to the Board of Directors. Involving all employees in the risk mitigation process, from top management to frontline staff, ensures a comprehensive approach to managing risks effectively.

## RISK GOVERNANCE

The Board of Directors bears ultimate responsibility for identifying and managing the Company's risk exposures, with support from the Board Audit Committee. The Audit Committee ensures the adequacy of internal controls and drives continuous improvements based on internal audit findings, compliance reports, and recommendations from

External Auditors. Risk identification is a continual process, involving stakeholder engagement and regular evaluation of internal and external business environments. Risk grids are updated continuously and reviewed by the Board. The Internal Audit team conducts due diligence activities to provide reasonable assurance of the efficacy of the Company's risk and internal control systems, fostering continuous improvement.



## RISK MANAGEMENT PROCESS

IDENTIFICATION OF RISK	ASSESSMENT & RATING OF RISK	MITIGATION OF RISK	REPORTING	MONITORING & CONTROL
A 'Risk Event' is identified as any event with a degree of uncertainty which, if occurs, may result in the Business Unit failing to meet its stated objectives	Identified risks are assessed on a matrix of 'Impact to Company' and 'Likelihood of Occurrence'. Based on this matrix, each identified risk will be assigned a score, which is tabulated into the Risk Control Self-Assessment document on a scale of impact likelihood.	Risks are mitigated through two ways:  Prevention: Risks are identified prior to occurrence, and action taken to prevent the same  Detection & Correction The Risk Management Team identifies risks post-occurrence and assigns a 'Risk Owner' to implement and report on mitigation strategies. Prioritization is based on risk ratings from the impact likelihood matrix, with higher risks taking precedence.	Each business unit conducts periodic reviews of the Risk Control Self-Assessment document. The department head reviews this document quarterly, signing off on operational and financial compliance statements. These statements are then endorsed by each department head for review by the Audit Committee before being presented for discussion at the Board meeting.	The Risk Management Team, led by the Directors, ensures proper identification of risks, implementation of mitigation actions, and reporting during the risk review process. Operational and management controls, along with mitigation plans, undergo regular verification through independent internal audits.

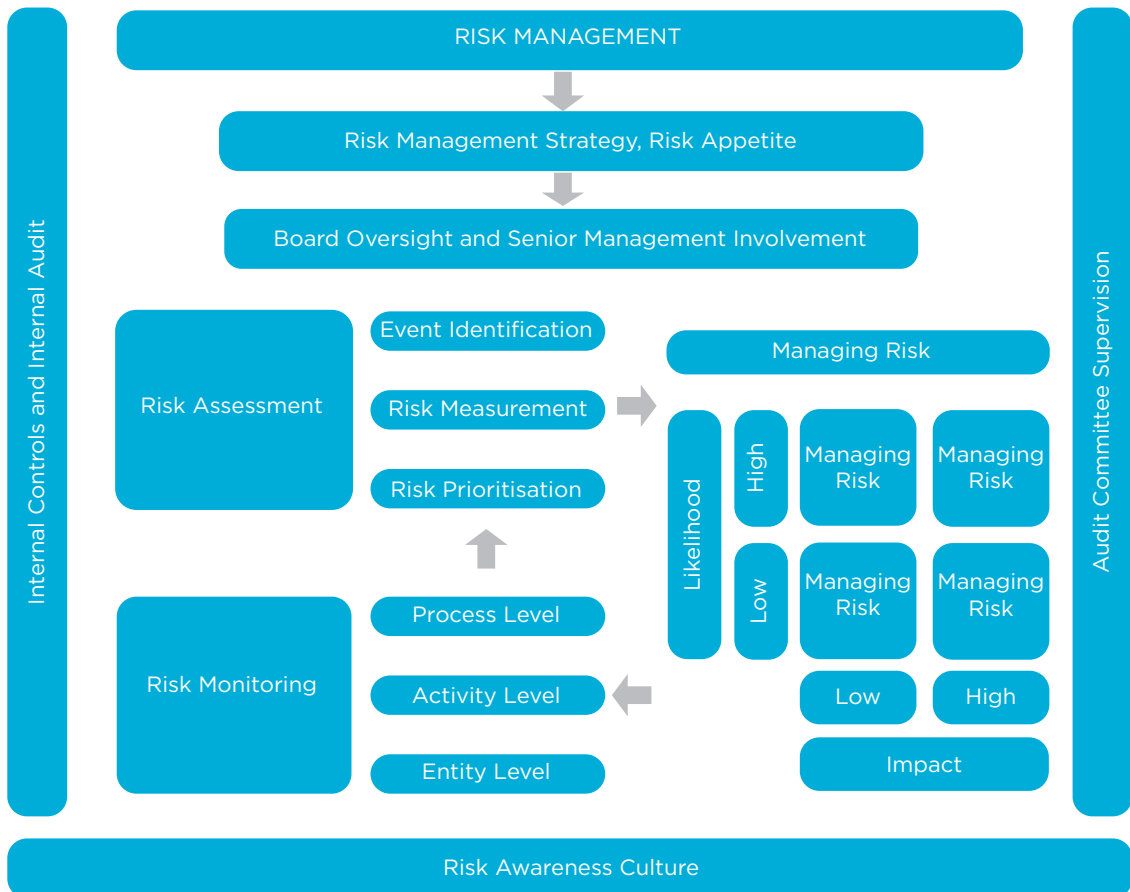
The Integrated Risk Management Framework (IRMF) delineates procedures and accountabilities for identifying, quantifying, mitigating, overseeing, and disclosing risks. It flows from the Lotus Hydro Power PLC strategic blueprint, aligning with the Company's Risk Management Strategy and Risk Appetite as ratified by the Lotus Hydro Power Board. These principles guide the identification, evaluation, control, and surveillance of significant risks, ensuring congruence with strategic aims and stakeholder anticipations.

## RISK APPETITE

The Board establishes the organization's risk appetite, with management responsible for executing it. Risk appetite is determined by the level of risk the Company is prepared to undertake to achieve its goals, quantified by risk tolerance thresholds. The Board periodically assesses the risk appetite to ensure its appropriateness and defined boundaries.

## RISK CULTURE

Our company places significant importance on fostering a culture of risk awareness to enhance the effectiveness of our risk management system. The Board establishes the tone by formulating policies and procedures, while business unit managers oversee their execution and compliance. Ongoing training and initiatives to build capacity serve to bolster risk awareness throughout all levels of the organization.



## PRINCIPLE RISKS

The principle risks that affect the company are set out below.

Risk Category	Risk Event	Implications	Risk Mitigation Approach	FY 2024/2025	FY 2023/2024
Business Risk	Risk stemming from inaccuracies in initial planning concerning resource assessment and the procurement of renewable energy technology	Loss of expected revenue	Seek guidance from specialists and leverage management expertise. Utilize effective project planning tools	LOW	LOW
	Complex approval process	Risk stemming from ineffective or opaque administration related to licensing and permits for renewable energy projects, leading to delays and/or unexpected cost overruns	Maintain ongoing communication and follow-up with pertinent regulatory bodies	MEDIUM	MEDIUM
Financial Risk	Interest Rate Risk	Negative effect on project profitability resulting from increased financing costs.	Maintain an appropriate mix of fixed and variable rates of borrowings	LOW	LOW
	Exchange Rate Risk	Increase in project expenses due to depreciation of the LKR	Engage in discussions with international suppliers to adjust payment terms	LOW	LOW
	Credit Risk	Effect on liquidity resulting from delays or non-payment by CEB.	Contracts with CEB are legally binding	LOW	LOW
Strategic Risk	Variation from anticipated outcomes due to errors, which may arise from simplifications, approximations, or inaccurate assumptions	Significant variance between projected profitability and actual profitability.	Sought expert opinions when establishing key assumptions and parameters	MEDIUM	MEDIUM
Operational Risk	Risk stemming from physical asset damage caused by negligence, accidents, wear and tear, and/or potential unplanned closures due to machinery breakdowns	Loss of Revenue	Consistent enhancement of health and safety policies, along with workshops and training sessions. Prompt maintenance of machinery and equipment. Conducting regular internal audits. Utilizing business interruption insurance coverage	MEDIUM	LOW

Risk Category	Risk Event	Implications	Risk Mitigation Approach	FY 2024/2025	FY 2023/2024
IT Risks	Likelihood and risks associated with enterprise hardware, software, and networks	Adverse consequences resulting from data loss, system malfunctions, and obsolete systems	Perform routine maintenance and process upgrades. Strengthen cybersecurity measures	LOW	LOW
Regulatory and Legal Risk	Risk stemming from uncertainty surrounding potential adverse changes in relevant laws and regulations	Reduced revenue leading to higher tax obligations.	Compliance with any new laws and regulations	HIGH	HIGH
People and retention Risk	Risk arises from the challenge of attracting and retaining qualified and experienced personnel.	Can negatively impact operational efficiency, productivity, and financial performance	Adopt an inclusive approach to recruit top talent and retain employees.	LOW	LOW
Reputational Risk	The risk of not meeting stakeholders' expectations due to any event, behavior, action, or inaction	Adverse perceptions from stakeholders regarding the Company or Group	Compliance with statutory and regulatory requirements may be compromised without dedicated controls in place	LOW	LOW
Environmental Risk	Risk associated with both current and potential threats to the environment and local residents.	Negative environmental conditions can affect ongoing construction projects and reduce yields from hydro. This includes challenges like floods, droughts, and landslides.	Promptly address any adverse environmental impacts as they arise.	MEDIUM	MEDIUM

# HUMAN CAPITAL

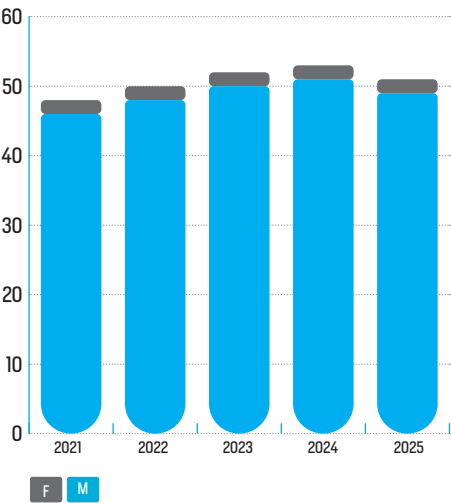
At Lotus, our people are our greatest asset. Throughout the financial year, we remained committed to fostering a workplace culture that prioritizes safety, development, and mutual respect. By empowering employees and investing in their well-being, we continue to drive sustainable growth and collective success.

## A STRONG, DEDICATED TEAM

Our workforce reflects a well-balanced blend of youth, experience, and technical expertise. Every team member is carefully selected to uphold our values and contribute meaningfully to our operations.

## TOTAL HEAD COUNT

Year	Male	Female	Total
2021	46	2	48
2022	48	2	50
2023	50	2	52
2024	51	2	53
2025	49	2	51



## EMPLOYEES OF THE GROUP BY AGE, GENDER AND CATEGORY

Category	Age			Total	% of total employees
	Below 30	30-50	Above 50		
Senior Management	-	1	-	1	2%
Executives	1	3	-	4	8%
Technical Staff	-	3	4	7	14%
Power Plant Staff	11	21	7	39	76%
	12	28	11	51	100%

## INVESTING IN SAFETY & SKILLS

Safety remains a core pillar of our human capital strategy. We conducted specialized training programs during the year to ensure all plant employees are fully equipped and prepared.

### Key Training Initiatives:

- ◆ Fire Protection Training
- ◆ Protection Equipment Handling and Safety Procedures
- ◆ Participants: All Plant Staff Members

These programs not only strengthen operational safety but also build employee confidence and competence.

## ENGAGEMENT & TEAM SPIRIT

To celebrate our collective efforts and reinforce a culture of camaraderie, we organized an Annual Get-Together. This event provided an opportunity for employees across departments to connect, reflect, and celebrate our shared achievements in a relaxed setting.

## TALENT ACQUISITION

We welcomed five new employees during the year, bringing fresh perspectives and energy into the company. While we did not implement formal retention strategies this year, our team remains stable, driven by our inclusive culture and shared purpose.

## EMPLOYEE BENEFITS

**We continued to support our employees' well-being through a range of benefits, including:**

- ◆ Interest-Free Loan Scheme for seasonal, medical, and educational needs
- ◆ Comprehensive Medical Insurance, covering outpatient care, accident protection, and worker's compensation

These measures ensure that our team remains financially resilient and healthy.

## COMMITMENT TO A SAFE & SUSTAINABLE WORKPLACE

Our employees actively contributed to maintaining an environmentally safe and secure workplace through proper handling of equipment, adherence to safety protocols, and active participation in workplace safety programs.

**We are proud to report:**

- ◆ Zero major injuries during the financial year
- ◆ No workdays lost due to accidents

## LOOKING AHEAD

While no major HR initiatives are currently planned for the upcoming year, we will continue to reinforce our existing policies and provide the tools, training, and environment necessary for every employee to thrive.



Salaries, incentives  
**50,156,899**



EPF / ETF  
**4,989,906**



Staff welfare  
**2,856,445**

# ENVIRONMENT CAPITAL

## CHAMPIONING SUSTAINABILITY THROUGH RENEWABLE ENERGY

At Lotus Hydro Power PLC, environmental capital is more than a responsibility—it's at the heart of everything we do. As a company powered by nature, our success is intrinsically tied to the rhythms of the environment. Rainfall, flowing rivers, and healthy ecosystems are the lifeblood of our renewable energy generation. Recognizing this dependence, we remain steadfast in our commitment to environmental stewardship, viewing sustainability not just as a compliance obligation, but as a core driver of long-term value.

Hydropower stands as a clean, renewable, and climate-resilient solution—countering the environmental harm caused by fossil fuel-based energy sources. We are proud to position Lotus Hydro Power PLC as a beacon of environmental responsibility in Sri Lanka's renewable energy sector.

Yet, nature is unpredictable. Shifting climate patterns can either boost or hinder our performance. Ample rainfall energizes our output, while extreme weather events—like floods or landslides—can bring unexpected operational risks. That's why we operate with foresight: embracing the opportunities that climate variability presents, while proactively mitigating its threat.







## OUR COMMITMENT TO ENVIRONMENTAL CAPITAL MANAGEMENT

Unlike man-made assets that can be rebuilt, many natural resources are irreplaceable. This reality shapes our philosophy. Our commitment to environmental protection is woven into every project, process, and policy. We believe that real sustainability means not only minimizing harm but also actively preserving and enriching the ecosystems we rely on.

### Our Policy Pillars

The Environmental Capital Management Policy at Lotus Hydro Power PLC is built around key guiding principles that translate our vision into action.

## OBJECTIVES

	To integration environmental considerations into decision-making processes at every organizational level.
<b>Integration</b>	
	To reduce adverse environmental impacts associated with our activities, products, and services.
<b>Mitigation</b>	
	To enhance the utilization of renewable resources and advance energy efficiency.
<b>Optimization</b>	
	To adhere Strictly to pertinent environmental regulations and standards.
<b>Compliance</b>	
	To nurture a culture of environmental consciousness and accountability among our workforce, stakeholders, and partners.
<b>Nurturing</b>	
	To continuously evaluate and enhance environmental performance through vigilant monitoring, assessment, and innovation.
<b>Enhancement</b>	



## PRINCIPLES



### Sustainability

We pledge to champion sustainable practices that harmonize economic viability, social responsibility, and environmental conservation.



### Efficiency

We endeavor to minimize waste generation, optimize resource utilization, and embrace technologies and methodologies that bolster efficiency.



### Prevention

We proactively identify and address sources of pollution, striving to avert environmental harm before it arises.



### Adherence

We uphold strict compliance with all applicable environmental laws, regulations, and industry standards, ensuring ethical conduct and legal conformity.



### Transparency

We maintain transparent communication with stakeholders regarding our environmental endeavors, achievements, and challenges.



### Progression

We engage in perpetual efforts to monitor, evaluate, and refine our environmental performance by routinely reviewing and enhancing policies, procedures, and practices.



## IMPLEMENTATION



### Accountability

Environmental stewardship is a collective responsibility shared across all echelons of our organization. Management shall provide leadership and allocate resources to support environmental initiatives, while employees are expected to actively participate in and adhere to environmental policies and protocols.



### Education

We shall furnish comprehensive training and educational materials to equip employees with the requisite knowledge and competencies to discharge their environmental duties effectively.



### Collaboration

We shall collaborate with suppliers, contractors, and other stakeholders to propagate environmental best practices and cultivate alliances that further our environmental objectives.



### Monitoring and Reporting

We shall establish robust mechanisms for monitoring and gauging our environmental performance, regularly furnishing reports on key metrics, and strides toward our objectives.



### Evaluation and Adaptation

We shall periodically assess and revise our Environmental Capital Management Policy to reflect shifts in environmental regulations, technological advancements, and best practices.

# SOCIAL AND RELATIONSHIP CAPITAL

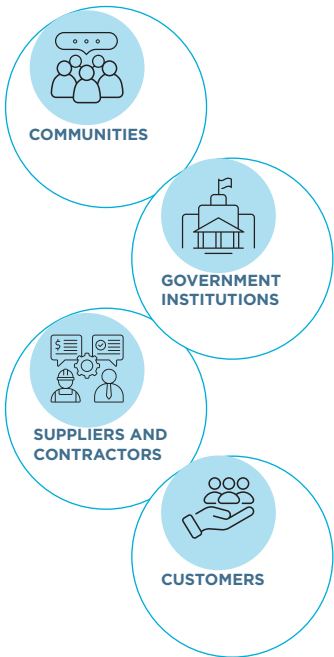
## BUILDING TRUST, EMPOWERING PEOPLE, SUSTAINING PROGRESS

At Lotus Hydro Power PLC, we firmly believe that meaningful relationships with our stakeholders—customers, government institutions, communities, and suppliers—are central to our mission of sustainable development. These relationships go beyond transactions and compliance; they are partnerships built on trust, collaboration, and shared progress.

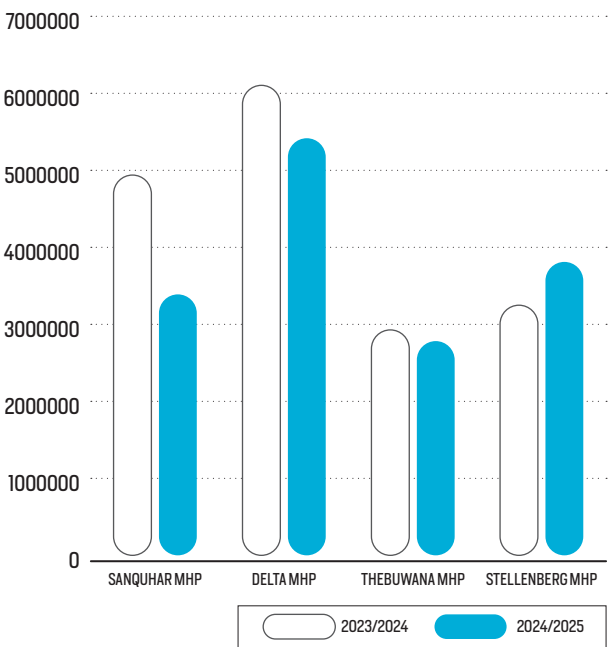
## PARTNERING FOR NATIONAL ENERGY GOALS

Our relationship with the Ceylon Electricity Board (CEB) continues to be central to our operations. As the sole purchaser of electricity generated by our plants, CEB plays a vital role in helping us fulfill our mission of powering Sri Lanka through clean, non-conventional energy sources. Over the years, we have built strong ties with CEB officials at all levels, ensuring smooth coordination in project execution, energy dispatch, and regulatory compliance.

All energy generated from our hydropower plants is delivered to the national grid under standardized power purchase agreements (SPPAs), which guarantee transparent pricing and clear delivery terms.



## ANNUAL PRODUCTION



All our projects operate under Standardized Power Purchase Agreements (SPPA). Our existing projects—Sanquhar, Delta, Thebuwana, and Stellenberg—have continued to perform reliably, and we are now preparing for the future with the upcoming Halgranoya Project, currently in the planning and approval stage.

Project	Ceylon Electricity Board regional office
SANQUHAR MHP	NAWAPITIYA
DELTA MHP	NUWARA ELIYA
THEBUWANA MHP	EHELIYAGODA
STELLENBERG MHP	NUWARA ELIYA

## STRENGTHENING GOVERNMENT RELATIONS

We work in close alignment with a broad range of government institutions that provide essential regulatory, environmental, and infrastructural support to our projects. In the past year, our collaboration with local government authorities and Grama Niladhari officers has grown stronger, helping us address grassroots concerns and community-level coordination more efficiently. Key institutions we work with include:

1. Sustainable Energy Authority
2. Ceylon Electricity Board
3. Public Utilities Commission of Sri Lanka
4. Central Environmental Authority
5. Irrigation Department
6. Water Board
7. Forest Department
8. Divisional Secretariat Offices
9. Local Authorities
10. Board of Investments of Sri Lanka
11. Inland Revenue Department
12. Department of Labour

Our approach is guided by transparency, accountability, and mutual respect. We ensure that all project activities are fully compliant with environmental and regulatory requirements, and we maintain continuous engagement to align with national development priorities.

## DEEPENING OUR COMMITMENT TO COMMUNITIES

Communities are not just neighbors to our power plants—they are vital stakeholders in our success. Our commitment to social responsibility is reflected in how we listen to, engage with, and support the people living near our sites. This year, we proudly sponsored a Sinhala and Tamil New Year celebration, contributing to cultural connection and local morale. Beyond events, we also focused on livelihood development—recruiting five new employees from surrounding villages to ensure that the economic benefits of our projects reach the grassroots. Our teams engage with communities consistently, addressing daily concerns ranging from access roads and water management to land issues and safety. These are not treated as side issues—they are

central to our way of working, and we take pride in being approachable, accountable, and respectful.

Our Code of Ethics ensures that we never make false promises or raise unrealistic expectations. We aim to deliver measurable, meaningful support and create lasting trust in the areas where we operate.

## SUPPLIERS AND CONTRACTORS

Our engagement with suppliers transcends conventional supply contracts, as we prioritize the cultivation of enduring relationships rooted in trust, loyalty, and shared values. Fostering such partnerships, lays the foundation for sustainable business practices that benefit all parties involved. Central to our approach is the cultivation of professionalism, transparency, and fairness in all our interactions with suppliers. Through these principles, we ensure that operational excellence remains a consistency reality, safeguarding the integrity and efficiency of our endeavors.

## COMMUNITIES

We subscribe to the steadfast commitment to empower the communities in which we operate, nurturing their sustainable livelihood development as an integral part of our organizational ethos. Throughout both the project and operational phases, we actively engage with surrounding communities, prioritizing meaningful involvement and mutual benefit. Central to our approach is the cultivation of strong, trust-based relationships with community members, grounded in transparency and integrity. Upholding this commitment, our Code of Ethics prohibits the dissemination of false promises, ensuring that we deliver on our commitments to the communities we serve. Our engagement extends beyond mere project implementation, as our team actively integrates into the daily life of the surrounding community, fostering a collaborative environment where local perspectives are valued and respected. Moreover, we prioritize the creation of employment opportunities for nearby villagers, providing both temporary roles during project development and permanent positions upon project completion.

