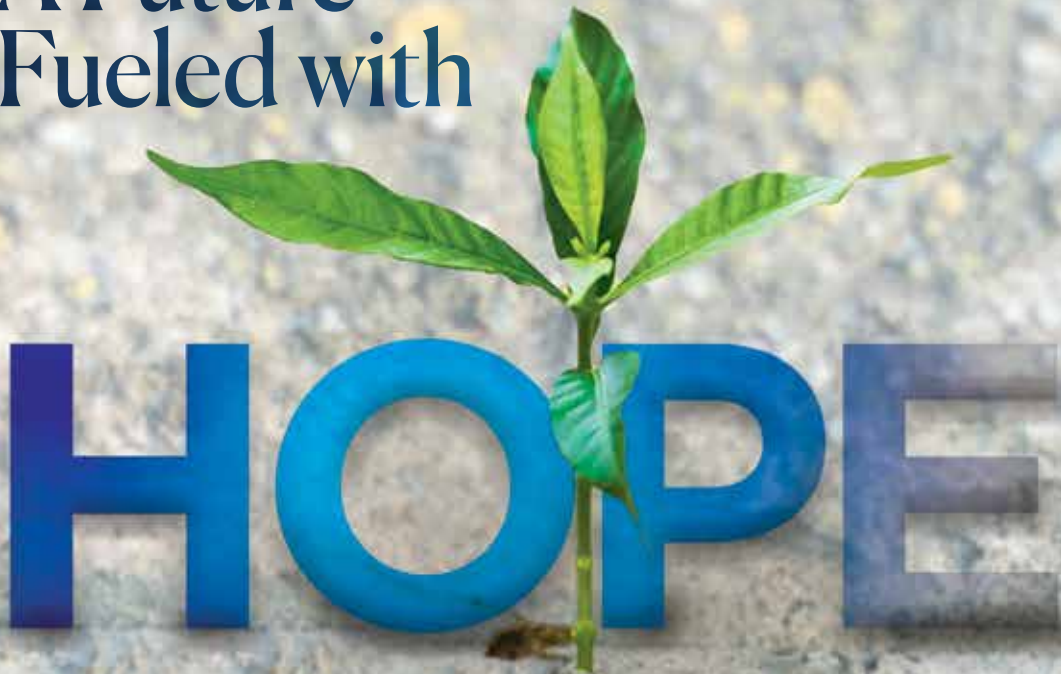




**Panasian Power PLC**

**A Future  
Fueled with**



ANNUAL REPORT 2023/24

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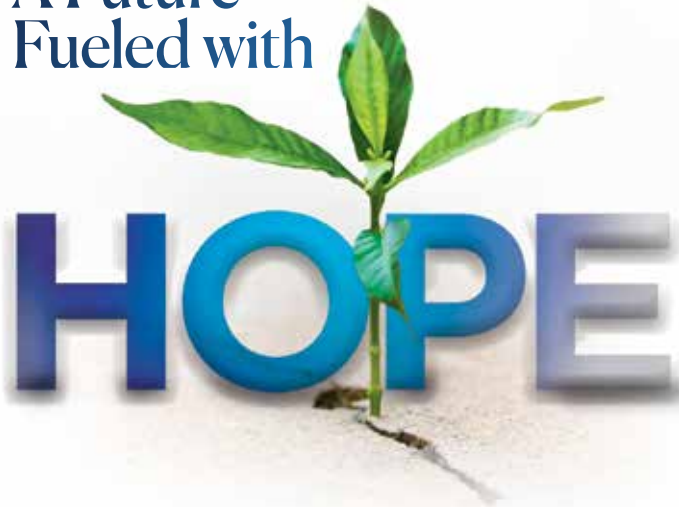
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**Inner Back** Cover Corporate Information

A Future  
Fueled with



At Panasian Power PLC we envision a world where energy is a catalyst of sustainable progress, where every unit of electricity generated sparks new possibilities and every electron transmitted carries the promise of a better tomorrow.

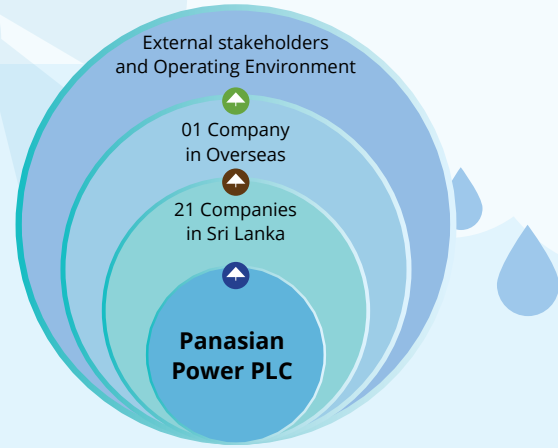
With unwavering dedication, we harness the forces of nature – wind, sun, water, and earth – to generate clean, renewable energy. Through state-of-the-art technologies and forward-thinking solutions, we strive to minimise our carbon footprint, safeguarding the environment for future generations.

We recognise the transformative power of energy to uplift communities and drive social change. In every endeavour, we remain guided by our unwavering belief in the power of hope. As we look towards the horizon, we see a future ablaze with possibility, where clean sustainable energy creates a platform for a greener future. In that future, we stand steadfast as a beacon of hope, illuminating the path forward with unwavering resolve.



**Panasian Power PLC**

# ABOUT OUR INTEGRATED REPORT



## Renewable Energy Today's resource for a brighter tomorrow

We are pleased to present our fifth integrated annual report which encompasses the progress and achievements we have made during the financial year ending 31 March 2024. This report aims to provide a concise, holistic, and balanced review of Panasian Power PLC's (herein referred to as 'PAP' or 'the Company') financial, social, environmental and governance performance while providing a fair account of how we directed strategy in the context of our operating environment to create value for our stakeholders. In spite of the economic uncertainty prevalent in the country, PAP has continuously focused on accomplishing its strategic objectives, while ensuring sound governance and transparent, reliable and timely reporting.

### SCOPE AND BOUNDARY

This report covers the financial and non-financial performance of Panasian Power PLC and its subsidiaries, joint ventures located in Sri Lanka, collectively referred to as the Group. These entities are administratively arranged into 03 Sectors. Financial and non-financial reporting boundaries are aligned and extend to the operating environment and external stakeholders. The report sets out how we create, preserve, or erode value through our business activities.

Key changes to the group's organisational structure/supply chain in 2023/2024 were as follows;

- ◆ Establishment of PAP SPGM Solar (Pvt) Ltd, PAP MHPL (Pvt) Ltd, PAP EGSS Solar (Pvt) Ltd, PAP PTS Solar (Pvt) Ltd, R-E-D Capital Asia (Pvt) Ltd to undertake new ground mounted 5 Mws solar projects in 07 Locations.
- ◆ Signed Master Supplier Agreement with LONGi Solar Technology Co. Ltd in China

While the overall scope and boundary remain consistent with the previous report for the FY 2022/23, this current report emphasizes the company's progress in non-financial aspects. All previous reports, including the recent FY 2022/23 report, are accessible for viewing and download on the corporate website ([www.panasianpower.com](http://www.panasianpower.com), investors tab). No changes took place in the Company's size, shareholding, structure or supply chain during the year under review and there are no major restatements made to financial and non-financial information disclosed in the previous Annual Report.

### MATERIALITY

Determination of what is material to us includes a systematic, company wide materiality assessment process. The assessment is based on the principle of double materiality which considers potential implications on the organisation as well as impacts on people and the environment. This report discloses our risks, opportunities, macro trends and other considerations that impact materiality on our six capitals and our ability to create, preserve and minimise erosion of value for our stakeholders. A comprehensive process has been

This integrated report concentrates on the International Integrated Reporting Council's (IIRC) <IR> Framework, which encompasses the six capitals:

- ◆ Financial Capital
- ◆ Manufactured Capital
- ◆ Intellectual Capital
- ◆ Human Capital
- ◆ Natural Capital
- ◆ Social and Relationship Capital

The <IR> Framework provides a comprehensive and holistic perspective on the Company's activities and their impact on various forms of capital, reflecting its commitment to transparent and integrated reporting practices and by pursuing this framework, the report aims to effectively communicate the Company's advancements in creating value for stakeholders across these diverse capital categories.

implemented to determine the material aspects, which is further elaborated on page 32 to 34 of this report. By focusing on materiality, the Company also aims to drive performance, enhance its sustainability framework, and integrate its corporate governance philosophy across all levels.

### REPORTING FRAMEWORKS

The preparation of this integrated annual report is guided by the following statutory provisions, best practices, policies and guidelines by the relevant governing and regulatory bodies.

FINANCIAL STATEMENTS	NARRATIVE REPORT	SUSTAINABILITY REPORTING	CORPORATE GOVERNANCE REPORT
<ul style="list-style-type: none"> <li>Sri Lanka Financial Reporting Standards</li> <li>Companies Act No 7 of 2007</li> <li>Listing requirements of Colombo Stock Exchange</li> <li>Sri Lanka Accounting Standards</li> </ul>	<ul style="list-style-type: none"> <li>Integrated Reporting Framework.</li> <li>Guideline for the presentation of Annual Reports issued by CA Sri Lanka.</li> </ul>	<ul style="list-style-type: none"> <li>GRI standard (2021) of the Global Reporting System.</li> <li>Non- Financial Reporting Guidelines issued by CA Sri Lanka.</li> <li>Sustainable Development Goals. (SDG)</li> <li>Gender Parity Reporting Framework of Sri Lanka.</li> </ul>	<ul style="list-style-type: none"> <li>Listing requirements of the Colombo Stock Exchange.</li> <li>Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2017).</li> </ul> <p><i>CA Sri Lanka issued an update code of best practice on corporate Governance (2023) in December 2023. The updated code has been revealed and will be adapted to the extent of business exigency and as required by the Panasian Power PLC</i></p>

### REPORTING ENHANCEMENTS

- Improved our ESG reporting
- Improved connectivity throughout the report
- Continued efforts to make the report more concise
- Aligning the Corporate Governance Report to new listing rules

### FORWARD LOOKING STATEMENT

This report includes forward looking statements based on external and internal information available at present to facilitate assessment of the Group's prospects. These statements are associated with a high level of uncertainty due to the high levels of uncertainty and volatility in the global and local economic outlook. The outcomes and impacts of some of these statements relate to future events which are beyond our control but can have a significant impact in the Group's ability to create value. Readers are advised to make their own judgements using the latest information available at the time of assessment due to the elevated levels of

uncertainty in forward looking statements. All forward looking statements are provided without recourse or any liability whatsoever to the Board or other preparers of the Annual Report due to the reasons enumerated above.

### ASSURANCE

Assurance for the content embodied in this Integrated Report is reinforced by a carefully vetted combination of internal and external sources. The information included in this report has received approval from the leaders of respective business units, and has been scrutinized by the Corporate Management Team prior to submission to the Board of Directors for final approval. To ensure the accuracy and reliability of PAP's Financial Statements as of 31 March 2024, an independent review was conducted by the company's external auditors, M/S Earnst & young. The findings of their review are provided in detail on pages 129,130 of this report. This external validation strengthens the credibility and transparency of the financial information presented in the report.

Capitals	
Financial	
Manufactured	
Human	
Intellectual	
Social & Relationship	
Natural	
Strategic Pillars	
Shared Prosperity through portfolio growth	
Customer centricity	
Inclusive business models	
Inspired teams	
Preserving and regenerating nature	
Stakeholders	
Shareholders	
Employees	
Customers	
Suppliers	
Business Partners	
Communities	
Government	

### BOARD RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility to ensure that the Integrated Annual Report provides a balanced view of its performance in 2023/2024 and is of the opinion that it addresses all material issues that it believes may have a bearing on the Company's capacity to create value over the short term. The Corporate Management team prepared and reviewed the Integrated Annual Report and submitted the same to the Board Audit Committee who recommended the reports to the Board for approval in accordance with the delegation of authority. The reports were unanimously approved by the Board on 03 June 2024

### FEEDBACK

PAP welcomes stakeholder feedback on this report and other matters at [info@panasianpower.com](mailto:info@panasianpower.com) as part of its ongoing commitment to enhancing reporting quality.

- [www.panasianpower.com](http://www.panasianpower.com)
- [info@panasianpower.com](mailto:info@panasianpower.com)
- +94 11 4501 200  
+94 11 4651 114
- +94 11 4506 412
- Level 4,BTL Shipping House,  
No. 45/2, Braybrooke Street,  
Colombo 02



Available Forms  
**Panasian Power PLC**  
Annual Report 2023/24



# ABOUT US

*'A transition to clean energy is about making an investment in our future' – Gloria Reuben*

Panasian Power PLC (PAP) acclaims the honour of being Sri Lanka's pioneering supplier of clean and renewable energy. The company commenced operations in 2002 under the guidance of Sri Lanka Board of Investment and has since then advanced its operations to become a leader in the renewable energy industry, demonstrating excellence in operating mini hydro, ground and rooftop solar plants.

PAP is dedicated to developing renewable energy solutions that reduce carbon emissions, enhance energy security, and promote economic prosperity, and has adopted an integrated business model through which it builds, owns and operates renewable energy projects as an independent power producer and project developer. With a diversified renewable energy portfolio comprising of over 22.4 MW of generation capacity, PAP remains at the forefront of driving the renewable energy revolution forward.

PAP also reserves the exclusive right as the authorised channel partner for SUNGROW inverters and master supplier agreement with LONGi solar panels in Sri Lanka, offering a wide range of inverters and solar panels to satisfy the growing energy demands.

## OUR VISION

We only have one planet, and the widespread use of fossil fuels has caused irreparable damage to it. We want to protect the environment by becoming a leader in diversified sustainable renewable energy solutions in the Global South.

---

## OUR MISSION

- PAP produces clean renewable energy from hydro, solar and other renewable sources in Asia and Africa.
- We own and manage projects that are best in class from a technology, design and efficiency point of view and provide market leading returns through innovative financing solutions, and are the preferred partner for customers, suppliers, employees and investors
- We value fair compensation, room to grow, training, a healthy, creative work environment, and respect for diversity. We care for our communities and environment actively. We are an innovative dynamic energy solutions provider.

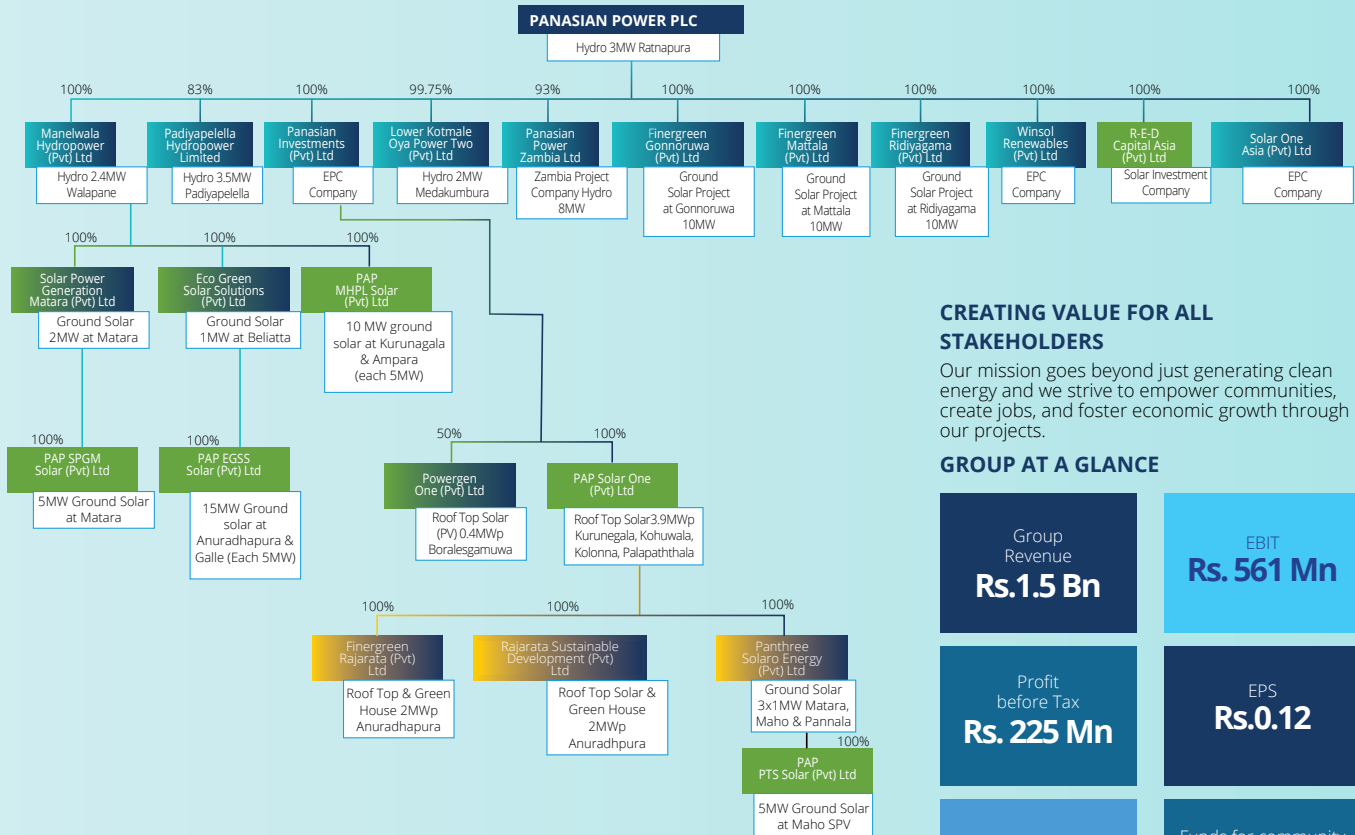
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## OUR VALUES

<p><b>ACCOUNTABILITY:</b> Responsibility to all our stakeholders</p>	<p><b>BIAS FOR ACTION:</b> We are driven to get results, swiftly</p>	<p><b>INTEGRITY:</b> Treat others with respect and honesty and are true ourselves</p>
<p><b>INNOVATIVE:</b> Develop outside the box solutions</p>	<p><b>PASSION:</b> Passion for renewable energy solutions</p>	<p><b>QUALITY:</b> What we do, we do well</p>

**Global Projects**

GROUP STRUCTURE



CREATING VALUE FOR ALL STAKEHOLDERS

Our mission goes beyond just generating clean energy and we strive to empower communities, create jobs, and foster economic growth through our projects.

GROUP AT A GLANCE

Group Revenue <b>Rs.1.5 Bn</b>	EBIT <b>Rs. 561 Mn</b>
Profit before Tax <b>Rs. 225 Mn</b>	EPS <b>Rs.0.12</b>
No of Employee <b>74</b>	Funds for community developments <b>Rs.6.6 Bn</b>

Clean energy generated  
**56,944,421 kWh**

Total Installed Capacity  
**22.4 MW**

Number of trees saved  
**3,001,842**

**42,234 MT CO<sub>2</sub> avoided**

STRATEGIC DIFFERENTIATORS

- Purpose-led business
- Extensive and solid partnerships
- Diverse businesses and geographical presence
- Employee value proposition
- Robust corporate governance
- Strong balance sheet

VALUE CREATION DURING 2023/2024

	2024	2023	Variance
<b>Value Generated</b>			
Revenue	1,490,346,698	1,104,079,462	47%
Other Income	8,132,933	10,713,266	(24%)
Finance Income	23,826,667	6,920,888	244%
Impairment Loss Reversal	960,976	-	100%
Revaluation Gain	23,965,067	-	100%
Share profit of equity accounted investees	1,798,865	-	100%
<b>Total</b>	<b>1,549,031,206</b>	<b>1,031,713,617</b>	<b>50%</b>
<b>Value Distributed</b>			
Operational Cost	665,634,856	719,327,473	-7%
Salary and wages	95,042,897	82,637,960	15%
Payment Made to Fund Providers	361,111,049	422,082,558	-14%
EPF & ETF	8,172,719	7,413,040	10%
Corporate Taxes	119,447,463	49,207,036	143%
Expenses on CSR	6,593,860	2,824,178	133%
<b>Total</b>	<b>1,256,002,844</b>	<b>1,283,492,245</b>	<b>-2%</b>
<b>Value Retained</b>			
Depreciation and Amortization	193,368,614	209,170,752	-7%
Profit after Tax	99,659,748	(460,798,622)	122%

# PROJECT PORTFOLIO

## MINI HYDRO POWER PROJECTS

### RATHGANGA MINI HYDROPOWER PROJECT

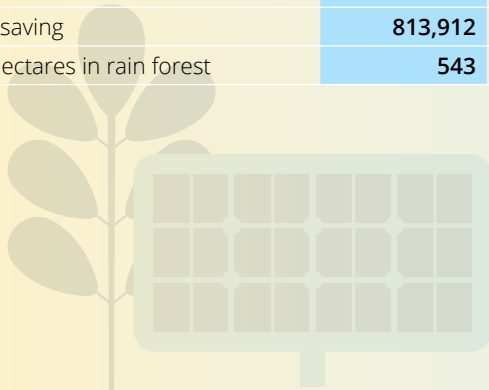
<b>Year of Commission</b>	<b>2004</b>	
Installed Capacity (MW)	3	
Annual Expected Energy (GWH)	11	
<b>Operational Highlights</b>	<b>2024</b>	<b>2023</b>
Power Generation (kWh)	<b>14,133,148</b>	12,505,807
Plant Factor (%)	<b>54</b>	42.58
Reduction in CO2 (MT)	<b>10,487</b>	9,259
Nos of Tree saving	<b>781,281</b>	681,000
Equivalent hectares in rain forest	<b>521</b>	454

### MANELWALA MINI HYDROPOWER PROJECT

<b>Year of Commission</b>	<b>2008</b>	
Installed Capacity (MW)	2.4	
Annual Expected Energy (GWH)	7.8	
<b>Operational Highlights</b>	<b>2024</b>	<b>2023</b>
Power Generation (kWh)	<b>7,416,891</b>	8,781,674
Plant Factor (%)	<b>35.28</b>	41.76
Reduction in CO2 (MT)	<b>5,503</b>	6,502
Nos of Tree saving	<b>409,974</b>	478,470
Equivalent hectares in rain forest	<b>274</b>	319

### PADIYAPELELLA MINI HYDROPOWER PROJECT

<b>Year of Commission</b>	<b>2017</b>	
Installed Capacity (MW)	3.5	
Annual Expected Energy (GWH)	11.9	
<b>Operational Highlights</b>	<b>2024</b>	<b>2023</b>
Power Generation (kWh)	<b>14,723,433</b>	17,348,802
Plant Factor (%)	<b>48.02</b>	56.58
Reduction in CO2 (MT)	<b>10,925</b>	12,845
Nos of Tree saving	<b>813,912</b>	945,300
Equivalent hectares in rain forest	<b>543</b>	630