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

The Board of Directors of Lotus Hydro Power PLC are pleased to present their Annual Report together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2025 together with the Auditor's Report thereon.

The Financial Statements and the disclosures made herein conform to the requirements of the Companies Act No. 07 of 2007. The Report also includes relevant disclosures required to be made under the Listing Rules of the Colombo Stock Exchange and is guided by the recommended best practices on accounting and corporate governance.

## Principal Activities

Principal activities of the Company are to build, own, operate and maintain power generating facilities.

## Parent entity

The Company's immediate parent and ultimate parent entities are Lotus Renewable Energy (Pvt) Ltd and Lotus Renewable Energy (Singapore) Pte Ltd respectively.

## The Board of Directors

**Mr. G.D. Seaton**  
*Chairman/ Executive Director*

**Mr. A.U.A.M. Athukorala**  
*Executive Director*

**Mr. K. Gowri Shankar**  
*Non-Executive Director*

**Dr. T. Senthilvel**  
*Non-Executive Director*

**Mr. P. M. B. Fernando**  
*Senior Independent Non-Executive Director (appointed w.e.f. 31st December 2024)*

**Dr. R. N. A. Athukorala**  
*Independent Non-Executive Director (appointed w.e.f. 22nd July 2025)*

**Mr. U. H. Palihakkara**  
*Senior Independent Non-Executive Director (resigned w.e.f. 31st December 2024)*

**Mr. W. M. A. I. Fernando**  
*Senior Independent Non-Executive Director (resigned w.e.f. 22nd July 2025)*

The names and brief profiles of each Director who served as Directors of the Company during the year under review are given on pages 13 and 16.

## Re-Election of Directors

In accordance with Article No. 24(6) of the Articles of Association of the Company Mr. K.G. Shankar retires by rotation as a Director and being eligible offers himself for re-election.

In accordance with Article No. 24(6) of the Articles of Association of the Company Mr. A.U.A.M. Athukorala retires by rotation as a Director and being eligible offers himself for re-election.

In accordance with Article No. 24(2) of the Articles of Association of the Company Mr. P.M.B. Fernando ceases to be a Director and being eligible offers himself for re-election.

In accordance with Article No. 24(2) of the Articles of Association of the Company Mr. R.N.A. Athukorala ceases to be a Director and being eligible offers himself for re-election.

## Re-appointment of Directors

A resolution for the re-appointment of Dr.Thirugnanasambandar Senthilvel who is over 70 years of age will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.07 of 2007. Dr. T. Senthilvel's re-appointment is recommended by the Directors.

A resolution for the re-appointment of Mr. G.D. Seaton who is over 70 years of age will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.07 of 2007. Mr. G.D. Seaton's re-appointment is recommended by the Directors.

## Company Secretaries/ Registrars

S S P Corporate Services (Private) Limited has acted as Company Secretaries and Registrars during the year under review.

## Board Committees

The Board has established the following Committees for better monitoring and guidance of different aspects in operations and control.

## Audit Committee

The audit committee comprises of:

**Mr. P. M. B. Fernando**  
*Chairman/Senior Independent Non-Executive Director (appointed w.e.f. 31st December 2024)*

**Dr. R. N. A. Athukorala**  
*Member/Independent Non-Executive Director (appointed w.e.f. 22nd July 2025)*

**Mr. K. Gowri Shankar**  
*Member/Non-Executive Director*

**Mr. U. H. Palihakkara**  
*Member/Senior Independent Non-Executive Director (resigned w.e.f. 31st December 2024)*

**Mr. W. M. A. I. Fernando**  
*Former Chairman/Senior Independent Non-Executive Director (resigned w.e.f. 22nd July 2025)*

The report of the Audit Committee is given on page 65-66.

## Remuneration Committee

The remuneration committee comprises of:

### Mr. P. M. B. Fernando

*Chairman/Senior Independent Non-Executive Director (appointed w.e.f. 31st December 2024)*

### Dr. R. N. A. Athukorala

*Member/Independent Non-Executive Director (appointed w.e.f. 22nd July 2025)*

### Mr. K. Gowri Shankar

*Member/Non-Executive Director*

### Mr. U. H. Palihakkara

*Member/Senior Independent Non-Executive Director (resigned w.e.f. 31st December 2024)*

### Mr. W. M. A. I. Fernando

*Former Chairman/Senior Independent Non-Executive Director (resigned w.e.f. 22nd July 2025)*

The report of the Remuneration Committee is given on page 67-68.

## Related Party Transactions Review Committee

The Related Party Transactions Review Committee comprises of:

### Mr. P. M. B. Fernando

*Chairman/Senior Independent Non-Executive Director (appointed w.e.f. 31st December 2024)*

### Dr. R. N. A. Athukorala

*Member/Independent Non-Executive Director (appointed w.e.f. 22nd July 2025)*

### Mr. G. D. Seaton

*Member/ Executive Director*

### Mr. A.U.A.M. Athukorala

*Member/ Executive Director*

### Mr. K. Gowri Shankar

*Member/Non-Executive Director*

### Mr. U. H. Palihakkara

*Member/Senior Independent Non-Executive Director (resigned w.e.f. 31st December 2024)*

### Mr. W. M. A. I. Fernando

*Former Chairman/Senior Independent Non-Executive Director (resigned w.e.f. 22nd July 2025)*

The Related Party Transactions Review Committee Report is given on pages 69-70.

## Nominations and Governance Committee

The Nominations and Governance committee comprises:

### Mr. P. M. B. Fernando

*Chairman/Senior Independent Non-Executive Director (appointed w.e.f. 31st December 2024)*

### Dr. R. N. A. Athukorala

*Member/Independent Non-Executive Director (appointed w.e.f. 22nd July 2025)*

### Mr. K. Gowri Shankar

*Member/Non-Executive Director*

### Mr. U. H. Palihakkara

*Member/Senior Independent Non-Executive Director (resigned w.e.f. 31st December 2024)*

### Mr. W. M. A. I. Fernando

*Former Chairman/Senior Independent Non-Executive Director (resigned w.e.f. 22nd July 2025)*

The Nominations and Governance Committee Report is given on pages 71.

## Compliance with Related Parties

The Board of Directors affirm that the Company has complied with CSE listing Rule No. 9.14 pertaining to Related Party Transactions.

## Stated Capital and Reserve

The Stated Capital of the Company as at 31st March 2025 was Rs. 482,300,200 and consists of 109,088,112 Ordinary Shares.

## Share Holdings/Share Information

There were 2,421 registered shareholders as at 31st March 2025. An analysis of shareholders based on shares held, the distribution of ownership category, the list of the top twenty shareholders together with the last year's comparatives are available on page 128-129 and the Earnings Per Share of the Group for the year under review was Rs. 0.80 (Last year – Rs. 0.60). The Net assets per ordinary share of the Group for the year under review were Rs. 6.83 (Last year – Rs. 6.48).

## Directors' Interest Register

The Company maintains the Directors' Interest Register conforming to the provisions of the Companies Act. The Directors of the Company have disclosed their interests in other companies to the Board and those interests are recorded in the Interest Register confirm with the provisions to the Companies Act.

The Shareholding of the Directors are as follows;

Name	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Mr. G. D. Seaton	Nil	Nil
Mr. K. Gowri Shankar	Nil	Nil
Mr. A.U.A.M. Athukorala	Nil	Nil
Dr. T. Senthilverl	Nil	Nil
Sampath Bank PLC/ Senthilverl Holdings (Pvt) Ltd	16,557,457	Nil
Seylan Bank PLC/ Senthilverl Holdings (Pvt) Ltd	Nil	1,557,457
Sampath Bank PLC/Dr. T.Senthilverl	Nil	15,000,000
Mr. U. H. Paliakkara	N/A	Nil
Mr. A. I. Fernando	Nil	Nil
Mr. P. M. B. Fernando	1,500	N/A

## Review of the year – Group

Financial performance is given below.

Year Ended 31 <sup>st</sup> March	2024/2025 Rs.	2023/2024 Rs.
Revenue	257,434,078	221,656,786
Profit before taxation	121,454,599	81,534,704
Less: Income tax expense	(33,661,784)	(16,526,454)
Net profit for the year from continuing operations	87,792,815	65,008,250
Add / (less): Other comprehensive income charged to retained profit	(1,293,559)	339,293
Total comprehensive income	86,499,256	65,347,543
Accumulated profit brought forward	76,185,384	154,290,664
Transferred from revaluation reserve to retained earnings	9,270,535	9,270,535
Dividend for the year	(76,361,678)	(152,723,358)
Accumulated profit carried forward	95,593,497	76,185,384

## Property, Plant and Equipment

The total capital expenditure incurred by the Group during the year under review was Rs. 71,789/- (Last year Rs. 310,984/-) the details are available in Note 11.

## Taxation

The Company has provided Rs. 18,677,553/- for income taxes (2024 - Rs. 10,036,622/-) and the Group has provided Rs. 33,661,784/- (2024 - Rs. 16,526,454/-). The details are available in Note 9 to 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.

## Corporate Governance

The Board of Directors has ensured that the Company have complied with the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance issued by the Securities and Exchange Commission and the Institute of Chartered Accountants of Sri Lanka.

The Board of Directors commitments in maintaining effective Corporate Governance practices are given in the Corporate Governance Report on Pages 18 to 47.

## Related Party Transactions

The Board of Directors confirms that the Company has complied with Section 9 of the Colombo Stock Exchange Listing Rules, as well as the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

## CSR Expenses and Donations

Donations made by the Group during the year amounted to Rs. 60,000/- (2024- Rs. 65,000/-).

## Subsidiaries and its Directors

The Directors of Subsidiaries are given on page 08 of the Annual Report.

## Events Occurring after the Reporting

No circumstances have arisen subsequent to the reporting period that requires adjustments to or disclosures in the Financial Statements.

## Going Concern

The Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future to justify adopting the "Going Concern Basis" in the preparation of the Financial Statements.

## Material Issues pertaining to Employees and Industrial Relations

There are no issues to be disclosed in this regard.

## Annual Report

The Board of Directors approved the consolidated financial statements on 15<sup>th</sup> August 2025. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitory Board on or before 31<sup>st</sup> August 2025.

## Annual General Meeting

The Twenty Forth Annual General Meeting will be held at Park Premier Banquet Hall, Excel World, No. 338 T. B. Jayah Mawatha, Colombo 10 on 12<sup>th</sup> September 2025 at 10.30 p.m. The Notice of Meeting is given on page 133.

## Contingent Liabilities

The details of contingent liabilities are given in Note 25 to the financial statements.

## Accounting Policies

The Financial Statements for the year ended 31<sup>st</sup> March 2025 and comparatives have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and in compliance with the Companies Act No. 07 of 2007.

## Auditors

In accordance with Section 154 (1) of the Companies Act No. 07 of 2007 a resolution proposing the reappointment of Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year will be proposed at the Annual General Meeting.


In terms of Section 155 (a) of the Companies Act No. 07 of 2007 a resolution authorizing the Directors to fix the remuneration of the Auditors Messrs. KPMG, Chartered Accountants for the ensuing year will be proposed at the Annual General Meeting.

The Audit Report is found in the Financial Report Section of the Annual Report. The involvements of Audit Committee with the work of the Auditors are set out in the Audit Committee Report.

The fees paid to Auditors are disclosed in Note 8 to the financial statements. As far as the Directors are aware, the Auditors do not have any relationship with the Company or any of its subsidiaries other than that of an Auditor. The Auditors also do not have any interest in the Company or any of its Group companies.

For and on behalf of the Board

  
Menaka Athukorala  
Executive Director  
Colombo  
15<sup>th</sup> August 2025

  
Gowri Shankar  
Director

  
S S P Corporate Services (Private) Limited  
Secretaries



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements which give a true and fair view of the state of affairs of the Company and the Group as at end of the financial year and the profit and cash flows of the Company and the Group for the financial year.

The accompanying financial statements have been prepared in conformity with the Sri Lanka Accounting Standards (SLFRS / LKAS) and provide the information required by the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Directors have selected appropriate Accounting Policies and Standards in preparing the financial statements of the

Group and the Company. The Directors have also taken reasonable steps to safeguard the assets of the Company and of the Group and to establish proper systems of internal control with a view to detecting and preventing any irregularities.

### COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and its subsidiaries as at the reporting period have been paid or where relevant, provided for in the financial statements.

By order of the Board of

Lotus Hydro Power PLC



**Menaka Athukorala**

*Executive Director*

*15<sup>th</sup> August 2025*

## STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

The Listing Rules of the Colombo Stock Exchange in terms of Rule 9.6.3 requires the appointment of a Senior Independent Director (SID) in the instances where the position of Chairman and Chief Executive Officer are held by the same individual and where the Chairman is an Executive Director.

The Company appointed Mr. U.H. Palihakkara as the Senior Independent Director on 30th October 2023, in compliance with the requirement to designate a Senior Independent Director where the Chairman is not independent. Mr. Palihakkara resigned from the Board with effect from 31st December 2024, and Mr. Indrajith Fernando was appointed as the Senior Independent Non-Executive Director with effect from the same date. Subsequently, Mr. Indrajith Fernando resigned from the Board with effect from 22nd July 2025, and Mr. Mayura Fernando was appointed as the Senior Independent Non-Executive Director effective the same day.

### ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director (SID) offers guidance to the Chairman on matters pertaining to the governance of the Company.

The role of the Senior Independent Director (SID) also underscores the importance of transparency in governance matters and necessitates a review of the Board's effectiveness.

The Senior Independent Director (SID) is available to any Director or employee for confidential discussions regarding the Company's affairs, as needed.

### ACTIVITIES DURING THE YEAR

In accordance with regulatory requirements, I chaired the following meetings and exercised my voting rights as necessary.

Meeting was conducted with the Non-Executive Directors without presence of the Executive Directors. During this meeting, the performance of the Chairman was evaluated.

A separate meeting was held exclusively with the Independent Directors to discuss matters concerning the Company and the operation of the Board.

The outcomes of these meetings, along with recommendations, were duly communicated to the Chairman and the Board. The Company adheres strictly to mandatory requirements while also embracing voluntary compliance to enhance stakeholder acceptance and positively impact value creation.

### COMPLIANCE REPORT

As the Senior Independent Director, I believe that I have diligently fulfilled the obligations entrusted to me in accordance with the Corporate Governance Guidelines.



**Mayura Fernando**

*Senior Independent Director*

*15<sup>th</sup> August 2025*

## RESPONSIBILITY STATEMENT OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

### COMPLIANCE WITH LAWS AND REGULATIONS

The Financial Statements of Lotus Hydro Power PLC and the Consolidated Financial Statements of the Company and its subsidiaries for the year ended 31<sup>st</sup> March 2025 are drafted and presented in compliance with the requirements of the following:

- ◆ Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (SLFRS/LKAS),
- ◆ The Companies Act No. 07 of 2007,
- ◆ Listing Rules of the Colombo Stock Exchange,
- ◆ Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995,
- ◆ Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

### FINANCIAL REPORTING

The key Accounting Policies used in preparing the consolidated Financial Statements are appropriate and consistently applied, except as noted. These policies and estimates, involving significant judgment, were reviewed with the Audit Committee and External Auditors. No deviations from the prescribed Accounting Standards were made. Comparative information was reclassified as needed for current presentation. The Board and management accept responsibility for the integrity and objectivity of these Financial Statements. Estimates and judgments were made prudently to ensure a true and fair view. We confirm the Financial Statements, key Accounting Policies, and other financial information in this Annual Report fairly present the financial position, results, and Cash Flows of the Group. The Group has adequate resources to continue operating, applying the Going Concern basis in preparing these Financial Statements

### SYSTEM OF INTERNAL CONTROLS

The Company has implemented a robust system of internal control and accounting records to safeguard assets and prevent fraud and irregularities, which are continuously reviewed and updated. We evaluated the Group's internal controls and procedures for the financial period under review and confirm there were no significant deficiencies or material weaknesses. However, inherent limitations exist in any system of internal control and accounting.

### REPORT OF INDEPENDENT AUDITORS

The Financial Statements were audited by KPMG, Chartered Accountants, Independent Auditors, and their report is given on pages 75 to 77.

### AUDIT COMMITTEE

The Audit Committee pre-approves KPMG's audit services and meets regularly with both the Internal and the Independent Auditors to review their performance and discuss auditing, internal control, and financial reporting issues. To ensure independence, Auditors have unrestricted access to the Audit Committee for any substantial matters. The Audit Committee Report is on pages 65-66.


### CONCLUSION

We confirm that to the best of our knowledge:

- ◆ The Group has complied with all applicable laws, regulations, and guidelines, with no material litigation.
- ◆ The system of internal control is effective.
- ◆ The Financial Statements accurately reflect the Company's situation and transactions, and the Going Concern basis was applied.
- ◆ All taxes, duties, levies, and statutory payments due by the Group, including those for employees, as of 31<sup>st</sup> March 2025, have been paid or provided for.



Menaka Athukorala  
(Chief Executive Officer)



D.P. Lokugalappaththi  
(Chief Financial Officer)  
15<sup>th</sup> August 2025

# AUDIT COMMITTEE REPORT

The Audit Committee comprises of;

## Mr. Mayura Fernando

Chairman/  
Senior Independent Non-Executive Director  
(appointed w.e.f. 31st December 2024)

## Dr. Rohantha Athukorala

Member/  
Independent Non-Executive Director  
(appointed w.e.f. 22nd July 2025)

## Mr. Gowri Shankar

Member/  
Non-Executive Director

## Mr. W. M. A. I. Fernando

Former Chairman/  
Senior Independent Non-Executive Director  
(resigned w.e.f. 22nd July 2025)

## Mr. Uditha Palihakkara

Member/  
Senior Independent Non-Executive Director  
(resigned w.e.f. 31st December 2024)

Mr. Mayura Fernando, the Chairman of the Committee, is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and the Chartered Institute of Management Accountants (CIMA), UK. He was appointed as Chairman to the Audit Committee on 22<sup>nd</sup> July 2025, following the resignation of the former Chairman, Mr. Indrajith Fernando, with effect from the same date. Mr. Indrajith Fernando is also a Fellow Member of ICASL, CIMA (UK), and the Institute of Certified Management Accountants (CMA), Sri Lanka.

The Chief Financial Officer / Executive Director attend the Audit Committee Meetings by invitation of its members. The Secretary of S S P Corporate Services (Pvt) Ltd functions as the secretary to the Audit Committee.

The proceedings of the Audit Committee are regularly reported to the Board of Directors.

## MEETINGS

There have been four Audit Committee meetings for the year under review.

Details of the participation of the members of the Audit Committee at such meetings is set out below:

Name	Attendance
Mr. Mayura Fernando Chairman/Senior Independent Non-Executive Director (appointed w.e.f. 31st December 2024)	1/4
Mr. Gowri Shankar Member/ Non-Executive Director	4/4
Mr. Indrajith Fernando Former Chairman/Senior Independent Non-Executive Director (resigned w.e.f. 22nd July 2025)	4/4
Mr. Uditha Palihakkara Member/ Senior Independent Non-Executive Director (resigned w.e.f. 31st December 2024)	3/4
<b>By Invitation</b>	
Mr. Menaka Athukorala Executive Director	2/4
Mrs. D.P. Lokugalappaththi Chief Financial Officer	4/4

## FINANCIAL REPORTING, CORPORATE GOVERNANCE AND CONTROLS

Main function of the Audit Committee is to discuss the Company's Financial Statements prior to publication, with relevant officials of the Company including the extent of compliance with the Sri Lankan Accounting Standards (SLFRS & LKAS) and adequacy of the disclosures required by other applicable laws.

The Committee also reviews the status of the independence and performance of External Auditors. The Audit Committee also discussed current and future operations of the Company and put forward the recommendations to the Board about the risk and controls needed to ensure smooth functioning of the company activities.

## INTERNAL CONTROLS

The Committee was regularly updated on the group's compliance with the statutory laws and requirements. In line with the Code of Best Practices, during the year Sarukkali Associates Chartered Accountants continued as the Internal Auditors. The firm independently and objectively evaluating systems and operations, assists the Company to accomplish its objectives through the effectiveness of risk management, control, and governance processes

## AUDIT AND AUDITOR'S INDEPENDENCE

The Audit Committee assessed the independence and performance of the Company's external auditors and made recommendations to the Board pertaining to appointment/re-appointment. The Audit Committee also reviewed the audit fees for the Company and approved the remuneration and terms of engagement of the external auditors and made recommendations to the Board. Upon review, the Audit Committee reviewed and determined that no non-audit services have been provided by the external auditors to the Company and thereby ensured that their independence as Auditors has not been impaired. The Audit Committee obtains an 'Auditor's Statement' from Messrs. KPMG confirming independence as required by Section 163 (3) of the Companies Act No.07 of 2007 on the audit of the statement of financial position and the related statements of profit or loss and other comprehensive income, changes in equity, and cash flows of the Company and the Lotus Group. The Audit Committee has recommended to the Board that Messrs KPMG, Chartered Accountants, be continued as external auditors of the Company for the financial year ending 31<sup>st</sup> March 2026.

KPMG acted as the External Auditors for the period under review. The Audit Committee is satisfied with the status of the independence and performance of the External Auditors.

## CONCLUSION

Based on its work, the Audit Committee is of the opinion that the control procedures and environment within the Group provide reasonable assurance regarding monitoring of operations, accuracy of financial statements and safeguarding assets of the Group.



**Mayura Fernando**

*Chairman - Audit Committee*

*15<sup>th</sup> August 2025*

# REMUNERATION COMMITTEE REPORT

The Remuneration Committee comprises of,

## Mr. Mayura Fernando

*Chairman/Senior Independent Non-Executive Director  
(appointed w.e.f. 31st December 2024)*

## Dr. Rohantha Athukorala

*Member/Independent Non-Executive Director  
(appointed w.e.f. 22nd July 2025)*

## Mr. Gowri Shankar

*Member/ Non-Executive Director*

## Mr. W. M. A. I. Fernando

*Former Chairman/Senior Independent Non-Executive Director  
(resigned w.e.f. 22nd July 2025)*

## Mr. Uditha Paliakkara

*Member/Senior Independent Non-Executive Director  
(resigned w.e.f. 31st December 2024)*

Mr. Mayura Fernando was appointed as the Chairman of the Remuneration Committee with effect from 22<sup>nd</sup> July 2025, following the resignation of the former Chairman, Mr. Indrajith Fernando, with effect from the same date. The secretary of S S P Corporate Services (Pvt) Ltd functions as the secretary to the Remuneration Committee. The Remuneration Committee recommends and forwards for the approval of the Board of Directors the Remuneration Packages, bonuses and annual increments of Executive Directors and senior management as per the remuneration policy of the Company/ Group.