## GROUND MOUNTED SOLAR POWER PROJECTS

PROJECT LOCATION	Beliatta	Matara 1	Matara 2	Matara 3	Maho	Pannala
Year of Commission	2019	2021	2021	2021	2021	2022
Installed Capacity (MW)	1MW	1MW	1MW	1MW	1MW	1MW
Annual Expected Energy (GWH)	10.43					
Operational Highlights		2024				
Power Generation (kWh)	1,441,623	1,652,209	1,838,444	1,723,096	1,709,934	1,625,899
Plant Factor (%)	16.46	18.86	20.99	19.67	21.69	20.62
Reduction in CO2 (MT)	1,070	1,226	1,364	1,279	1,269	1,206
Nos of Tree saving	58,833	67,427	75,027	70,320	69,782	66,353
Equivalent hectares in rain forest	39	45	50	47	47	44

PANNALA 1MW



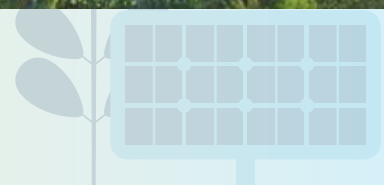
MATARA 3MW



MAHO 1MW



BELIATTA 1MW



# PROJECT PORTFOLIO

## ROOF TOP SOLAR POWER PROJECTS

PROJECT LOCATION	Boralesgamuwa	Kolonna	Kohuwala	Palapathwala	Narammala	Uhumeeya	Melsiripura	Mawathagama ECO	Mawathagama Foundation
Year of commission	2018	2018	2018	2019	2019	2019	2019	2019	2019
Installed Capacity MW (AC)	300KW	250KW	350KW	600KW	233KW	550KW	300KW	583KW	400KW
Annual Expected Energy GWH	3.97								
Operational Highlights	2024								
Power Generation (kWh)	348,857	265,148	416,091	721,438	238,363	548,211	411,647	761,270	511,361
Plant Factor (%)	13.27	12.11	15.83	13.73	11.68	13.91	15.66	14.91	14.59
Reduction in CO2 (MT)	258	196	308	534	176	406	305	563	379
Nos of Trees saving	19,238	14,622	22,945	39,784	13,145	30,231	22,700	41,980	28,199
Equivalent Hectares in rain forest	13	10	15	27	9	20	15	28	19

BORALESGAMUWA 300KW



KOLONNA 250KW



MAWATHAGAMA ECO 583KW



NARAMMALA 233KW



PALAPATHWALA 600KW



UHUMEEYA 550KW



KOHUWALA 350KW



MAWATHAGAMA FOUNDATION 400KW



MELSIRIPURA 300KW



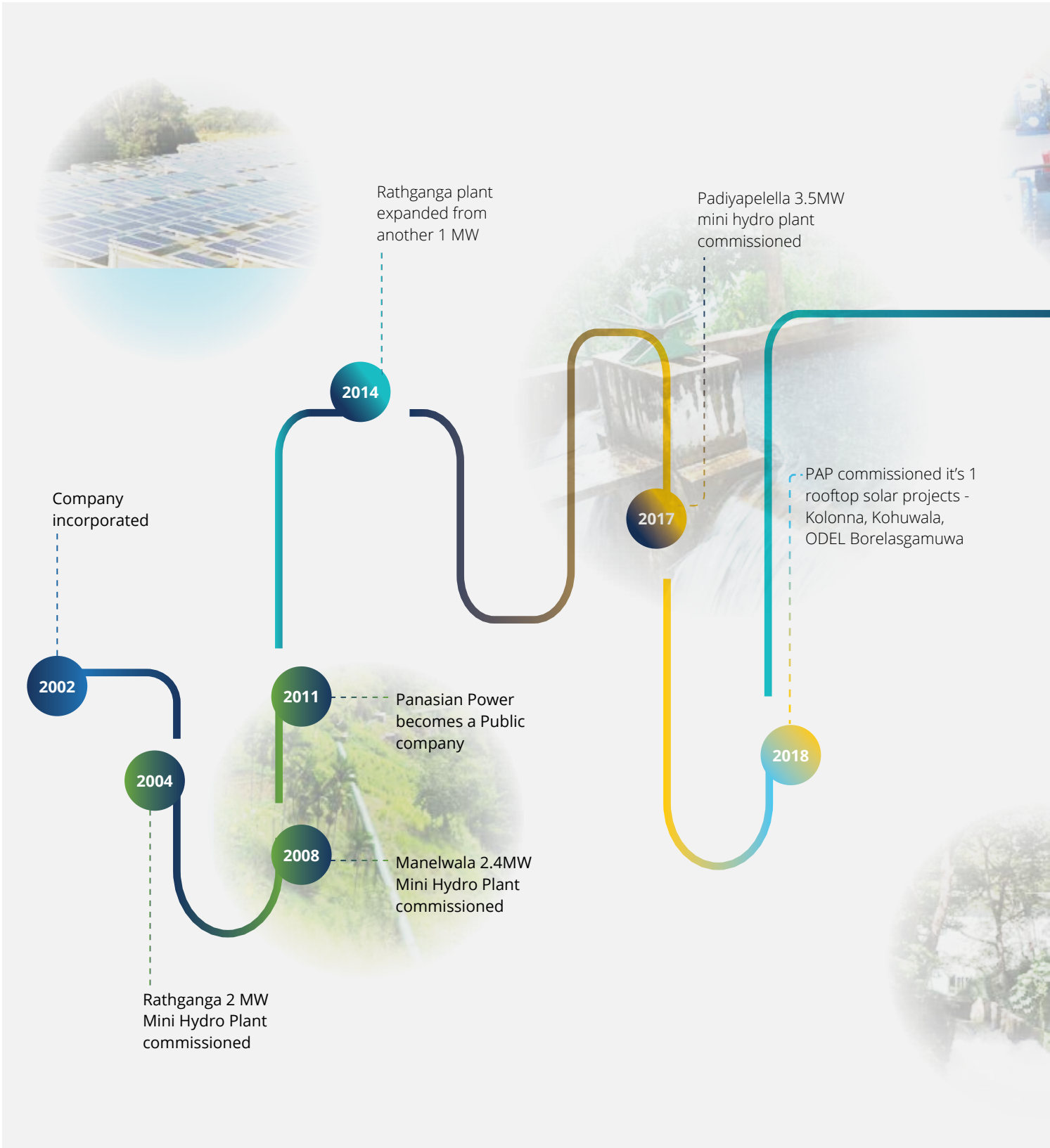
## ROOF TOP SOLAR - GREEN HOUSE PROJECTS

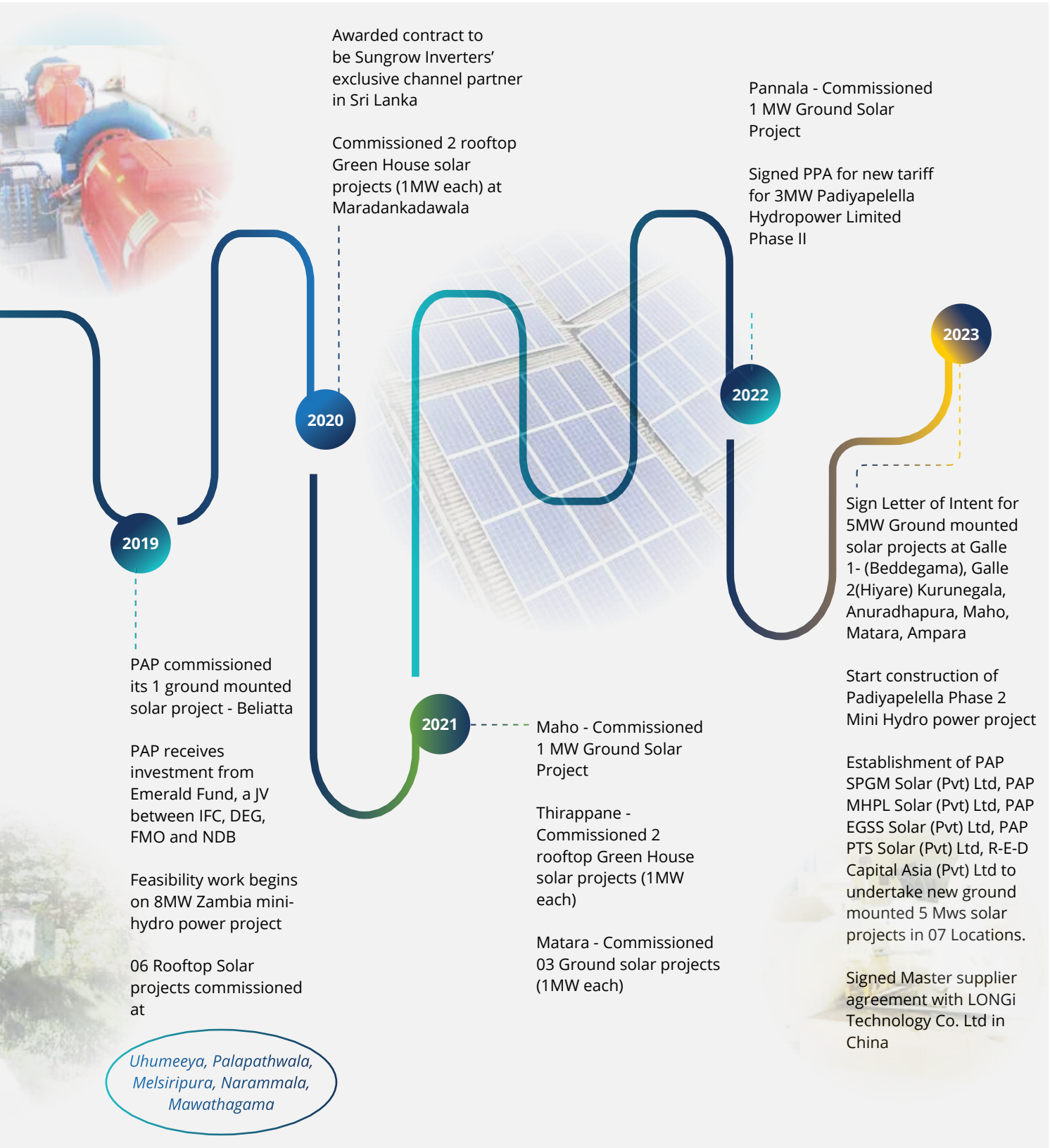
Project Location	Maradankadawala	Thirappane	Maradankadawala	Thirappane
Year of commission	2020	2021	2020	2021
Installed Capacity MW (AC)	1MW	1MW	1MW	1MW
Annual Expected Energy GWH	7			
Operational Highlights	2024			
Power Generation (kWh)	1,692,215	1,481,049	1,674,911	1,609,183
Plant Factor ( %)	19	18	19	18
Reduction in CO2 (MT)	1,253	1,096	1,240	1,191
Nos of Trees saving	93,317	81,672	92,3623	88,738
Equivalent Hectares in rain forest	62	54	62	59

MARADANKADAWALA 2MW & THIRAPPANE 2MW



# OUR JOURNEY





# AWARDS AND ACCOLADES



**TAGS Awards 2023** conducted by the Institute of chartered Accountants of Sri Lanka.

**Gold Award - Power & Energy sector**



**Best management practices.** Merit award organized by Chartered professionals management of Sri Lanka. (CPM)



**National Business Excellence Awards 2023** conducted by the National Chamber of Commerce of Sri Lanka. Merit Award - Infrastructure & utilities sector.



**ISO 14001:2015 Environmental Management System**  
**ISO 45001:2018 Occupational Health and Safety Management System**



**Renewable Energy cricket championship 2023** conducted by Sustainable Energy Authority of Sri Lanka  
**Women's Champion**



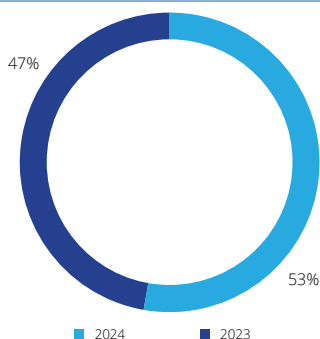
# PERFORMANCE HIGHLIGHTS

		2024	2023	YOY%
<b>Earning Highlights and Ratios</b>				
Group Revenue	Rs.	<b>1,490,346,698</b>	1,014,079,462	47%
Earnings before Interest, Taxes (EBIT)	Rs.	<b>560,694,604</b>	427,637,782	31%
Income Tax	Rs.	<b>125,549,343</b>	470,122,524	-73%
Profit/(loss) After Tax	Rs.	<b>99,659,744</b>	(460,798,622)	122%
Group Profit/(loss) attributable to owners of the parent	Rs.	<b>72,027,968</b>	(479,458,516)	115%
Dividends	Rs.	<b>125,000,000</b>	-	100%
<b>Financial Position Highlights and Ratios</b>				
Gross Profit Margin	%	<b>52%</b>	65%	-21%
Operating Profit Margin	%	<b>38%</b>	42%	-10%
Net Profit Margin	%	<b>7%</b>	-45%	115%
Earnings per share (Basic)	Rs.	<b>0.12</b>	(0.77)	115%
Return on Assets (ROA)	%	<b>2%</b>	-9%	120%
Return on Capital Employed (ROCE)	%	<b>12%</b>	11%	14%
Interest Cover	No of times	<b>1.55</b>	1.01	53%
Total Assets	Rs.	<b>5,458,471,056</b>	5,000,045,144	9%
Total Debt	Rs.	<b>1,848,800,190</b>	1,983,950,376	-12%
Equity attributable to equity holders of the Parent	Rs.	<b>2,237,719,734</b>	1,942,102,508	15%
Stated Capital	Rs.	<b>1,030,000,000</b>	1,030,000,000	0%
Gearing		<b>42%</b>	48%	-13%
Equity Asset Ratio	%	<b>225%</b>	236%	-5%
Net Assets per share	Times	<b>3.58</b>	3.11	15%
Current Ratio	No of times	<b>1.15</b>	0.97	19%
Quick Asset Ratio	No of times	<b>0.94</b>	0.89	5%
No of share in Issue	Qty	<b>625,000,000</b>	625,000,000	0%
<b>Market/Shareholder Information</b>				
Market Value per share	Rs.	<b>3.00</b>	3.40	-12%
Dividend Per share	Rs.	<b>0.20</b>	-	0%
Market Capitalization	Rs.	<b>1,875,000,000</b>	2,125,000,000	-12%
Price Earning Ratio	No of times	<b>11.3</b>	-4.43	355%
Dividend Yield ratio	%	<b>7%</b>	-	100%
Dividend Pay out Ratio	%	<b>75%</b>	-	100%
Dividend Cover	No of times	<b>0.80</b>	-	100%
<b>Others</b>				
Value generated	Rs.	<b>1,549,031,206</b>	1,031,713,617	50%
Economic value distributed	Rs.	<b>1,256,002,844</b>	1,283,492,245	-2%
Government	Rs.	<b>119,447,463</b>	49,207,036	143%
Employees	Rs.	<b>103,215,616</b>	90,051,000	15%
Others	Rs.	<b>1,033,339,765</b>	1,144,234,209	-10%
Value added per employee	Rs.	<b>9,184,640</b>	8,088,887	14%
Average revenue per employee	Rs.	<b>20,139,820</b>	15,844,992	27%
Average operating income per employee	Rs.	<b>7,576,954</b>	6,681,840	13%

# PERFORMANCE HIGHLIGHTS

		2024	2023	YOY%
<b>Social Performance</b>				
<b>Employees</b>				
Employees on payroll	No.	74	64	16%
Female representation	%	12%	11%	9%
New recruits	No.	7	14	-50%
Payment to employees	Rs.	110,796,022	95,946,554	15%
No.of training program conducted	No.	12	7	71%
Investments in training	Rs.	4,462,672	900,000	396%
Training hours	Hours	84	33	155%
Retention rate	%	86%	81%	7%
Workplace injuries	Nos.	-	3	-100%
Lost working days	Nos.	-	-	-
<b>Customers</b>				
Customer acquired	No.	14	22	-36%
Revenue generated	Rs.	49,029,306	111,577,403	-56%
<b>Suppliers and Business Partners</b>				
Total number of suppliers	No.	134	35	283%
SME Suppliers	No.	56	20	180%
<b>Community Engagement</b>				
Investment In CSR	Rs.	6,593,860	2,824,178	133%
CSR Beneficiaries	No.	59	26	127%
<b>Governance and Ethics Performance</b>				
Boards of Directors	No.	6	7	-14%
Audit Committees	No.	1	1	-
Remuneration Committees	No.	1	1	-
Related Party Transactions Review Committees	No.	1	1	-
Nomination and Governance Committee	No.	1	1	-
Female Representation on Board	No.	2	2	-
Human Rights Violation	No.	-	-	-
Anti - Corruption Incidents	No.	-	-	-
Instance of Socio Economic Non Compliance	No.	-	-	-
Instance of environmental Non Compliance	No.	-	-	-
<b>ECONOMIC PERFORMANCE</b>				
Foreign Exchange Generated	USD	25,945	3,445	653%
Tax Paid	Rs.	84,355,347	42,466,701	99%
Renewable Energy Generated	kWh	56,944,421	57,080,982	-0.2%

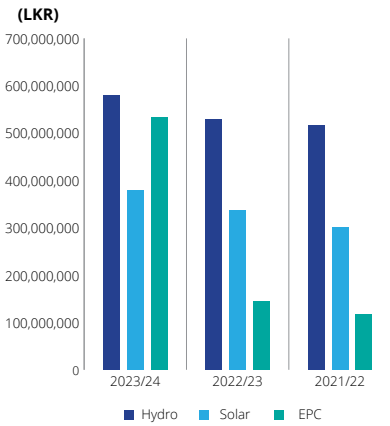
## Energy intensity (Energy per revenue)



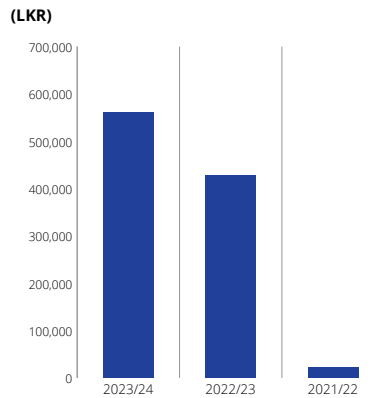


## FINANCIAL HIGHLIGHTS

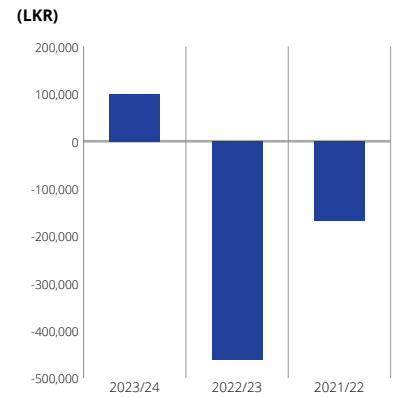
### Group Revenue Mix



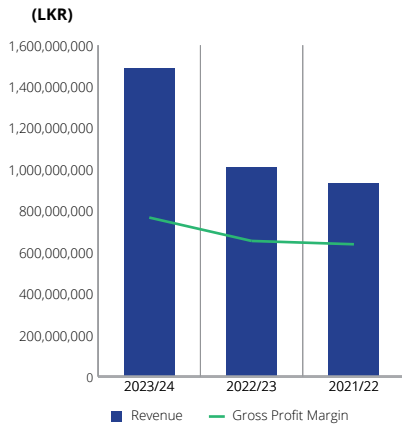
### Earnings before interest and tax



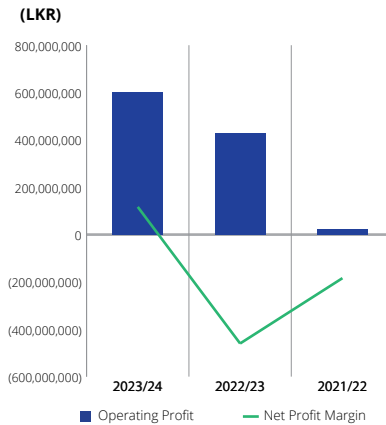
### Profit after taxation



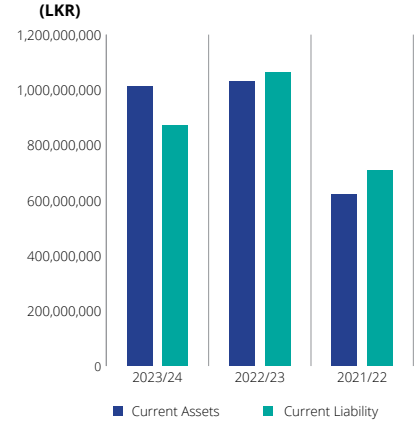
### Revenue vs. Gross Profit Margin



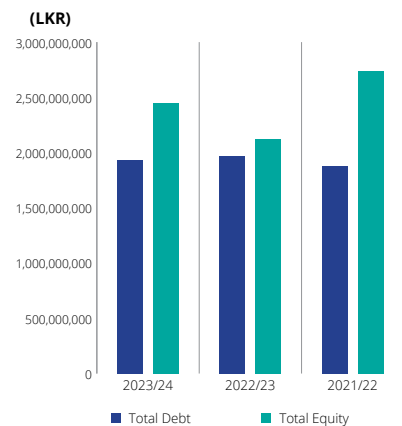
### Operating Profit Vs. Net Profit



### Current Assets Vs. Current Liabilities



### Borrowings Vs Shareholders Funds





# CHAIRMAN'S STATEMENT

Throughout the year under review Panasian Power PLC achieved several significant milestones that highlighted our commitment to innovation, sustainability, and growth in the renewable energy sector.

**L.H.A.L SILVA**

Chairman

*'A Leader is a dealer in hope' – Napoleon Bonaparte*

It is with great pride and enthusiasm that I present the Chairman's Review for the Panasian Power PLC Annual Report for the financial year 2023/24. This review serves as a resounding testament to our steadfast commitment, strategic foresight and the indomitable spirit that defines our distinguished corporation.

Reflecting on the path we have traversed and the significant milestones we have surpassed, I am filled with profound gratitude and respect for each member of our team who has contributed to our journey of exceptional success. The past 12 months of the year under review have been unparalleled, characterized by our adept navigation through challenges with unwavering resolve and strategic acumen. Amidst a backdrop of ongoing global uncertainties, Panasian Power PLC has manifested its resilience and fortitude, establishing unprecedented standards of excellence and steering our organization towards groundbreaking achievements.

## A YEAR OF RESILIENT TRANSFORMATION

FY 2023/24 marked a significant chapter in Panasian Power PLC's journey, one characterized by both resilience and transformative growth. Amidst challenging economic conditions and unpredictable weather patterns, our company not only sustained its operational excellence but also advanced ambitiously towards our goal of being a leader in the renewable energy domain. This year, we saw a remarkable 47% increase in revenue and a 40% rise in profit margins, a testament to our team's hard work and dedication. Our strategic decisions amidst volatile economic conditions played a pivotal role in this achievement, showcasing our capability to not only anticipate, but also capitalize on the opportunities presented by adversity.

Throughout the year under review Panasian Power PLC achieved several significant milestones that highlighted our commitment to innovation,

sustainability, and growth in the renewable energy sector. Our entry into the competitive tendering process marked a pivotal moment, securing six projects out of a 70 megawatt tender, which not only demonstrated our industry competitiveness but also our strategic vision. These milestones, achieved amidst many uncertainties, reflects Panasian Power PLC's resilience and our unwavering dedication to leading the transition towards a more sustainable and energy-secure future.

## STRATEGIC ALIGNMENT AMIDST ADVERSITY

2023/24 presented a unique set of challenges for Panasian Power PLC, particularly due to adverse weather conditions that threatened to disrupt our operational efficiency and energy generation targets. At the outset, prolonged periods of drought and unpredictable rainfall patterns posed significant risks to our hydroelectric projects, which are pivotal to our

energy portfolio. Similarly, our solar projects faced uncertainties due to varying weather patterns which prevailed during the year. However, these challenges underscored the importance of our strategic foresight in diversifying our energy sources, a move that proved instrumental in maintaining operational resilience.

Our strategic decision to invest in a mix of renewable energy sources, including hydro and solar, ensured that we could mitigate the impact to the company's performance due to adverse weather conditions. For instance, when hydro projects were underperforming as a result of reduced rainfall, our solar projects, particularly those equipped with the latest n-type bifacial panels, capitalized on the available sunlight, thus compensating for the shortfall in revenue and, in many instances, surpassing our energy generation targets. This diversification strategy was not a reactionary measure but a calculated approach aligned with our long-term vision to lead in the renewable energy sector by ensuring a stable and reliable energy supply regardless of any other external conditions which affect the continuous supply of electricity.

Moreover, the improved climatic conditions in the latter part of the year provided a significant boost to our operations. The resurgence of rainfall revitalized our hydro projects, allowing them to operate at optimal capacity. Concurrently, the consistent sunlight during these months optimized our solar energy generation, demonstrating the robustness of our diversified energy portfolio. This period of favorable weather, coupled with our strategic operational adjustments and investments in technology, allowed us not only to meet but exceed our generation targets. This achievement is a testament to our strategic alignment with our core mission and vision, showcasing our team's agility and commitment to delivering on our promises, even in the face of adversity. Through these efforts, Panasian Power PLC not only navigated the challenges of 2023/24 successfully

but also set new benchmarks for operational excellence and resilience in the renewable energy industry.

### **GOVERNANCE WITH INTEGRITY AND TRANSPARENCY**

Governance, integrity, and transparency have been the cornerstones of our success this year. Adhering strictly to the governance standards set by the Colombo Stock Exchange and the Securities Exchange Commission, we've maintained a clear and ethical business practice. Our Board, enriched with independent directors, has been instrumental in guiding our strategic direction, ensuring that our achievements are as much about how we reach our goals as they are about the goals themselves. This commitment to ethical governance has not only fostered a culture of accountability within Panasian Power but also strengthened stakeholder trust in our operations.

### **NAVIGATING CHALLENGES WITH ASTUTE LEADERSHIP**

The astute leadership at Panasian Power PLC has been key in navigating the economic and operational challenges of the past year. Through strategic leadership and proactive decision-making, we managed to secure vital concessions and restructure financial facilities in light of delayed payments by the Ceylon Electricity Board (CEB), showcasing our ability to turn potential setbacks into strategic advantages. Our success in the competitive tendering process, where we secured significant projects against the backdrop of economic uncertainty, highlights our competitive edge and the industry's confidence in our capabilities.

### **TECHNOLOGICAL ADVANCEMENTS: POWERING AHEAD**

Technological innovation remains at the forefront of our strategy, with 2023/24 seeing us embrace advancements that enhance our efficiency and sustainability. Our strategic partnerships have allowed us to incorporate the latest in solar PV and hydroelectric technology, notably the adoption of n-type bifacial panels, which

significantly boost our energy production capabilities. These advancements are not just about staying ahead of the curve but are a clear indication of our commitment to leading the transition towards more sustainable energy solutions.

### **SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP**

Our commitment to sustainability and environmental stewardship has been unwavering. This year, our efforts were directed towards ensuring that our projects have minimal environmental impact, complying with the highest standards of sustainability. Regular environmental assessments and the establishment of a dedicated board sub-committee for sustainability, underscore our proactive approach to environmental responsibility, embedding sustainability into every aspect of our operations.

### **EMPOWERING COMMUNITIES: BEYOND BUSINESS**

Beyond our business objectives, Panasian Power PLC is deeply committed to empowering the communities we operate in. Our CSR initiatives this year, from educational support in the Rambewa area to environmental conservation efforts, have made tangible impacts on societal well-being. These initiatives, aimed at fostering sustainable development, illustrate our belief in the importance of contributing positively to the communities that form the backbone of our success.

### **CHARTING THE FUTURE: GROWTH AND EXPANSION**

As we look to the future, Panasian Power PLC is poised for significant growth and expansion. With a robust pipeline of renewable energy projects to be implemented and strategic initiatives aimed at enhancing our market position, we are setting the stage for a future marked by innovation, sustainability, and shared prosperity. Our focus on expanding into new markets, leveraging technological advancements, and fostering strategic partnerships will drive our mission forward, powering not just homes and businesses, but a greener, more sustainable future for everyone.

# CHAIRMAN'S STATEMENT

## A HEARTFELT THANKS TO OUR PANASIAN POWER FAMILY

As Chairman of Panasian Power PLC, I extend my deepest gratitude to our dedicated employees, esteemed board members, valued stakeholders, partners, and loyal shareholders for your unwavering support and commitment throughout the transformative journey of 2023/24. I am particularly thankful to our CEO, whose steadfast leadership and profound dedication have been crucial in navigating Panasian Power PLC through this significant year of transformation. Your collective efforts, trust, and belief in our mission have solidified the foundation of our achievements, propelling us toward our vision of leading the renewable energy sector with integrity, innovation, and excellence.

Together, we have navigated challenges and seized opportunities, laying a solid foundation for a sustainable and prosperous future. Thank you for being an integral part of our Panasian Power family; your dedication and support inspire us to aim higher and achieve greater.



**L.H.A.L Silva**  
Chairman

03 June 2024



# Chief Executive Officer's Review

The renewable energy landscape is experiencing a significant transformation, fueled by ambitious global policy targets, strategic international collaboration, and a shift towards involving the private sector in development projects.

## P.K. PATHMANATHA

Chief Executive Officer /  
Executive Director

*'The greatest gift that a leader can give is hope'*

As the CEO of Panasian Power PLC, I am pleased to present our 2023/2024 Annual Report, reflecting a year marked with significant achievements, strategic milestones and steadfast dedication to our vision of leading a sustainable energy transition. In a year filled with challenges and opportunities, our team's resilience, innovation and commitment have propelled us toward achieving remarkable progress and laying a solid foundation for our future.

### A YEAR OF STRATEGIC TRIUMPHS AND RESILIENCE

In 2024, Panasian Power PLC charted a course through a year of both significant achievements and substantial challenges, underlining our resilience and strategic depth. Achieving a remarkable 47% increase in revenue and growth in profit margins, our success was propelled by the successful deployment of new renewable energy projects and gains in operational efficiency through technological advancements. Strategic alliances with global giants in the solar PV industry like Sungrow Inverters

and LONGi Solar PV modules not only solidified our market position as a key channel partner but also boosted our top-line growth by 47% compared to the previous financial year.

The journey, however, was not without its hurdles. Delayed payments by the Ceylon Electricity Board (CEB), compounded the financial repercussions of the pandemic, posing significant challenges. Our team aptly navigated these issues, securing concessions and restructuring financial agreements to mitigate the impact of these delays to ensure continued growth and stability. These efforts were complemented by our proactive response to regulatory shifts in the energy sector, particularly the government's initiative towards restructuring the CEB and promoting open access to electricity production and supply.

This dynamic approach of overcoming obstacles and seizing opportunities has poised Panasian Power PLC at the forefront of the renewable energy

transition. Our readiness to adapt to regulatory changes, coupled with our strategic positioning for open access in electricity supply, demonstrates our unwavering commitment to innovation and leadership in the renewable energy sector. As we look to the future, Panasian Power PLC remains dedicated to harnessing strategic opportunities and driving sustainable growth, reaffirming our role as a leading force in the global energy landscape.

### NAVIGATING CHALLENGES AMIDST FINANCIAL RISKS AND RESILIENCE

The financial landscape in 2024 was not without its challenges. Navigating the complexities whilst managing financial and operational risks is paramount to our sustained growth and stability. One significant challenge we face is the fluctuation in exchange rates, a critical factor given our reliance on imported components for our power projects and resale in channel partner SBU. To mitigate this risk, we've strategically focused on tendered projects where the tariff is pegged to the dollar up

# CHIEF EXECUTIVE OFFICER'S REVIEW

until the signing of the Power Purchase Agreement (PPA), while PV module and Inverter stocks are maintained for short cycles and pricing formula to manage the exchange impact ensuring that any currency fluctuations will not have a impact on the profitability of business. This approach has provided a measure of security against currency risks. However, for projects operating under unsolicited tariffs, which are not dollar-pegged, we face a heightened exposure to currency fluctuation risks. To combat this, we prioritise the expedited implementation of these projects while imports are done in a timely manner. We also consider financing options with fixed interest rates or caps to protect against the volatility of interest rates, which have seen a significant decrease from the highs of 25-26% to around 11.3%.

Additionally, our strategic focus was extended to managing loans and financial risks, with a particular emphasis on restructuring and securing fixed-rate loans to hedge against fluctuating interest rates. This careful financial management has safeguarded our position and enabled continued pursuit of growth opportunities. However, the financial strain caused by increased finance costs and delayed payments from the CEB necessitated a temporary re-evaluation of our dividend policy.

## UPHOLDING GOVERNANCE AND ETHICAL STANDARDS

Panasian Power PLC has consistently upheld high standards of corporate governance and ethical practices. The Company's Board of Directors, composed of independent and executive directors, demonstrates a commitment of maintaining an unbiased governance structure. Subcommittees, including the Nomination and Governance Committee, and Audit Subcommittee, have played a crucial role in regulatory compliance, risk management, and strategic decision-making. Panasian Power PLC adheres to regulations set by the Colombo Stock Exchange, Securities Exchange Commission, Public Utilities Services Commission, Sustainable Energy

Authority, and Ceylon Electricity Board, fostering a culture of trust and openness. This approach has helped the Company navigate external challenges, such as political uncertainties and economic fluctuations.

## STRENGTHENING COMMUNITY TIES THROUGH CSR INITIATIVES

In 2024, Panasian Power PLC intensified its focus on community support and sustainable growth through diverse Corporate Social Responsibility (CSR) actions. This included blood donation drives, beach cleaning programs and providing aid to villages facing hardships, reflecting our commitment to community health and welfare. Additionally, we financed projects beneficial to communities based on the needs highlighted by local authorities. A key project was constructing a school building in Rambewa, supply essential classroom space for primary students. This effort, underscoring the importance we place on education, showcases our dedication to not only supplying renewable energy but also nurturing strong, sustainable communities.

Our community engagement remains key to our collective success, underlining our commitment beyond energy solutions to impactful social contributions.

## EVOLUTION OF RENEWABLE ENERGY'S AND FUTURE READINESS

The renewable energy landscape is experiencing a significant transformation, fueled by ambitious global policy targets, strategic international collaboration, and a shift towards involving the private sector in development projects. Governments worldwide are aiming for milestones such as achieving 70% renewable energy by 2030. With policy initiatives and partnerships, entered with Sungrow Inverters, Longi Solar Panels, and through agreements such as the Joint Crediting Mechanism (JCM) with Japan we have built a strong foundation for growth. These efforts are supported by financial mechanisms like concessionary loans and subsidies, making renewable projects more viable

and underscoring renewable energy's role in delivering cost-effective, clean power.

This strategic direction is further evidenced by new approaches to project execution, where private entities are increasingly leading large-scale renewable energy developments, previously the domain of utilities like the Ceylon Electricity Board (CEB). The introduction of competitive tenders for solar and wind projects and the adaptation of tariff schemes to reflect true development costs post-economic crisis represent a pivotal shift towards ensuring the sector's financial attractiveness and sustainability.

Simultaneously, Panasian Power PLC is proactively preparing to navigate the uncertainties inherent in the renewable energy sector, emphasizing resilience, operational adaptability, and a commitment to environmental and social responsibility. Our experience with past challenges, such as power interruptions from the CEB, has highlighted the importance of a robust energy integration strategy and the need for diversified energy portfolios to ensure reliable supply. Through strategic planning, a focus on sustainability and adherence to environmental standards, we are equipped to address future challenges, positioning Panasian Power PLC at the forefront of driving the global transition towards a sustainable and reliable energy future.

## ACCELERATING GROWTH THROUGH STRATEGIC INITIATIVES AND TECHNOLOGICAL INNOVATION

Panasian Power PLC is embarking on an ambitious path of growth and diversification in the renewable energy sector, aiming for significant expansion both locally and on the international stage. Our strategy involves the development of substantial projects, including 100-megawatt ventures that highlight our need for foreign investment and collaboration, while also being mindful of the political landscape to ensure project stability. With a goal to

commission 43 megawatts from solar and hydropower projects in the coming year, we are setting a robust agenda for growth that includes exploring the solar PV and wind energy sectors more deeply. This expansion is bolstered by our Engineering, Procurement, and Construction (EPC) services and strategic partnerships with key suppliers like Sungrow Power and Longi Solar, enhancing our revenue potential and solidifying our position in the Solar PV market. We are also pursuing initiatives to create revenue streams pegged to the US Dollar in the RE space with our entry into the African sector through projects in Zambia, which are in the pre-development stage and planning to expedite next year.

Simultaneously, PanAsian Power PLC is committed to integrating state-of-the-art technological innovations to boost the efficiency and sustainability of our operations. The adoption of n-type bifacial panels in our future solar PV projects exemplifies our push towards leveraging the latest advancements to improve energy production. Our dedication to sustainability is further emphasized by our ISO certifications and a focused approach to environmental responsibility, ensuring our projects not only meet but exceed global standards. This dual focus on strategic expansion and technological innovation underlines the Company's mission to lead in the nation's renewable energy transition, demonstrating our comprehensive approach to fostering sustainable growth and environmental stewardship.

## APPRECIATION

Reflecting on a remarkable year, I express my appreciation to all who have journeyed with us. Our employees, the heart of PanAsian Power PLC, have shown incredible dedication and innovation, driving us forward. I extend special thanks to our Chairman for his visionary leadership. To our customers, partners, shareholders, and investors, your trust and support have been pivotal in our strides toward sustainability and completion of groundbreaking projects. Your commitment fuels our mission for a sustainable future.

Looking ahead, we're optimistic and driven, ready to build on our accomplishments and continue our leadership in renewable energy. With our united efforts and shared vision, we're set to achieve even greater milestones, driving sustainable growth for a better tomorrow.

Thank you for your continued trust and support. Here's to a future that's brighter and greener, powered by PanAsian Power PLC. Together, we are not just powering homes and businesses; we are powering a sustainable future for all.



**P.K. Pathmanatha**  
Chief Executive Officer / Executive Director

03 June 2024





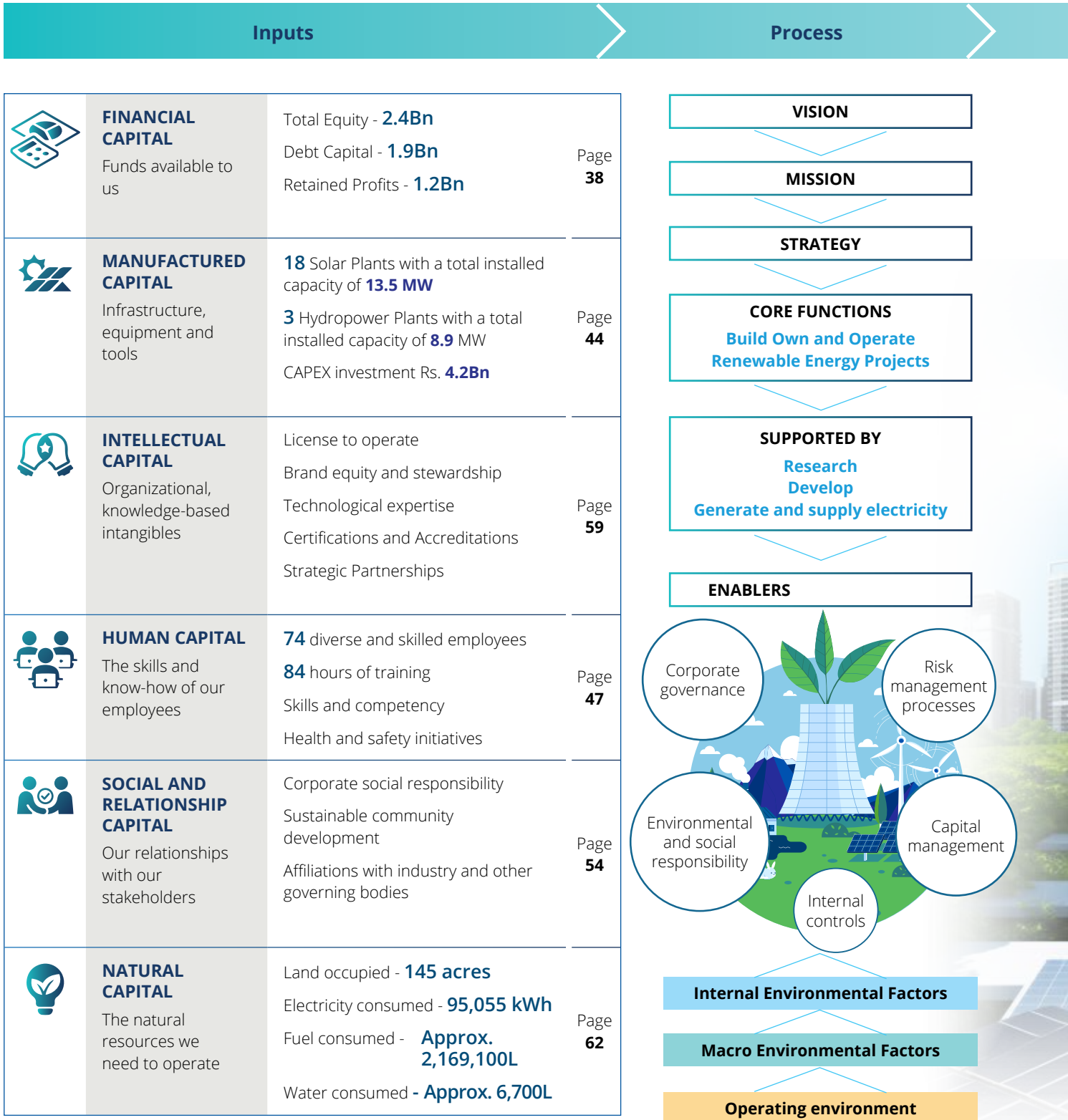


## **MANAGEMENT DISCUSSION AND ANALYSIS**

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35 Operating environment • 38 Financial Capital • 44 Manufactured capital  
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59 Intellectual Capital • 62 Natural Capital

# OUR BUSINESS MODEL

This includes the six capitals that provide inputs to the relationship and resources we employ to create and deliver our group strategy. And describe our risk management framework and policies and our commitment to achieve sustainable development goals together with an evaluation of the economic, social and environmental impacts of our value creation activities.



Outputs

Outcomes

Contribution to SDGs

	<p><b>FINANCIAL CAPITAL</b>                  Profit after tax - <b>100 Mn</b>                  Return on Equity - <b>4%</b>                  Earning per Share - <b>0.12</b></p>
	<p><b>MANUFACTURED CAPITAL</b>                  Efficiency of plant operations resulting in lower costs                  Clean, green and sustainable energy generated</p>
	<p><b>INTELLECTUAL CAPITAL</b>                  Expertise in renewable energy solutions                  Improved brand strength</p>
	<p><b>HUMAN CAPITAL</b>                  Salaries and benefits - <b>95Mn</b>                  Skilled employees in a safe working environment</p>
	<p><b>SOCIAL AND RELATIONSHIP CAPITAL</b>                  Taxes paid - <b>84Mn</b>                  CSR investments - <b>6.5Mn</b>                  Employment opportunities for locals - <b>74</b></p>
	<p><b>NATURAL CAPITAL</b>                  Reduction in CO2 emissions - <b>42,234 MT</b>                  Investment in environmental sustainability - <b>6.5</b></p>

Higher Market Share  
 Financial Growth And Stability

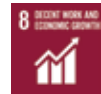
Ensuring Clean, Green And Sustainable Energy Generation  
 Efficiency Of Plant Operations Resulting In Lower Costs

Improving Knowledge Through Innovation  
 Leadership In Renewable Energy Technology Through Partnerships

Greater Career Opportunities Through Training  
 Flexible Working Conditions For Our Employees  
 An Engaged And Motivated Workforce

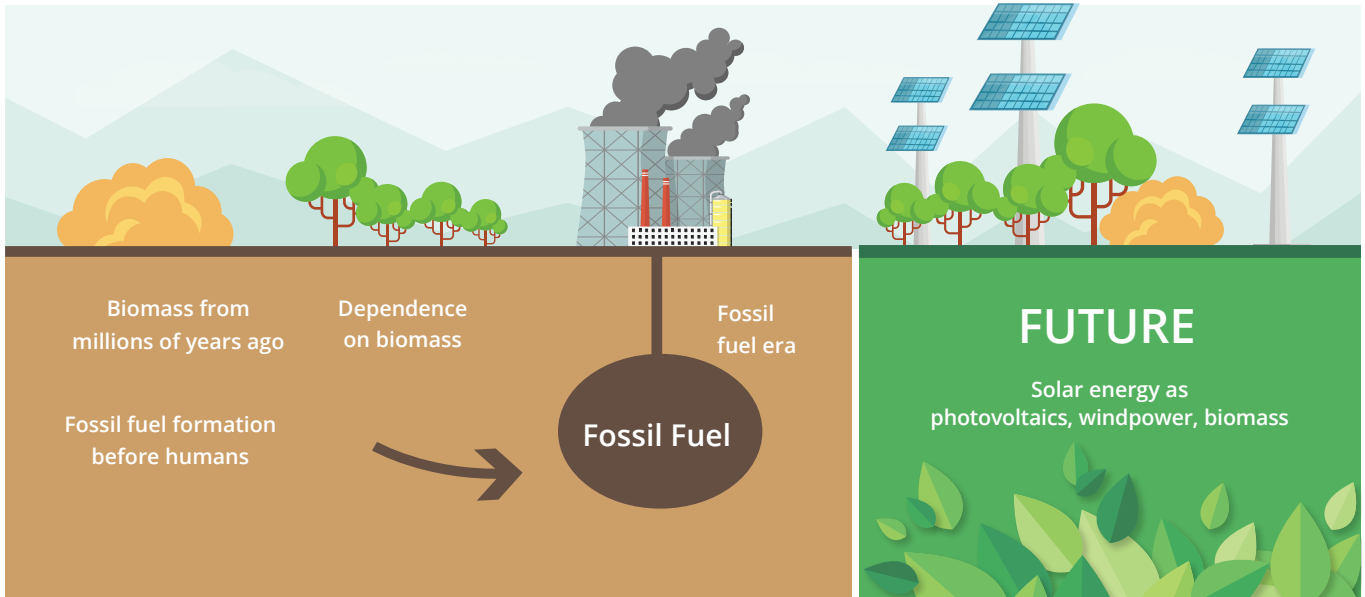
Improved Stakeholder Relationships  
 Supporting The Communities In Which We Operate  
 Efficiency Of Plant Operations Resulting In Lower Costs  
 Strong Standing In The Community

Minimizing Resource Depletion And Protecting The Environment  
 Helping Mitigate Climate Change



# OUR COMMITMENT TO SUSTAINABILITY

It's time to stop burning our planet, and start investing in the abundant renewable energy all around us." **ANTÓNIO GUTERRES**, United Nations Secretary-General



*'Energy is essential for development, and sustainable energy is essential for sustainable development' – Tin Wirth*

Panasian Power PLC's sustainability strategy gives priority to present and potential socioeconomic and environmental impacts identified in our operations. We use stakeholder feedback, desk reviews, expert insights as well as local and global needs identified to prioritise the impacts. To present an example, we studied the targets and indicators within the SDGs prior to aligning with the seven SDGs towards which the Group's companies collectively contribute through.