## COMMITTEE MEETINGS

The Remuneration Committee meets as and when required and interacts with Board members to keep them informed of the decisions of the committee.

Details of the participation of the members of the Remuneration Committee at such meetings is set out below:

Name	Attendance
Mr. Indrajith Fernando	1/1
Mr. Mayura Fernando	1/1
Mr. Gowri Shankar	1/1
<b>By Invitation</b>	
Mr. Menaka Athukorala	1/1
Ms. Disna Lokugalappathhti	1/1

The Committee held one meeting during the period under review. The minutes of meetings of the Remuneration Committee are circulated to all members of the Board.

## ROLE OF THE COMMITTEE

Determine and recommend to the Board, the Company's remuneration philosophy and its principles ensuring that these are in line with the business strategy, objectives, values and long-term interests of the Company. Make recommendations to the Board on the Company's framework of executive remuneration and its cost, and determine on behalf of the Board specific remuneration packages and conditions of employment (including compensation entitlements) for Executive Directors.

Make recommendations to the Board and monitor the level and structure of remuneration for Senior Management.

Make recommendations to the Board regarding the content of the Board's Annual Report to shareholders on Directors' Remuneration (including the Company's policy on Executive Director's remuneration, details of individual remuneration and other terms and conditions).

## ADVICE

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Company as and when it necessary.

## REMUNERATION TO DIRECTORS

The Remuneration paid to Directors during the year under review is indicated in Note 8 to the Financial Statements.

All Independent Non-Executive Directors receive a fee for serving on the Board and Sub-Committees. They do not receive any performance related incentive payments.

The Committee studies and recommends the remuneration and perquisites applicable to the Executive Directors of the Company and makes appropriate recommendations to the Board of Directors of the Company for approval. The Committee also carries out periodic reviews to ensure that the remunerations are in line with market conditions. The Group remuneration policy was reviewed by the Committee and it remained unchanged during the year under review. Further, no Director was involved in deciding his/her own remuneration.

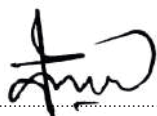
The Company does not have an Employee Share Ownership Plan for Directors and Key Management Personnel (KMPs).

The Company's remuneration policy is based on the following principles.

- ◆ To deliver improved shareholder value by ensuring that individual performance and rewards reflect and reinforce the business objectives of the Company.
- ◆ To support the recruitment, motivation and retention of highly qualified Senior Executives.
- ◆ To ensure that performance is the key factor in determining individual rewards.

## CONCLUSION

The annual evaluation of the Committee was carried out by the Board during the year and it was concluded that the Committee continues to operate effectively.



**Mayura Fernando**

*Chairman - Remuneration Committee*

*15<sup>th</sup> August 2025*

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee comprises of a combination of Non-Executive Directors, Executive Directors and Independent Non-Executive Directors. One Independent Non-Executive Director was appointed as Chairman of the Committee.

### The members are;

#### Mr. Mayura Fernando

*Chairman / Senior Independent Non-Executive Director  
(appointed w.e.f. 31st December 2024)*

#### Dr. Rohantha Athukorala

*Member/ Independent Non-Executive Director  
(appointed w.e.f. 22nd July 2025)*

#### Mr. Gowri Shankar

*Member/ Non-Executive Director*

#### Mr. Gary Seaton

*Member / Executive Director*

#### Mr. Menaka Athukorala

*Member / Executive Director*

#### Mr. Indrajith Fernando

*Former Chairman / Senior Independent Non-Executive Director  
(resigned w.e.f. 22nd July 2025)*

#### Mr. Uditha Palihakkara

*Member/ Senior Independent Non-Executive Director  
(resigned w.e.f. 31st December 2024)*

Mr. Mayura Fernando was appointed as the Chairman of the Related Party Transactions Review Committee with effect from 22<sup>nd</sup> July 2025, following the resignation of the former Chairman, Mr. Indrajith Fernando, with effect from the same date. The Chief Financial Officer attends meetings by invitation and the Secretary of S S P Corporate Services (Pvt) Ltd functions as the secretary to the Related Party Transactions Review Committee.

## ROLE OF THE COMMITTEE

The role of the Committee is to review in advance all proposed Related Party Transactions (other than those exempted by the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka) of the Company as per the terms given in the Listing Rules.

The committee ensures that the interests of shareholders as a whole are taken into account by the Company when entering into Related Party Transactions, so that it provides

certain safeguards to prevent Directors, Chief Executives or Substantial Shareholders taking advantage of their positions.

## COMMITTEE MEETINGS

Details of the participation of the members of the Related Party Transactions Review Committee at the meetings are set out below:

Name	Attendance
Mr. Indrajith Fernando	4/4
Mr. Uditha Palihakkara	3/4
Mr. Mayura Fernando	1/4
Mr. Gowri Shankar	4/4
Mr. Gary Seaton	0/4
Mr. Menaka Athukorala	2/4

The Committee held four meetings during the period under review. The minutes of meetings of the Related Party Committee are circulated to all members of the Board.

### The role of the Committee further includes;

- ◆ Formulating and recommending a policy for adoption on related party transactions for the Company which is consistent with the Operating Model of the Company and the Listing Rules.
- ◆ Reviewing in advance all proposed Related Party Transactions of the Company except those explicitly exempted (if the transaction is expressed to be conditional on such review, prior to the completion of the transaction to be reviewed).
- ◆ Determine whether Related Party Transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the Company;
- ◆ To establish separate guide lines to follow Recurrent Related Party Transactions of the Company.
- ◆ Ensure that no Director of the Company shall participate in any discussion of a proposed Related Party Transaction for which he or she is a related party, unless such a Director is requested to do so by the Committee for the express purpose of providing information concerning the Related Party Transaction to the Committee.
- ◆ If there is any potential conflict in any Related Party Transaction, the Committee recommends the creation of a special committee to review and approve the proposed Related Party Transaction.



- ◆ Ensure that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules/regulations are made in a timely and detailed manner.

#### **The Committee in discharging its function ensures:**

- ◆ that there is compliance with the Listing Rules of CSE;
- ◆ that shareholder interests are protected; and
- ◆ that fairness and transparency are maintained

### **COMMITTEE MEETINGS**

The Committee has meets at least quarterly and as and when necessity arises. The minutes of all meetings are properly documented and communicated to the Board of Directors.

### **PROCEDURES ARE ALSO IN PLACE FOR THE RELATED PARTY TRANSACTION COMMITTEE TO OBTAIN**

1. Quarterly declarations of Related Party Transactions from Directors and Senior Management of all Group companies on recurrent and non-recurrent transactions undertaken by them or by their close family members.
2. Quarterly declarations of Directors & Senior Management of all Group companies who have a significant shareholding/ownership in a company.

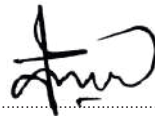
Procedures are also in place for the assessment of the need to obtain shareholder approval for specified transactions and to inform the SEC/CSE on the applicable non-recurrent transactions.

### **Conclusion of the report**

Based on its work, the Related Party Transactions Review Committee confirms that there were no non-recurrent transactions with related parties during the year that warranted prior shareholder approval. It is also noted that in respect of recurrent transactions, the transactions were in the ordinary course of business, there were no changes to terms or practices over the previous year and there general terms and the conditions applicable to such transactions with related parties are similar to those entered into with non-related parties taking into account, if any, factors such as volume, cost and any other special benefits which form part and parcel of such transactions. The observations of the Committee have been communicated to the Board of Directors.

### **DECLARATION**

It is declared affirmatively by the Committee that the Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the year under review.



**Mayura Fernando**

*Chairman - Related Party Transactions Review Committee  
15<sup>th</sup> August 2025*

# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Company established the Nominations and Governance Committee on 02<sup>nd</sup> August 2024 as a Board Sub-Committee to conform with the requirements set out in Rule 9.11 of the Listing Rules of the Colombo Stock Exchange. The Nominations and Governance Committee consists of a combination of Non-Executive Director and Independent Non-Executive Directors. One Independent Non-Executive Director was appointed as Chairman of the Committee. Mr. Mayura Fernando was appointed as the Chairman of the Nominations and Governance Committee with effect from 22<sup>nd</sup> July 2025, following the resignation of the former Chairman, Mr. Indrajith Fernando, with effect from the same date.

## The members are;

### Mr. Mayura Fernando

*Chairman / Senior Independent Non-Executive Director  
(appointed w.e.f. 31st December 2024)*

### Dr. Rohantha Athukorala

*Member/ Independent Non-Executive Director  
(appointed w.e.f. 22nd July 2025)*

### Mr. Gowri Shankar

*Member/ Non-Executive Director*

### Mr. Indrajith Fernando

*Former Chairman / Senior Independent Non-Executive Director  
(resigned w.e.f. 22nd July 2025)*

### Mr. Uditha Palihakkara

*Member/ Senior Independent Non-Executive Director  
(resigned w.e.f. 31st December 2024)*

The Secretary of S S P Corporate Services (Pvt) Ltd functions as the secretary to the Nominations and Governance Committee.

## OBJECTIVE

This committee was formed to ensure that the Company complies with the requirements of the Code of Best Practice on Corporate Governance and the Listing Rules issued by the Colombo Stock Exchange with effect from 01<sup>st</sup> October 2024.

## COMMITTEE MEETINGS

The details of the Nominations and Governance Committee members' participation at the meetings are provided below"

Name	Attendance
Mr. Indrajith Fernando	1/1
Mr. Uditha Palihakkara	1/1
Mr. Gowri Shankar	1/1

### By Invitation

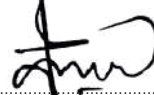
Mr. Menaka Athukorala	1/1
Ms. Disna Lokugalappaththi	1/1

## ROLE OF THE COMMITTEE

- ◆ Evaluate the appointment of the Directors.
- ◆ Consider and recommend (or not recommend) the re-appointment / reelection of current Directors.
- ◆ Establish and maintain formal and transparent procedures to evaluate, select and appoint/ re-appoint Directors.
- ◆ Evaluation of the performance of the Board, Sub committees, Individual directors, and the Managing Director.
- ◆ Develop succession plan for the Board of Directors and the Key Management Personnel of the Entity.
- ◆ Review the structure, size and composition of the Board and Board Committees regarding effective discharge of duties and responsibilities.
- ◆ Review and recommend the overall corporate governance framework and periodically update and review it.

## DECLARATION

The Committee will continuously focus to comply with the Rule 9.11 of the listing rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance.



Mayura Fernando

*Chairman - Nominations and Governance Committee  
15<sup>th</sup> August 2025*

# SUSTAINABILITY DISCLOSURES

At Lotus Hydro Power PLC, sustainability is not merely an adjunct to our operations but a fundamental component of our corporate identity and strategic direction. In a year characterised by heightened climate concerns and economic uncertainties, we remained steadfast in our commitment to environmental responsibility, social advancement, and robust corporate governance. The disclosures presented herein are aligned with the Sri Lanka Sustainability Disclosure Standards (SLSD) and underscore our continued contribution to both national and global sustainability goals.

## ENVIRONMENTAL SUSTAINABILITY

### Climate Action & Energy Efficiency

In FY 2024/25, Lotus Hydro Power PLC generated a total of 15,397,454 kilowatt-hours (kWh) of 100% clean, renewable hydro energy. This contribution effectively avoided the release of approximately 60,527 metric tons of CO<sub>2</sub>, underlining our essential role in supporting Sri Lanka's low-carbon energy transition.:

#### Key Initiatives and Outcomes:

##### Optimized Plant Performance:

Regular preventative maintenance, real-time monitoring, and system diagnostics have enhanced the overall plant factor, ensuring operational efficiency and energy reliability.

##### Upgrades for Resilience:

Strategic investments in electromechanical systems and automation tools are enabling long-term generation stability and improved energy conversion rates.

### Water Stewardship

Water is at the core of our operations. Beyond its use for energy, we treat water as a shared and finite resource.

◆ **Total Water Diverted for Generation:**  
50,940,773 cubic meters

◆ **Environmental Flow Maintenance:**  
We strictly maintain minimum environmental flows across Galatha Oya, Atabage Oya, and Devipahala Maha Ela, ensuring the ecological balance of downstream aquatic ecosystems.

### Biodiversity & Land Use

Our hydropower plants are carefully sited and operated with minimal disruption to natural habitats.

◆ **No Operation within Ecologically Sensitive Zones:**  
All plants are located outside critical biodiversity areas.

◆ **Reforestation Efforts:**  
In collaboration with local stakeholders, we have implemented native species tree planting programs to offset land usage and promote watershed restoration.

### Waste Management

Our operations follow a zero-waste philosophy, with stringent control over material use and disposal.

◆ **99% Waste Recycled:**  
In partnership with licensed recyclers, the vast majority of operational waste is repurposed or reused.

◆ **Zero Hazardous Waste:**  
FY 2024/25 reported no hazardous waste generation, showcasing our clean operational processes.

## SOCIAL SUSTAINABILITY

### Workforce Wellbeing

We believe our people are our most valuable asset. Their safety, development, and satisfaction are vital to our success.

◆ **Zero Workplace Injuries:**  
Strong adherence to occupational safety regulations, routine safety drills, and periodic audits resulted in an injury-free year.

◆ **Annual Employee Training:**  
Employees across all locations underwent technical training and workplace safety modules, promoting professional development and operational excellence.

### Community Engagement

As a company rooted in the regions we serve, we are committed to uplifting the lives of our surrounding communities.

◆ **CSR Investments:**  
We allocated Rs. 60,000 towards community projects, with a focus on education and local infrastructure.

◆ **Local Employment:**  
Over 90% of our workforce is drawn from nearby districts including Rathnapura, Kandy, and Nuwara Eliya, reflecting our dedication to local economic empowerment.

### Human Rights & Diversity

We are committed to fostering a workplace that is diverse, inclusive, and grounded in respect for human rights.

◆ **Gender Representation:**  
Women represent 4% of our total workforce. While modest, we are actively working to increase this through inclusive recruitment initiatives.

◆ **Non-Discrimination Policy:**

Our workplace is governed by a zero-tolerance policy on discrimination, ensuring equal opportunities in hiring, retention, and promotion.

## GOVERNANCE & ETHICS

### Corporate Governance

We adhere to the highest standards of corporate accountability and ethical conduct.

◆ **Board Composition:**

While our current Board is all-male, our Nominations Committee Charter outlines a strategic plan to increase diversity and gender balance.

◆ **Whistleblowing Mechanism:**

Since FY 2023/24, our active whistleblowing policy has maintained transparency, with zero corruption cases reported during the year under review.

### Ethical Supply Chain

We uphold responsible procurement by ensuring that our suppliers operate in line with our values.

◆ **100% Supplier Compliance:**

All vendors are required to comply with our Supplier Code of Conduct, which includes provisions on environmental standards, labour rights, and business ethics.

### Risk Management

Robust risk management is integral to our governance framework.

◆ **Climate Resilience Planning:**




Anticipating climate variability, we have introduced risk mitigation strategies to safeguard operations against droughts, floods, and extreme weather events.

◆ **Regulatory Compliance:**

Our operations are fully compliant with all relevant regulations from the Sustainable Energy Authority (SEA), Central Environmental Authority (CEA), and Ceylon Electricity Board (CEB).

## CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS)

We continue to align our sustainability journey with global development frameworks. Our key contributions to the United Nations Sustainable Development Goals (SDGs) are outlined below:

SDG	Our Contribution
<b>SDG 7:</b> Affordable & Clean Energy 	100% of our energy is renewable and supplied to the national grid
<b>SDG 13:</b> Climate Action 	60,527 metric tons of CO <sub>2</sub> emissions avoided.
<b>SDG 8:</b> Decent Work & Economic Growth 	Welfare benefits, interest-free employee loans, and medical insurance support employee wellbeing

## OUR COMMITMENT FORWARD

At Lotus Hydro Power PLC, sustainability is not a goal with an end date — it is an evolving journey. We remain focused on deepening our environmental responsibility, strengthening social equity, and upholding strong corporate governance, all while driving value creation for our stakeholders. From the rivers we harness to the communities we serve, we are committed to a cleaner, fairer, and more resilient tomorrow.







# INDEPENDENT AUDITOR'S REPORT



KPMG  
(Chartered Accountants)  
32A, Sir Mohamed Macan Markar Mawatha,  
P. O. Box 186,  
Colombo 00300, Sri Lanka.

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Fax +94 - 11 244 5872  
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Internet www.kpmg.com/lk

## TO THE SHAREHOLDERS OF LOTUS HYDRO POWER PLC

### Report on the Audit of the Financial statements

#### Opinion

We have audited the financial statements of Lotus Hydro Power PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies as set out on pages 83 to 97 of this annual report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Impairment of investments in subsidiaries – Company

Refer to the accounting policies in "Note 2.5.3: Impairment of non-financial assets" and "Note 14: Investments in subsidiaries" notes to the financial statements.

#### Basis for Opinion

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk Description	Our Response
<p>As at 31<sup>st</sup> March 2025 the carrying amount of the Company's investment in subsidiaries amounted to Rs. 338,263,707/-.</p> <p>The Company is required to perform impairment assessment of its investments in subsidiaries whenever there is an indication that the investments may be impaired. Accordingly, the Company performed an impairment assessment on the cash generating units ("CGUs") relating to the subsidiaries which had an indication of impairment. The Company estimated the recoverable amounts of the CGUs based on its value in use ("VIU"). Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate. When determining the cash inflows and outflows the Company had to also estimate long term growth rates as well as the plant factor.</p> <p>We identified this as an area of audit focus as the VIU determined using discounted cash flows is complex and involves significant management judgement and estimates which could be subject to management bias.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> <li>Assessing the cash flow forecast prepared by the management against our own expectations based on our knowledge of the Company and experience of the industry in which it operates.</li> <li>Testing the mathematical accuracy of, and the input data used in, the underlying calculations in the Company's discounted cash flow valuation models.</li> <li>With the assistance of our own internal business valuation specialists, challenging the reasonableness of the key assumptions such as long-term growth rates, plant factors and discount rates.</li> <li>Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherently subjective and key assumptions used.</li> </ul>

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C.P. Jayatilake FCA  
Ms. S. Joseph FCA  
R.M.D.B. Rajapakse FCA  
M.N.M. Shameel FCA  
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA  
W.K.D.C. Abeyaratne FCA  
Ms. B.K.D.T.N. Rodrigo FCA  
Ms. C.T.K.N. Perera ACA  
R.G.H. Raddella ACA

W.W.J.C. Perera FCA  
G.A.U. Karunaratne FCA  
R.H. Rajan FCA  
A.M.R.P. Alahakoon ACA



### Fair value of Property Plant and Equipment

Refer to the accounting policies in “Note 3.3.1.1: Cost and valuation” and “Note 11.4: Property, plant and equipment – Revaluation of assets” notes to the financial statements.

Risk Description	Our Response
<p>As of 31 March 2025, the fair value of electrical equipment at the power plant, civil construction at the power plant, penstock pipeline, and motor vehicles classified as property, plant, and equipment was Rs. 550,550,000/- for the Group and Rs. 247,800,000/- for the Company, respectively.</p> <p>Management's assessment of fair value of property plant and equipment of electrical equipment at power plant, civil construction at power plant, penstock pipeline and motor vehicles were determined on valuations performed by a qualified independent property valuer in accordance with recognized industry standards.</p> <p>Estimating the fair value is a complex process that involves significant judgment and relies on various estimates, including power generation in KWH, operational costs, the yield capitalization rate, price per unit of power, and the market value of motor vehicles.</p> <p>We identified assessing the fair value of Property plant and equipment as a key audit matter due to the complexity of the valuation method, subjectivity of the significant judgments and estimations involved.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> <li>Assessing the objectivity, independence, competence and qualifications of the external valuer.</li> <li>Obtaining and inspecting the valuation reports prepared by independent valuer engaged by the Group.</li> <li>Assessing the reasonableness of the data and appropriateness of the key assumptions used against externally published market comparable or industry data where available and assessing the cash flow forecast prepared by the management against our own expectations based on our knowledge of the Group and experience of the industry in which it operates.</li> <li>Testing the mathematical accuracy of, and the input data used in, the underlying calculations in the valuation models.</li> <li>With the assistance of our own internal valuation specialists, challenging the reasonableness of the key assumptions such as long-term growth rates, plant factors and discount rates.</li> <li>Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherently subjective and key assumptions used.</li> </ul>

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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 the 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 Management and Those Charged with Governance for the Financial Statements

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 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 Company and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

#### Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.

**CHARTERED ACCOUNTANTS**

Colombo, Sri Lanka  
15<sup>th</sup> August 2025



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(all amounts in Sri Lankan Rupees)

For the year ended 31 <sup>st</sup> March,	Note	Group		Company	
		2025	2024	2025	2024
Revenue	5	257,434,078	221,656,786	154,242,306	127,550,502
Cost of electricity generated		(124,274,646)	(111,440,074)	(64,593,751)	(56,776,331)
<b>Gross profit</b>		<b>133,159,432</b>	<b>110,216,712</b>	<b>89,648,555</b>	<b>70,774,171</b>
Other income	6	21,942,334	6,833,175	16,500,000	6,833,175
Impairment reversal of investment in subsidiary	14	-	-	56,266,045	-
Administrative expenses		(56,078,924)	(51,059,608)	(53,329,417)	(48,995,789)
<b>Profit from operating activities</b>		<b>99,022,842</b>	<b>65,990,279</b>	<b>109,085,183</b>	<b>28,611,557</b>
Finance income		23,836,608	16,737,138	15,013,165	16,737,138
Finance costs		(1,404,851)	(1,192,713)	(359,731)	(189,759)
<b>Net finance income</b>	<b>7</b>	<b>22,431,757</b>	<b>15,544,425</b>	<b>14,653,434</b>	<b>16,547,379</b>
<b>Profit before tax</b>	<b>8</b>	<b>121,454,599</b>	<b>81,534,704</b>	<b>123,738,617</b>	<b>45,158,936</b>
Income tax expense	9	(33,661,784)	(16,526,454)	(18,677,553)	(10,036,622)
<b>Profit for the year</b>		<b>87,792,815</b>	<b>65,008,250</b>	<b>105,061,064</b>	<b>35,122,314</b>
<b>Other comprehensive income</b>					
<b>Items that will never be reclassified to profit or loss</b>					
Actuarial gain/(loss) on retirement benefit obligations	22.1	(1,794,697)	434,281	(1,421,983)	81,317
Deferred tax on actuarial gains/(losses) on retirement benefit obligations	21.3	501,138	(94,988)	426,595	(24,395)
Revaluation gain/(loss) on property plant and equipment	11	31,815,851	-	(23,719,542)	-
Deferred tax on revaluation of property, plant and equipment	21.3	(3,991,216)	-	7,115,863	-
<b>Other comprehensive income for the year, net of tax</b>		<b>26,531,076</b>	<b>339,293</b>	<b>(17,599,067)</b>	<b>56,922</b>
<b>Total comprehensive income for the year</b>		<b>114,323,891</b>	<b>65,347,543</b>	<b>87,461,997</b>	<b>35,179,236</b>
<b>Profit attributable to :</b>					
Equity Holders of the Company		87,792,815	65,008,250	105,061,064	35,122,314
Non - controlling interests		-	-	-	-
<b>Profit for the year</b>		<b>87,792,815</b>	<b>65,008,250</b>	<b>105,061,064</b>	<b>35,122,314</b>
<b>Total Comprehensive income attributable to :</b>					
Equity Holders of the Company		114,323,891	65,347,543	87,461,997	35,179,236
Non - controlling interests		-	-	-	-
<b>Total other comprehensive income for the year</b>		<b>114,323,891</b>	<b>65,347,543</b>	<b>87,461,997</b>	<b>35,179,236</b>
Earnings per share	10	0.80	0.60	0.96	0.32

Figures in brackets indicate deductions.

The notes on pages 83 to 126 form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lankan Rupees)

		Group		Company	
As at 31 <sup>st</sup> March,	Note	2025	2024	2025	2024
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	562,169,822	543,080,260	248,173,240	282,515,771
Right of use assets	12	6,966,756	18,155,477	432,128	11,490,927
Capital work-in-progress	13	9,368,488	9,368,488	-	-
Investments in subsidiaries	14	-	-	338,263,707	281,997,662
<b>Total non-current assets</b>		<b>578,505,066</b>	<b>570,604,225</b>	<b>586,869,075</b>	<b>576,004,356</b>
<b>Current assets</b>					
Inventories	15	21,144,130	22,115,105	19,101,363	20,072,338
Trade and other receivables	16	22,004,084	32,724,247	14,565,581	13,470,548
Amounts due from related parties	17	-	69,328,189	4,610,056	74,042,467
Cash and cash equivalents	18	300,477,774	185,006,246	167,576,564	112,601,228
<b>Total current assets</b>		<b>343,625,988</b>	<b>309,173,787</b>	<b>205,853,564</b>	<b>220,186,581</b>
<b>Total assets</b>		<b>922,131,054</b>	<b>879,778,012</b>	<b>792,722,639</b>	<b>796,190,937</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Stated capital	19	482,300,200	482,300,200	482,300,200	482,300,200
Revaluation reserve	20.1	166,882,657	148,328,557	122,454,343	148,328,557
Other reserves	20.2	101,802	101,802	101,802	101,802
Retained earnings		95,593,497	76,185,384	92,668,385	55,693,852
<b>Total equity attributable to the equity holders of the parent</b>		<b>744,878,156</b>	<b>706,915,943</b>	<b>697,524,730</b>	<b>686,424,411</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	21	128,105,101	126,932,589	69,355,682	82,300,661
Lease liability	12.2	6,945,791	7,737,507	-	-
Retirement benefit obligations	22	13,359,694	10,114,335	9,460,143	7,344,790
<b>Total non-current liabilities</b>		<b>148,410,586</b>	<b>144,784,431</b>	<b>78,815,825</b>	<b>89,645,451</b>
<b>Current liabilities</b>					
Other payables	23	9,944,853	8,927,481	5,968,376	6,416,367
Amount due to related parties	24	138,405	113,474	138,405	113,474
Lease liability	12.2	993,561	993,561	-	905,612
Income tax payable	9.4	17,721,612	17,729,251	10,231,422	12,371,751
Bank overdraft	18	43,881	313,871	43,881	313,871
<b>Total current liabilities</b>		<b>28,842,312</b>	<b>28,077,638</b>	<b>16,382,084</b>	<b>20,121,075</b>
<b>Total liabilities</b>		<b>177,252,898</b>	<b>172,862,069</b>	<b>95,197,909</b>	<b>109,766,526</b>
<b>Total equity and liabilities</b>		<b>922,131,054</b>	<b>879,778,012</b>	<b>792,722,639</b>	<b>796,190,937</b>
Net assets per ordinary share (Rs.)		6.83	6.48	6.39	6.29

Figures in brackets indicate deductions.

The notes on pages 83 to 126 form an integral part of these financial statements

I certify that the financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

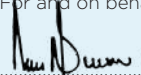


D.P. Lokugapaththi  
(Chief Financial Officer)

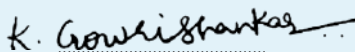
The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Board of Directors of Lotus Hydro Power PLC.

For and on behalf of the Board ;



Menaka Athukorala  
(Director)  
Colombo  
15<sup>th</sup> August 2025



Gowri Shankar  
(Director)

## STATEMENT OF CHANGES IN EQUITY-GROUP

(all amounts in Sri Lankan Rupees)

	Stated capital	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 01 <sup>st</sup> April, 2023	482,300,200	157,599,092	101,802	154,290,664	794,291,758
<b>Total comprehensive income for the year</b>					
- Profit for the year	-	-	-	65,008,250	65,008,250
- Other comprehensive income	-	-	-	339,293	339,293
	-	-	-	<b>65,347,543</b>	<b>65,347,543</b>
Dividends	-	-	-	(152,723,358)	(152,723,358)
Depreciation transfer on revalued assets	-	(9,270,535)	-	9,270,535	-
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>482,300,200</b>	<b>148,328,557</b>	<b>101,802</b>	<b>76,185,384</b>	<b>706,915,943</b>
<b>Total comprehensive income for the year</b>					
- Profit for the year	-	-	-	87,792,815	87,792,815
- Other comprehensive income	-	27,824,635	-	(1,293,559)	26,531,076
	-	<b>27,824,635</b>	-	<b>86,499,256</b>	<b>114,323,891</b>
Dividends	-	-	-	(76,361,678)	(76,361,678)
Depreciation transfer on revalued assets	-	(9,270,535)	-	9,270,535	-
<b>Balance as at 31<sup>st</sup> March 2025</b>	<b>482,300,200</b>	<b>166,882,657</b>	<b>101,802</b>	<b>95,593,497</b>	<b>744,878,156</b>

	Group		Company	
	2025	2024	2025	2024
Dividend paid	76,361,678	152,723,358	76,361,678	152,723,358
Weighted average number of ordinary shares in issue (Nos.)	109,088,112	109,088,112	109,088,112	109,088,112
Dividend per share	0.70	1.40	0.70	1.40

Figures in brackets indicate deductions.

The notes on pages 83 to 126 form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY - COMPANY

(all amounts in Sri Lankan Rupees)

	Stated capital	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 01 <sup>st</sup> April, 2023	482,300,200	157,599,092	101,802	163,967,439	803,968,533
<b>Total comprehensive income for the year</b>					
- Profit for the year	-	-	-	35,122,314	35,122,314
- Other comprehensive income	-	-	-	56,922	56,922
	-	-	-	<b>35,179,236</b>	<b>35,179,236</b>
Dividends	-	-	-	(152,723,358)	(152,723,358)
Depreciation transfer on revalued assets	-	(9,270,535)	-	9,270,535	-
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>482,300,200</b>	<b>148,328,557</b>	<b>101,802</b>	<b>55,693,852</b>	<b>686,424,411</b>
<b>Total comprehensive income for the year</b>					
- Profit for the year	-	-	-	105,061,064	105,061,064
- Other comprehensive income	-	(16,603,679)	-	(995,388)	(17,599,067)
	-	<b>(16,603,679)</b>	-	<b>104,065,676</b>	<b>87,461,997</b>
Dividends	-	-	-	(76,361,678)	(76,361,678)
Depreciation transfer on revalued assets	-	(9,270,535)	-	9,270,535	-
<b>Balance as at 31<sup>st</sup> March 2025</b>	<b>482,300,200</b>	<b>122,454,343</b>	<b>101,802</b>	<b>92,668,385</b>	<b>697,524,730</b>

Figures in brackets indicate deductions.

The notes on pages 83 to 126 form an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

(all amounts in Sri Lankan Rupees)

For the year ended 31 <sup>st</sup> March,	Note	Group		Company	
		2025	2024	2025	2024
Cash flows from operating activities					
Profit before taxation		121,454,599	81,534,704	123,738,617	45,158,936
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment	11	44,527,079	42,706,508	20,481,445	18,643,281
Amortisation of prepaid lease rentals / right of use assets	12	1,608,230	3,429,482	1,272,128	3,112,128
Revaluation gain on property, plant and equipment	6	(21,942,334)	-	-	-
Impairment reversal of investment in subsidiary		-	-	(56,266,045)	-
Certified Emission Reduction (CER) exchange loss/ units addition		292,345	(14,615,259)	292,345	(14,615,259)
Provision for retirement benefit obligations	22.2	2,358,912	2,618,020	1,601,620	1,835,392
Interest income	7	(23,836,608)	(16,737,138)	(15,013,165)	(16,737,138)
Interest expense	7	1,100,192	1,130,848	55,072	127,894
<b>Operating cash flows before working capital changes</b>		<b>125,562,415</b>	<b>100,067,165</b>	<b>76,162,017</b>	<b>37,525,234</b>
Decrease in inventories		678,630	-	678,630	-
Decrease / (increase) in trade and other receivables		10,720,163	192,153,162	(1,095,033)	124,983,434
Increase / (decrease) in amount due from related parties		(11,916,131)	(55,567,885)	(11,811,909)	(3,540,568)
Increase / (decrease) in amount due to related parties		24,931	(34,424)	24,931	(34,424)
Increase / (decrease) in other payables		1,017,372	2,530,293	(447,991)	2,443,598
		<b>524,965</b>	<b>139,081,146</b>	<b>(12,651,372)</b>	<b>123,852,040</b>
<b>Cash generated from operating activities</b>		<b>126,087,380</b>	<b>239,148,311</b>	<b>63,510,645</b>	<b>161,377,274</b>
Interest expense paid		(1,100,192)	(1,130,848)	(55,072)	(127,894)
Income tax paid		(35,986,989)	(22,066,149)	(26,220,403)	(17,775,057)
Retiring gratuity paid	22.1	(908,250)	(707,750)	(908,250)	(707,750)
<b>Net cash flow from operating activities</b>		<b>88,091,949</b>	<b>215,243,564</b>	<b>36,326,920</b>	<b>142,766,573</b>
<b>Cash flow from investing activities</b>					
Acquisition of property, plant and equipment	11	(71,789)	(310,984)	(71,789)	(205,214)
Interest income received		23,836,608	13,941,272	15,013,165	13,941,272
Funds transferred to / from related companies		81,244,320	102,297,285	81,244,320	102,297,285
<b>Net cash from investing activities</b>		<b>105,009,139</b>	<b>115,927,573</b>	<b>96,185,696</b>	<b>116,033,343</b>
<b>Cash flow from financing activities</b>					
Repayment of lease liability capital repayment		(997,892)	(8,695,712)	(905,612)	(8,617,666)
Dividend paid		(76,361,678)	(152,723,358)	(76,361,678)	(152,723,358)
<b>Net cash used in financing activities</b>		<b>(77,359,570)</b>	<b>(161,419,070)</b>	<b>(77,267,290)</b>	<b>(161,341,024)</b>
Net increase in cash and cash equivalents		115,741,518	169,752,067	55,245,326	97,458,892
Cash and cash equivalents at the beginning of the year		184,692,375	14,940,308	112,287,357	14,828,465
<b>Cash and cash equivalents at the end of the year</b>	<b>18</b>	<b>300,433,893</b>	<b>184,692,375</b>	<b>167,532,683</b>	<b>112,287,357</b>

Figures in brackets indicate deductions.

The notes on pages 83 to 126 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees unless otherwise stated)

## 1. CORPORATE INFORMATION

### 1.1 Domicile and legal form of reporting entity

Lotus Hydro Power PLC is a BOI approved quoted public company incorporated and domiciled in Sri Lanka; under the Companies Act No. 07 of 2007 and listed in the Colombo Stock Exchange. The registered office of the Company is located at 2<sup>nd</sup> Floor, No. 168, Negombo Road, Peliyagoda.

The financial statements of Lotus Hydro Power PLC for the year ended 31<sup>st</sup> March 2025 include the financial statements of the Company and its fully owned subsidiaries (together referred to as the "Group"). Companies in the Group are limited liability companies incorporated and domiciled in Sri Lanka and their financial statements are prepared for a common financial year, April to March.

### 1.2 Principal activities and nature of operations

The Company and subsidiaries were established for building, owning, operating and maintaining power generation facilities at Sanquhar, Delta, Stellenberg, Thebuwana in Pussellawa Plantations Limited (PPL).

### 1.3 Date of authorisation for issue

The financial statements of Lotus Hydro Power PLC., for the year ended 31<sup>st</sup> March, 2025 were authorised for issue on 05<sup>th</sup> August 2025 in accordance with a resolution of the Board of Directors.

### 1.4 Name of immediate and ultimate parent entity

In the opinion of the directors, as at 31<sup>st</sup> March 2025, the Company's immediate

parent entity was Lotus Renewable Energy (Pvt) Ltd, and its ultimate parent entity was Lotus Renewable Energy (Singapore) Pte Ltd which exercises ultimate control over the Company.

### 1.5 Consolidated financial statements

The Consolidated Financial Statements of Lotus Hydro Power PLC as at and for the year ended 31<sup>st</sup> March 2025 comprise the Company and its Subsidiaries namely Stellenberg Hydro Power (Pvt) Ltd, Thebuwana Hydro Power (Pvt) Ltd and Halgranoya Hydro Power (Pvt) Ltd.

### 1.6 Number of employees

The number of employees of the Group at the end of the year 31<sup>st</sup> March 2025 was 51 (2024 - 53) and Company 24 (2024 - 25).

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes ("financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). These financial statements, except for information on cash flows, have been prepared following accrual basis of accounting.

### 2.2 Statement of Presentation

The financial statements of the Group and the separated financial statements of the Company have been presented in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange.

### 2.3 Basis of measurement

These financial statements have been prepared under historical cost conversion except for Companies civil construction at power plant, electrical

equipment at power plant, penstock pipeline and Motor vehicle measured at fair value and retirement benefit obligation measured at the present value of the defined benefit obligation.

The financial statements are presented in Sri Lankan Rupees, and all values are rounded to nearest rupee. Where appropriate, specific policies are explained in the succeeding notes. No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees unless otherwise stated)

### 2.4 Functional and presentation currency

Items included in the financial statement are measured using the currency of the primary economic environment in which the Group operates (the functional currency). These financial statements are presented in Sri Lankan rupees, the Group's functional and presentation currency. There was no change in the Group's presentation and functional currency during the year under review.

#### 2.4.1 Rounding

The amounts in the Financial Statements have been rounded-off to the nearest rupees, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 1 on “Presentation of Financial Statements” (LKAS 1).

### 2.5 Use of estimates and judgements

The preparation of financial statements in conformity with Sri Lanka Accounting Standards (LKAS/SLFRS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results form the basis of making the judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the Group's financial statements are included in the following notes;

#### 2.5.1 Inventory valuation

Certified Emission Reduction Units (CER) as at the reporting date have been valued at their estimated net realizable value and disclosed in the financial statements as certified emission reduction units. (Note 15)

CER represent units of greenhouse gas reduction that has been generated and certified by the United Nations under the Cleaned Development Mechanism (CDM) provision of the Kyoto Protocol. These CERs can be traded and are used by industrialised countries to meet part of their emission reduction targets.

According to the advice given by Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB), CER units have been recognised as an asset and disclosed under inventories. These inventories have been measured at Net Realizable Value (NRV) and any changes in value as at the reporting date is recognised in the statement of profit or loss.

#### 2.5.2 Useful lives and residual values appropriate for property, plant and equipment

The Group tests annually whether, the useful life and residual value estimates were appropriate and in accordance

with its accounting policy. Useful lives and residual values of property, plant and equipment have been determined by professional valuers. (Note 11.4).

#### 2.5.3 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions on an arm's length basis of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation considers cash flow projections based on financial budgets approved by the Management. The key assumptions used include the growth rate and discount rate applicable. (Note 14.1).

#### 2.5.4 Retirement Benefit Obligations

The Group annually measures the present value of the promised retirement benefits for gratuity, which is a Defined Benefit Plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. This involves making assumptions on discount rates, future salary increases and mortality rates. All assumptions are reviewed at each reporting date. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. (Note 22).

#### 2.5.5 Valuation of property plant and equipment

Electrical equipment at the power

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees unless otherwise stated)

plant, civil construction at the power plant, and the penstock pipeline are subsequently revalued. When revaluation is undertaken, the entire class of such assets is revalued to ensure consistency. Revaluations are performed at sufficient intervals at least every five years to ensure that the carrying amounts do not differ materially from their fair values as at the reporting date.

Following initial recognition at cost, these revalued property, plant, and equipment are carried at their revalued amounts, less any subsequent depreciation and impairment losses (refer Note 11.4). All other property, plant, and equipment are stated at historical cost, less accumulated depreciation and impairment losses.

### 2.6 Comparative information

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

### 2.7 Materiality and aggregation

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

### 2.8 Offsetting

Assets and liabilities, and income and expenses, are not offset unless required or permitted by SLFRSs.

### 2.9 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern in the foreseeable future and they do not intend either to liquidate or to cease trading. Therefore,

the Going Concern basis is used in the preparation of Financial Statements.

### 2.10 Directors' responsibilities for the financial statements

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting and Auditing Standards Act, No 15 of 1995 and as per the provisions of the Companies Act No. 07 of 2007. Those responsibilities include, designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

## 3. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following significant accounting policies to all periods presented in the Financial Statements by the Group, except as mentioned otherwise.

### 3.1 Changes in accounting policies

Effective 31st March 2025, the Group changed its accounting policy for motor vehicles from the cost model to the revaluation model, in accordance with LKAS 16. This change has been applied prospectively. As a result of the

revaluation of motor vehicles, a gain of Rs. 38,043,333 was recognised in equity under the revaluation reserve for the financial year 2024/2025. This gain relates exclusively to the revaluation of motor vehicles and comprises Rs. 37,693,333 recognised by Lotus Hydro Power PLC and Rs. 350,000 by Stellenberg Hydro Power (Pvt) Ltd.

### 3.2 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set

of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce inputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an



## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees unless otherwise stated)

acquired set of activities and assets is not a business.

The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

The fair value of the consideration transferred; plus

The recognised amount of any non-controlling interests in the acquiree; plus

If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less

The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

### 3.2.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group (investor) has the control over an entity (investee), when it 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 entity. Thus, the Group controls an entity, if and only if the Group has all of the following three criteria.

#### (a) Power over the entity.

The Group has the power over the entity, when the Group has existing rights that gives it the current ability to direct the relevant activities, i.e., the activities that significantly affect the investee's returns.

#### (b) Exposure, or rights, to variable returns from its involvement with the entity.

The Group is exposed, or has rights to variable returns from its involvement with the investee, when the investor's return from its involvement has the potential to vary as a result of investee's performance.

#### (c) The ability to use its power over the entity to affect the amount of the Group's returns.

The Group controls an entity, if the Group not only has power over the entity and exposure or rights to variable returns from its involvement with the entity, but also has the ability to use its power to affect the Group's returns from its involvement with the entity.

The Group considers all facts and circumstances when assessing whether it controls an investee. The Group reassess whether it controls an investee, if facts and circumstances indicate that there are changes to one or more of the above three elements of control.

Joint ventures are arrangements in which the Group has joint control and have rights to the net assets of the arrangement. The Group has joint control in a venture when there is contractually agreed sharing of control of the venture and the decisions about the relevant activities of the venture require the unanimous consent of the parties sharing control.

The financial statements of subsidiaries are included in the Group financial statements from the date on which control effectively commences, until the date that control effectively ceases. Acquisition of subsidiaries is accounted for using the acquisition method of accounting.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, which is 12 months ended 31<sup>st</sup> March, using consistent accounting policies.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. If a member of the Group uses accounting policies other than those adopted in the Group Financial Statements for similar transactions and events in similar circumstances, appropriate adjustments are made to its Financial Statements in preparing the Group Financial Statements.

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Subsidiaries of the Group are the following:

Subsidiary	Percentage of Holding
Thebuwana Hydro Power (Pvt.) Ltd	100%
Stellenberg Hydro Power (Pvt.) Ltd	100%
Halgranoya Hydro Power (Pvt.) Ltd	100%

### 3.2.3 Gain on bargain purchase

If the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition of the entity, the group will reassess the measurement of the acquiree's identifiable assets and liabilities and the measurement of the cost and recognise the difference immediately in the Consolidated Statement of Profit or Loss.

### 3.2.4 Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised income and expenses arising from intra- group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### 3.2.5 Loss of control

The parent can lose control of a subsidiary with or without a change in absolute or relative ownership levels. Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Statement of Profit or Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as other financial asset depending on the level of influence retained.

## 3.3 Assets and bases of their valuation

### 3.3.1 Property, plant and equipment

#### 3.3.1.1 Cost and valuation

All items of property, plant and equipment are initially recorded at cost. Where items of Electrical equipment at power plant, Civil construction at power plant, Penstock pipeline and Motor vehicle are subsequently revalued, the entire class of such asset is revalued. Revaluations are made with sufficient intervals to ensure that their carrying amounts do not differ materially from their values at the reporting date. Subsequent to the initial recognition of an asset at cost, revalued property, plant and equipment are carried at revalued amounts and any subsequent depreciation and impairment losses thereon (Note 11.4). All other property, plant and equipment are stated at historical cost less depreciation and impairment losses.

Where items of Electrical equipment at power plant, Civil construction at power plant, Penstock pipeline and Motor vehicle are subsequently revalued, the entire class of such asset is revalued. Revaluation of the power plant are carried out every 5 years. When an asset is revalued any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset which was previously recognised as an expense. In these circumstances, the increase is recognised as income to the extent of the previous written down value. When asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that asset. Any balance remaining in the revaluation surplus in respect of an asset is transferred directly to retained earnings on retirement or disposal of such asset.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

#### 3.3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within

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the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day- to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### 3.3.1.3 Depreciation and amortisation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in Profit or Loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Lands are not depreciated.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognised.

The estimated useful lives for the current year are as follows:

Class of assets	Number of years
Civil construction at power plant	20 years
Computers and accessories	02 years
Electrical equipment at power plant	20 years
Furniture and fittings	05 years
Office equipment	05 years
Motor vehicles	04 years
Tools	02 years
Penstock pipe line	20 years
Roads	20 years

The asset's residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate at each financial year end.

### 3.3.1.4 Gains and losses on disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment and other non-current assets including investments have been accounted for in Profit or Loss having deducted from proceeds on disposal, the carrying amount of the assets and related property, plant and equipment amount remaining in revaluation reserve relating to that asset is transferred directly to retained earnings.

### 3.3.1.5 De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount. The gain or losses on de-recognition are recognized net amount other income and gains are not classified as revenue.