- ◆ Systemic interventions (i. e. efforts integrated into the business models)
- ◆ CSR interventions (i. e. additional efforts to provide support and support development)

These collective interventions contribute towards reaching the key objectives of the Group to achieve our goals.

Shown below is a synopsis of these efforts:



Panasian Power PLC is committed to sustainability and achieving economic, social, and environmental performance in today's dynamic business landscape requires a sustainability strategy that is executed with discipline. While we are cognisant of the fact that our stakeholders expect us to do business in a manner that ensures our sustenance and thereby continue to create value for them well in to the long-term. Sustainability is an integral part of our business philosophy.

Environmental, Social and Governance practices and metrics are firmly entrenched in our business model. In this context, the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) set up in 2015 by the United Nations General Assembly, forms the perfect blueprint in guiding, enhancing and strengthening our efforts towards achieving sustainable development.

As a renewable energy producer, our operations have a long-term positive impact on the environment and community. We have identified the SDGs most relevant to our business and those that have the greatest impact. By linking SDGs to our own strategy, we are able to make a significant contribution to the UN international development agenda. The following section highlights the progress we have made during FY 2023/24

Our projects are registered under GCC (Global Carbon Council) and IREC (International Renewable Energy Congress) certification systems. GCC and IREC issues Carbon Credits (CC) certifications are based on our renewable energy generated. These carbon credits which are issued can be traded. The companies who create carbon footprints purchase the carbon credits to offset the footprint they generate. PAP generate income by trading these CCs.

**Environment**

**Reducing Carbon Emissions**

**Alignment to SDGs**

The use of renewable energy sources can reduce greenhouse gas emissions and help mitigate the effects of climate change. By relying on clean, renewable sources of energy, such as solar and wind power, we can reduce our dependence on fossil fuels and decrease the amount of harmful pollutants like carbon dioxide that are emitted into the atmosphere.

Page 62 – Natural Capital



	2024	2023
Reduction in CO2 (MT)	42,234	42,265

**Reducing Carbon Emissions**

We contributed to increased energy security by reducing dependence on imported fuels and improving the reliability levels of the energy supply. By relying on locally available resources, such as solar and wind power, our nation can minimise their dependence on foreign energy sources and become more self-sufficient.

Page 54 – Social Capital



	2024	2023
Green Energy Generated (kWh)	56,944,421	57,080,982

**Providing access to energy and energy inclusivity**

Our initiatives seek to provide access to energy to communities that previously lacked it. This can help to reduce poverty and improve quality of life, as access to energy is essential for many aspects of daily life, such as lighting, cooking, and heating.

Page 54 – Social Capital



**Climate positive actions**

- ◆ A dedicated Environment and Social Compliance Officer reviews and monitors PAP's compliance status with all applicable regulatory requirements
- ◆ Adoption of ISO 14001 Environmental Management System
- ◆ Monitoring of water quality and noise levels from construction and throughout operational period
- ◆ Implementing soil conservation practices to mitigate soil erosion.
- ◆ Minimising anthropogenic disturbances
- ◆ Raising awareness among employees, employees' children, surrounding neighbours about how renewable energy mitigates climate impact
- ◆ Adhering to responsible waste disposal practices for the disposal of generated waste from construction throughout the operational period

Page 62 – Natural Capital



# OUR COMMITMENT TO SUSTAINABILITY

## Environmental conservation projects

To maximise sustainable utilisation of our beaches, it is imperative that we take measures to keep them clean and free of hazards allowing for free public movement and recreation. The solid waste which is found on our shores is often not only of local origin but also washed up from overseas. Plastic, glass, aluminum, and rubber-based material, if collected and directed appropriately, can be turned into valuable resources through upcycling and recycling. Mismanagement of plastic waste can result in leaching and the generation of microplastics, which can be transmitted via the food chain to re-accumulate, threatening the safety and wellbeing of coastal and marine fauna. It is also an imminent health hazard to public at large as micro-plastics can enter human body through the consumption of fish.

Page 62 – Natural Capital



## Diversity and inclusion

	2024	2023
Female Representation	12%	11%

Page 47 – Human Capital



## Training and Development

	2024	2023
No of training programs conducted	12	7
Investing in Training and development (Mn)	4.5	0.9

Page 47 – Human Capital



## Community Upliftment

	2024	2023
CSR Spend (Mn.)	6.6	11%
Employment Opportunities Created for locals	74	64

Page 54 – Social Capital



## Responsible Business Practices

The Company has in place a well-structured governance framework, focused on upholding transparency and accountability. We believe that sound governance should be ingrained within the entire business and our corporate culture embraces good governance practices in the daily operations of the Company

Page -75 Corporate Governance

## Risk Management and Compliance

The risk strategy of the Company is to establish formal mechanisms to ensure that best efforts are taken to appropriately identify the risks, maximize any potential opportunities arising from such risks events and mitigate and minimize the adverse effects stemming from those identified risks. We also ensure compliance with all applicable laws, regulations, directions and standards.

Page -113 Risk Management

# LISTENING TO OUR STAKEHOLDERS

Stakeholders are one of the strongest pillars of the PAP value creation model as they provide the capital inputs for value creation. In order to strengthen the bond with stakeholders the company endeavors at all times to be aware of their needs and create value for them by delivering on their expectations, perhaps by exceeding them.

*'stakeholder engagement is constantly evolving, so reflecting on progress and continuously learning about best practices is key to the project's success'*

## GOVERNANCE OF STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a key element within the governance pillar of the PAP which articulates the group's value proposition to stakeholders and includes specific policies for employees, suppliers and communities that offer guidelines on the approach to stakeholder engagement.

## TYPE OF STAKEHOLDERS



# LISTENING TO OUR STAKEHOLDERS

## Shareholders – 165 Institutional shareholders and 6,477 Retail shareholders

Level of priority - High

Engagement strategy – Manage closely.

How we engage	Key Concerns	Our Commitment	Value delivered
Quarterly Financial Result released to the CSE	Profitability	Ensuring business continuity through effective planning and timely decision making	Dividend Pay out 75%
Annual General Meeting	Business growth		Rs.125 Mn Dividends
Corporate web site and social media	Brand value and brand reputation	Address near term risks through sound working capital management.	4% Return on Equity
Announcement to Colombo Stock Exchange	Sustainable business practices		Exploring opportunities
	Dividend consistency		<b>Capital Impact</b>
	Market price/capitalization		Financial Capital
	Good corporate governance		Social and Relationship capital
	Ethical business practices		

## Employee – 74 Employees

Level of priority - High

Engagement strategy – Manage closely.

How we engage	Key Concerns	Our Commitment	Value delivered
Regular Multi Level staff meeting	Market compatible remuneration and benefits packages. Continuity of employment	Ensure financial security through market adjustments of salaries and special relief allowance.	84 Training hrs
Performance Appraisals			
Work life balance	Career development and progression	Increase focus on career development activities.	<b>Capital Impact</b>
Open door policy and grievances handling	Skills development opportunities	Continuous improvement of health and safety	
	Occupational health and safety		Human Capital
			Social and Relationship capital

## Customers – Individuals, SMEs and Corporate in Sri Lanka

Level of priority - High

Engagement strategy – Keep Satisfied

How we engage	Key Concerns	Our Commitment	Value delivered
Customer Interaction at Contact Points	Selling Price	Proactive engagement to provide assurance to customers on continued ability to service their needs	New Product Launched
Social Media Interaction	Timeliness of supply		Timely after sales service
Engagement through Marketing team	Credit facilities.	Passing on benefits of cost efficiencies to customers through competitive pricing	<b>Capital Impact</b>
	Correct volumes		
	Quality and performance	Embedding sustainable practices into processes and decision making	Manufactured Capital
	After sales Service		Social and Relationship Capital



**Suppliers and Business Partners** - Extensive network of suppliers and business partners across industries and geographies

Level of priority - High

Engagement strategy - Manage Closely

How we engage	Key Concerns	Our Commitment	Value delivered
Periodic supplier reviews and assessments	Continuing mutually beneficial relationships	Provided assurance on continuity of demand	On time supplier payment
Supplier conventions	Competitive pricing Fair credit terms Ethical business practices Reliability of suppliers	Timely payment of all dues to ensure continuity of supplier operations Ongoing investments in supplier development and capacity building	New supplier enrolment Capacity enhancement
			<b>Capital Impact</b> Social and Relationship capital

**Government** - Multiple regulators

Level of priority - High

Engagement strategy - Keep satisfied

How we engage	Key Concerns	Our Commitment	Value delivered
Ongoing dialogue with policymakers, regulatory authorities and experts	Regulatory compliances Employment generation	Full and timely payment of tax obligations	Rs.84Mn Tax Payment
Collaboration and participation in technical, industry, sustainability and national events	Payment of taxes, duties levies and fees due to the Government/ regulatory bodies Ethical business practices	Maintaining close and transparent relationships with all relevant regulators Compliance to all relevant laws and regulations	56,944,421 kWh Renewable energy generated
Submission of reports, returns and other financial and non-financial information Compliance reviews Corporate governance systems that adhere to laws, regulations and best practice		Employment generation and community development	<b>Capital Impact</b> Social and Relationship Capital

**Communities** - Relationships with communities in localities we operate in

Level of priority - Medium

Engagement strategy - Keep informed

How we engage	Key Concerns	Our Commitment	Value delivered
Press releases and other publications	Indirect economic benefits through employment generation and CSR Activities	Ongoing investments in strategic CSR initiatives	Investment in CSR Activities Employment Generated
CSR activities	Preservation of the environment	Actively recruiting from local communities	
Local events and sponsorships	Safety, health and welfare	Monitoring and measuring environmental KPIs to minimize adverse impacts	<b>Capital Impact</b> Natural Capital Social and Relationship Capital

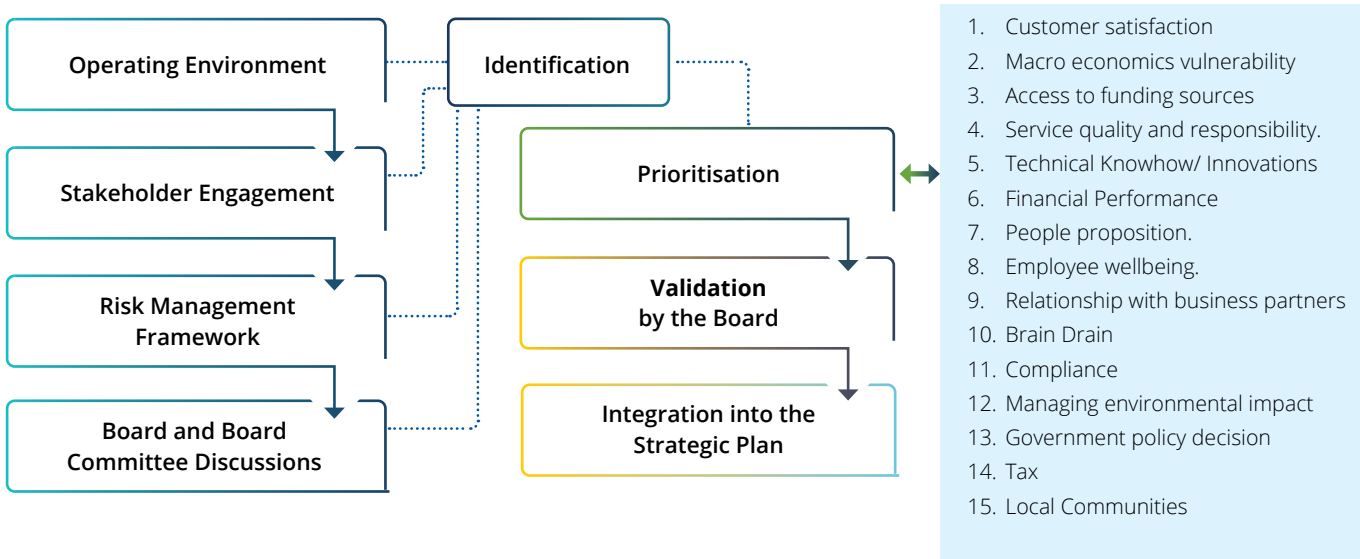
# DETERMINING MATERIAL MATTERS

Our commitment to transparency and integrity drives our approach to materiality. We strive to disclose information that is relevant and meaningful and aim to provide a comprehensive view of our business activities and financial results, enabling stakeholders to make informed decisions.

Our integrated report system places great emphasis on materiality analysis to identify and prioritize the key issues that are considered to be potentially significant in accomplishing our stakeholder’s expectations and business performance. Topics are identified based on stakeholder concerns, dynamics in the operating environment and PAP’s strategic priorities. This process ensures that the reporting process focuses on matters significantly important to stakeholders and directly associated with long-term value creation.

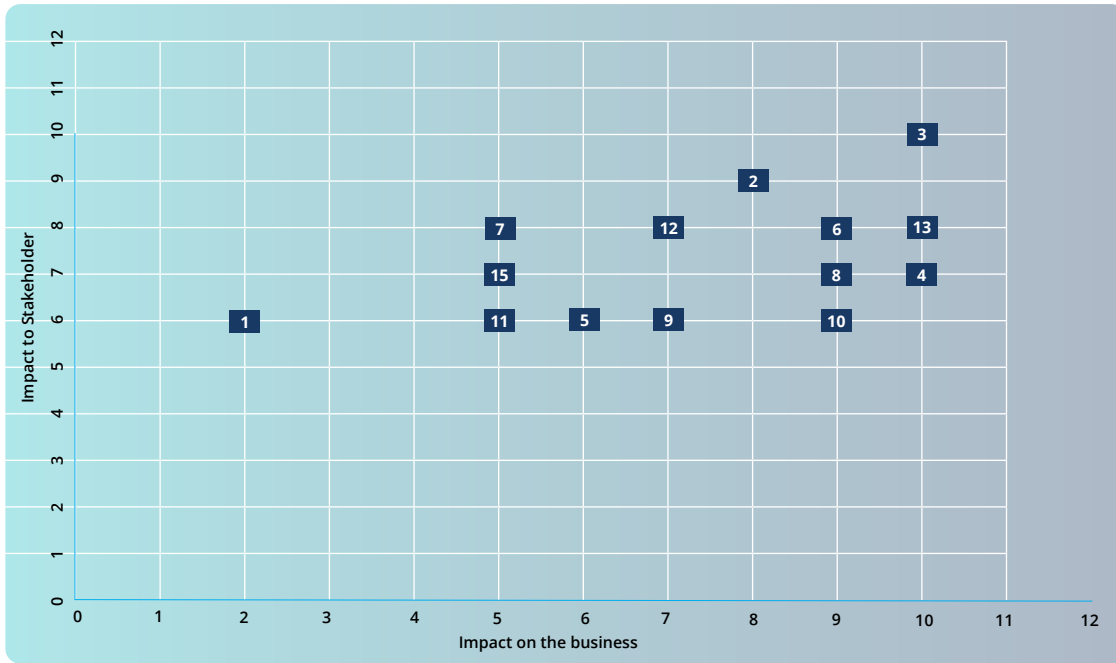
The process adopted for determining materiality is presented below. Through careful analysis a total of 15 material topics have been identified as significant for both PAP and its stakeholders while ensuring that the company’s sustainability efforts are aimed towards addressing critical issues and empowering positive change in the renewable energy sector.

## MATERIALITY DETERMINATION PROCESS



## PRIORITIZING MATERIAL MATTERS

Prioritizing material matters enables us to proactively respond to risks and opportunities attributed to the company’s strategic intent. Through a robust materiality analysis, we identify and address key issues that are regarded as significant to PAP and our stakeholders. This focused approach reinforces our commitment to sustainability, maximizes value creation, and falls in line with stakeholder expectations in the renewable energy sector.



Topic Number	Material topic	Corresponding GRI	Materiality compared to 2022/2023	Link to UN SDG	Reporting boundary
01	Customer satisfaction		H		The Group's customers across its business sectors
02	Macro-economic vulnerability		M		The Group's operations in Sri Lanka
03	Access to funding sources		M		New projects in pipeline
04	Service quality and responsibility	GRI417-Marketing and labelling	H		The services rendered by the Group
05	Technical Knowhow/ Innovations		H		Relates to the Group's product and process innovations
06	Financial Performance		H		The Group's operations in Sri Lanka
07	People proposition.	GRI 401 -Employment GRI 402 – Labor Management GRI 404 – Training and Education	H	 	All the employees across its project location

# DETERMINING MATERIAL MATTERS

Topic Number	Material topic	Corresponding GRI	Materiality compared to 2022/2023	Link to UN SDG	Reporting boundary
08	Employee wellbeing	GRI 403 -Occupational Health and Safety	H	 	The Group's Employees
09	Relationship with business partners		H		Local and Foreign principals across our key business segment
10	Brain Drain		H		The Group's operations in Sri Lanka
11	Compliance		H		The Group's operations in Sri Lanka
12	Managing environmental impact	GRI 301 -Materials GRI 302 -Energy GRI 303 -Water GRI 304 -Biodiversity GRI 305 -Emissions GRI -306 -Waste and Effluents	H	 	Direct environment impact
13	Government policy decisions		H		The Group's operations in Sri Lanka
14	Tax	GRI 219 -Tax	H		All business segments
15	Local Communities	GRI 413 -Local Communities	M		All Communities in operating areas

# OPERATING ENVIRONMENT

*'Water and Sun, Energy for the long run'*

## WORLD ECONOMIC OUTLOOK

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies - where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 - will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now - at 3.1 percent - is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability.

## LOCAL OPERATING ENVIRONMENT

The Sri Lankan economy recorded a gradual recovery during the latter part of CY2023, marking the end of a prolonged period of economic contraction spanning six consecutive quarters. Growth was primarily driven by multiple much-needed policy adjustments and structural reforms implemented by the Government and the Central Bank of Sri Lanka (CBSL) since end-2022. Inflation significantly decelerated to single digits by the end of the calendar year, on the back of various policy actions aimed at controlling inflation levels, from the peak levels of 70% witnessed in CY2022. Considering the relatively stable inflation indicators, and in order to support the rebound of domestic economic activity, the CBSL reduced the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) by 550 basis points each, respectively, in CY2023. The persistent twin deficits in the Government's overall budget and the external current account, which contributed to the economic downturn, among many other contributory factors, exhibited signs of significant improvement in CY2023. Both the

Government's primary balance and the external current account recorded a surplus in CY2023. There was also a sustained and strong build-up of the external reserves position of the country to USD 4.4 billion by end CY2023 [CY2022: USD 1.9 billion].

The country witnessed a notable increase in foreign exchange inflows primarily driven by tourism and other services exports, particularly remittances from overseas workers. This recovery in foreign exchange inflows coupled with lackluster import demand, including import restrictions during most parts of the year, and a cessation of foreign currency debt service obligations helped alleviate the severe foreign exchange shortage experienced during the economic crisis. Bolstered by such developments and aided by improved market confidence, the Sri Lankan Rupee also strengthened significantly by ~11% on average during 2023/24.

## ECONOMIC FORCES SHAPING RENEWABLE ENERGY

In 2023/24, Panasian Power PLC adeptly navigated the renewable energy sector, influenced by both global and local economic climates. The sector experienced substantial growth due to an increasing global commitment to climate change mitigation, technological advancements, and a shift towards sustainable energy, with solar and wind investments taking the lead. Internationally, the push towards net-zero emissions was propelled by declining costs and enhanced governmental incentives, making renewable technologies increasingly viable against traditional energy sources. Locally, despite challenges from volatile interest rates and exchange rates, the Sri Lankan government's proactive stance on renewable energy bolstered sector growth, focusing on enhancing grid capacity and efficiency.



Source : World Economic outlook April 2023

**GLOBAL RENEWABLE ENERGY TRENDS**

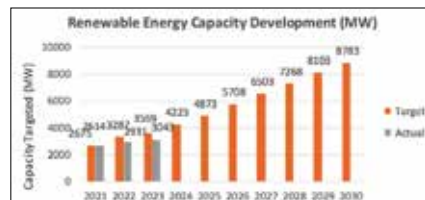
The global renewable energy sector saw significant expansion, driven by technological advances that substantially lowered the cost of solar PV panels and wind turbines—over 80% for solar and 40-50% for wind since 2010. This reduction has made renewables more competitive against traditional fossil fuel energy sources. Policy and regulatory dynamics also evolved, with key regions like the European Union and the United States adopting their energy frameworks to set more aggressive renewable targets and recommitting to international climate agreements. These changes have ensured substantial investments in the sector. Additionally, international cooperation through initiatives like the International Solar Alliance has been pivotal in reducing technology costs and promoting the deployment of solar energy, especially in developing countries.