### 3.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost.

These are expenses of capital nature, incurred in construction of Hydro Power Plants.

Capital work in progress is transferred to the respective asset accounts when it is in a condition to be used by the Group in the manner it was intended to be used (Note 13).

### 3.3.3 Borrowing cost

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale, are capitalised as a part of the asset.

Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the Statement of Profit or Loss and Other Comprehensive Income.

The amount of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 - 'Borrowing Costs'.

### 3.3.4 Intangible assets

An Intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental or for administrative purpose.

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the assets can be measured reliably in accordance with LKAS 38 on 'Intangible Assets'.

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### 3.3.5 Foreign currency transactions

All foreign exchange transactions are converted to Sri Lanka Rupees, which is the reporting currency, at the rates of exchange prevailing at the time the transactions were effected.

Monetary assets and liabilities denominated in foreign currencies are translated into Sri Lanka Rupees, at the rates of exchange prevailing at the reporting date while non-monetary assets and liabilities are translated at the rate prevailing at the time the transactions are effected.

The exchange difference arising there from is dealt within Profit or Loss.

### 3.4 Leases

#### Definition of a Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

#### As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

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

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

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

- ◆ fixed payments, including in-substance fixed payments
- ◆ variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- ◆ amounts expected to be payable under a residual value guarantee; and
- ◆ the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in right-of-use assets and lease liabilities in the statement of financial position.

### Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Prepaid operating leases

The non-current and current portion of pre-paid operating lease solely consists of the operating lease paid in advance for the land leased by the group from Pussellawa Plantations Limited (PPL). The Group amortises the leasehold land over the lease period of Thirty-Three (33) years, on a straight line basis.

### Leased assets

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate. Other leases are operating leases and, except for investment property, the leased assets are not recognised in the Group's statement of financial position. Investment property held under an operating lease is recognised in the Group's statement of financial position at its fair value.

## 3.5 Financial instruments

### 3.5.1 Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### 3.5.2 Classification and subsequent measurement

#### 3.5.2.1 Financial assets

##### A. Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- ◆ It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ◆ Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This assessment is referred to as the SPPI test and it is performed at an instrument level. The Group's financial assets classified under amortised cost includes trade and other receivable, amounts due from related parties and cash and cash equivalents

## NOTES TO THE FINANCIAL STATEMENTS

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### B. Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio levels because this best reflects the way the business is managed and information is provided to management. The information considered includes:

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- ◆ how the performance of the portfolio is evaluated and reported to the Group's management;
- ◆ the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- ◆ how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- ◆ the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

### C. Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- ◆ contingent events that would change the amount or timing of cash flows;
- ◆ terms that may adjust the contractual coupon rate, including variable-rate features;
- ◆ prepayment and extension features; and

- ◆ Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### D. Subsequent measurement and gains and losses

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

### E. Impairment

Trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead

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recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL are discounted at the effective interest rate of the financial asset.

### F. Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the trade receivables.

### G. Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

### H. Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither

transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

### 3.5.3 Financial liabilities

#### 3.5.3.1 Initial recognition and measurement

The Group initially recognise debt securities and loans & borrowings on the date that they are originated. All other financial liabilities are recognised at initially on the trade date, which is the date that the Group become party to the contractual provisions of the instruments.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using effective interest rate method.

Other financial liabilities comprise of loans and borrowings bank overdraft, amounts due to related parties and other payables.

#### 3.5.3.2 Subsequent measurement

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

## 3.6 Current assets

Assets classified as current assets in the Statement of Financial Position are those expected to realise during the normal operating cycle of business or within one year from the reporting date, and cash balances. Assets other than current assets are those which the Group/Company intends to hold beyond the one year period from the Statement of Financial Position date.

### 3.6.1 Inventories

Inventories other than Certified Emission Reduction (CER) unit are measured at the lower of cost and net realizable value. The costs incurred in bringing such inventory to its present condition and location are recognized at their actual amounts. Net realizable value is the estimated selling price less estimated costs of completion and costs to sell.

### Certified emission reduction

CER as at the reporting date have been valued at their estimated net realizable value as inventories and disclosed in the financial statements as Certified Emission Reduction Units.

### 3.6.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.



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### 3.6.2.1 Statment of cash flows

The Statement of cash flow has been prepared using the 'Indirect Method' of preparing Cash Flows in accordance with the LKAS 7 - 'Statement of cash flows'.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## 3.7 Liabilities and provisions

### 3.7.1 General

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the date of the Statement of Financial Position. All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognised when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

### 3.7.2 Retirement benefit obligations

#### 3.7.2.1 Defined contribution plans - provident and trust fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal

or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit or loss and Other Comprehensive Income in the periods during which services are rendered by employees.

#### 3.7.2.2 Employees' Provident Fund (EPF)

The Group and employees contribute 12% and 8% respectively on the salary of each employee to the above mentioned funds.

#### 3.7.2.3 Employees' Trust Fund (ETF)

The Group contributes 3% of the salary of each employee to the Employees' Trust Fund.

#### 3.7.2.4 Defined benefit plans - Retiring gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted.

During the current year, the Group measured the present value of the defined benefits obligations using the actuarial method.

The liability recognized in the Statement of Financial Position is the present value of the defined benefit obligation. The calculation is performed by a qualified

actuary using the projected units credit method. Any actuarial gains or losses are recognized in other comprehensive income immediately.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

## 3.7 Provisions

### 3.8.1 Other payables and accrued expenses

Provisions are made for all obligations existing as at the date of Statement of Financial Position when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow. All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

## 3.9 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 indication exists, or when annual impairment testing for an asset is



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required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in Profit or Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

### 3.10 Statement of profit or loss and comprehensive income

#### 3.10.1 Revenue recognition

Performance obligations and revenue recognition policies

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

The Group is in the business of supplying electricity to the Ceylon Electricity Board. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an

amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Revenue from supply of electricity is recognised at the point in time when electricity is supplied to the Ceylon Electricity Board.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining this, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods / services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

#### Significant financing component

The Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of

## NOTES TO THE FINANCIAL STATEMENTS

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the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The following specific criteria have been used to recognise revenue.

### A. Sale of electricity

The Group recognises revenue from electricity supplied upon delivery to the Ceylon Electricity Board when the electricity meets specifications of the Standardized Power Purchase Agreement and is received at the metering point when the Group satisfies the performance obligation by transferring the control of the promised good to the customer.

### B. CER income

The changes in the net realizable value of CER is recognized on an accrual basis.

### C. Interest

Interest income is recognized on a time-proportion basis using the effective interest method.

### D. Other income

Other income is recognized on an accrual basis.

### E. Dividend income

Dividend income is recognised in the Profit or loss on the date the Group's right to receive payment is established.

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.

### 3.10.2 Expenditure recognition

Expenses are recognised in Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit or loss for the year.

For the purpose of presentation of the Statement of Profit or Loss and Other 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.

Preliminary and pre-operational expenditure is recognised in the Statement of Profit or Loss.

Repairs and renewals are charged to the Statement of Profit or Loss in the year in which the expenditure is incurred.

### 3.11 Income tax expense

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in the Statement of Changes in Equity.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do

not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, contingent liabilities and Contingent assets.

#### 3.11.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the tax on dividend income.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date in the country where the Company operates and generates taxable income.

Provision for taxation is made on the basis of the accounting profit for the year as adjusted for taxation purpose in accordance with the provision in the applicable Inland Revenue act. In estimating such provisions, the Group has applied the Inland Revenue Act No 24 of 2017 and amendments there to.

#### 3.11.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using liability method.

Deferred tax is measured at the tax rates that are expected to be applied

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees unless otherwise stated)

to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax assets and liabilities are not discounted.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense, in the Statement of Profit or Loss and Other Comprehensive Income (Note 21).

### 3.12 The Group and Company profits are stated after:

Providing for all impairment losses and depreciation of property, plant and equipment.

Charging all expenses incurred in the day-to-day operations of the business and in maintaining the property, plant and equipment in a state of efficiency.

### 3.13 Earnings per share

Earnings per Share represent basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share 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 (Note 10).

### 3.14 Related party disclosures

#### 3.14.1 Transactions with related parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24. The Pricing applicable to such transactions is based on the assessment of the risk and pricing model of the Company and is comparable with what is applied to transactions between the Group and its unrelated customers (Note 27).

#### 3.14.2 Transactions with key management personnel

According to LKAS 24 "Related party disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board

of Directors (including executive and non-executive Directors) have been classified as Key Management Personnel of the Group.

### 3.15 Events after reporting period

All material events since the reporting date have been considered and where appropriate adjustments or disclosures have been made in the respective Notes to the Financial Statements.

### 3.16 Contractual commitments and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent Liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent Liabilities are not recognised in the statement of financial position but are disclosed unless they are remote.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees unless otherwise stated)

### 4. EFFECTIVE OF ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to Sri Lanka Accounting Standards (SLFRSs/ LKASs) that are effective for annual periods beginning after the current financial year. Accordingly, the Group has not early adopted them in preparing these Financial Statements.

The following amended standards are not expected to have a significant impact on the Group's and Company's Financial Statements.

#### **General requirements for disclosure of sustainability related financial information (SLFRS S1) and climate related disclosures (SLFRS S2)**

- SLFRS S1 General requirements for disclosure of sustainability related financial information requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
- SLFRS S2 Climate-related Disclosures is to requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

These standards will become effective for the Group and the Company from 1<sup>st</sup> April 2025. No financial impact is expected on the Group and the Company except for additional disclosures.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

For the year ended 31<sup>st</sup> March,

### 5. REVENUE

		Group		Company	
		2025	2024	2025	2024
Supply of electricity	-Sanquhar	44,236,521	62,514,953	44,236,521	62,514,953
	-Delta	59,409,248	65,035,549	59,409,248	65,035,549
	-Stellenberg	49,693,367	42,353,907	-	-
	-Thebuwana	36,277,306	38,171,210	-	-
Billing under the Standardized Power Purchase Agreement (Note 5.1)		67,817,636	13,581,167	50,596,537	-
		<b>257,434,078</b>	<b>221,656,786</b>	<b>154,242,306</b>	<b>127,550,502</b>

**5.1** The Group have recognized and recorded income for the additional payment received from CEB as “Billing under the Standardized Power Purchase Agreement” which were recorded and billed as per the provisions of the Standardized power purchase Agreement with Ceylon Electricity Board.

### 6. OTHER INCOME

	Group		Company	
	2025	2024	2025	2024
Dividend income	-	-	16,500,000	-
Certified Emission Reduction units addition	-	6,833,175	-	6,833,175
Revaluation gain on property, plant and equipment (Note 6.1)	21,942,334	-	-	-
	<b>21,942,334</b>	<b>6,833,175</b>	<b>16,500,000</b>	<b>6,833,175</b>

**6.1** The revaluation gain of Rs. 21,942,334/- arising from property, plant, and equipment in Thebuwana Hydro Power (Pvt) Ltd has been recognized in profit or loss, reflecting a partial reversal of previously recorded impairment losses on the related assets.

### 7. NET FINANCE INCOME

	Group		Company	
	2025	2024	2025	2024
<b>Finance income</b>				
Interest on inter-company balance	6,219,204	10,330,571	4,801,079	10,330,571
Unit trust investment income	2,499,085	455,385	2,499,085	455,385
Interest on deposits	15,118,319	5,951,182	7,713,001	5,951,182
	<b>23,836,608</b>	<b>16,737,138</b>	<b>15,013,165</b>	<b>16,737,138</b>
<b>Finance cost</b>				
Exchange loss	(304,659)	(61,865)	(304,659)	(61,865)
Interest on overdraft	(15)	-	(15)	-
Interest on lease liability	(1,100,177)	(1,130,848)	(55,057)	(127,894)
	<b>(1,404,851)</b>	<b>(1,192,713)</b>	<b>(359,731)</b>	<b>(189,759)</b>
<b>Net finance income</b>	<b>22,431,757</b>	<b>15,544,425</b>	<b>14,653,434</b>	<b>16,547,379</b>

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 8. PROFIT BEFORE TAX

	Group		Company	
	2025	2024	2025	2024
<b>Stated after charging all expenses including following :</b>				
Non-executive Directors' fees	3,300,000	3,300,000	3,300,000	3,300,000
Executive Directors' fees	1,500,000	1,500,000	1,500,000	1,500,000
Auditor's remuneration - Audit services	1,535,000	1,332,657	924,000	883,687
Depreciation on property, plant and equipment	44,527,079	42,706,508	20,481,445	18,643,281
Amortisation of prepaid lease rentals/ right of use assets	1,608,230	3,429,482	1,272,128	3,112,128
CSR expense and donations	60,000	65,000	45,000	40,000
Legal expenses and professional fees	1,675,056	715,737	1,113,484	234,525
Management fee	5,000,000	5,000,000	5,000,000	5,000,000
Secretarial charges	981,324	800,636	728,177	667,834
<b>Staff costs</b>				
Salaries, incentives and wages	50,156,899	44,233,727	32,982,762	29,067,588
Defined contribution plan costs - EPF / ETF	4,989,906	4,436,531	3,580,265	3,139,744
Defined benefit plan cost - Retiring gratuity	2,358,912	2,618,020	1,601,620	1,835,392
	<b>57,505,717</b>	<b>51,288,278</b>	<b>38,164,647</b>	<b>34,042,724</b>

### 9. INCOME TAX EXPENSE

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 Inland Revenue (Amended) Act No. 45 of 2022.

#### 9.1 Companies exempt from income tax / liable to tax at concessionary rate

Company	Statute	Rate
Thebuwana Hydro Power (Pvt) Ltd	Section 17 of BOI law no.4 of 1978	20%
Stellenberg Hydro Power (Pvt) Ltd	Section 17 of BOI law no.4 of 1978	20%

##### 9.1.1 Stellenberg Hydro Power (Private) Limited

In accordance with the agreement entered into with the Board of Investment of Sri Lanka (BOI), the profits of the Company were exempt from income tax for a period of five (05) years, ending on 31 March 2019. Upon the expiration of the tax exemption period, the Company became liable to income tax at a concessionary rate of 10% for the financial years ended 31 March 2020 and 31 March 2021. Thereafter, the Company has been subject to income tax at the standard rate of 20%. Non-business income is taxed at the standard corporate rate of 30%.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### Thebuwana Hydro Power (Private) Limited

Under the BOI agreement, the profits of the Company were exempt from income tax for a period of five (05) years, ending on 31 March 2022. Following the expiry of this exemption period, the Company was liable to income tax at a concessionary rate of 10% for the financial years ended 31 March 2023 and 31 March 2024. Upon the conclusion of this concessionary period, the applicable income tax rate will increase to 20%. Non-business income is taxed at the standard corporate rate of 30%.

### Lotus Hydro Power PLC

Lotus Hydro Power PLC is not entitled to any income tax exemptions and is subject to income tax at the standard corporate rate of 30%, in accordance with the provisions of the Inland Revenue (Amendment) Act No. 45 of 2022.

## 9.2 Income tax expense

	Note	Group		Company	
		2025	2024	2025	2024
Current tax expense					
- Taxation on current year profit	9.3	35,979,350	22,293,322	24,080,074	15,669,048
- Income Tax under / (over) paid during the year of assessment		-	1,176,012	-	-
		35,979,350	23,469,334	24,080,074	15,669,048
Deferred tax expense					
- Origination/(reversal) of temporary differences	21	(2,317,566)	(6,942,880)	(5,402,521)	(5,632,426)
		33,661,784	16,526,454	18,677,553	10,036,622

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 9.3 Reconciliation between the accounting profit and tax on current year

For the year ended 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Profit before income tax expense	121,454,599	81,534,704	123,738,617	45,158,936
<b>Adjusted profit before tax</b>	<b>121,454,599</b>	<b>81,534,704</b>	<b>123,738,617</b>	<b>45,158,936</b>
Aggregate disallowable expenses / income	44,311,564	50,224,058	(32,711,295)	24,032,895
Aggregate allowable expenses	(22,172,133)	(30,125,056)	(2,505,545)	(10,123,267)
Non-business income	(40,331,745)	(23,570,313)	(31,508,302)	(23,570,313)
Aggregate exempt income loss from the business	597,013	233,798	(4,863)	-
<b>Adjusted profit from the business</b>	<b>103,859,298</b>	<b>78,297,191</b>	<b>57,008,612</b>	<b>35,498,251</b>
Aggregate interest income	23,831,745	16,731,908	15,008,302	16,731,908
Current year tax loss utilized	(392,980)	-	-	-
Tax on income taxable on dividend	16,500,000	-	16,500,000	-
<b>Total taxable non business income</b>	<b>39,938,765</b>	<b>16,731,908</b>	<b>31,508,302</b>	<b>16,731,908</b>
<b>Total taxable income</b>	<b>143,798,063</b>	<b>95,029,099</b>	<b>88,516,914</b>	<b>52,230,159</b>
<b>Taxable income</b>				
Taxable at 10%	-	19,355,138	-	-
Taxable at 15%	16,500,000	-	16,500,000	-
Taxable at 20%	46,850,686	23,443,802	-	-
Taxable at 30%	80,447,377	52,230,159	72,016,914	52,230,159
<b>Taxable income</b>	<b>143,798,063</b>	<b>95,029,099</b>	<b>88,516,914</b>	<b>52,230,159</b>
<b>Income tax charged at</b>				
- Special Rate @ 10%	-	1,935,514	-	-
- Special Rate @ 15%	2,475,000	-	2,475,000	-
- Special Rate @ 20%	9,370,137	4,688,760	-	-
- Special Rate @ 30%	24,134,213	15,669,048	21,605,074	15,669,048
<b>Taxation on profits for the year</b>	<b>35,979,350</b>	<b>22,293,322</b>	<b>24,080,074</b>	<b>15,669,048</b>
Effective tax rate	29.62%	27.34%	19.46%	34.70%

### 9.4 Income tax payable

For the year ended 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Balance at the beginning of the year	17,729,251	16,326,066	12,371,751	14,477,760
Income tax provision for the year	35,979,350	22,293,322	24,080,074	15,669,048
Income Tax under paid during the year of assessment	-	1,176,012	-	-
Income tax payments during the year	(35,986,989)	(22,066,149)	(26,220,403)	(17,775,057)
<b>Balance at the end of the year</b>	<b>17,721,612</b>	<b>17,729,251</b>	<b>10,231,422</b>	<b>12,371,751</b>



## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 10. EARNINGS PER SHARE - BASIC / DILUTED

The earnings per ordinary share has been computed based on net profit attributable to ordinary shareholders for the year divided by weighted average number of ordinary shares in issue. It has been calculated as follows ;

For the year ended 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Net profit attributable to ordinary shareholders (Rs.)	87,792,815	65,008,250	105,061,064	35,122,314
Weighted average number of ordinary shares in issue (Nos.)	109,088,112	109,088,112	109,088,112	109,088,112
Earnings per ordinary share (Rs.)	0.80	0.60	0.96	0.32

There were no potential dilutive ordinary shares outstanding at any time during the year or previous year. Therefore diluted earnings per share is equal to basic earnings per share.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 11. PROPERTY, PLANT AND EQUIPMENT

#### 11.1 Group

Cost / Valuation	Freehold land	Civil construction at power plant	Electrical equipment at power plant	Penstock pipe line	Roads	Motor vehicles	Tools	Plant and machinery	Office equipment	Furniture and fittings	Computers and accessories	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 <sup>st</sup> April 2023	10,677,214	416,742,632	252,531,245	257,721,821	1,147,908	10,296,579	3,349,518	52,990	884,504	1,026,573	1,418,150	955,849,134
Additions	-	-	-	-	-	-	19,955	-	218,714	72,315	-	310,984
Balance as at 31 <sup>st</sup> March 2024	10,677,214	416,742,632	252,531,245	257,721,821	1,147,908	10,296,579	3,369,473	52,990	1,103,218	1,098,888	1,418,150	956,160,118
Right-of-Use asset is transferred (Note 12)	-	-	-	-	-	17,600,000	-	-	-	-	-	17,600,000
Revaluation gain / (loss)	-	77,918,351	(15,682,220)	(46,921,279)	-	38,443,333	-	-	-	-	-	53,758,185
Adjustment on revaluation	-	(230,513,136)	(101,129,224)	(105,668,190)	-	(20,789,912)	-	-	-	-	-	(458,100,462)
Additions	-	-	-	-	-	-	-	-	71,789	-	-	71,789
Balance as at 31 <sup>st</sup> March 2025	10,677,214	264,147,847	135,719,801	105,132,352	1,147,908	45,550,000	3,369,473	52,990	1,175,007	1,098,888	1,418,150	569,489,630
<b>Accumulated depreciation and impairment</b>												
Balance as at 01 <sup>st</sup> April 2023	-	198,362,104	75,876,099	79,322,598	529,581	10,120,579	3,197,543	52,990	636,088	919,368	1,356,400	370,373,350
Charger for the year	-	16,075,516	12,626,563	13,459,046	57,396	121,000	153,637	-	95,589	56,011	61,750	42,706,508
Balance as at 31 <sup>st</sup> March 2024	-	214,437,620	88,502,662	92,781,644	586,977	10,241,579	3,351,180	52,990	731,677	975,379	1,418,150	413,079,858
Right-of-Use asset is transferred (Note 12)	-	-	-	-	-	7,813,333	-	-	-	-	-	7,813,333
Charger for the year	-	16,075,516	12,626,562	12,886,546	57,395	2,735,000	9,977	-	93,734	42,349	-	44,527,079
Adjustment on revaluation	-	(230,513,136)	(101,129,224)	(105,668,190)	-	(20,789,912)	-	-	-	-	-	(458,100,462)
Balance as at 31 <sup>st</sup> March 2025	-	-	-	-	644,372	-	3,361,157	52,990	825,411	1,017,728	1,418,150	7,319,808
<b>Written down value</b>												
- As at 31 <sup>st</sup> March 2025	10,677,214	255,607,875	150,039,643	99,352,482	503,536	45,550,000	8,316	-	349,596	81,160	-	562,169,822
- As at 31 <sup>st</sup> March 2024	10,677,214	202,305,012	164,028,583	164,940,177	560,931	55,000	18,293	-	371,541	123,509	-	543,080,260
<b>Fully depreciated assets</b>												
- As at 31 <sup>st</sup> March 2025	-	-	-	-	-	75,000	3,349,518	52,990	720,884	894,876	1,443,500	6,536,768
- As at 31 <sup>st</sup> March 2024	-	-	-	-	-	9,966,579	3,349,518	52,990	720,884	863,961	1,443,500	16,397,432

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 11.2 Company

Cost / Valuation	Civil construction at power plant	Electrical equipment at power plant	Penstock pipe line	Motor vehicles	Tools	Office equipment	Furniture and fittings	Computers and accessories	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 <sup>st</sup> April 2023	126,553,500	111,497,000	114,500,000	9,771,799	2,984,049	730,039	552,854	1,161,050	367,750,291
Additions	-	-	-	-	-	205,214	-	-	205,214
Balance as at 31 <sup>st</sup> March 2024	126,553,500	111,497,000	114,500,000	9,771,799	2,984,049	935,253	552,854	1,161,050	367,955,505
Right-of-Use asset transferred (Note 12)	-	-	-	17600,000	-	-	-	-	17600,000
Additions	-	-	-	-	-	71,789	-	-	71,789
Revaluation gain / (loss)	872,555	(19,707,281)	(42,578,149)	37,693,333	-	-	-	-	(23,719,542)
Adjustment on revaluation	(31,638,375)	(27,874,250)	(28,625,000)	(20,265,132)	-	-	-	-	(108,402,757)
Balance as at 31 <sup>st</sup> March 2025	95,787,680	63,915,469	43,296,851	44,800,000	2,984,049	1,007,042	552,854	1,161,050	253,504,995
<b>Accumulated depreciation</b>									
Balance as at 01 <sup>st</sup> April 2023	18,983,025	16,724,550	16,602,500	9,595,799	2,851,617	483,018	456,644	1,099,300	66,796,453
Charge for the Year	6,327,675	5,574,850	6,297,500	121,000	132,432	91,494	36,580	61,750	18,643,281
Balance as at 31 <sup>st</sup> March 2024	25,310,700	22,299,400	22,900,000	9,716,799	2,984,049	574,512	493,224	1,161,050	85,439,734
Right-of-Use asset transferred (Note 12)	-	-	-	7813,333	-	-	-	-	7,813,333
Charge for the year	6,327,675	5,574,850	5,725,000	2,735,000	-	91,034	27,886	-	20,481,445
Adjustment on revaluation	(31,638,375)	(27,874,250)	(28,625,000)	(20,265,132)	-	-	-	-	(108,402,757)
Balance as at 31 <sup>st</sup> March 2025	-	-	-	-	2,984,049	665,546	521,110	1,161,050	5,331,755
<b>Written down value</b>									
- As at 31 <sup>st</sup> March 2025	95,787,680	63,915,469	43,296,851	44,800,000	-	341,496	31,744	-	248,173,240
- As at 31 <sup>st</sup> March 2024	101,242,800	89,197,600	91,600,000	55,000	-	360,741	59,630	-	282,515,771
<b>Fully depreciated assets</b>									
- As at 31 <sup>st</sup> March 2025	-	-	-	75,000	2,984,049	566,419	421,157	1,161,050	5,207,675
- As at 31 <sup>st</sup> March 2024	-	-	-	9,441,799	2,984,049	566,419	390,242	1,161,050	14,543,559

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 11.3 Details of lands purchased by Thebuwana Hydro Power (Pvt) Ltd

Company	Location	Extent	Carrying amount as at 31 <sup>st</sup> March 2025 (Rs.)
Thebuwana Hydro Power (Pvt) Ltd	Devipahala Grama Niladhari Division in Kuruwita Divisional Secretary's Division in Uda North Pattu of Kuruwiti Korale in the District of Ratnapura Sabaragamuwa province.	321 perches	10,353,214
	Agalawaththa - Kuruwita	54 perches	324,000

### 11.4 Revaluation of assets

The Company owns the Sanquhar Power Plant, constructed in December 2003, and the Delta Power Plant, constructed in April 2006. Additionally, the Stellenberg Hydro Power (Private) Limited plant and the Thebuwana Hydro Power (Private) Limited plant commenced operations in March 2014 and June 2015, respectively.

As at 31<sup>st</sup> March 2025, a revaluation of all project assets—including civil constructions, electrical equipment, and penstock pipelines—was carried out by an independent valuer, Mr. W.A. Chandrasena, Chartered Valuation Surveyor. This comprehensive revaluation covered the Sanquhar, Delta, Stellenberg, and Thebuwana power plants. In addition, all motor vehicles belonging to the Group were revalued as part of this exercise.

This fair value measurement of the Company is categorized under "Level 3" of the fair value hierarchy.

### Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of properties, as well as the significant unobservable inputs used.

Asset	Method of valuation	Revalued Amount		Significant unobservable inputs	The estimated revalued amount would increase / decrease
		Group	Company		
Electrical equipment at power plant	Discounted cash flow basis*	135,719,801	63,915,469	Power Generation in kWh	Power Generation in kWh were higher / (lower)
				Operational cost	Operational cost were (lower) / higher
				YP capitalize	YP capitalize were higher / (lower)
				Price for unit	Price for unit were higher / (lower)
Civil construction at power plant	Discounted cash flow basis*	264,147,847	95,787,680	Power Generation in kWh	Power Generation in kWh were higher / (lower)
				Operational cost	Operational cost were (lower) / higher
				YP capitalize	YP capitalize were higher / (lower)
				Price for unit	Price for unit were higher / (lower)
Penstock pipeline	Discounted cash flow basis*	105,132,352	43,296,851	Power Generation in kWh	Power Generation in kWh were higher / (lower)
				Operational cost	Operational cost were (lower) / higher
				YP capitalize	YP capitalize were higher / (lower)
				Price for unit	Price for unit were higher / (lower)
Motor vehicles	Market value**	45,550,000	44,800,000	Net Realizable value	Market value were higher / (lower)

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

\*The Mini Hydro Power Plant asset was valued using the Discounted Cash Flow (DCF) Method, based on projected future income discounted. The Contractor's Method was used as a secondary reference.

\*\* The asset was valued using the Market Approach, based on its estimated open market value, after applying appropriate depreciation for age and condition.

### Valuation Techniques and Significant Unobservable Inputs

#### Mini Hydro Power Plants

Valuation of the Group's Mini Hydro Power Plants was carried out using the discounted cash flow method. The following key assumptions and unobservable inputs were applied:

- Annual Average Plant Factors used for forecasting generation were:
  - Sanquhar MHP: 31%
  - Delta MHP: 42%
  - Thebuwana MHP: 38%
  - Stellenberg MHP: 46%
- Operational Costs were based on actual historical expenses, with an assumed annual increase of 3% to reflect future inflation and maintenance cost trends.
- Discount Rate of 12% and over a 10-year discount rate 10% forecast period were used in the cash flow projections.
- Electricity Tariff Assumptions:
  - Sanquhar MHP: Rs. 12.93 per kWh, with an annual increase of 3%
  - Delta MHP: Rs. 10.97 per kWh, with an annual increase of 3%
  - Thebuwana MHP and Stellenberg MHP: Rs. 13.04 per kWh.

#### Motor Vehicles

Valuation of motor vehicles was carried out using the net realizable value approach. The gross realizable values were adjusted for estimated depreciation to arrive at net realizable values. Key assumptions are as follows:

Motorcycles:

- Gross Realizable Value: Rs. 500,000 to Rs. 600,000 Net Realizable Value: Rs. 350,000 to Rs. 400,000 Depreciation Applied 30%.

Motor Cars:

- Gross Realizable Value: Rs. 17,000,000 Net Realizable Value: Rs. 15,000,000 Depreciation Applied 12.5%

Dual Purpose Vehicles:

- Gross Realizable Value: Rs. 14,000,000 to Rs. 19,000,000 Net Realizable Value: Rs. 12,600,000 to Rs. 16,500,000 Depreciation Applied: 10% to 12.5%

### 11.5 Carrying amount of revalued property, plant and equipment had it been recorded at cost as at 31<sup>st</sup> March 2025

	Group			Company		
	Cost	Accumulated depreciation	Written down value	Cost	Accumulated depreciation	Written down value
Civil construction at power plant	431,078,573	329,524,939	101,553,635	140,889,441	130,650,177	10,239,264
Electrical equipment at power plant	246,784,541	178,804,021	67,980,520	105,750,295	105,549,047	201,248
Pestock pipe line	167,596,855	101,418,224	66,178,631	24,375,035	24,375,035	-
Motor vehicles	27,896,579	20,789,913	7,106,666	27,371,799	20,265,133	7,106,666

### 11.6 Temporarily idle Property, Plant and Equipment

There were no temporary idle Property, Plant and Equipment or any asset retired from active use and held for disposal on the date of statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 12. RIGHT OF USE ASSETS

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
<b>Cost</b>				
Balance as at beginning of the year	32,352,497	23,952,497	24,236,787	15,836,787
Right-of-Use asset transferred to Property, Plant and Equipment	(17,600,000)	-	(17,600,000)	-
Adjustment on right of use assets	206,176	8,400,000	-	8,400,000
<b>Balance as at the end of the year</b>	<b>14,958,673</b>	<b>32,352,497</b>	<b>6,636,787</b>	<b>24,236,787</b>
<b>Amortisation</b>				
Balance as at beginning of the year	14,197,020	10,767,538	12,745,864	9,633,736
Amortisation transferred to Property, Plant and Equipment	(7,813,333)	-	(7,813,333)	-
Amortisation for the year	1,608,230	3,429,482	1,272,128	3,112,128
<b>Balance as at the end of the year</b>	<b>7,991,917</b>	<b>14,197,020</b>	<b>6,204,659</b>	<b>12,745,864</b>
<b>Carrying amount</b>				
- At the end of the year	6,966,756	18,155,477	432,128	11,490,923

#### 12.1 Right of use assets

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Right of use assets - Land	6,966,756	7,528,810	432,128	864,256
Right of use assets - Motor vehicles	-	10,626,667	-	10,626,667
<b>Balance at the end of the year</b>	<b>6,966,756</b>	<b>18,155,477</b>	<b>432,128</b>	<b>11,490,923</b>

#### 12.2 Lease Liabilities

##### Lease liabilities included in the statement of financial position

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Current liabilities	993,561	993,561	-	905,612
Non-current liabilities	6,945,791	7,737,507	-	-
	<b>7,939,352</b>	<b>8,731,068</b>	<b>-</b>	<b>905,612</b>

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
<b>Lease liability</b>				
Balance as at beginning of the year	8,731,068	9,026,780	905,612	1,123,278
Adjustment on lease liability	206,176	-	-	-
Recognition during the year	-	8,400,000	-	8,400,000
Interest charge	1,100,177	1,130,848	55,057	127,894
Repayment	(2,098,069)	(9,826,560)	(960,669)	(8,745,560)
<b>Balance as at 31<sup>st</sup> March</b>	<b>7,939,352</b>	<b>8,731,068</b>	<b>-</b>	<b>905,612</b>
<b>Amount recognized in statement of profit or loss</b>				
Interest on lease liabilities	1,100,177	1,130,848	55,057	127,894
Right of use asset amortisation	1,608,230	3,429,482	1,272,128	3,112,128
<b>Amount recognized in statement of cash flow</b>				
Repayment of lease liability interest	1,100,177	1,130,848	55,057	127,894
Repayment of lease liability capital repayment	997,892	8,695,712	905,612	8,617,666
	<b>2,098,069</b>	<b>9,826,560</b>	<b>960,669</b>	<b>8,745,560</b>
<b>Maturity analysis of lease liabilities - contractual undiscounted cashflow</b>				
Less than one year	1,007,504	1,950,707	-	957,656
One to five years	3,883,524	4,766,680	-	-
More than five years	9,353,615	9,115,812	-	-
	<b>14,244,643</b>	<b>15,833,199</b>	<b>-</b>	<b>957,656</b>

### Details of leases - Group

Lessor	Asset type	Repayment term	Interest rate	Balance as at 31 <sup>st</sup> March 2025	Balance as at 31 <sup>st</sup> March 2024
Central Finance Company PLC	Motor vehicle	1 years	17.00%	-	905,612
Pussewella Plantations Limited - Stellenberg	Land	26 years	12.69%	5,405,517	5,327,970
Pussewella Plantations Limited - Thebuwana	Land	26 years	12.69%	2,533,834	2,497,486
				<b>7,939,352</b>	<b>8,731,068</b>

## 13. CAPITAL WORK-IN-PROGRESS

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Balance at the beginning of the year	9,368,488	9,368,488	-	-
Additions during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>9,368,488</b>	<b>9,368,488</b>	<b>-</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 13.1 Class of asset-wise break-up

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
<b>Class of asset -wise break-up</b>				
Civil construction at power plant	9,368,488	9,368,488	-	-
	<b>9,368,488</b>	<b>9,368,488</b>	<b>-</b>	<b>-</b>

The capital work- in- progress represents the project cost of Halgranoya Hydro Power (Pvt) Ltd.

## 14. INVESTMENTS IN SUBSIDIARIES

As at 31 <sup>st</sup> March,	Holding %	Group		Company	
		2025	2024	2025	2024
Thebuwana Hydro Power (Pvt) Ltd	100%	-	-	200,000,000	200,000,000
Stellenberg Hydro Power (Pvt) Ltd	100%	-	-	150,000,000	150,000,000
Halgranoya Hydro Power (Pvt) Ltd	100%	-	-	10,000,000	10,000,000
Provision for impairment - Thebuwana Hydro Power (Pvt) Ltd		-	-	(21,736,293)	(78,002,338)
		<b>-</b>	<b>-</b>	<b>338,263,707</b>	<b>281,997,662</b>

### 14.1 Impairment Assessment – Investment in Thebuwana Hydro Power (Pvt) Ltd

As at 31st March 2025, the Group conducted an impairment assessment of its investment in Thebuwana Hydro Power (Pvt) Ltd, which had a carrying value of Rs. 200,000,000. The recoverable amount was determined based on the value-in-use method, using discounted future cash flows projected at Rs. 178,263,707. The valuation applied a Weighted Average Cost of Capital (WACC) of 11.50% and a historical average plant factor of 39%.

Taking into account impairment losses recognized in prior periods, the assessment concluded that no further impairment was required. Accordingly, an impairment reversal of Rs. 56,266,045 was recognized during the year, partially reversing the cumulative impairment loss of Rs. 78,002,338 recognized in previous years.

Plant Factor – Based on estimated future production as well as past data on electricity generation at 39%.

Discount Rate – Risk free rate adjusted by the addition of an appropriate risk premium has been determined at 11.5%.

### 14.2 Sensitivity analysis

#### Sensitivity variation on plant factor and discount rate

Values appearing in financial statements are sensitive to changes in both financial and non-financial assumptions. Simulations conducted for investments in subsidiaries demonstrate that a 1% increase or decrease in the plant factor and discount rate results in the following effects on the investment in subsidiaries:

As at 31 <sup>st</sup> March 2025	Company	
	Variance (Rs.)	
	-1%	+1%
Plant factor	6,769,425	(6,769,425)
Discount rate	(11,939,035)	10,383,115

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 15. INVENTORIES

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Certified Emission Reduction (CER) units	17,937,176	18,229,522	17,937,176	18,229,522
Spare parts	3,206,954	3,885,583	1,164,187	1,842,816
	<b>21,144,130</b>	<b>22,115,105</b>	<b>19,101,363</b>	<b>20,072,338</b>

### 16. TRADE AND OTHER RECEIVABLES

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Trade receivables	11,976,968	24,706,228	7,727,062	7,726,537
Deposits, prepayments and advances	9,059,523	7,050,426	5,870,926	4,776,418
Other receivables	967,593	967,593	967,593	967,593
	<b>22,004,084</b>	<b>32,724,247</b>	<b>14,565,581</b>	<b>13,470,548</b>

### 17. AMOUNTS DUE FROM RELATED PARTIES

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Stellenberg Hydro Power (Pvt) Ltd	-	-	-	277,227
Halgranoya Hydro Power (Pvt) Ltd	-	-	4,610,056	4,437,051
Sri Bio-Tech Lanka (Pvt) Ltd	-	2,045,087	-	2,045,087
Lotus Renewable Energy (Pvt) Ltd	-	67,283,102	-	67,283,102
	<b>-</b>	<b>69,328,189</b>	<b>4,610,056</b>	<b>74,042,467</b>

### 18. CASH AND CASH EQUIVALENTS

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
<b>Favourable cash and cash equivalents</b>				
Term deposit	246,500,000	140,500,000	158,000,000	69,000,000
Cash at bank	53,887,823	44,411,217	9,486,613	43,517,889
Cash in hand	89,951	95,029	89,951	83,339
	<b>300,477,774</b>	<b>185,006,246</b>	<b>167,576,564</b>	<b>112,601,228</b>
<b>Unfavourable cash and cash equivalents</b>				
Bank overdraft	(43,881)	(313,871)	(43,881)	(313,871)
<b>Cash and cash equivalents for the purpose of cash flow statement</b>	<b>300,433,893</b>	<b>184,692,375</b>	<b>167,532,683</b>	<b>112,287,357</b>

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 19. STATED CAPITAL

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Issued and fully paid number of shares	482,300,200	482,300,200	482,300,200	482,300,200
- 109,088,112 ordinary shares	482,300,200	482,300,200	482,300,200	482,300,200

#### Rights, preference and restrictions of stated capital:

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

### 20. RESERVES

#### 20.1 Revaluation reserve

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
<b>On property, plant and equipment</b>				
Balance as at beginning of the year	148,328,557	157,599,092	148,328,557	157,599,092
Other comprehensive income	27,824,635	-	(16,603,679)	-
Depreciation transfer on revalued assets	(9,270,535)	(9,270,535)	(9,270,535)	(9,270,535)
<b>Balance as at the end of the year</b>	<b>166,882,657</b>	<b>148,328,557</b>	<b>122,454,343</b>	<b>148,328,557</b>

Revaluation reserve represents the surplus on revaluation of civil construction at power plant, electrical equipment at power plant, penstock pipelines and Motor Vehicle. The revaluation surplus is transferred directly to retained earnings as the surplus is realised. This amount is determined based on the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost.

#### 20.2 Other reserves

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Balance as at beginning of the year	101,802	101,802	101,802	101,802
<b>Balance as at the end of the year</b>	<b>101,802</b>	<b>101,802</b>	<b>101,802</b>	<b>101,802</b>

This balance includes the favorable exchange rate difference transferred during the allotment of shares.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 21. DEFERRED TAX LIABILITIES

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
<b>Movement in deferred tax liabilities</b>				
Balance at the beginnig of the year	126,932,589	133,780,481	82,300,661	87,908,692
Recognised in statement of profit or loss	(2,317,566)	(6,942,880)	(5,402,521)	(5,632,426)
Recognised in other comprehensive income	3,490,078	94,988	(7,542,458)	24,395
<b>Balance at end of the year</b>	<b>128,105,101</b>	<b>126,932,589</b>	<b>69,355,682</b>	<b>82,300,661</b>

#### 21.1 The closing deferred tax liability relates to the following

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
<b>Composition of deferred tax liabilities</b>				
Accelerated depreciation for tax purposes	68,416,487	66,352,733	19,713,292	20,934,716
Revaluation of property , plant and equipment	63,587,511	63,569,382	52,480,433	63,569,382
Retirement benefit obligations	(3,617,953)	(2,757,346)	(2,838,043)	(2,203,437)
Lease liability	(1,587,870)	(1,565,091)	-	-
Right of use assets	1,306,926	1,332,911	-	-
	<b>128,105,101</b>	<b>126,932,589</b>	<b>69,355,682</b>	<b>82,300,661</b>

#### 21.2 The composition of the deferred tax liabilities is as follows:

##### Group

As at 31 <sup>st</sup> March,	2025		2024	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
Accelerated depreciation for tax purposes (tax rate 30%)	65,710,974	19,713,292	69,782,387	20,934,716
Accelerated depreciation for tax purposes (tax rate 20%)	243,515,973	48,703,195	227,090,084	45,418,017
Revaluation of property , plant and equipment (tax rate 30%)	174,934,778	52,480,433	211,897,941	63,569,382
Revaluation of property , plant and equipment (tax rate 20%)	55,535,391	11,107,078	-	-
Retirement benefit obligation (tax rate 30%)	(9,460,143)	(2,838,043)	(7,344,790)	(2,203,437)
Retirement benefit obligation (tax rate 20%)	(3,899,551)	(779,910)	(2,769,545)	(553,909)
Lease liability (tax rate 20%)	(7,939,352)	(1,587,870)	(7,825,456)	(1,565,091)
Right of use assets (tax rate 20%)	6,534,628	1,306,926	6,664,554	1,332,911
	<b>524,932,698</b>	<b>128,105,101</b>	<b>497,495,175</b>	<b>126,932,589</b>

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### Company

As at 31 <sup>st</sup> March,	2025		2024	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
Accelerated depreciation for tax purposes	65,710,974	19,713,292	69,782,387	20,934,716
Revaluation of property , plant and equipment	174,934,778	52,480,433	211,897,941	63,569,382
Retirement benefit obligation	(9,460,143)	(2,838,043)	(7,344,790)	(2,203,437)
	<b>231,185,609</b>	<b>69,355,682</b>	<b>274,335,538</b>	<b>82,300,661</b>

### 21.3 Deferred tax expenses

As at 31 <sup>st</sup> March,		Group		Company	
		2025	2024	2025	2024
<b>Recognized in other comprehensive income</b>					
Deferred tax on revaluation of property plant and equipment	Tax rate 30%	(7,115,863)	-	(7,115,863)	-
	Tax rate 20%	11,107,079	-	-	-
Deferred tax on actuarial gains/(losses) on retirement benefit obligations	Tax rate 30%	(426,595)	24,395	(426,595)	24,395
	Tax rate 20%	(74,543)	70,593	-	-
		<b>3,490,078</b>	<b>94,988</b>	<b>(7,542,458)</b>	<b>24,395</b>

**21.4** The Company calculated deferred tax as of 31<sup>st</sup> March 2025 at the rate of 30% (2024 - 30%) and Subsidiaries calculated deferred tax as of 31<sup>st</sup> March 2025 at the rate of 20% (2024 - 20%).

## 22 RETIREMENT BENEFIT OBLIGATIONS

### 22.1 Movement in present value of defined benefit obligation

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Balance at the beginning of the year	10,114,335	8,638,346	7,344,790	6,298,465
- Current service cost	1,094,620	1,063,118	683,521	701,668
- Interest on obligation	1,264,292	1,554,902	918,099	1,133,724
- Acturial (gain) / loss on obligation (Note 22.3)	1,794,697	(434,281)	1,421,983	(81,317)
	<b>14,267,944</b>	<b>10,822,085</b>	<b>10,368,393</b>	<b>8,052,540</b>
- Benefits paid by the plan	(908,250)	(707,750)	(908,250)	(707,750)
<b>Balance at the end of the year</b>	<b>13,359,694</b>	<b>10,114,335</b>	<b>9,460,143</b>	<b>7,344,790</b>

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 22.2 Provision for retiring gratuity for the year is recognized in the following line items in profit or loss and other comprehensive income

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
<b>Profit or loss</b>				
- Cost of sales	1,307,314	1,546,910	550,022	764,282
- Administrative expenses	1,051,598	1,071,110	1,051,598	1,071,110
	<b>2,358,912</b>	<b>2,618,020</b>	<b>1,601,620</b>	<b>1,835,392</b>
Others comprehensive income	1,794,697	(434,281)	1,421,983	(81,317)
	<b>4,153,609</b>	<b>2,183,739</b>	<b>3,023,603</b>	<b>1,754,075</b>

The provision for retirement benefits obligation is based on the actuarial valuation carried out by professionally qualified Actuaries, Messers, Actuarial & Management Consultants (Pvt) Ltd as at 31<sup>st</sup> March 2025. The liability is not externally funded.