**LOCAL MARKET DYNAMICS IN SRI LANKA**

Throughout the year, Sri Lanka's renewable energy landscape underwent significant transformation due to regulatory shifts, evolving market demands, and intensifying competition, all of which shaped our strategic direction. The government reinforced its commitment to renewable energy with robust policy support aimed at achieving 70% renewable power generation by 2030. New incentives, including tax benefits, streamlined approvals, and attractive feed-in tariffs, have enhanced the economic viability of investing in solar, wind, and hydro projects. The surge in demand for renewable energy, particularly from

the commercial and industrial sectors, was driven by heightened awareness of sustainability and the economic benefits of renewable adoption. This shift towards decentralized energy systems, like rooftop solar installations, opened new avenues for us to diversify our service offerings and reach a wider market.



**ECONOMIC INFLUENCES ON PANASIAN POWER PLC**

The economic environment in 2023/24 played a crucial role in shaping our operations and strategies, influencing both the renewable energy sector and our broader business activities. We experienced fluctuating interest rates which initially raised borrowing costs and impacted expansion plans. However, as rates eased, we capitalized on the opportunity to secure lower-cost financing for upcoming projects. Significant exchange rate fluctuations also impacted the cost of imported technology and equipment, critical for our projects. To manage this, we utilized forward contracts and other financial instruments to hedge against adverse currency movements. Additionally, rising material costs due to inflation

posed challenges for construction and maintenance of our energy facilities, which we addressed by securing long-term contracts with suppliers to stabilize prices and safeguard our supply chain against global disruptions.

**CLIMATIC AND ENVIRONMENTAL IMPACT**

Climatic and environmental factors also significantly influenced our operations in 2023/24. Variable weather conditions posed challenges and opportunities for energy production. Initial months saw reduced rainfall which limited hydroelectric power generation, but conditions improved later, enhancing rainfall that restored hydro operations to full capacity. Our solar energy initiatives thrived during periods of increased sunshine, producing higher-than-expected photovoltaic output. We are deeply committed to environmental stewardship, implementing rigorous impact assessments for new projects and adopting advanced technologies to minimize ecological disturbances. Our strategic response to climate change involved enhancing our focus on research and development to better predict and mitigate adverse weather impacts. We actively participated in both national and international climate resilience forums, ensuring we stay aligned with global best practices and remain at the forefront of industry responses to environmental challenges.

**TECHNOLOGICAL INNOVATIONS**

In 2023/24, we strategically harnessed technological advancements to enhance the efficiency and sustainability of our renewable energy operations, reinforcing our competitive edge and environmental commitments. We adopted state-of-the-art photovoltaic (PV) modules in our solar power projects, significantly improving energy conversion efficiencies and performance under varying light conditions. These modules not only increased our energy output but also optimized land use and reduced environmental footprints. Our

commitment to innovation extended through collaborations with leading technology providers and research institutions, keeping us at the forefront of the energy sector and enabling us to pilot cutting-edge approaches in energy management and production.

**SUPPLY CHAIN AND LOGISTICS**

The robustness and efficiency of our supply chain and logistics operations were critical to our success, especially in the rapidly evolving renewable energy sector. We focused on strengthening our supply chain networks to mitigate risks associated with global disruptions, such as geopolitical tensions, pandemics, or natural disasters. By diversifying our supplier base and establishing stronger partnerships with local and regional suppliers, we reduced our dependence on any single source and enhanced our supply chain resilience. This approach not only secured our material supply but also supported local economies and reduced our carbon footprint through shortened supply routes.

**FUTURE OUTLOOK AND PREPAREDNESS**

As we look towards the future, our focus remains steadfast on harnessing the momentum we have built in 2023/24 and continuing to innovate and adapt in a rapidly evolving renewable energy landscape. We are closely monitoring market trends to align our strategies with future market demands, including expanding our investment in solar and wind projects and enhancing our capabilities in emerging technologies such as battery storage and green hydrogen. We are committed to enhancing our resilience against future economic and environmental uncertainties, including strengthening our financial planning and implementing comprehensive climate adaptation measures. Our proactive approach to market trends, investment in sustainable technologies, and commitment to community engagement position us to meet future challenges with confidence.

We are excited about the opportunities ahead and remain dedicated to delivering sustainable value to our stakeholders while contributing positively to global environmental goals.

**SHIFTED TO COST REFLECTED PRICING STRUCTURE**

**INTRODUCE TARIFF OPTION INCLUDING CHOICE BETWEEN FIXED TARIFF VARIABLE TARIFF FORMULAS**

**PUTTING IN PLACE FRAMEWORK TO ATTRACT GREEN FINANCING (INTRODUCED THE GREEN BOND FRAMEWORK)**

**INTRODUCE NECESSARY AMENDMENTS TO ELECTRICITY ACT INTRODUCED IN 2022**

**UNBUNDLING OF THE CEYLON ELECTRICITY BOARD**



## FINANCIAL CAPITAL

Panasian Power PLC recorded strong revenue growth of 47% to Rs.1.5 billion reflecting its determination to drive performance, gaining market share in renewable energy sector. The volatility and uncertainty in the business climate during the year necessitated careful management of multiple stakeholder concerns while constantly recalibrating liquidity, returns and growth to adjust to realities of the macro-economic environment.

*'Massive concentration of financial power accompanied by the machinations of financial capital, can as easily de-stabilize as stabilize capitalism' – David Harvey*

Revenue	Operating Profit	Profit After Tax	Net Asset Value	Earnings Per Share
<b>1.5 Bn</b>	<b>561 Mn</b>	<b>100 Mn</b>	<b>2.2 Bn</b>	<b>0.12</b>

The improved operating environment and gradual improvement of consumer confidence enable the group to have a more positive outlook towards its investment and capital expenditure pipeline considering the significantly lower voluaritary and more certain economic outlook.

The following discussion provides a holistic view on the groups key drivers and performance during the year under review.

### VALUE CREATION DURING 2023/2024

	2024	2023	Variance
<b>Value Generated</b>			
Revenue	<b>1,490,346,698</b>	1,104,079,462	47%
Other Income	<b>8,132,933</b>	10,713,266	(24%)
Finance Income	<b>23,826,667</b>	6,920,888	244%
Impairment Loss Reversal	<b>960,976</b>	-	100%
Revaluation Gain	<b>23,965,067</b>	-	100%
Share profit of equity accounted investees	<b>1,798,865</b>	-	100%
<b>Total</b>	<b>1,549,031,206</b>	1,031,713,617	50%
<b>Value Distributed</b>			
Operational Cost	<b>665,634,856</b>	719,327,473	-7%
Salary and wages	<b>95,042,897</b>	82,637,960	15%
Payment Made to Fund Providers	<b>361,111,049</b>	422,082,558	-14%
EPF & ETF	<b>8,172,719</b>	7,413,040	10%
Corporate Taxes	<b>119,447,463</b>	49,207,036	143%
Expenses on CSR	<b>6,593,860</b>	2,824,178	133%
<b>Total</b>	<b>1,256,002,844</b>	1,283,492,245	-2%
<b>Value Retained</b>			
Depreciation and Amortization	<b>193,368,614</b>	209,170,752	-7%
Profit after Tax	<b>99,659,748</b>	(460,798,622)	122%

### HIGHLIGHTS 2024

- ◆ Achieved Record Revenue and Profit Before Tax
- ◆ Group has invested 107Mn during the year for pre development activities of projects in pipeline
- ◆ Repayment of interest-bearing loans and borrowings of Rs. 858 million
- ◆ Improved financial stability with a reduction in group's gearing ratio

### STRATEGIC PRIORITIES

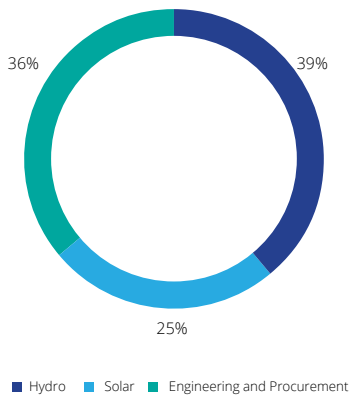
- ◆ Concentration of further investment in renewable energy sector
- ◆ Diversification into new geographical locations and new business segments
- ◆ Ensuring investments meet identified hurdle rate of the Group
- ◆ Management of cost structures
- ◆ Annual average YoY sustainable profit growth of 10% by the Group
- ◆ Deliver shareholder expectations



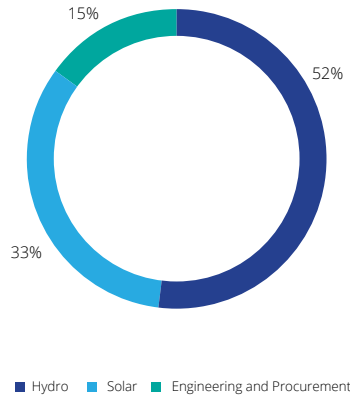
**REVENUE**

The Group demonstrates strong strategic foresight and ability to deliver revenue of 47% to 1.5 Bn during the year under review. Marking highest revenue in its illustrious history. Top line growth during the year reflects continued expansion of the group's engineering and procurement segment. The group's revenue composition shifted during the year, reflecting drastic changes in the country's weather pattern and demand for green energy sources. The Engineering and procurement sector emerged as the significant contributor to consolidated revenue with a share of 36%. while the Hydro and Solar sector, which had previously led the group's revenue composition accounted for 52% and 33% respectively.

**Turnover -2023/24 (%)**



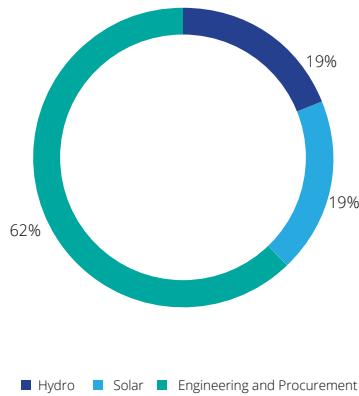
**Turnover -2022/23 (%)**



**OPERATING EXPENSES**

Operating expenses increased by 101% to Rs.721Mn during the year as all categories of expenses increased significantly. Hydro Power Sector Operational expenses have increased mainly due to repair and maintenance expenses. Impact on direct labor cost increment adversely impacts on solar power sector and EPC sector.

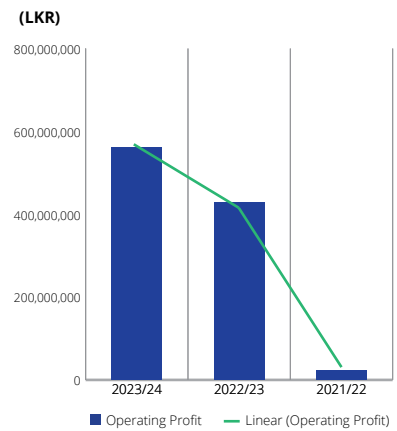
**Operational Expenses sector wise**



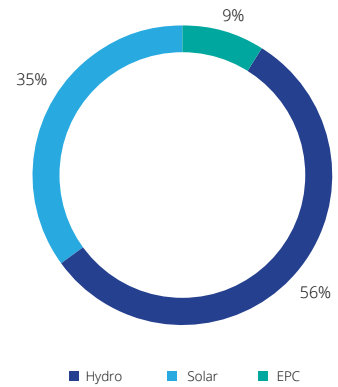
**OPERATING PROFITABILITY**

The Group recorded an operating profit growth of 31% to Rs. 561 Mn. All segments made positive contribution to operating profit while Hydro power sector made 56% contribution. Operating Profit of Engineering, Procurement and Construction (EPC) sector were impacted due to fierce price competition in the domestic market for solar panels and invertors. In Our EPC business the inevitable pressure on margins was negatively affected on operating profitability.

**Trend in EBIT**



**Profit from Operation Sector wise**

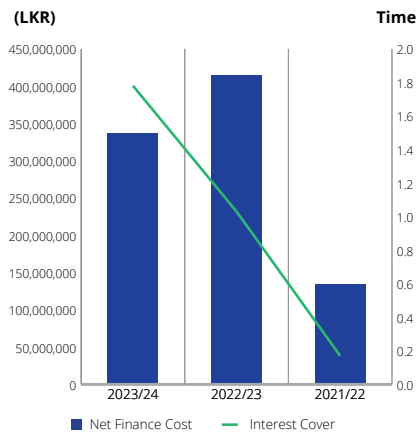


# FINANCIAL CAPITAL

## NET FINANCE COST

Finance Income increased by 244% to Rs.23Mn while finance costs were reduced by 14% to Rs.361 Mn as interest rate started to reduce from the beginning of the year and continued to reduce during the year. AWPLR reduced from 21% from April to 11% in March 2024. The Downwards trend in market interest rate favorably impacted on group performance due to most of the projects have been funded using bank borrowings. further hydro and solar power sector cost of finance further reduced due to positive response from its sole customer CEB for their long overdue payments. Hence, during the year, the requirement to obtain working capital loans to manage liquidity has reduced significantly.

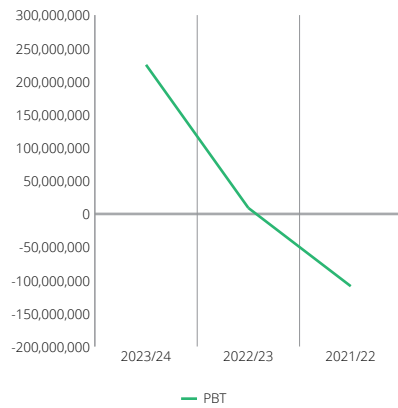
### Net Finance Cost & Interest Cover



## PROFIT BEFORE TAX

The significant reduction in net finance cost was counted by group's strong core performance, which resulted in consolidated profit before tax increasing to Rs.225 Mn during the year,

## Profit before Tax



## TAXATION

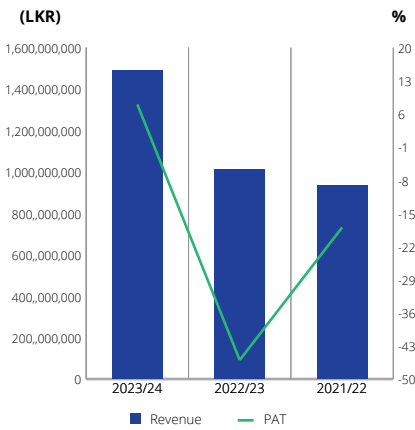
The group's tax expenses for the year amounted to Rs. 125 Mn, which is a reduction of 73% over the prior period. Last year, we noticed sharp increase in group tax liability due to increase in tax rates. During the year tax expenses primarality attributed to current tax charge of Rs. 119 Mn and a Deferred tax charge of Rs. 6.1Mn.

Description	2024	2023	Variance
Taxable Income	<b>481,103,886</b>	201,544,026	139%
Income Tax	<b>119,447,463</b>	49,007,509	144%
Deferred Tax	<b>49,207,036</b>	420,915,488	-99%

## PROFIT AFTER TAX

The Profit after tax experienced a increase of 122% amounting to Rs. 100 Mn compared to the previous years figure of Rs.(460Mn) Loss. The Hydro power segment and EPC segment emerged as the primary contributor to profit after tax. This was attributed favourable weather condition and overwhelming demand for Solar panel and invertors. On other hand, the solar power sector contribution to annual profit was negative due to combination of factors such as higher cost of finance associated with projects loans .

**Movement of PAT**



**OTHER COMPREHENSIVE INCOME**

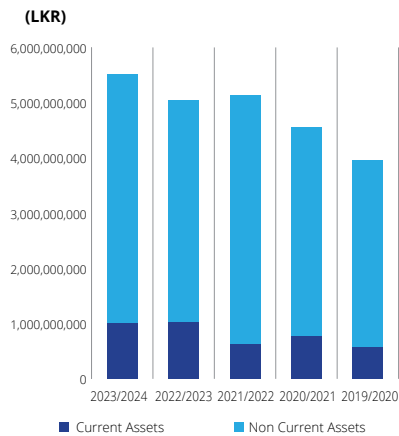
The Group's Other Comprehensive income increased to Rs.348Mn from loss of (Rs.150Mn) the year, mainly due to revaluation surplus of PPE.

**FINANCIAL POSITION**

**Total Assets**

The group adopted a cautions approach in maintaining its investment in current and non-current assets, as the quality of assets held directly affects the group's revenue generation. As at 31st March 2024 the group asset base composition stood as follows;

**Group Total Assets Base**



	2024	2023	%
Group Assets	5,458,471,056	5,000,045,144	8%
Group Debt	1,848,800,190	1,923,950,376	-4%
Net Debt	1,412,953,822	1,963,920,812	-28%

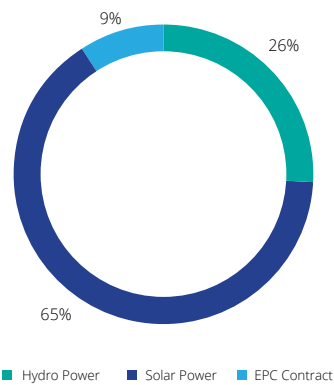
**LEVERAGE AND CAPITAL STRUCTURE**

In the year under review, the Group has managed to be paid off, significant portion of short-term borrowing using CEB remittances. However, with the PAP capital structure as of 31st March 2024 as stated below.

	2024	2023
Long Term Borrowings	1,378,225,365	1,190,842,114
Short Term Borrowings	470,574,824	733,108,261
Other Liabilities	1,229,785,659	994,969,218
Equity Attributable to Equity Holders of the Company	2,237,719,738	1,942,102,508
Non-Controlling Interest	193,057,912	180,791,495

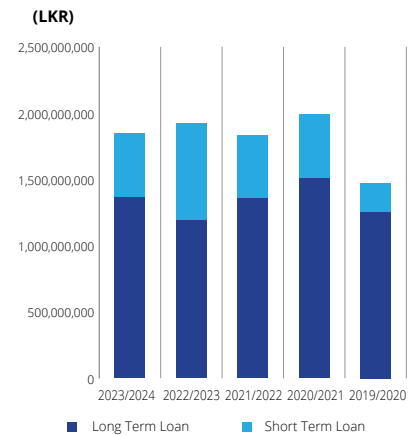
**BORROWINGS BY SECTOR WISE**

**Borrowings by Sector**



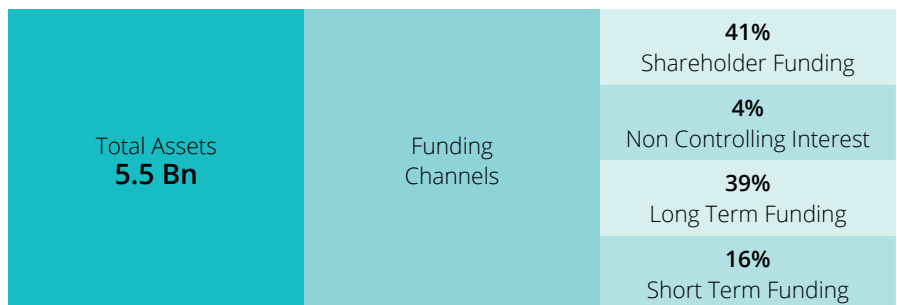
**DEBT PROFILE**

**Debt Profile**



**WORKING CAPITAL/LIQUIDITY POSITION**

Group working capital position improved during the year, supported by improvements in operational activity.



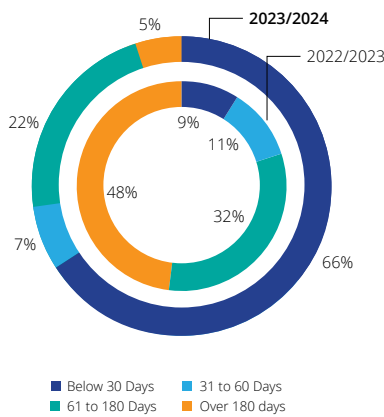
# FINANCIAL CAPITAL

## TRADE RECEIVABLES

Trade Receivables represent the outstanding payments from CEB and EPC Customers on the sale of Electricity and Solar panels and invertors. As at 31st March 2024, CEB outstanding within stipulated credit period.

Description	2024	2023
Below 30 Days	167,411,364	71,879,810
31 to 60 Days	17,274,048	84,134,518
61 to 180 Days	56,049,152	245,125,578
Over 180 days	12,025,209	369,390,169
Total	252,759,773	770,526,075

### Trade Debtor Age Analysis

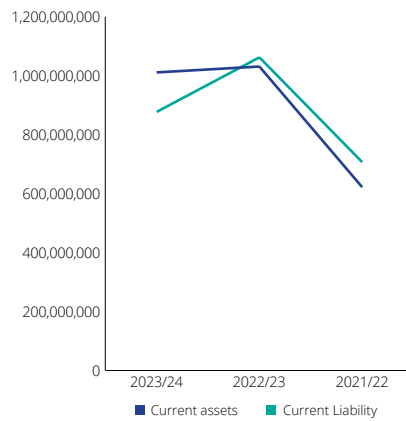


## NET CURRENT ASSETS POSITION

The Group net current assets position has improved in year 2024 compared to previous financial year. During the year, the company managed to collect CEB long outstanding payments and the same has been used to settle bank borrowings.

Hence, the current ratio of the group improved at 1.15 times when compared with last year 0.97 times.

### Current Assets vs. Current Liabilities



## CASH AND CASH EQUIVALENTS

With collection of CEB long outstanding, Group cash and cash equivalent position has improved during the year.

Description	2024	2023
Cash at bank	274,715,904	38,712,398
Cash in hand	1,355,003	755,003
Bank overdraft	(34,700,768)	(163,597,064)
Short term Deposit	194,476,229	84,159,227
Total	435,846,367	(39,970,436)

## KEY PERFORMANCE INDICATORS

Profitability Ratio

Description	2024	2023
Gross Profit Margin	52%	65%
Operating Profit Margin	38%	42%
Net Profit Margin	7%	-45%
Return On Assets	2%	-9%
Return On Equity	4%	-22%

## LIQUIDITY RATIO

Description	2024	2023
Current Ratio	1.15	0.97
Quick Assets Ratio	0.94	0.89

## EQUITY RATIO

Description	2024	2023
Net Assets Value Per share	3.58	3.11
Earnings Per share	0.12	(0.77)
Market Price per share	3	3.4

## DEBT RATIO

Description	2024	2023
Debt to Equity Ratio	76%	93%
Interest Cover	1.55	1.01



# MANUFACTURED CAPITAL



Manufactured capital which consists of our infrastructure, namely the solar and hydropower generation plants as well as the plant monitoring technology remains a core pillar of our success. This year's report highlights our continued commitment to optimizing and expanding our renewable energy infrastructure to meet Sri Lanka's growing energy needs while fostering a sustainable future.