The key assumptions used for the calculation are as follows:

	2025	2024
- Rate of interest	11.00%	12.50%
- Rate of salary increment	10%	10%
- Retirement age	60 years	60 years
- Staff turnover factor	5%	5%

The weighted average duration of retirement benefit obligation is 1.90 to 13 years.

The Group will continue as a going concern.

### 22.3 Break up of actuarial (gain)/ loss on the defined benefit obligation

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
- Experience adjustment (Financial and Demographic)	314,129	239,859	337,143	394,527
- Due to changes in financial assumptions	1,480,568	(674,140)	1,084,840	(475,844)
- Due to changes in demographic assumptions	-	-	-	-
	<b>1,794,697</b>	<b>(434,281)</b>	<b>1,421,983</b>	<b>(81,317)</b>

#### Demographic assumption

The demographic assumptions underlying the valuation are retirement age at 60 years, early withdrawal from services and death before and after retirement. Assumption regarding the future mortality are based on the 1967-70 mortality table issued by the Institute of Actuaries, London.

The Company has considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with support of the independent actuarial expert. A long-term treasury bond rate of 11.0% (2024-12.5%) has been used to discount future liabilities taking in to

consideration the remaining working life of the eligible employees. The effect of this change resulted in an actuarial loss as the liability was higher due to lower discounting of the liability to the valuation date. Further, the salary increment rate of 10% is considered appropriate to be in line with the Company's targeted future. Due to the

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

discount rate and salary increment rate account the current market conditions and inflation rate. salary increments when taking into assumptions used, nature of non-financial assumptions and experience of the assumptions of the Company, there is no significant impact to employment benefit liability as a result of prevailing macro-economic conditions.

### 22.4 Sensitivity analysis

#### Sensitivity variation on rate of salaries / wages increment

Value appearing in the financial statements are sensitive to the changes of financial and non-financial assumptions used.

Simulations made for retirement obligation show that a rise or decrease by 1% of the rate of salary / wage increment has the following effects on the retirement benefit obligations.

As at 31 <sup>st</sup> March 2025	Group		Company	
	Variance		Variance	
	-1%	+1%	-1%	+1%
Retirement benefit obligations ( Rs.)	(1,080,489)	1,221,246	(788,140)	891,174

#### Sensitivity variation on discount rate

Simulations made for retirement obligation show that a rise or decrease by 1% of the estimated discount rate has the following effects on the retirement benefit obligations.

As at 31 <sup>st</sup> March 2025	Group		Company	
	Variance		Variance	
	-1%	+1%	-1%	+1%
Retirement benefit obligations ( Rs.)	1,171,492	(1,019,743)	859,606	(747,413)

Although the analysis does not take accounts of the distribution of full cash flow expected under the plan, it does provide approximation of sensitivity of the assumption given.

## 23. OTHER PAYABLES

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Accrued expenses	9,233,802	6,919,181	5,257,325	4,408,067
Payable to contractor*	711,051	2,008,300	711,051	2,008,300
	<b>9,944,853</b>	<b>8,927,481</b>	<b>5,968,376</b>	<b>6,416,367</b>

\*Payable to contractor that is the payment due to the contractor for the remaining balance related to the Headrace Canal rehabilitation at the Delta Mini Hydro Power Plant.

## 24. AMOUNTS DUE TO RELATED PARTIES

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Hatton Plantaions PLC	138,405	113,474	138,405	113,474
	<b>138,405</b>	<b>113,474</b>	<b>138,405</b>	<b>113,474</b>

**24.1** The above balance is payable on demand and unsecured. No interest is charged over this balance.



## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 25. CONTINGENT LIABILITIES

#### Contingent liabilities – Company and Group

The Company and the Group do not have any contingent liabilities which require adjustment to or disclosure in the financial statements as at the reporting date except as disclosed below.

Corporate guarantees given by Lotus Hydro Power PLC;

Name of the Company	Type of the facility	Name of the bank	Amount (Rs.)
Lotus Renewable Energy (Pvt) Ltd	Overdraft	Nation Trust Bank	25,000,000

Going concern assurance and financial support undertaking;

A confirmation letter has been provided by Lotus Hydro Power PLC to Halgranoya Hydro Power (Pvt) Ltd, affirming its commitment to support Halgranoya Hydro Power (Pvt) Ltd's ability to continue as a going concern. Accordingly, Lotus Hydro Power PLC has undertaken to provide unconditional and financial assistance to Halgranoya Hydro Power (Pvt) Ltd as necessary, to enable Halgranoya Hydro Power (Pvt) Ltd to meet its financial obligations as and when they fall due and payable.

### 26. CONTRACTUAL COMMITMENTS - COMPANY AND GROUP

There are no material capital commitments contracted but not provided for or authorized by the Board but not contracted for, that require adjustment to or disclose in financial statements.

### 27. RELATED PARTY TRANSACTIONS

The Company and Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 "Related Party Disclosures", the details of which are listed out below (Note 27.2).

#### 27.1 Transactions with key management personnel

According to Sri Lanka Accounting Standard 24 "Related Party Disclosures" key management personnel are those having authority and responsibility for planning, directing and controlling activities of the entity. Accordingly, the Board of Directors has been classified as key management personnel of the Group.

##### (i) Loans given to directors

No loans have been given to Directors of the Company.

##### (ii) Key management personnel compensation

No compensation has been given to key management personnel of the Company and Group except as disclosed in Note No. 08 in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 27.2 Transactions with related Companies

#### Recurrent related party transactions

The Company and the Group have carried out recurrent related party transactions with entities that are related parties as defined in LKAS 24 as detailed below.

Name of the company	Relationship	Nature of transaction	Amount	Outstanding		Aggregate value of Related Party Transactions entered into during the financial year		Aggregate value of Related Party Transactions as a % of Net Revenue	Terms and Conditions of the Related Party Transactions
				31st March, 2025	31st March, 2024	Rs.	Rs.	%	
Halgranoya Hydro Power (Pvt) Ltd	Subsidiary Company	Expenses incurred	173,005	4,610,056	4,437,051	173,005	0.11%	-	-
Lotus Renewable Energy (Pvt) Ltd	Parent Company	Fund advance	66,550,000						Interest is charged at the rate of AWPLR+1%.
		Interest Income	4,801,080	-	67,283,102	(67,283,102)	-43.62%		
		Settlement	(133,634,182)						
		Management fee payable	(5,000,000)						
Stellenberg Hydro Power (Pvt) Ltd	Subsidiary Company	Expenses incurred	(142,089)						Interest is charged at the rate of AWPLR+1%.
		Dividend	14,025,000	-	277,227	(277,227)	-0.18%		
		Fund advance	3,122,913						
		Settlement	(17,283,051)						
Sri Bio Tech Lanka (Pvt) Ltd	Common Directors	Expenses incurred	126,767	-	2,045,087	(2,045,087)	-1.33%		Interest is charged at the rate of AWPLR+1%.
		Settlement	(2,171,854)						
Hatton Plantation PLC	Common Directors	Expenses incurred	3,066,014	(138,405)	(113,474)	(24,931)	0.02%		-
		Settlement	(3,090,945)						

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 27.3 The following directors of Lotus Hydro Power PLC are also the directors of following

Name of the Director	THP	SHP	HHP	SBTL	LRE	ZPC	HPL	HTPS
Mr. G D Seaton	√	√	√	√	√	√	√	√
Mr. Gowri Shankar	√	√	√	-	√	√	√	√
Mr. Menaka Athukorala	√	√	√	√	√	√	√	√
Mr. Indrajith Fernando*	-	-	-	-	-	-	√	-
Mr. Mayura Fernando**	-	-	-	-	-	-	√	-
Mr. Uditha Palihakkara***	-	-	-	-	-	-	√	-
Dr. Rohantha Athukorala****	-	-	-	-	-	-	-	-

\* Mr. Indrajith Fernando resigned w.e.f. 22<sup>nd</sup> July 2025

\*\*Mr. Mayura Fernando appointed w.e.f. 31<sup>st</sup> December 2024

\*\*\* Mr. Uditha Palihakkara resigned w.e.f. 31<sup>st</sup> December 2024

\*\*\*\* Dr. Rohantha Athukorala appointed w.e.f. 22<sup>nd</sup> July 2025

Name of the company	Abbreviations	Nature of Relationship
Thebuwana Hydro Power (Pvt) Ltd	THP	Subsidiary
Stellenberg Hydro Power (Pvt) Ltd	SHP	Subsidiary
Halgranoya Hydro Power (Pvt) Ltd	HHP	Subsidiary
Sri Bio-Tech Lanka (Pvt) Ltd	SBTL	Common Directors
Lotus Renewable Energy (Pvt) Ltd	LRE	Parent
Zyrex Power Co Ltd	ZPC	Common Directors
Hatton Plantation PLC	HPL	Common Directors
HI - Tech Power Systems (Pvt) Ltd	HTPS	Common Directors

This note should be read in conjunction with amount due from / to related parties shown in the Note 17 & 24 to the financial statements respectively.

### 27.4 Non-recurrent related party transactions

The Company has not entered into any non-recurrent related party transactions during the year, which exceeds 10% of the equity or 5% of the total assets, whichever is lower, as per the Colombo Stock Exchange Section Listing rule 9.3.2.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 28. EVENTS AFTER THE REPORTING PERIOD - COMPANY AND GROUP

There were no other material events that occurred between the reporting date and the date on which the financial statements are authorized for issue that require adjustment to or disclosure in the financial statements of the Group and Company other than those disclosed above.

### 29. ASSETS PLEDGED AS COLLATERALS

#### 29.1 Assets pledged as collaterals - Company

No assets have been pledged as collaterals as at the reporting date.

#### 29.2 Assets pledged as collaterals - Group

No assets have been pledged as collaterals as at the reporting date.

### 30. SEGMENTAL INFORMATION

The Company and subsidiaries are engaged in the generation of hydro power thereby segmental analysis information is not applicable, as there are no reportable segments.

### 31. DIRECTOR'S RESPONSIBILITY

Directors of the Company are responsible for the preparation and presentation of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 32. FINANCIAL INSTRUMENTS

#### Fair values of financial instruments.

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced liquidation or sale.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

#### Fair value measurement

**Level I:** Quoted market price (unadjusted) in an active market for an identical instrument.

**Level II:** Valuation techniques based on observable inputs, either directly – i.e. as prices or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

**Level III:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for

similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the bank determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates. The objective of the valuation technique is to arrive at a fair value determination that reflect the price of the financial instrument at the reporting date, that would have determined by the market participants acting at the arms length.

The Group recognised transfers between levels of the fair value hierarchy at the end of the reporting periods during which the changes occurred.

#### Fair value of financial instruments of the Company and Group

Classes of financial instruments that are not carried at fair value and are a reasonable approximation of fair value are trade and other receivables, amounts due from related parties, cash and cash equivalents, other payables, amounts due to related parties, bank overdrafts and loans and borrowings.

### 32.1 Accounting classifications of financial instruments

#### 32.1.1 Group

As at 31 <sup>st</sup> March 2025	Carrying amount		
	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total
<b>Financial assets not measured at fair value</b>			
Trade and other receivables*	12,944,561	-	12,944,561
Cash and cash equivalents	300,477,774	-	300,477,774
<b>Financial liabilities not measured at fair value</b>			
Other payables**	-	711,051	711,051
Amount due to related parties	-	138,405	138,405
Bank overdrafts	-	43,881	43,881

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

As at 31 <sup>st</sup> March 2024	Carrying amount		
	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total
<b>Financial assets not measured at fair value</b>			
Trade and other receivables*	25,673,821	-	25,673,821
Amounts due from related parties	69,328,189	-	69,328,189
Cash and cash equivalents	185,006,246	-	185,006,246
<b>Financial liabilities not measured at fair value</b>			
Other payables**	-	2,008,300	2,008,300
Amount due to related parties	-	113,474	113,474
Bank overdrafts	-	313,871	313,871

\*Trade and other receivables include prepayments and advances paid for services amounting to Rs. 9,059,523 (2024 - Rs. 7,050,426), which are not considered under financial assets.

\*\*Other payables include accrued expenses amounting to Rs. 9,233,802 (2024 - 6,919,181) which are not considered under financial liabilities.

### 32.1.2 Company

As at 31 <sup>st</sup> March 2025	Carrying amount		
	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total
<b>Financial assets not measured at fair value</b>			
Trade and other receivables*	8,694,655	-	8,694,655
Amounts due from related parties	4,610,056	-	4,610,056
Cash and cash equivalents	167,576,564	-	167,576,564
<b>Financial liabilities not measured at fair value</b>			
Other payables**	-	711,051	711,051
Amount due to related parties	-	138,405	138,405
Bank overdrafts	-	43,881	43,881

As at 31 <sup>st</sup> March 2024	Carrying amount		
	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total
<b>Financial assets not measured at fair value</b>			
Trade and other receivables*	8,694,130	-	8,694,130
Amounts due from related parties	74,042,467	-	74,042,467
Cash and cash equivalents	112,601,228	-	112,601,228
<b>Financial liabilities not measured at fair value</b>			
Other payables**	-	2,008,300	2,008,300
Amount due to related parties	-	113,474	113,474
Bank overdrafts	-	313,871	313,871

\*Trade and other receivables include prepayments and advances paid for services amounting to Rs. 5,870,926 (2024 - Rs. 4,776,418), which are not considered under financial assets.

\*\*Other payables include accrued expenses amounting to Rs. 5,257,325 (2024 - Rs. 4,408,067) which are not considered under financial liabilities.

The carrying amount of loans and receivables and other financial liabilities of the Company and Group does not significantly differ from the value based on amortised costs.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has other receivables, Trade and other receivables, cash and short term deposits that arise directly from its operations. The Group's principle financial liabilities, comprise of trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The Group is exposed to market risk, credit risk and liquidity risk.

#### 33.1 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) other advances including loans and advances to staff/workers and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the results that the group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents and short term investments, the Company's exposure to credit risk from default of the counter party.

#### 33.2 Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk positions.

As at,	31 <sup>st</sup> March 2025		31 <sup>st</sup> March 2024	
	Amount	Exposure %	Amount	Exposure %
<b>Group</b>				
Trade and other receivables	12,944,561	4.13%	25,673,821	9.17%
Amounts due from related parties	-	-	69,328,189	24.77%
Cash at bank	300,387,823	95.87%	184,911,217	66.06%
<b>Total</b>	<b>313,332,384</b>	<b>100.00%</b>	<b>279,913,227</b>	<b>100.00%</b>
<b>Company</b>				
Trade and other receivables	8,694,655	4.81%	8,694,130	4.45%
Amounts due from related parties	4,610,056	2.55%	74,042,467	37.92%
Cash at bank	167,486,613	92.64%	112,517,889	57.63%
<b>Total</b>	<b>180,791,324</b>	<b>100.00%</b>	<b>195,254,486</b>	<b>100.00%</b>



## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

**33.2.1** Both the Group/Company held cash at bank of Rs. 300,387,823 and Rs. 167,486,613 respectively as at 31st March 2025. (2024 - Rs. 184,911,217 and 112,517,889). The cash at bank are held with reputed commercial banks.

Fitch Rating	Group		Company	
	2025	2024	2025	2024
AA-	117,319,162	-	27,741,759	-
A	100,111,926	102,877,897	100,100,000	30,574,546
A-	82,956,735	81,979,822	39,644,854	81,889,845
BBB+	-	53,498	-	53,498
	<b>300,387,823</b>	<b>184,911,217</b>	<b>167,486,613</b>	<b>112,517,889</b>

### 33.3 Trade receivables

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
<b>Past due but not impaired</b>				
- 0-90 Days	11,976,968	24,706,228	7,727,062	7,726,537
- 90-365 days	-	-	-	-
- > 365 days	-	-	-	-
<b>Total gross trade receivables</b>	<b>11,976,968</b>	<b>24,706,228</b>	<b>7,727,062</b>	<b>7,726,537</b>
Impairment provision for trade receivable	-	-	-	-
<b>Total net trade receivables</b>	<b>11,976,968</b>	<b>24,706,228</b>	<b>7,727,062</b>	<b>7,726,537</b>

### 33.4 Amounts due from related parties

The Group's amounts due from related parties mainly consist of balances due from companies under common control and from related companies.

### 33.5 Liquidity risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its short and medium term capital and

funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undraws committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments

and financial assets (e.g. accounts receivable, other financial assets) and project.

The Group's objective is to maintain a balance between funding continuity and financial flexibility through the use of multiple sources, including overdrafts and other available credit facilities.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 33.5.1 Liquidity position

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Short term investments	246,500,000	140,500,000	158,000,000	69,000,000
Amounts due from related parties	-	69,328,189	4,610,056	74,042,467
Cash in hand and at bank	53,977,774	44,506,246	9,576,564	43,601,228
<b>Liquid assets</b>	<b>300,477,774</b>	<b>254,334,435</b>	<b>172,186,620</b>	<b>186,643,695</b>
Amount due to related parties	138,405	113,474	138,405	113,474
Bank overdrafts	43,881	313,871	43,881	313,871
Other payables	9,944,853	8,927,481	5,968,376	6,416,367
<b>Liquid liabilities</b>	<b>10,127,139</b>	<b>9,354,826</b>	<b>6,150,662</b>	<b>6,843,712</b>
<b>Net cash</b>	<b>290,350,635</b>	<b>244,979,609</b>	<b>166,035,958</b>	<b>179,799,983</b>

### Liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against a combination of contractual cash inflows plus other inflows that can be generated through the sale of assets or other secured borrowings.

### Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

### Company

	Carrying amount	Contractual cash flows	Less than 3 months	3 to 12 Months	More than 12 Months	Total
<b>As at 31<sup>st</sup> March 2025</b>						
Other payables	711,051	711,051	711,051	-	-	711,051
Amount due to related parties	138,405	138,405	138,405	-	-	138,405
Bank overdrafts	43,881	43,881	43,881	-	-	43,881
<b>Total</b>	<b>893,337</b>	<b>893,337</b>	<b>893,337</b>	<b>-</b>	<b>-</b>	<b>893,337</b>
<b>As at 31<sup>st</sup> March 2024</b>						
Other payables	2,008,300	2,008,300	2,008,300	-	-	2,008,300
Amount due to related parties	113,474	113,474	113,474	-	-	113,474
Lease liability	905,612	957,656	410,424	547,232	-	957,656
Bank overdrafts	313,871	313,871	313,871	-	-	313,871
<b>Total</b>	<b>3,341,257</b>	<b>3,393,301</b>	<b>2,846,069</b>	<b>547,232</b>	<b>-</b>	<b>3,393,301</b>

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### Group

	Carrying amount	Contractual cash flows	Less than 3 months	3 to 12 Months	More than 12 Months	Total
<b>As at 31<sup>st</sup> March 2025</b>						
Other payables	711,051	711,051	711,051	-	-	711,051
Amount due to related parties	138,405	138,405	138,405	-	-	138,405
Lease liability	7,939,352	14,244,643	240,706	766,798	13,237,139	14,244,643
Bank overdrafts	43,881	43,881	43,881	-	-	43,881
<b>Total</b>	<b>8,832,689</b>	<b>15,137,980</b>	<b>1,134,043</b>	<b>766,798</b>	<b>13,237,139</b>	<b>15,137,980</b>
<b>As at 31<sup>st</sup> March 2024</b>						
Other payables	2,008,300	2,008,300	2,008,300	-	-	2,008,300
Amount due to related parties	113,474	113,474	113,474	-	-	113,474
Lease liability	8,731,068	15,833,199	647,677	1,303,030	13,882,491	15,833,199
Bank overdrafts	313,871	313,871	313,871	-	-	313,871
<b>Total</b>	<b>11,166,713</b>	<b>18,268,844</b>	<b>3,083,322</b>	<b>1,303,030</b>	<b>13,882,491</b>	<b>18,268,844</b>

### 33.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/'issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective 'of market risk management is to manage and control 'market risk exposures within acceptable parameters, while optimizing the return on risk.

#### 33.6.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument 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

obligation. The Group utilises various financial instruments to manage exposures to interest rate risks.

At the reporting date, the Group's interest-bearing financial instruments were as follows:

As at 31 <sup>st</sup> March,	Carrying Amount	
	2025	2024
<b>Variable rate instruments</b>		
<b>Financial Liabilities</b>		
Bank overdraft	43,881	313,871
	<b>43,881</b>	<b>313,871</b>

#### Interest rate risk

Interest rate risk is the risk of fluctuation of the value or cash flows of an instrument due to changes in the market interest rates.

In order to reduce the Interest rate risk, the Group implements the following strategies.

1. Debt has been structured through variable interest rates in order to manage the volatility in the market.
2. Work towards the low gearing ratio.
3. Proper mechanism to monitor the fluctuations in interest rates.

## NOTES TO THE FINANCIAL STATEMENTS

(all amounts are in Sri Lankan Rupees)

### 34. CAPITAL MANAGEMENT

**The objectives of the capital management can be summarised as follows:**

Appropriately allocate capital to meet strategic objectives.

Enable the Group to face any economic downturn/ crisis situation.

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence in order to sustain future development of the business. The impact of the shareholders' return is also recognised and the Group recognises the need to maintain a balance between higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group manages its capital structure and adjusts it accordingly in line with changes in global and local economic and market conditions and its overall risk appetite.