*'Manufacturing drives technological advancements that benefits society as a whole' – Alexander Hamilton*

### OUR APPROACH TO MANAGING MANUFACTURED CAPITAL

We understand the critical role manufactured capital plays in driving efficient and sustainable energy generation. Building on our strong foundation, we remain committed to optimising manufactured capital for continued growth and industry leadership in renewable energy.

PAP's focus on manufactured capital extends to growing our renewable energy portfolio. We're proud to report a strong asset base with 18 solar and 3 hydropower plants, boasting a total installed capacity of 22.4 MW. Several projects are also in the pipeline, which bolsters clean energy generation, and showcasing our dedication to continuous expansion and puts us in position to address Sri Lanka's growing energy demands.



### Highlights of 2024

During the year under review, group has undertaken 35MW ground mounted solar pv projects pre development activities.

With the purpose of increase our footprint in green energy generation, 3MW Mini Hydro Power project construction has been commenced.

### Contribution to SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

<p><b>Continuous Investment:</b> We prioritize the optimization of existing plants through regular upgrades, advanced technologies, and best practices in plant management</p>	<p><b>Data-Driven Decisions:</b> Utilizing data analytics allows us to identify areas for improvement and optimize energy production across our portfolio</p>	<p><b>Responsible Stewardship:</b> By prioritizing long-term sustainability and responsible resource management, we demonstrate our commitment to good corporate citizenship</p>	<p><b>Long-Term Vision:</b> Our focus on manufactured capital reflects a commitment to sustainability and ensures our ability to meet future energy demands</p>
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## CONTINUOUS INVESTMENT

Plant Infrastructure: A Strong Foundation for Growth

Panasian Power boasts a robust asset base, consisting of 18 solar and 3 hydropower plants, totaling 22.4 MW of installed capacity.

- ◆ **Expansion and Diversification:** We're actively expanding our renewable energy portfolio with several projects in the pipeline, including exploring opportunities for overseas plants.
- ◆ **Proactive Maintenance:** Regular maintenance and readily available spare parts ensure optimal performance and longevity of our existing plants.
- ◆ **Strategic Partnerships:** Our long-term Power Purchase Agreement with the Ceylon Electricity Board (CEB) ensures our clean energy reaches the national grid, contributing to Sri Lanka's sustainable development goals.

## PLANT MAINTENANCE AND OUTAGE MANAGEMENT

Ensuring Reliability PAP prioritizes maximizing efficiency from existing assets. Proactive maintenance strategies, including readily available spare parts and adherence to manufacturer recommendations, ensure our plants operate at peak performance. This not only reduces downtime but also contributes to long-term cost-effectiveness and sustainability.

Effective plant maintenance remains paramount. Our dedicated technical officers at each site oversee daily operations and continuously implement innovative improvements to our maintenance program. Regular site visits by senior Technical Manager further enhance performance monitoring and ensure alignment with controllable

downtime. While external factors like CEB outages are beyond our control, we proactively minimize weather-related disruptions and offer support to the CEB during such situations, fostering a spirit of collaboration. A clear classification system for outages (CEB-related and machinery) allows for targeted resource

allocation and mitigation efforts. Finally, strict adherence to preventive maintenance schedules ensures the long-term reliability and efficiency of our hydro and solar plants.

We ensure optimal performance through the following measures:

### Continuous Improvement

Our dedicated teams continuously improve and innovate upon plant maintenance programs, minimizing controllable downtime

### Pro-active Monitoring

Regular site visits by senior engineers allow for early detection of potential issues and swift interventions

### Categorization and Response

Classifying outages (CEB-related vs. machinery) allows for targeted resource allocation and mitigation efforts

### Preventive Maintenance

Adherence to manufacturer recommendations and industry standards ensures the reliability and performance of our plants

## EPC

PAP's in-house expertise plays a vital role in the Engineering-Procurement-Construction (EPC) activity for new plant setups. This approach ensures meticulous oversight and adherence to our high standards at every stage, from design and planning to material procurement. Additionally, collaborating with experienced industry professionals allow for close supervision and quality control. This comprehensive approach minimizes risks, ensures timely project completion, and ultimately delivers high-performing renewable energy infrastructure.

In summary, we can ensure:

- ◆ **Quality Control:** Our engineering and technical teams oversee the entire EPC process, ensuring PAP's exacting standards are met at every stage.
- ◆ **Collaboration and Expertise:** By leveraging in-house expertise, we maintain a high level of control and oversight over project design, procurement, and overall management.
- ◆ **Risk Management:** Strict supervision throughout the EPC process mitigates risks and ensures timely project completion.

# MANUFACTURED CAPITAL

## DATA-DRIVEN ANALYTICS

Our commitment goes beyond simply maintaining existing assets. We're actively investing in cutting-edge technologies like advanced monitoring systems, automation, and data analytics. These advancements not only optimize energy production and identify potential issues proactively, but also empower informed decision-making, leading to reduced operational costs and a more sustainable future.

## RESPONSIBLE STEWARDSHIP

Along with all our achievements in the industry, we are fully committed to continue using our resources to help create more sustainable energy and safeguard our future. To keep our business practices in line with our vision, we are planning to achieve the following in the upcoming financial year and beyond.

**Penetrate into rooftop solar power market targeting 5 MW of residential, commercial, and industrial installations.**

In addition to these goals, we will continue to ensure that all our decisions are made in a way that can support what we hope to achieve in the long run. We will ensure to use our manufactured capital to create value for the well-being of local and international communities.

Our commitment to manufactured capital isn't just about efficiency; it's about environmental responsibility. By continuously upgrading and expanding our renewable energy infrastructure, we're not only driving innovation within the industry but also reducing our environmental footprint and contributing to a greener Sri Lanka.

Looking beyond national borders, we've made a strategic decision to diversify our renewable energy footprint through overseas investments. This forward-thinking approach allows us to explore new opportunities, contribute to global renewable energy development, and potentially leverage international expertise to further expand our operations in the international market. Currently our focus is on East Africa development, and we are looking for an investor for 10MW hydro project in Zambia.

Further, we are also formulating strategies to establish a power business in Maldives.



## Future Outlook



Looking ahead, we remain committed to wise investments that strengthen our manufactured capital base. By embracing new and sustainable technologies, we aim to drive production efficiencies and navigate future challenges with even greater resilience. Panasian Power is positioned not only to meet Sri Lanka's growing energy needs but also to become a leading force in the global renewable energy landscape.





# HUMAN CAPITAL

*'Human capital is an intangible asset not listed on a company's balance sheet.'*



**Our human capital remains at the heart of our success story at Panasian Power PLC. As we look to the future, we remain committed to investing in our people, fostering a culture of excellence and innovation, and empowering our workforce to drive sustainable growth and create long-term value for our stakeholders. These talented and skilled individuals are the driving force behind all our successes, and we firmly believe in the importance of developing our human resources. Thus, we constantly invest our time and resources to train our employees and upgrade their proficiency and help them contribute to realizing the company's ambitious plans.**

## OUR APPROACH TO MANAGING HUMAN CAPITAL

Our HR Vision:

**"To be the employer of choice, fostering a culture of excellence, innovation, and inclusivity, where every individual is empowered to realize their full potential, driving sustainable growth and creating value for our employees, stakeholders, and communities."**

Managing our human capital effectively involves maximising the potential of our employees while also aligning their efforts with the company's goals and objectives. Our HR department is committed to upholding the highest standards of professionalism, fairness, and integrity in all aspects of human resource management. By implementing robust policies and procedures, we strive to create a supportive and conducive work environment where employees can thrive, grow, and contribute to the success of our organization.

## Highlights of 2023/24

In 2023, Panasian Power PLC successfully navigated the challenge of competition for people and skills by strategically investing in our total rewards package and emphasizing work-life balance initiatives. By highlighting the value of our employee benefits beyond salary, we strengthened our ability to attract and retain top talent, positioning our organization for continued success in the years ahead.

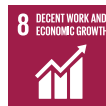
In the face of economic challenges and the increasing cost of living, Panasian Power PLC remained steadfast in its dedication to supporting our workforce. Through initiatives such as attendance allowances, we strive to alleviate financial pressures and ensure the well-being of our valued employees. By standing together and supporting one another, we are confident in our ability to overcome obstacles and emerge stronger as a team.

As we navigated the ongoing challenges posed by the pandemic and the cost-of-living crisis, we remained committed to prioritizing the wellbeing of our employees. Through training initiatives for managers and senior leaders and effective communication strategies, we stive to create a supportive work environment where employees feel valued, heard, and empowered to thrive.

### CAPITAL TRADE-OFFS

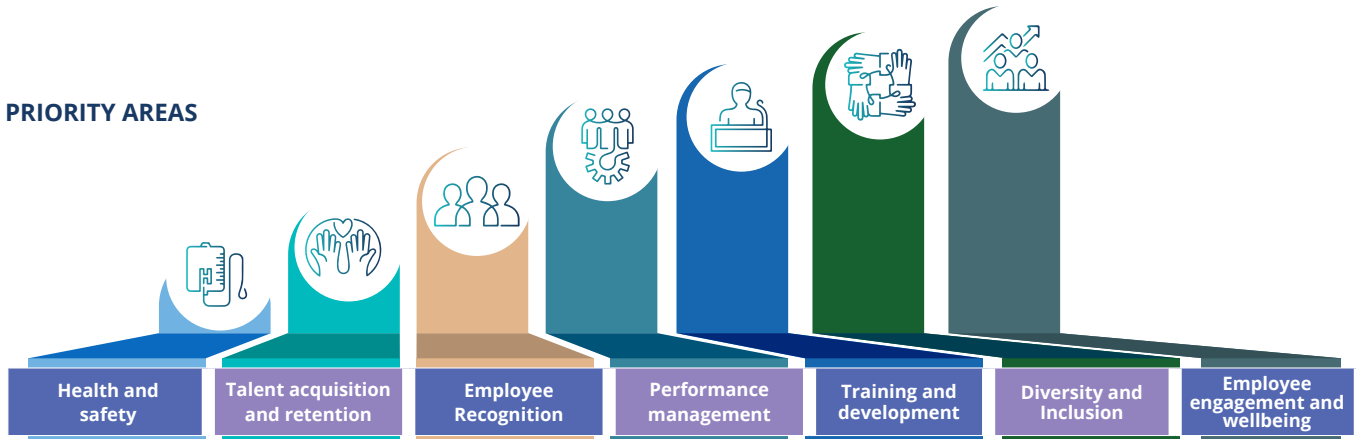
Increased investments in human capital adversely impacts financial capital in the short term. However, over the longer term financial capital and intellectual capital will be enhanced through the retention of high performing talent that possess the skills and competencies required to drive innovation and technical excellence.

## Contribution to SDGs



# HUMAN CAPITAL

## PRIORITY AREAS



### STRATEGIC HUMAN RESOURCE PLANNING

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The Assistant Manager - HR & Admin under the guidance of the CEO leads PAP's HR department which oversees all HR-related matters and works on building a strong HR governance framework to help PAP effectively manage its human capital and maximize the potential of its workforce. The company's HR manual serves as a comprehensive guide for all HR-related activities.

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### EXISTING HR POLICIES

Our HR department is committed to upholding the highest standards of professionalism, fairness, and integrity in all aspects of human resource management. By implementing robust policies and procedures, we strive to create a supportive and conducive work environment where employees can thrive, grow, and contribute to the success of our organization.

- ◆ Employment Policy
- ◆ Attendance, Holiday and Leave Policy
- ◆ Performance Management Policy
- ◆ Training and Development Policy
- ◆ Promotions, Transfers, Demotions Policy
- ◆ Remuneration Policy
- ◆ Grievance Policy
- ◆ Disciplinary Procedure Policy
- ◆ Termination of Employment Policy
- ◆ Record Maintenance Policy
- ◆ Occupational Health and Safety policy
- ◆ Human Resources Budget Policy
- ◆ Welfare and Benefits Policy



Women's day Celebration

### TALENT ACQUISITION AND RETENTION

*'Time spent on hiring is time well spent'*

- Robert Half



When it comes to managing our talent, we aim to make sure we've got the right people in the right roles and thus, we have targeted recruitment strategies in place to fill critical positions. By this we ensure that we attract the best talent for their most suitable roles. Also to make sure we attract the top talent available in the industry, we continuously work on

boosting our employer brand. Through this we hope to let everyone to know that Panasian Power PLC is a great place to work.

Upon recruiting the right talent, we put in a concerted effort to retain these employees and accordingly, take various steps to develop, recognise and reward employees so that they understand how much we value them.



**TRAINING AND DEVELOPMENT**

*“Training is not an expense, but an investment in human capital”*

– Roy H. Williams –

With the changing environment, the skills needed to succeed in our roles also need to be reassessed. To maintain a competent knowledge level, we have created a continuous learning structure. We identify skill gaps within the workforce, and develop training programs to bridge those gaps while providing ample opportunities for career advancement, upskilling, and mentorship.



*First Aid training by St. John Ambulance Association & Brigade in Sri Lanka*

Stemming from our belief in the importance of developing our human resources, we constantly pursue investing in training our employees to upgrade their proficiency and help them contribute to realizing the company's ambitious plans. In 2024, we have conducted more than 51 man-hours of training as compared to 33 man-hours in 2023, a significant rise by 155%. These courses covered many fields as general skills, project management, strategic planning, financial control, leadership and team building.

# HUMAN CAPITAL

## TRAINING INTERVENTIONS - FY 2024

Programme Scope	Duration (hours)	Facilitation	Target Audience	Participants		
				Male	Female	Total
Hazardous Waste & Emergency Response	2	External	Site staff and workers	14	1	15
Fire Safety & Evacuation Drill	2	External	Site staff and workers	14	1	15
Training of Presentation Skills	4	External	Head Office Staff	0	2	2
Health & Safety at Work place	3	External	HQ & Site staff	17	7	24
First Aid Training	6	External	Head Office Staff	5	8	13
First Aid Training	4	External	Site staff and workers	11	0	11
Foreign exposure - Channel Partners & Machinery suppliers at China	48	External	Head Office Technical Staff	3	1	4
Investments opportunities & the benefit of the proposed PTA	2	External	Head Office Staff	1	0	1
Attitude Development for Maintenance Staff	4	External	Technical Staff	2	0	2
Annual Seminar on Economic Outlook 2024	3	External	Head Office Staff	1	2	3
Workshop on Reliefs and Beneficial Provisions under the Inland Revenue Act	4	External	Head Office Staff	0	1	1
Webinar on Latest Developments in Sustainability Standards and Green Financing Options	2	External	Head Office Staff	0	2	2
<b>Total</b>	<b>84</b>			<b>68</b>	<b>25</b>	<b>93</b>

Training Hours <b>84 h</b>	Investment in Training and Development <b>Rs. 4.5Mn</b>
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### PERFORMANCE MANAGEMENT

Apart from having the right talent and skills for the job, the most important thing will be the performance of the employee. At PAP, we have a regular feedback mechanism in place that makes our performance evaluation and monitoring a two-way communication. This also helps us to keep the goals of the individual employees and the company aligned with the expected progress throughout the year. We have clear metrics to track progress and celebrate achievements and to make sure performance fuels career

growth, we have linked the results of these evaluations with development opportunities and compensation decisions.

A performance appraisal system has been developed to help identify outstanding employees and continuously reward and encourage them. Which also helps average employees improve themselves through semi-annual assessments and end-of-year performance evaluations based on two main factors:

1. Appraisal based on measurable performance objectives and defined by a specific period.
2. Appraisal based on behavioural, professional and leadership competencies assigned for each job.

### EMPLOYEE RECOGNITION AND REWARDS

We aim to foster a positive and supportive environment where everyone feels valued and engaged. We conduct regular employee engagement surveys to gather their opinions and address

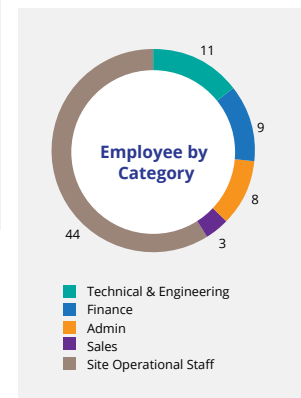
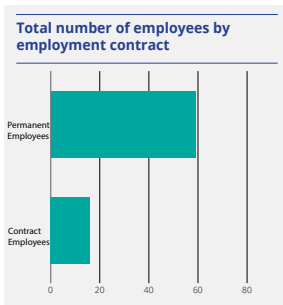
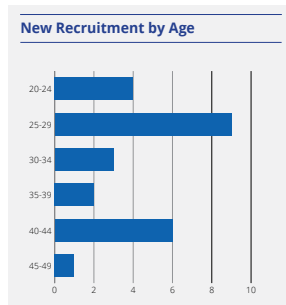
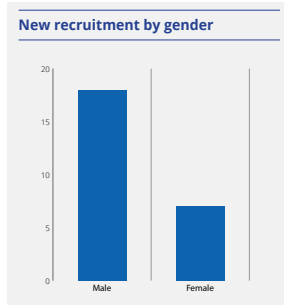
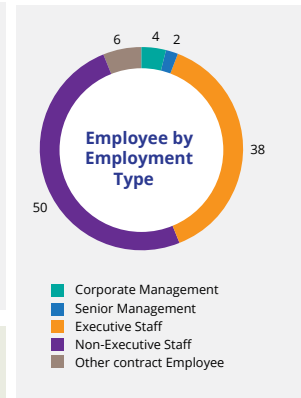
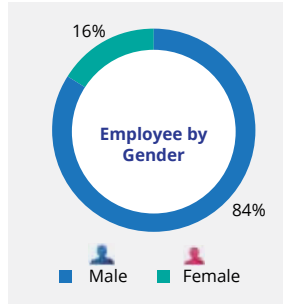
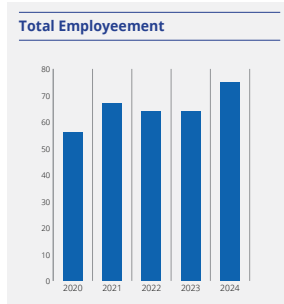
any concerns and also have initiatives in place to promote teamwork, collaboration, and a strong sense of belonging. We ensure that all our employees understand that each of their individual contributions is important for the good of the entire organisation. We also ensure to recognise and reward employee contributions to keep morale high.

This year, Panasian Power PLC continued its commitment to supporting its employees during ongoing financial challenges caused by rising inflation. We're proud to announce that we have not only sustained but also extended our efforts to assist our employees during these difficult times. Our provision of attendance allowances remains in place as a form of compensation, aimed at alleviating the financial pressure on our valued team members.

**DIVERSITY AND INCLUSION**

We believe a diverse and inclusive workforce is a stronger workforce and carry out programs to create a culture of respect and equal opportunity for all. The promotion of cultural competency and sensitivity is an integrated part of our in-house training.

Looking ahead, we're also taking a strategic approach to workforce planning. We'll be identifying key roles and skills critical for future success and putting in place succession plans for leadership positions. We are ensuring a smooth transition and continued strong leadership for years to come.



*Talent wins games, but teamwork and intelligence win championships.*

# HUMAN CAPITAL

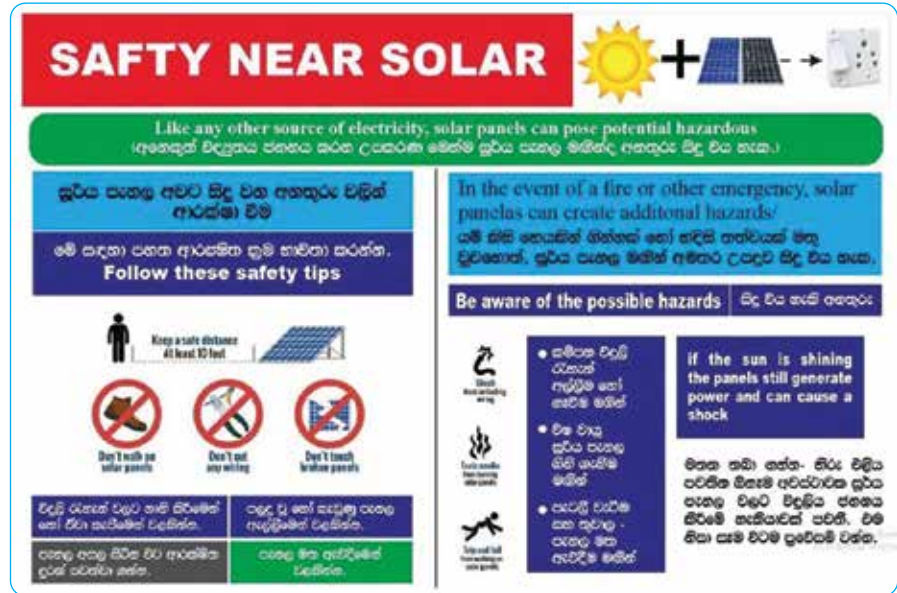
## HEALTH AND SAFETY

We have established a dedicated health and safety policy, which integrates the environment management system (EMS) and occupational health and safety management systems (OHSMS). These standards are aligned with an integrated management system and the company holds the ISO 14001: 2015 EMS & ISO 45001:2018 OHSMS.

The organisation prioritises educating employees on health and safety policy and procedures, including the use of Personal Protective Equipment (PPE) when necessary. PAP ensures adequate PPE is provided to employees requiring them and has taken measures to make safety instructions, precautions boards, and signs highly visible throughout its project sites.

External contractors, visitors and any other third-party entities involved in visiting and any kind of maintenance works receive a briefing on PAP's health and safety policies and procedures needed to be followed in order to ensure their personal safety at site, including the use of PPE and areas requiring caution. A PAP employee is always present as a supervisor for health and safety purposes when external parties are involved. The visitors' records are kept in the sites for all visitors except the site employees and work permits will be filled and signed by all their party maintenance.

PAP maintains a record of work-related accidents, near misses, injuries, and any other incidents impacting the environment, as required by ISO and factory ordinances. During the previous year, only a few near misses were recorded, and there were no major and minor accidents. In the event of an accident, a comprehensive investigation accompanied by a root cause analysis is carried out by our internal audit team. Quarterly site-specific accident records are presented to the Internal Audit team, where the respective Site Supervisor/



Operation In-charge is required to provide explanations and detail the corrective measures taken to prevent recurrence of such incidents.