Given below is a summary of the capital structure of the Group and the Company as follows:

As at 31 <sup>st</sup> March,	Group		Company	
	2025	2024	2025	2024
Long-term borrowings	-	-	-	-
Equity	744,878,156	706,915,943	697,524,730	686,424,411
Total equity and long-term borrowings	744,878,156	706,915,943	697,524,730	686,424,411
Gearing ratio (%)	-	-	-	-

## FIVE YEAR SUMMARY - GROUP

### FINANCIAL REVIEW AND INVESTOR INFORMATION OF LOTUS HYDRO POWER PLC

For the year end 31<sup>st</sup> March 2025 extracts of the financial statement and significant Group financial ratios can be summarized as follows;

Year ended 31 <sup>st</sup> March	2021	2022	2023	2024	2025
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A) Summary of operations</b>					
Turnover	238,076,629	223,736,214	200,234,291	221,656,786	257,434,078
Gross profit	153,680,607	131,042,051	103,961,456	110,216,712	133,159,432
Profit before taxation	114,691,282	100,408,354	81,276,067	81,534,704	121,454,599
Taxation	25,221,817	(18,594,929)	(37,566,373)	(16,526,454)	(33,661,784)
<b>Profit attributable to shareholders</b>	<b>139,913,099</b>	<b>81,813,425</b>	<b>43,709,694</b>	<b>65,008,250</b>	<b>87,792,815</b>
<b>B) Summary of financial position</b>					
Capital and reserves					
Stated capital	482,300,200	482,300,200	482,300,200	482,300,200	482,300,200
Reserves	216,502,573	205,113,059	157,700,894	148,430,359	166,984,459
Retained earnings	119,990,557	105,585,239	154,290,664	76,185,384	95,593,497
<b>Total equity</b>	<b>818,793,330</b>	<b>792,998,498</b>	<b>794,291,758</b>	<b>706,915,943</b>	<b>744,878,156</b>
<b>Assets and liabilities</b>					
Current assets	253,920,514	246,736,657	360,739,471	309,173,787	343,625,988
Current liabilities	(31,863,713)	(16,410,527)	(24,232,660)	(28,077,638)	(28,842,312)
Net current assets /(liabilities)	222,056,801	230,326,130	336,506,811	281,096,149	314,783,676
Property, plant and equipment	669,758,340	628,569,131	585,475,784	543,080,260	562,169,822
Right of use assets	17,278,797	14,734,520	13,184,959	18,155,477	6,966,756
Other non-current assets	9,368,488	9,368,488	9,368,488	9,368,488	9,368,488
Non-current liabilities	(99,669,096)	(89,999,771)	(150,244,284)	(144,784,431)	(148,410,586)
<b>Net assets</b>	<b>818,793,330</b>	<b>792,998,498</b>	<b>794,291,758</b>	<b>706,915,943</b>	<b>744,878,156</b>
<b>Key indicators</b>					
Earnings per share (Rs.)	1.28	0.75	0.40	0.60	0.80
Dividends per share (Rs.)	1.00	1.00	-	1.40	0.70
Net assets per share (Rs.)	7.51	7.27	7.28	6.48	6.83
Current ratio (times)	7.97	15.04	14.89	11.01	11.91

## SHARE ANALYSIS

Analysis of shareholders according to the category

### As at 31<sup>st</sup> March 2025

Shares	Resident			Non-Resident Total			Total		
	No. of Shareholders	No. of shares	(%)	No. of Shareholders	No. of shares	(%)	No. of Shareholders	No. of shares	(%)
1 to 1000 shares	1,512	598,905	0.55	3	2,014	0.00	1,515	600,919	0.55
1001 to 10,000 shares	735	2,431,892	2.23	4	13,470	0.01	739	2,445,362	2.24
10,001 to 100,000 shares	146	4,540,547	4.16	1	54,344	0.05	147	4,594,891	4.21
100,001 to 1000,000 shares	17	3,438,602	3.15	-	-	-	17	3,438,602	3.15
over 1,000,000 shares	3	98,008,338	89.85	-	-	-	3	98,008,338	89.85
<b>TOTAL</b>	<b>2,413</b>	<b>109,018,284</b>	<b>99.94</b>	<b>8</b>	<b>69,828</b>	<b>0.06</b>	<b>2,421</b>	<b>109,088,112</b>	<b>100.00</b>

### As at 31<sup>st</sup> March 2024

Shares	Resident			Non-Resident			Total		
	No. of Shareholders	No. of shares	(%)	No. of Shareholders	No. of shares	%	No. of Shareholders	No. of shares	%
1 to 1000 shares	1,466	606,670	0.56	4	3,014	0.00	1,470	609,684	0.56
1001 to 10,000 shares	756	2,483,105	2.28	6	19,227	0.02	762	2,502,332	2.30
10,001 to 100,000 shares	158	4,588,844	4.21	1	54,344	0.05	159	4,643,188	4.26
100,001 to 1000,000 shares	17	4,424,570	4.06	-	-	-	17	4,424,570	4.06
over 1,000,000 shares	3	96,908,338	88.82	-	-	-	3	96,908,338	88.82
<b>TOTAL</b>	<b>2,400</b>	<b>109,011,527</b>	<b>99.93</b>	<b>11</b>	<b>76,585</b>	<b>0.07</b>	<b>2,411</b>	<b>109,088,112</b>	<b>100.00</b>

Categories of Shareholders	As at 31 <sup>st</sup> March 2025			As at 31 <sup>st</sup> March 2024		
	No of shareholders	No of shares	%	No of shareholders	No of shares	%
Individual	2,366	11,507,055	10.55	2,356	11,282,706	10.34
Institutional	55	97,581,057	89.45	55	97,805,406	89.66
<b>TOTAL</b>	<b>2,421</b>	<b>109,088,112</b>	<b>100.00</b>	<b>2,411</b>	<b>109,088,112</b>	<b>100.00</b>

### Share Price Information on ordinary shares of the Company

	2025	2024
Highest during the period (Rs.)	14.00	14.40
Lowest during the period (Rs.)	9.30	6.80
Last Traded Price (Rs.)	12.00	9.50

## LIST OF 20 MAJOR SHAREHOLDERS

As at 31 <sup>st</sup> March 2025			As at 31 <sup>st</sup> March 2024		
Name	No. of Shares	%	Name	No. of Shares	%
1. Lotus Renewable Energy Private Limited	80,350,881	73.66	1. Lotus Renewable Energy Private Limited	80,350,881	73.66
2. Sampath Bank PLC/Senthilveri Holdings (Pvt) Ltd	16,557,457	15.18	2. Sampath Bank PLC/ Dr.T.Senthilveri	15,000,000	13.75
3. Mr. D.D Gunaratne	1,100,000	1.01	3. Seylan Bank PLC/ Senthilveri Holdings (Pvt) Ltd	1,557,457	1.43
4. Mr. H.A.R. Pieris	475,000	0.44	4. Mr. D.D Gunaratne	986,850	0.90
5. Mr. S. N. Senthilveri	469,200	0.43	5. Mr. H.A.R. Pieris	500,000	0.46
5. Mr. S. Senthimaaran	469,200	0.43	5. Mr. S. N. Senthilveri	469,200	0.43
7. Mrs. S. Vasudevan	213,771	0.20	7. Mr. S.Senthimaaran	469,200	0.43
8. Dr. A.R. Mohamed	199,293	0.18	8. Mr. A.S.A. Fernando	240,065	0.22
9. Mr. A.M.K.M.G. Dharmasena	192,460	0.18	9. Mrs. S. Vasudevan	213,771	0.20
10. Mr. P. Ramesh	176,223	0.16	10. Mr. A.M.K.M.G. Dharmasena	192,460	0.18
11. Mr. G.K. Kulatilleke	152,300	0.14	11. Mr. M. Sundaresan	185,451	0.17
12. EST.OF LAT K.C. Vignarajah	133,486	0.12	12. PMF Finance PLC / R.A.Y.S.Perera	159,924	0.15
13. Miss. J.M.M.N. Galgamuwa	131,863	0.12	13. Mrs. F.F. Musthapha	153,503	0.14
14. Mr. R.A.M.K.T. Bandara	125,748	0.12	14. Mr. G.K. Kulatilleke	152,300	0.14
15. Ms. T.A. Rathnayake	124,900	0.11	15. Mr. K.C. Vignarajah	143,486	0.13
16. Merchant Bank Of Sri Lanka Finance PLC/ U.D.L.C. Udawatta	120,469	0.11	16. Mr. N.A. Withana	129,757	0.12
17. Mr. M.N. Aththas	116,427	0.11	17. Merchant Bank of Sri Lanka & Finance PLC/H.M.C.M. Abewardana	115,090	0.11
18. Merchant Bank Of Sri Lanka & Finance PLC/H.M.C.M. Abewardana	115,090	0.11	18. Universal Capital Holdings (Pvt) Ltd	105,000	0.10
19. Mr. N. Rameshraj	115,082	0.11	19. Mr. M.N. Aththas	104,327	0.10
20. Mr. U.H. Paliakkara	108,090	0.10	20. Mr. M.K.N. De Silva	104,186	0.10
TOTAL	101,446,940	93.00	TOTAL	101,332,908	92.89

	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
No. of shares held by public (Nos.)	12,178,274	12,179,774
No. of shareholders representing the public holding (Nos.)	2,418	2,408
Percentage of shares held by public (%)	11.16%	11.17%
Existing float adjusted market Capitalization (Rs.)	146,139,288	115,707,853

The float adjusted market capitalisation of the Company falls under Option 2 of Rule 7.13.1(b) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

## GLOSSARY OF FINANCIAL TERMS

### Accounting Policies

The specific principles, bases, conventions rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

### Accrual Basis

Recognizing the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

### Amortization

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

### Basic Earnings per Share (EPS)

Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

### Borrowings

All interest bearing liabilities.

### Cash Equivalents

Liquid investments with original maturity periods of three months or less.

### Capital Employed

Total equity and interest -bearing borrowings.

### Current Ratio

Current assets divided by current liabilities - a measure of liquidity

### Contingent Liability

A possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

### Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

### Dividends

Distribution of profits to holders of equity investments.

### Dividend Cover

Profit attributable to ordinary shareholders divided by dividend - Measure the number of times dividend is covered by distribution of profits.

### Dividend Yield

Dividend per share as a percentage of the market price - A measure of return on investments.

### Deferred Taxation

The tax effect of timing differences deferred to/from other periods, which would only qualify for on a tax return at a future date.

### EBITDA

Abbreviation for Earnings before Interest Tax, Depreciation and Amortization.

### Effective Tax Rate

Provision for taxation excluding deferred taxation divided by the profit before tax.

### Equity

Shareholders' fund.

### Fair Value

Fair value is the amount for which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction.

### Foreign Currency Transactions

The realized gain recorded when assets or liabilities denominated in foreign currencies are translated into Sri Lankan Rupees on the balance sheet date at prevailing rates which differ from those rates in force at inception or on the previous balance sheet date.

### Financial Instruments

Is any contract that gives rise to a

financial asset of one entity and a financial liability or equity instrument of another entity.

### Gearing

Proportion of total interest -bearing borrowings to capital employed.

### Group

A group is a parent and all its subsidiaries.

### LKAS

Sri Lanka Accounting Standards.

### SLFRS

Sri Lanka Financial Reporting Standards.

### Impairment

This occurs when recoverable amount of an asset is less than its carrying amount.

### Intangible Asset

An identifiable non-monetary asset without physical substance held for use in the production / supply of goods / services for rental to others or for administrative purposes.

### Key Management Personnel

The management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

### Market Capitalization

Number of Shares issues multiplied by the market value of each share at the reported date.

### Market Risk

This refers to the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates credit spreads and other asset prices.



### Net Assets Per Share

Shareholders' funds divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

### OCI

Other Comprehensive Income.

### Parent

A parent is an entity that has one or more subsidiaries.

### Price-Earnings Ratio

Market price of a share divided by earnings per share as reported date.

### Related Parties

Parties who could control or significantly influence the financial and operating policies of the business.

### Retirement Benefits

Present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

### Return on Average Assets (ROA)

Net income expressed as a percentage of average total assets, used along with ROE as a measure of profitability and as a basis of intra- industry performance comparison.

### Return on Average Equity (ROE)

Net income, less preferred share dividends if any, expressed as a percentage of average ordinary shareholders' equity.

### Return on Capital Employed

Profit before tax plus net interest cost divided by capital employed.

### Revaluation Reserve

Excess value identified between the fair value and carrying value of the revalued assets.

### Revenue Reserves

Reserves consolidated as being available for distribution and investments.

### SLFRS / LKAS

Sri Lanka Accounting Standards corresponding to International Financial Reporting standards.

### Subsidiary

A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).

### Shareholders' Funds

Total of issued and fully paid share capital, capital reserves and revenue reserves.

### Value Addition

The quantum of wealth generated by the activities of the Group measured as the difference between turnover and the cost of materials and services bought in.

### Working Capital

Capital required to finance day to day operations computed as the excess of current assets over current liabilities.

### Non- Financial Terms

CEB	-Ceylon Electricity Board
SLSEA	-Sri Lanka Sustainable Energy Authority.
PUCSL	-Public Utilities Commission of Sri Lanka.
CEA	-Central Environmental Authority
CSE	-Colombo Stock Exchange
CDM	-Clean Development Mechanism
CER	-Certified Emission Reduction
MHPP	-Mini Hydro Power Project
CSR	-Corporate Social Responsibility
GRI	-Global Reporting Initiatives.
Watt-hour	-Unit of energy expended for one hour of time.
Kilowatt (kW)	-Equal to 1000 watt.
Mega watt	-Equals to one million watts or (MW) to 1000 kilowatts.
Giga watt	-Equal to one billion watts or to 1000 megawatts.
GWh	-Giga watt hours
SPPA	-Standard Power Purchase Agreement
SID	-Senior Independent Director
MoUs	Memorandum of Understanding
ESG	Environmental, Social, and Governance

## NOTE

# NOTICE OF THE ANNUAL GENERAL MEETING

**LOTUS HYDRO POWER PLC**  
**REG. NO. PV 7385 PB / PQ**

NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF LOTUS HYDRO POWER PLC WILL BE HELD ON 12TH SEPTEMBER 2025 AT 10.30 A.M. AT PARK PREMIER BANQUET HALL, EXCEL WORLD, NO. 338 T. B. JAYAH MAWATHA, COLOMBO 10.

The business to be brought before the meeting will be:

## ORDINARY BUSINESS

1. To receive and consider the Annual Report of the Board of Directors and the Audited Financial Statements for the year ended 31<sup>st</sup> March 2025 together with the Report of the Auditors thereon.
2. To re-elect Mr. K.G. Shankar as a Director who retires by rotation in accordance with Article 24(6) of the Articles of Association of the Company.
3. To re-elect Mr. A.U.A.M. Athukorala as a Director who retires by rotation in accordance with Article 24(6) of the Articles of Association of the Company.
4. To re-elect Mr. P.M.B. Fernando as a Director in terms of Article 24(2) of the Articles of Association.
5. To re-elect Dr. R.N.A. Athukorala as a Director in terms of Article 24(2) of the Articles of Association.
6. To consider and if thought fit to pass the following ordinary resolution pertaining to the re-appointment of Mr. Gary Donald Seaton as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No.07 of 2007 and whose re-appointment is recommended by the Board of Directors.

## ORDINARY RESOLUTION 1

"That the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to Mr. Gary Donald Seaton, Director who is 70 years of age and accordingly that Mr. Gary Donald Seaton be and is hereby re-appointed as a Director of the Company in terms of Section 211 of the Companies Act No.07 of 2007".

7. To consider and if thought fit to pass the following ordinary resolution pertaining to the re-appointment of Dr. Thirugnanasambandar Senthilverl as a Director who is over 70 years of age, in compliance with Section 211 of the Companies Act No.07 of 2007 and whose re-appointment is recommended by the Board of Directors.

## ORDINARY RESOLUTION 2

"That the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to Dr. Thirugnanasambandar Senthilverl, Director who is 80 years of age and accordingly that Dr. Thirugnanasambandar Senthilverl be and is hereby re-appointed as a Director of the Company in terms of Section 211 of the Companies Act No.07 of 2007".

8. To re-appoint M/s KPMG, Chartered Accountants as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and authorize the Directors to determine their remuneration.
9. To authorize the Directors to determine contributions to charities and other donations for the year 2025/2026 until the next Annual General Meeting.

## SPECIAL BUSINESS

10. Amendments to Articles of Association  
 To consider and if thought fit to pass the following Special Resolutions to amend the Articles of Association of the Company in line with and to comply with the Listing Rules of the Colombo Stock Exchange.

## SPECIAL RESOLUTION 1:

IT IS HEREBY RESOLVED THAT the existing Article 24 (1) be deleted and be substituted with the following new Article 24 (1):

## 24. Appointment and Removal of Directors

(1) The number of directors shall not be less than five (5) nor more than twelve (12) in number.

### SPECIAL RESOLUTION 2:

IT IS HEREBY RESOLVED THAT the existing Article 35 (7) (i), (ii), (iii), (iv), (v) be deleted and be substituted with the following new Article 37 (7) (a), (b), (c), (d), (e):

#### **35. (7) Any director may appoint an Alternate Director by notice in writing left at the office and it shall be required to comply with the following requirements;**

- a) Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.
- b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive of the Listed Entity.
- c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in the Listing Rules and the company shall satisfy the requirements relating to the minimum number of Independent Directors specified in the Listing Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.
- d) The company shall make an immediate Market Announcement regarding the appointment of an Alternate Director as per the Listing Rules of the Colombo Stock Exchange.
- e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.

BY ORDER OF THE BOARD OF  
LOTUS HYDRO POWER PLC

#### **S S P CORPORATE SERVICES (PRIVATE) LIMITED**



SECRETARIES

18<sup>th</sup> August 2025

#### Notes:

1. Any member/s is/are entitled to attend and vote is/are entitled to appoint a proxy in his stead.
2. A form of Proxy accompanies this notice. A proxy need not be a shareholder.
3. Instruments appointing proxies must be lodged with the Company not less than 48 Hours before the meeting.

# FORM OF PROXY

## LOTUS HYDRO POWER PLC – PV 7385 PB / PQ

I/We.....of  
.....being  
a member/members of Lotus Hydro Power PLC hereby appoint Mr./Mrs./Ms.....  
(NIC No.....) of..... whom failing,

Mr. Gary Donald Seaton	whom failing,
Mr. Athukorala Udumullage Asantha Menaka Athukorala	whom failing,
Mr. Krishnamoorthy Gowri Shankar	whom failing,
Dr. Thirugnanasambandar Senthilverl	whom failing,
Mr. Pattage Mayurasiri Bandula Fernando	whom failing,
Dr. Rohantha Neville Anthony Athukorala	

as my /our proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held on 12<sup>th</sup> September 2025 at 10.30 a.m at Park Premier Banquet Hall, Excel World, No. 338 T. B. Jayah Mawatha, Colombo 10 and at any adjournment thereof.

	FOR	AGAINST
1. To receive and consider the Annual Report of the Board of Directors and the Audited Financial Statements for the year ended 31 <sup>st</sup> March 2025 together with the Report of the Auditors thereon.	<input type="radio"/>	<input type="radio"/>
2. To re-elect Mr. K.G Shankar as a Director who retires by rotation in accordance with Article 24(6) of the Articles of Association of the Company.	<input type="radio"/>	<input type="radio"/>
3. To re-elect Mr. A.U.A.M. Athukorala as a Director who retires by rotation in accordance with Article 24(6) of the Articles of Association of the Company.	<input type="radio"/>	<input type="radio"/>
4. To re-elect Mr. P.M.B. Fernando as a Director of the Company in terms of Article 24 (2) of the Articles of Association of the Company.	<input type="radio"/>	<input type="radio"/>
5. To re-elect Dr. R.N.A. Athukorala as a Director of the Company in terms of Article 24 (2) of the Articles of Association of the Company.	<input type="radio"/>	<input type="radio"/>
6. To re-appoint Mr. Gary Donald Seaton, who is over 70 years of age as a Director of the Company, by passing the ordinary resolution set out in the Notice of Meeting.	<input type="radio"/>	<input type="radio"/>
7. To re-appoint Dr. Thirugnanasambandar Senthilverl, who is over 70 years of age as a Director of the Company, by passing the ordinary resolution set out in the Notice of Meeting.	<input type="radio"/>	<input type="radio"/>
8. To re-appoint M/s KPMG, Chartered Accountants as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and authorize the Directors to determine their remuneration.	<input type="radio"/>	<input type="radio"/>
9. To authorize the Directors to determine contributions to charities and other donations for the year 2025/2026 until the next Annual General Meeting.	<input type="radio"/>	<input type="radio"/>
10. To consider and if thought fit to pass the Special Resolutions as set out in the Notice of Meeting."	<input type="radio"/>	<input type="radio"/>

(a)\*Please delete the inappropriate words.

(b) Instructions are noted on the reverse hereof.

Please provide the following details;

Full Name of the Shareholder : .....

CDS A/C No/ NIC No/Company Reg No. : .....

E - Mail address : .....

Folio No/ No of Shares held : .....

Full Name of the Proxy holder : .....

Proxy holder's ID No (if not a Director) : .....

Proxy holder's E - Mail address : .....

## INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY:

1. Please complete the Form of Proxy after filling in legibly your full name, NIC Number and address and by signing in the space provided.
2. To be valid, this Form of Proxy must be deposited at the Registered Office of the Company, Lotus Hydro Power PLC, 2<sup>nd</sup> Floor, No. 168, Negombo Road, Peliyagoda not less than 48 hours before the time appointed for holding the meeting.
3. Please indicate clearly how your proxy is to vote on the resolution. If no indication is given, the proxy in his discretion may vote as he thinks fit.
4. If the shareholder is a Company or body corporate, a form of Corporate Representation executed under its Common Seal in Accordance with its Articles of Association or Constitution should be submitted.
5. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the company along with the Form of Proxy.
6. Any Shareholder / Proxy attending the Annual General Meeting is kindly requested to bring with him/her the National Identity Card or any other form of valid identification

# CORPORATE INFORMATION

## NAME OF COMPANY

LOTUS HYDRO POWER PLC

## LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka on 24<sup>th</sup> April 2000 under the Compaies Act No.07 of 2007 and is a BOI approved Company quoted on Colombo Stock Exchange.

## DATE OF INCORPORATION

24<sup>th</sup> April 2000

## COMPANY REGISTRATION NO.

PV 7385 PB/PQ

## DIRECTORS

### Mr. Gary Seaton

*Chairman/Executive Director*

### Mr. Menaka Athukorala

*Executive Director*

### Mr. Gowri Shankar

*Non-Executive Director*

### Dr. Thirugnanasambandar Senthilvel

*Non-Executive Director*

### Mr. Mayura Fernando

*Senior Independent Non-Executive Director (appointed w.e.f. 31<sup>st</sup> December 2024)*

### Mr. Rohantha Athukorala

*Independent Non-Executive Director (appointed w.e.f. 22<sup>nd</sup> July 2025)*

### Mr. Uditha Palihakkara

*Former Senior Independent Non-Executive Director (resigned w.e.f. 31<sup>st</sup> December 2024)*

### Mr. Indrajith Fernando

*Former Senior Independent Non-Executive Director (resigned w.e.f. 22<sup>nd</sup> July 2025)*

## REGISTERED OFFICE

2<sup>nd</sup> Floor, No. 168, Negombo Road,  
Peliyagoda, Sri Lanka.

## BUSINESS OFFICE

2<sup>nd</sup> Floor, No. 168, Negombo Road,  
Peliyagoda, Sri Lanka.

Tel No.: +94112983277

## COMPANY SECRETARIES

S S P Corporate Services (Pvt) Ltd  
No. 101, Inner Flower Road, Colombo 03.

## AUDITORS

KPMG, Chartered Accountants,  
32 A, Sir Mohamed Macan Markar  
Mawatha , Colombo 03.

## BANKERS

Sampath Bank  
National Development Bank PLC  
Nations Trust Bank PLC  
Hatton National Bank PLC  
Seylan Bank PLC