The cultivation of a safety-aware culture is paramount to the success of our safety management plan, particularly in accident prevention. We urge site teams to remain vigilant and report on safety hazards. Quarterly meetings between the site supervisor and the Internal Audit team aim to encourage active participation in safety matters. In addition to this, bi-annual safety audits conducted by PAP's internal audit team, along with the annual ISO external audit, are instrumental in identifying safety gaps and provide additional assurance regarding the overall efficacy of the safety management system in meeting safety objectives. To reinforce the safety culture, we provide regular training on specific safety topics.

Accidents and incidents	2024
Major and minor injuries	0
Environmental incidents	1

## Employee Engagement and Well Being

- ◆ **Wellness programs:** We know a happy and healthy workforce is a productive one and thus, we offer wellness programs and resources to support both physical and mental health.
- ◆ **Flexible work arrangements and family-friendly policies:** We continuously aim to create a work environment that supports our employees' overall wellbeing and not only their work life.
- ◆ **Support during crisis:** Panasian Power PLC continued its commitment to supporting its employees during the ongoing financial challenges caused by rising inflation. We're proud to announce that we have not only sustained but also extended our efforts to assist our employees during these difficult times. Our provision of an attendance allowances remained in place as a form of compensation, aimed at alleviating the financial pressure on our valued team members. This initiative underscores our unwavering dedication to our employees' well-being and reinforces our positive

work culture, emphasizing employee satisfaction and retention as top priorities. We recognize the ongoing financial hardships faced by our employees, and we remain steadfast in our efforts to support them through these challenges.

- ◆ **Grievance handling:** The company has implemented various procedures and mechanisms to handle employee grievances effectively and has trained its site supervisors to manage feedback and complaints from employees. Affected communities too can raise their concerns and grievances via a procedure that is easily accessible, culturally appropriate, and understandable. The company also has a procedure concerning supervision, which addresses complaints against inadequate job performance instructions and other management procedures such as wage rates, overtime and incentive payments, promotion, transfer and seniority issues, career growth opportunities, leave, employee conduct, unhappy relations with bosses, violation of company laws, rules, regulations, traditions, and accepted practices. The procedure concerning wages includes a demand for individual adjustment, complaints about incentives, and mistakes in calculating wages.
- ◆ **To better understand employee grievances,** Panasian Power PLC also makes use of exit interviews to gather information from employees who have decided to quit the company. The company also has an open-door policy that allows employees to express their grievances to their managers in a meeting or interview. The manager cross-checks the details of the complaint through various means at their disposal to resolve the issue effectively.

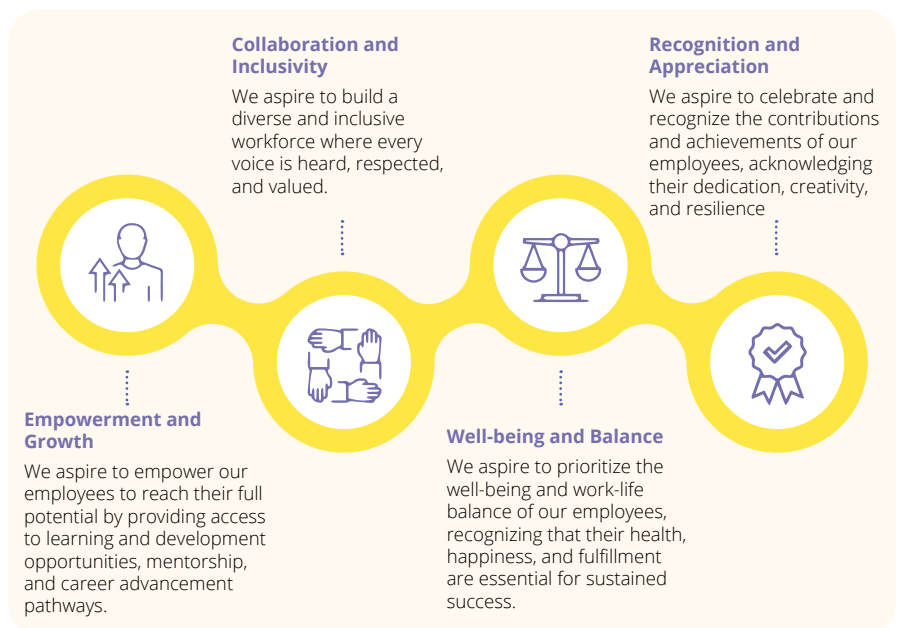
- ◆ **Disciplinary counselling:** PAP conducts one-on-one interviews with employees to address instances of sub-par behaviour or performance that falls below the expected standards in the workplace. During this counselling session, the company aims to identify the reasons behind such behaviour or performance and creates plans to address them. The company seeks to resolve performance issues without resorting to formal disciplinary action. At the counseling session, the employee is informed of the expected improvements and the duration of the performance review period. Although this session is sometimes referred to as an ‘informal warning,’ it is not considered a formal part of the disciplinary process. The company also informs the employee of the possibility of initiating formal disciplinary proceedings if no improvement is observed. This approach enables the company to address performance issues constructively and encourage employees to improve their performance without resorting to disciplinary action.



### Future Outlook



Our people’s aspirations are at the heart of everything we do. By nurturing a culture of empowerment, collaboration, purpose, well-being, and recognition, we aim to create an environment where our employees can flourish, our business can thrive, and our stakeholders can benefit from sustainable value creation for years to come.





# SOCIAL AND RELATIONSHIP CAPITAL



As a producer of renewable energy, we are committed to macro goals which affect the society as a whole and our operations are centred on creating sustainable and renewable energy sources in order to create a safer and cleaner global environment. As such, our relationship with communities and our stakeholders are vital in order for us to communicate our goals and align our interests with the interests of the general public.

*‘Social capital is often about the social relationships and networks built based on shared values and trust, which can help facilitate cooperation’*

## OUR APPROACH TO MANAGING OUR SOCIAL AND RELATIONSHIP CAPITAL

At PAP, we are dedicated to fostering positive relationships with our stakeholders. Our organisation works closely with local and international entities that are working towards building sustainable energy sources and reducing our carbon footprint on this planet. We operate under the patronage and support of our investors and customers. In order to deliver the best quality, we also rely on our suppliers to meet our requirements in an efficient and timely manner. We pride ourselves on our ability to maintain our goals of sustainability even through the third parties that we conduct our business with.

Panasian Power PLC (PAP) recognizes that strong social and relationship capital are essential for long-term success. Our strategic approach to managing these aspects goes beyond simply fulfilling compliance requirements. By actively engaging with communities, supporting employee well-being, and promoting responsible practices, we aim to mitigate risks with proactive social and relationship management that can help minimise potential disruptions or conflicts with communities and stakeholders. We also aim to protect ourselves against value erosion through a positive social impact that strengthens brand reputation and fosters trust, which can safeguard the company's value in the long run.

## Highlights of 2024

- ◆ 22.4 MW energy supplied to the national grid
- ◆ 134 suppliers engaged
- ◆ Rs. 6.6 Mn spent on CSR initiatives
- ◆ Compliance with all applicable laws and regulations

### CAPITAL TRADE-OFFS

Stronger partnerships with value chain partners enables the uninterrupted supply of energy generation, enhancing financial capital in the long term.

Investment in meaningful CSR initiatives negatively impacts financial capital while strengthening our social standing.

## Contribution to SDGs



Investing in social and relationship capital helps to support sustainable value creation. This creates a more favourable operating environment, attracting and retaining talent, and potentially opening doors to new partnerships. We also ensure to preserve existing value by maintaining positive relationships with stakeholders. This helps ensure continued support and minimises the risk of losing valuable partnerships or social licence to operate.

PAP strives to comply with all applicable laws and regulations. PAP will monitor and report on its compliance with social and environmental regulations throughout the year and will investigate and address any incidents of non-compliance.



**VALUE DELIVERED TO CUSTOMERS**

**CEB**

At PAP our core function is generating electricity from renewable sources and selling the energy to the National Grid. The Ceylon Electricity Board (CEB) is our valued customer and we maintain a strong relationship by adhering to Power Purchase Agreements and ethical practices. Our power plants play a vital role in boosting non-conventional renewable energy generation and making a significant impact on the national grid. By actively engaging in sustainability initiatives, we contribute to the continual growth of the energy sector.

**Engineering, Procurement and Construction Companies**

PAP takes pride in being a leading renewable energy solutions provider in Sri Lanka, offering a diverse range of inverters to meet the energy demands of today and the future. As the exclusive authorized channel partner for Sungrow inverters, a global leader in the industry, we have established a strong reputation for delivering technologically advanced and reliable solar inverter infrastructure. Sungrow inverters have consistently ranked as the most bankable inverter brand globally, recognized by Bloomberg NEF for four consecutive years. At PAP, we leverage Sungrow's state-of-the-art technology and combine it with our expertise to harness the immense potential of solar energy. Our commitment to customer satisfaction is unwavering, ensuring that both corporate and retail customers receive exceptional service and top-notch solar rooftop installations



**CUSTOMER SATISFACTION AND GRIEVANCE HANDLING**

While occasional complaints may arise, we have maintained a commendable track record by consistently adhering to the CEB's specified Grid Codes. In the rare instances when the CEB has expressed concerns, the communication channels established with the Energy Purchase Branch and the respective Deputy General Manager of the area have facilitated prompt resolution. Our focus on compliance and adherence to regulations has allowed us to maintain a zero-complaint track record, highlighting our commitment to delivering reliable and high-quality electricity generation. Through our collaborative efforts and unwavering dedication to meeting the CEB's requirements, we strive to strengthen our relationship, drive sustainable energy generation, and contribute to the growth and development of the energy sector in our region.

In relation to our inverter supplies, all repair services are handled meticulously at our fully equipped workshops situated within our own sites. To keep our customers informed and updated on the progress of their complaints, we utilize the Sungrow isolar cloud app, providing real-time updates on the status of its functions. Additionally, our dedicated team of service engineers is readily available to address any concerns or complaints raised by our EPC customers. They can reach out to us through the general contact number or directly contact our appointed service engineers. In cases where customers require immediate attention, service engineer is readily available to visit their site with Sungrow teams technical guidance and ensure that their concerns are promptly addressed. Our committed teams understand the importance of quick resolutions, and we aim to resolve any defects or service breakdowns within 48 hours. We undertake to repair or replace any defective parts and ensure

that the solar systems are functioning optimally. Our goal is to minimize downtime and provide our customers with uninterrupted access to reliable and efficient renewable energy.

During the year, we did not receive any complaints related to product safety breaches. This is a testament to our stringent quality control measures and our commitment to delivering high-quality products and services. Accordingly, PAP has not incurred any fines or penalties in relation to product safety.

**STRENGTHENING BONDS WITH SUPPLIERS AND BUSINESS PARTNERS**

Panasian Power PLC prioritizes long-term, collaborative relationships with our suppliers. We value trust, loyalty, and shared sustainability goals. We operate with professionalism, transparency, and fairness, ensuring operational excellence for everyone. Our stable network of

## SOCIAL AND RELATIONSHIP CAPITAL

global and local suppliers, carefully selected for their commitment to sustainable growth, provides us with access to top-tier renewable energy infrastructure and local expertise.

### PROCUREMENT PRACTICES

We emphasize on working with suppliers who share our commitment to sustainability and identify and mitigate any negative environmental impacts in our supply chain. PAP has zero tolerance for forced or compulsory labour and we screen our suppliers to identify and mitigate any potential risks.

Our overseas suppliers consist mainly of Original Equipment Manufacturers (OEM). These are reputed global suppliers with a proven track record of excellence in the supply of renewable energy infrastructure.

Our local suppliers too are chosen carefully based on their ability to align with our operational standards.



Selection of suppliers in accordance with the guidelines set out under PAP's Procurement Process, which has been developed in line with global best practices



Oversight and approval authority for procurement is held by PAP's Chief Executive Officer (CEO). Procurement authority is further delegated to the heads of departments on an individual basis accompanied with specified guidelines and authority limits



PAP's Procurement Committee comprising of the top management including the CEO, CFO/FM, and Senior Manager – Technical, retains overall responsibility for efficient and cost-effective procurement.

As per PAP's procurement guidelines, it is mandatory that comparative assessments are conducted between suppliers to evaluate such matters as product quality, compliance standards, certifications, warranties, price competitiveness, delivery record, and long-term availability of the spares among other things. For spare parts where only manufacturer recommended parts are used, no quotes are required unless multiple suppliers are available.

In the case of installation and commissioning of inverters, we only work with SLSEA registered EPC companies. However, we do our own due diligence to verify their credentials and also to obtain independent assurance regarding their labour and environmental compliance track record.

### COMMITMENT TO SOCIETY

Managing our social capital involves setting goals for our contribution to society, understanding and adapting to social norms and making genuine efforts towards community engagement. Furthermore, our other social capital management activities include local participation in problem-solving by engaging in diverse CSR activities that provide solutions to problems arising in the community. We also take measures to understand local cultures and diversities and engage our stakeholders regularly through communication and feedback mechanisms. We also remain committed to conducting knowledge sharing programs in order to educate the community on methods of preserving the environment and its resources for a sustainable future.

PAP is committed to minimising any negative impacts on local communities. If any issues arise, we take steps to address them promptly.

### KEY OBJECTIVES

In the financial year under review, our objectives were defined in order to build strong and resilient communities around our areas of operation. Our activities which revolved around contributing to the community, participating in local activities, fostering a harmonious relationship with residents, and understanding local social norms, helped us to achieve these objectives successfully.

We employed various engagement strategies that involved the local community in problem-solving, we showed respect for cultural diversity, we engaged with stakeholders, and engaged in various knowledge sharing initiatives.

Upon examination, we acknowledge that there may have been potential negative impacts on communities from our operations. However, having identified these areas for improvement,

we ensured that we took preventive and corrective measures in time to eradicate this threat from our stakeholders.

As an environmentally conscious organisation focussed on sustainability, we are constantly keeping track of and reporting on our strict and unwavering adherence to all social and environmental regulations.

**CSR INITIATIVES**

At PAP, we are committed to building strong and resilient communities around our areas of operation. This year, we focused on fostering positive relationships and social responsibility through a variety of initiatives.

PAP's CSR strategies focus on conducting business with honesty, integrity, and safeguarding stakeholder rights, protecting and sustaining the environment, enhancing employee well-being and making the company a great place to work, supporting and participating in community service to improve the quality of life.

**Community Upliftment**

- ◆ **Infrastructure Development:** We are committed to improving the infrastructure in the communities we serve. This year, we contributed towards the construction of a pre-school building in Medawachchiya DS division and partnered with local authorities to support the development of roads and schools.
- ◆ **Poverty Alleviation:** We understand the importance of addressing poverty in our communities. We distributed dry rations to underprivileged families identified through the Thirappane Divisional Secretariat (DS).



- ◆ **Education:** Education is a cornerstone of development. We donated funds to the Walapane DS to support a zonal level sports meet, encouraging student participation in healthy activities.

**Vote of thanks for a donation made from Divisional Secretariat - Ganewatta**



## SOCIAL AND RELATIONSHIP CAPITAL

### Employee Well-being

- ◆ **Health Camp:** Investing in the health of our employees and their families is a priority. We organised a comprehensive health camp offering various health screenings and consultations, including lectures on disease prevention, vision tests, blood pressure checks, and consultations with doctors.



- ◆ **Scholarships:** We recognize the value of education and are proud to offer scholarships to our employees' children who excel in academics. We stand committed to supporting the academic success of our employees' families.

### Community Engagement

- ◆ **Religious Activities:** We respect and value the diverse religious practices within our communities. While details regarding specific religious activities supported require further confirmation, we are committed to fostering a spirit of inclusion and celebrating cultural traditions.



- ◆ **Mental Health Awareness:** Mental health is an important aspect of overall well-being. We donated funds to the DS offices in Kothmale and Walapane to support mental health programs and activities for their staff.

### Other Initiatives

- ◆ **Financial Support:** We provided financial aid to the Walapane police station for building maintenance, ensuring a well-maintained facility for our local law enforcement.
- ◆ **Anonymous Donations:** We believe in supporting those in need. In addition to the initiatives mentioned above, we also make donations to rural communities, particularly focusing on aiding individuals requiring bypass surgeries and treatment for kidney diseases.



### Future Outlook



We are committed to continuously improving our social and relationship capital. With this in mind, in order to set our goals and measure progress for the next year, we welcome feedback on how to strengthen our positive impact. This feedback could be used to develop goals for the next year. By using our feedback system, we constantly measure and ensure the satisfaction of our stakeholders in all stages of our business operations. We are a change positive organisation and we always seek to make necessary changes to alter our activities and grow along with the expectations of our community.



# INTELLECTUAL CAPITAL

We understand that one of our greatest assets is our workforce and pride ourselves on fostering a culture of continuous learning where diverse talent can thrive within our work environment. Through training programs and professional development initiatives, we empower our employees to reach their full potential, nurturing the intellectual capital that drives our success. We leverage cutting-edge technology and invest in research, keeping us at the forefront of the renewable energy industry. This commitment to our people fuels our innovation engine and allows us to deliver sustainable solutions for a greener future.

*'Intellectual capital is the most valuable of all factors of production' – Brian Tracy*

## OUR APPROACH TO MANAGING INTELLECTUAL CAPITAL

At the heart of our organization lies a wealth of intellectual capital – the collective knowledge, expertise, and creativity of our employees. Effectively managing this intellectual capital is essential for driving innovation, fostering continuous learning, and maintaining our competitive edge in the market. We prioritise the knowledge and expertise of our employees and remain committed towards keeping our employees up to date with the necessary skills required to elevate the overall performance of our organisation. Additionally, we leverage advanced technologies and research to enhance our intellectual capital, enabling us to stay at the forefront of the renewable energy industry.

## Highlights of 2024

### Capital trade-offs

Investing in technology and training leads to a short-to medium term impact on financial capital given the delay in realising financial gains from enhancements.

However, the development of more efficient processes and systems and a staff base equipped with the knowledge of the latest technologies will support fulfilling the emerging needs of key stakeholders and will lead to sustainable financial and business success in the long term.

### Contribution to SDGs



## STRENGTHENING OUR BRAND

Advancing Sustainable Innovation

Investing in Education and Advocacy

Ensuring Operational Excellence

Fostering Partnerships and Alliances

# INTELLECTUAL CAPITAL

As a leading player in the renewable energy sector, our brand stands for innovation, sustainability, and a commitment to a greener future. In a world increasingly prioritizing environmental responsibility, it's essential to continuously strengthen our brand value proposition.

Over the years PAP has gained significant recognition as an independent power producer, experiencing exponential growth especially over the past few years. With a diverse portfolio comprising 19 solar projects (ground mounted and rooftop) and three mini hydro projects, we have collectively contributed 57GWh of clean energy to the national grid in 2023/24, solidifying our position as a

prominent player in the local renewable energy sector.

## TACIT KNOWLEDGE

In our quest to achieve business excellence, we will continue to strengthen our core competencies. Our continuous efforts to enrich tacit knowledge involve investments in training and development, promoting talent mobility for skill growth, fostering knowledge sharing, and prioritising leadership development. Safeguarding this wealth of tacit knowledge is a fundamental focus at PAP, supported by a strong employee value proposition.

## SYSTEMS AND PROCESSES

At Panasian Power, we believe in constantly refining our processes to ensure efficiency and deliver exceptional results. We've established a comprehensive system with clear procedures and well-defined roles, ensuring everyone understands how their work contributes to our overall strategy.

Streamlined processes mean we can enhance our efficiency and operate more effectively. We also maintain stronger sustainability practices by minimising our environmental impact through ongoing improvements. Our processes include maintaining clear documentation to ensure adherence to, and to improve compliance with relevant regulations and standards. We are also able to meet and exceed all our stakeholder expectations by delivering on our promises through optimised operations. Continuous improvement drives PAP's future success. By proactively evaluating and optimising how we work, we ensure we deliver on our promises, meet stakeholder expectations, and contribute to PAP's long-term success.

- ◆ **Sustainability Focus:** Environmental responsibility is a core value and we continuously improve our environmental management systems to minimise our impact on natural resources.
- ◆ **Safety First:** The safety and well-being of our employees is paramount, and we actively work to refine our safety and health procedures, creating a secure and healthy work environment.
- ◆ **Operational Excellence:** Accurate and up-to-date records are crucial and we aim to enhance our documentation practices to ensure compliance with relevant regulations and standards, including factory ordinances.

<b>Cultivating a learning culture</b>	<p><b>Technical trainings</b></p> <ul style="list-style-type: none"> <li>Mechanical training</li> <li>Electrical maintenance</li> <li>Machinery handling</li> <li>Occupational Health and safety Management System</li> <li>Environment management system</li> </ul> <p><b>Other practical trainings</b></p> <ul style="list-style-type: none"> <li>Fire drill and fire evacuation</li> <li>Hazard identification and safe handling</li> <li>Health and safety</li> <li>First aid</li> </ul>
<b>Mentorship for Growth</b>	In addition to formal training, we also offer personalised mentorship programs. This pairs experienced technical managers with site workers, fostering knowledge transfer and skill development in a supportive environment.
<b>Open Communication &amp; Well-being</b>	We believe in open communication and prioritise the well-being of our employees. We encourage them to voice their concerns and seek resources for both personal and professional development. Whether it's about working conditions, new technology, or the work environment itself, our employees feel comfortable approaching anyone in the organisation to express their concerns and request support.

### TECHNOLOGY AND DIGITIZATION

We continue to harness the power of digital technologies to streamline operations and work smarter. By leveraging digital technologies and promoting a culture of digitization, we are further strengthening the core aspects of our business and empowering our workforce to work efficiently, collaborate effectively, and access information seamlessly. Through these initiatives, we are enhancing productivity, reducing our environmental footprint, and embracing the possibilities offered by the digital age.

- ◆ **Adopting Cloud Solutions:** Cloud solutions are providing us with convenient access to documents and process files - anytime, anywhere. It also enables the seamless sharing

of information and supports easy collaboration across teams.

- ◆ **Reduced Paper Usage:** As a step toward more sustainable and environmentally friendly operations, more of our documents transitioned to digital formats for easier storage, retrieval, and sharing.
- ◆ **Online Meetings:** We embraced the opportunities given by technology during the time of limited operations and integrated them into our usual day to day operations. By utilizing platforms like Zoom for effective communication and collaboration, we have effectively reduced travel needs, minimised fuel consumption and costs. This too aligns with our steadfast and company-wide commitment to sustainability.

Outcomes			
<b>Enhanced Productivity:</b> Streamlined workflows empower efficient work	<b>Stronger Collaboration:</b> Cloud tools and online meetings foster teamwork	<b>Reduced Environmental Impact:</b> Less paper and travel, more sustainability	<b>Embracing the Digital Age:</b> We're future-proofed for the digital world

### CERTIFICATIONS AND AWARDS

Below are the awards earned by PAP during the financial year under review highlighting our commitment to increasing the quality and competence of our workforce.

- ◆ TAGS Awards 2023 conducted by the Institute of Chartered Accountants of Sri Lanka - Gold Award - Power & Energy sector
- ◆ National Business Excellence Awards (NBEA 2023): Merit (bronze) award in the Infrastructure & Utilities Sector category.
- ◆ Best Management Practices Company Award 2024 (Chartered Institute of Professional Managers): Merit award in the Power & Energy sector. This award recognizes PAP's "Daily Check Up with our Employees" practice, which is credited with contributing to winning a 35 MW (7 NOsx5MW) tendered projects from CEB floated tenders in March 2023.

ISO 14001:2015 Environmental Management System

ISO 45001:2018 Occupational Health and Safety Management System



### Future Outlook



By empowering our employees with knowledge and fostering their professional growth, we aim to build a team that can excel and contribute to Panasian Power's overall success for years to come. We will endeavour to increase technology integration across our operations to improve our systems and processes to satisfy the future demands of our employees, and other stakeholders.



# NATURAL CAPITAL

The capital resources we receive from nature are the key to the success of our business as producers of renewable energy. As such, we have stringent protocols to follow and comply with in the management of our Natural Capital. In this report we will explain how the environment is always the central focus of all our decision making, in the setting of our key performance indicators and in the development of our business models.

*'If we surrendered to earth's intelligence, we could rise rooted, like trees' – Rainer Maria Rilke*

## OUR APPROACH TO MANAGING NATURAL CAPITAL

At PAP, our vision denotes that we are striving to be the leader in diversified sustainable renewable energy solutions in the Global South. This entails the proper management of all the natural resources that we harness. As our primary business concern is to reduce the impact of energy generation and consumption at a global level, the core assumption that our operations will continue into the foreseeable future is entirely dependent on the environment.

## Highlights of 2024

Zero complaints from neighbouring communities / public/  
regulatory bodies Annual CO2 emission removal 42,239 MT

## Capital trade-offs

Our continued commitment to minimize environmental impacts from operations is expected to build organizational resilience over the long term.

However, investments in enhancing the sustainability of our operations will impact financial capital in the short term.

## Contribution to SDGs



## OUR ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

This system includes the guidelines which enable us to align all our business activities in the best interest of the environment. Our system is awarded the ISO 14001:2015 certification, which signifies the adherence to quality and perfection by an international standard. According to this system, each of our projects are first examined to ensure

that they are in strict compliance with the guidelines issued by the regulatory bodies such as the Central Environmental Authority (CEA). CEA is the primary project approving and regulating agency. The National Environmental Act No. 47 of 1980, along with its subsequent amendments, including No. 56 of 1988 and No. 53 of 2000, supplies us with all the regulatory outlines under which we operate.

Preparation of a detailed project proposal and obtaining approvals from project approving agencies for the execution of project plans are the first steps before commencing any project. This helps to ensure that all our subsequent activities related to our projects will not have any adverse effects on the environment. The authorities will examine our proposal thoroughly for the impacts they pose to the society and the



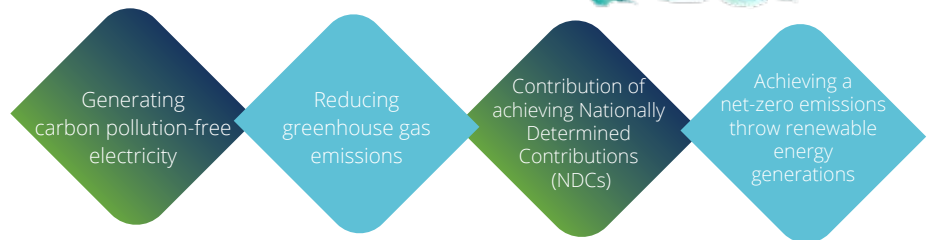
environment. If they have any concerns, they will be communicated to us and we will make the necessary changes in order to preserve the best interests of the society and to protect the well being of the natural environment. Along with their approval to proceed, they will provide us with the protocols to be followed throughout the project operations in order to ensure that our developments have positive outcomes.

Our commitment to the preservation of our Natural Capital has been paramount in ensuring that we diligently maintain adherence to these directions throughout the entire project development and implementation. Once our projects are up and running, we constantly observe and analyse the impacts and results to ensure that there are no adverse effects arising from their continued operation. In order to do this, we have an Environment and Social Compliance Officer who is in charge of conducting continuous reviews and monitoring of our adherence to these standards. We also have our sustainability lead, who conducts regular due diligence activities to provide assurance of the effectiveness of our control processes. Our final objective is to maintain a flawless compliance record. In essence, these initiatives represent different aspects of our company's journey towards a more sustainable future.



## KEY OBJECTIVES

- ◆ **Zero water-related issues:** We continue to strive for zero complaints regarding water scarcity and floods.
- ◆ **Pollution Prevention:** Preventing oil leaks and water pollution remains a top priority.
- ◆ **Noise Reduction:** We're committed to maintaining noise levels below acceptable limits during hydropower plant operations.
- ◆ **Emergency Preparedness:** We've further improved our company's fire evacuation plan for enhanced safety.
- ◆ **Sustainable Waste Management:** Our waste disposal system is up and running, with a focus on exceeding our 60% target for recycling and reuse.
- ◆ **Compliance and Community Respect:** We're proud to maintain a zero record of public, neighbour, or legal body complaints, along with zero legal requirement violations.
- ◆ **Biodiversity Protection:** Minimising damage to both land and water flora and fauna remains a core objective.
- ◆ **Resource Efficiency:** Our commitment to efficient electricity and water consumption continues. We actively identify and address areas where we can minimise unnecessary use.



In order to achieve this, during the year under review, we strove to adhere to the SDGs (Sustainable Development Goals) related to Natural Capital conservation as defined by the United Nations. PAP based its goals on this international framework, on NDCs (Nationally Determined Contributions),

and the UNFCCC Paris Agreement, which is a landmark international treaty on climate change. This agreement was made between 196 Parties (countries) who participated at the UN Climate Change Conference (COP21) in Paris on December 12, 2015. They agreed to align their operations with global standards

## NATURAL CAPITAL

in order to limit global warming to well below 2 degrees Celsius (°C) above pre-industrial levels and to pursue efforts to limit the increase even further to 1.5°C. This is crucial to avoid the worst impacts of climate change.

As a result, each country develops their own individual NDCs or Nationally Determined Contributions. This is an outline of the plans and targets for reducing greenhouse gas emissions. These are reviewed and updated regularly to reflect increasing ambition towards contributing to the international goal. NDCs are subject to review by the UNFCCC Paris board, where they monitor progress and encourage the increment of target levels.

### ENERGY MANAGEMENT

We actively monitored and analysed electricity consumption across our project sites. This allowed us to identify areas for improvement and implement corrective actions where necessary. We continued focusing on energy-saving measures in our hydroelectric power generation and balanced our operational and domestic energy needs through a combination of purchased grid electricity and renewable energy generation from our own facilities.

### OUR ACHIEVEMENTS IN 2024:

#### Transition to Renewable Energy:

We have investigated the feasibility of partnering with a leading solar panel provider like Longi to implement large-scale solar power generation at our facilities. Also, by joining the Renewable Energy 100 (RE100) initiative is a long-term goal to demonstrate our commitment to 100% renewable electricity.

#### ◆ Energy Efficiency Improvements:

We participated in the EP100 program to identify and implement energy-saving technologies and practices across all our operations. Optimising energy consumption not only reduces costs but also minimises

our environmental footprint.

#### ◆ Sustainable Fleet Management:

We committed to transitioning our company fleet (vehicles under 7.5 tons) to electric vehicles (EVs) by a specific target date within the next few years. This aligns with the goals of the EV100 initiative and promotes cleaner transportation practices. We are also in the process of installing charging infrastructure within our facilities and potentially for public use.

- #### ◆ Monitoring and Reporting:
- We have developed key performance indicators (KPIs) to track progress on each element of the management initiative (e.g., % reduction in energy consumption, % of fleet transitioned to EVs). By conducting regular internal audits and participating in external assessments to ensure effective implementation of the initiative. Prepare a comprehensive annual report summarising achievements and outlining next steps for continuous improvement.

Our water consumption primarily relates to drinking water and groundwater used at our solar project sites. This year, we've made significant progress in tracking and managing water usage in these areas:

- #### ◆ Hydropower Generation Water Consumption:
- We've implemented a more comprehensive system to monitor water consumption associated with hydropower generation. This data will allow us to identify areas for potential future optimization.
- #### ◆ Water Release to Streams from Hydropower Plants (PH):
- We've continued our commitment to responsible water release (E-flow) practices, ensuring minimal disruption to the natural flow of the streams.

We're committed to continuous improvement in our environmental performance. In the coming year, we'll focus on further optimising our energy consumption, exploring opportunities to increase renewable energy generation, and implementing even more sustainable practices across all our operations.

### WATER MANAGEMENT

This financial year, we focused on further refining our water management practices. Stream water used in our hydropower generation process is entirely released back into the environment. This ensures minimal water impact from our operations.



- #### ◆ Water Consumption per Household (H/O) per Year:
- We've implemented initiatives to raise awareness of water conservation among our staff at Head office. This includes tracking water usage per household, allowing us to identify areas where consumption can be further reduced.
- #### ◆ Solar Plant Operations & Maintenance Water Usage:
- We've conducted a thorough review of water usage for solar plant operations and maintenance, including domestic use. This review identified several opportunities for implementing water-saving technologies and practices. We're currently working on integrating these solutions into our operations.

By actively monitoring and managing our water consumption, we're committed to minimising our environmental impact and ensuring the responsible use of this vital resource.

metal, and other materials are disposed of responsibly. Once accumulated, we partner with licensed waste collectors and recyclers to manage their proper disposal.

By continuously evaluating and refining our waste management practices, we strive to minimize our environmental impact and ensure compliance with all regulations. We're committed to finding sustainable solutions and embracing responsible waste disposal practices for a cleaner future.

**WASTE MANAGEMENT**

At Panasian Power PLC, we're committed to responsible waste management practices across all our project sites and our head office. Segregated waste bins remain a staple at both project sites and our head office, ensuring plastic, glass,



**Minimizing Food Waste**

We remain committed to reducing food waste in our cafeteria. This year, we've implemented new awareness campaigns and portion control measures, which have yielded positive results. Any remaining food waste is still responsibly handed over to authorized municipal authorities for proper disposal.

**Paper Reduction and Recycling**

Our commitment to digitization continued during the year and we have been able to significantly reduce paper usage.

For any remaining paper waste, we maintain our partnership with Neptune, a CEA-registered recycling company.

**E-Waste Management**

We continue to closely monitor and dispose of e-waste through authorized CEA collectors.

**Innovative Solutions for Hazardous Waste**

This year we introduced a new initiative utilizing scrap inverters to dispose of solid hazardous waste. This innovative approach allows us to responsibly manage this waste stream while potentially creating a valuable source of materials for other industries.

**CONSERVING BIODIVERSITY**

This past financial year, PAP made significant strides in environmental conservation and climate change mitigation, exceeding several key performance indicators (KPIs). We are committed to responsible development, and these achievements demonstrate our dedication to minimising environmental impact while delivering essential projects.

- ◆ **Environmental Impact Assessments (EIAs) and Initial Environmental Examinations (IEEs):** if necessary or recommended by any project approving agency We conduct thorough EIAs/IEEs before starting any project, ensuring potential land and biodiversity impacts are identified and addressed proactively.

# NATURAL CAPITAL

- ◆ **Dedicated Fauna Studies:**  
Whenever necessary we conduct specialized fauna studies to understand potential impacts on wildlife and implement mitigation strategies. Studies conducted in past include cave biodiversity studies, bat population studies, and common report on fauna at the selected project sites.
- ◆ **Greenhouse Gas (GHG) Mitigation:**  
Our commitment to renewable energy plays a vital role in GHG mitigation. We've successfully implemented agrivoltaic solar plants, integrating solar panels with agricultural practices. Additionally, greenhouse solar projects in Thirappane and Maradankadawala contribute a combined 4 MW of clean energy to the grid.
- ◆ **Land Management Practices:**  
We prioritise minimising land clearance, levelling, and excavations during project execution. Strict soil erosion control measures are also implemented to preserve the integrity of the land.

By achieving these objectives, PAP demonstrates its commitment to environmental stewardship. We believe responsible development goes hand-in-hand with sustainable practices, and we will continue to integrate innovative solutions and best practices in the years to come.

## PARTNERSHIPS FOR ENVIRONMENTAL SUSTAINABILITY

We have established partnerships with relevant organisations like the Climate Group to access best practices and expertise in implementing these initiatives. Our collaborations with academic institutions and research bodies help us to explore innovative technologies and solutions for natural capital preservation.

The management at PAP joined with Sungrow and conducted the Business Meet and Technical Seminar to provide educational resources and information on renewable energy development. We also actively participated in the knowledge sharing session conducted by the climate change secretariat, in which we collaborated with the ministry of environment to prepare the NDCs, developed climate change mitigation plans. Most importantly, we contributed a carbon net zero in value addition to the energy sector.



### Future Outlook



In recognition of the growing importance of natural capital preservation, PAP is committed to implementing comprehensive management initiatives for the financial year 2024/25. By actively pursuing these initiatives, PAP strives to become a leader in environmental stewardship. Through strategic partnerships, innovative solutions, and continuous improvement, we aim to minimise our impact on natural capital and contribute to a more sustainable future.



## **STEWARDSHIP AND GOVERNANCE**

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**113** Risk Management

# BOARD OF DIRECTORS



**L H A L SILVA**  
Non Executive Independent Director / Chairman

**Appointed to the Board**  
01.03.2022

**Expertise**

Leadership	Electric Engineering	Accounting and Finance
Legal/Regulatory	People's Mgt	Risk & Strategy
<b>Board sub Committee membership</b>		
Audit Committee	Remuneration Committee	Related Party Transactions Review committee
Board Nomination and Governance committee		

Started the professional career with the Department of Inland Revenue of Sri Lanka and joined the DFCC Banking Group in 1987. Was seconded to the

service of DFCC Vardhana Bank in 2003 and functioned as the Chief Operating Officer until appointment as the Chief Executive Officer/Executive Director in January 2010. Held the position of Deputy Chief Executive Officer/Director of DFCC Bank PLC from October 2015 and appointed as the Chief Executive Officer/Director in August 2017.

Until retirement in December 2021, held the position of Chairman of DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited, subsidiary companies of DFCC Bank PLC, and the Chairman of Lanka Financial Services Bureau Limited as well as Sri Lanka Banks' Association (Guarantee) Limited. Also held the position of Chairman / Director of Acuity Partners (Pvt) Limited, the joint venture company of DFCC Bank PLC, Lanka Ventures Limited and LVL Energy Fund PLC. Also was a director at Lanka Clear (Pvt) Ltd until 31 December 2021.

Was a member of the Board of Directors of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP), and Board of Management of the Sri Lanka Sustainable Energy Authority. At present acts as an Independent non-executive Director at Seylan Bank PLC, Finetech Consultancy Pvt Ltd and HNB Assurance PLC whilst serving as Chairman & Director of Panasian Power PLC & its subsidiary companies. Also serves as Member of the Stakeholder Engagement Committee of Central Bank of Sri Lanka. Holds a BCom (Sp.) degree from the University of Kelaniya and an MBA from the Postgraduate Institute of Management of the University of Sri Jayawardenapura. Silva is a Associate Member of the Association of Development Financial Institutions of Asia & Pacific (ADFIAP).

Details of other Directorships	15
Shareholding in the company	Nil

**D SOORIYAARACHCHI**  
Non Executive Non Independent Director



**Appointed to the Board**  
11.11.2014

**Expertise**

Leadership	Electric Engineering	Accounting and Finance
Legal/Regulatory	People's Mgt	Risk & Strategy
<b>Board sub Committee membership</b>		
Audit Committee	Remuneration Committee	Related Party Transactions Review committee
Board Nomination and Governance committee		

Mr. Deepal Sooriyaarachchi is, a Fellow of the Chartered Institute of Marketing UK and holds an MBA from the University of Sri Jayawardenapura and an Accredited Master Coach and a Master Mentor.

He is a renowned Management Consultant, Speaker Trainer and an Author.

Before embarking on full time consultancy work, he was the Managing Director of AVIVANDB Insurance PLC (now known as AIA Insurance).

He is an alumnus of National University of Singapore, Asian Institute of Management and Stanford Business School USA.

Mr. Sooriyaarachchi serves as a Non-Executive Independent Director of; AIA Insurance Lanka, Siyapatha Finance, Singer Sri Lanka PLC, Prime Lands Residencies PLC. Kelani Cables PLC. He is also a member of board of management of the Postgraduate Institute of Management (PIM) University of Sri Jayewardenepura. He is a consulting partner of Results Based Leadership Institute USA.

He is a Past President of the Sri Lanka Institute of Marketing, and a Past Commissioner of Sri Lanka Inventors Commission.

Details of other Directorships	09
Shareholding in the company	Nil

**P K PATHMANATHA**  
Executive Director / CEO



He counts over 20 years’ experience in the field of engineering & management attached to leading conglomerates in which 13 + years in the field of renewable energy sector. He has expertise in development of renewable energy projects from project identifications, Feasibility study, financing, construction & operation and has proven track records in operation & maintenance of project assets. He has studied large number of RE projects locally and internationally and worked as expert in number of due diligences of power company merges and acquisitions, further he serves as CDM expert for leading international audit firm as local expert.

Pathmanatha also counts over 8 years’ experience as a senior lecturer for City & Guilds (UK) mechanical engineering curriculum. He has strong network in the sector to access for information. He is also an active member of Institution of Engineers Sri Lanka, Sri Lanka Energy Managers Association & CMA (Australia). Mr Pathmanatha has been appointed as the Chief Executive Officer w.e.f. 1 April 2020.

**Appointed to the Board**  
18.05.2017

**Expertise**

Leadership	Electric Engineering	Accounting and Finance
Legal/Regulatory	People's Mgt	Risk & Strategy

**Board sub Committee membership**

Audit Committee	Remuneration Committee	Related Party Transactions Review committee
Board Nomination and Governance committee		

Details of other Directorships	22
Shareholding in the company	Nil

Mr. Pathmanatha Poddimala is an engineer in profession with qualifications into business administration (MBA in Technology Management) and Management Accountancy, CMA (Aust).

# BOARD OF DIRECTORS



**L. K. A. H FERNANDO**  
Non Executive Non Independent Director

**Appointed to the Board**  
03.08.2021

**Expertise**

Leadership 	Electric Engineering 	Accounting and Finance 
Legal/Regulatory 	People's Mgt 	Risk & Strategy 

**Board sub Committee membership**

Audit Committee 	Remuneration Committee 	Related Party Transactions Review committee 
Board Nomination and Governance committee 		

With extensive work in finance and management, Hiroshini Fernando accounts for over 20 to 30 years of experience across a broad spectrum of commercial sectors. She began her professional life at Kreston MNS & Co.- Sri Lanka Division, a correspondent firm of Grant Thornton International and a leading global firm of Chartered Accountants. Her tenure at Kreston MNS & Co. established her core expertise in accounting, auditing and strategic finance

with wide exposure to the inner workings of each area.

Given her well-rounded experience, she continues to be a source of adept insights and extensive knowledge to the Company and the Board, especially in maintaining financial transparency and matters of governance.

Hiroshini is a Fellow member of the Institute of Chartered Accountants of Sri Lanka, member of the Institute of Certified Management Accountants of Sri Lanka and a Member of the Association of Chartered Certified Accountants UK. She was appointed to Panasian Power PLC Board on 03rd August 2021.

Listed companies: Chief Executive Officer/Executive Director of R I L Property PLC and Non-Independent/ Non-Executive Director of United Motors Lanka PLC and Independent Non-Executive Director of DFCC Bank PLC. Others: Director of UML Heavy Equipment Limited, Unimo Enterprises Limited, Finergreen Rajarata (Pvt) Limited, Padiyapelella Hydropower Limited, Powergen one (Pvt) Limited, and Rajarata Sustainable Development (Pvt) Limited, Finergreen Ridiyagama (Pvt) Ltd, Finergreen Gonnoruwa (Pvt) Ltd, Finergreen Mattala (Pvt) Ltd and Partner of A & T Associates.

Details of other Directorships	17
Shareholding in the company	Nil



**K. KAMBURADENIYA**  
Non Executive Independent Director

**Appointed to the Board**  
03.08.2021

**Expertise**

Leadership 	Electric Engineering 	Accounting and Finance 
Legal/Regulatory 	People's Mgt 	Risk & Strategy 

**Board sub Committee membership**

Audit Committee 	Remuneration Committee 	Related Party Transactions Review committee 
Board Nomination and Governance committee 		

Kosala Kamburadeniya is a Chartered Engineer, a Fellow member, an International Professional Engineer of the Institution of Engineers, Sri Lanka, and an Attorney-at-Law of the Supreme Courts of Sri Lanka. He holds a B.Sc. Engineering honours degree from the University of Moratuwa, a Postgraduate Diploma in Industrial Engineering from the Open University of Sri Lanka and a Master of Business Administration from the University of Sri Jayawardenepura. He is a Vice-President of the Institution



of Engineers Sri Lanka and was a council member of the Engineering Council of Sri Lanka from 2020-2022.

He is a senior member of the Institution of Electrical and Electronics Engineers (IEEE)USA, a member of the Institution of Engineers (IET)UK, American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) USA and Sri Lanka Energy Managers Association (SLEMA). Kosala is a certified Building Services Engineer and Arbitrator of the Institution of Engineers, Sri Lanka.

Kosala's 31 years of professional experience ranges from installation, Testing & Commissioning, Operations and Maintenance of Diesel Power Plants, Engineering Management, Lean Manufacturing & Process Improvement, setting up of start-up factories, Construction Projects Management and Consultancy service in Engineering Designs & Project Management.

He has served both semi-government and private Sector organizations, including Ceylon Electricity Board, Asia Power (Pvt) Ltd, MAS Holdings (Pvt) Ltd and Brandix Casual Ware (Pvt) Ltd. Presently, he holds the position of Managing Director/Principal Consultant of K2 Consultants (Pvt) Ltd and Director positions of Quadd Solutions (Pvt) Ltd and Promap (Pvt) Ltd.

Details of other Directorships	02
Shareholding in the company	Nil



**C PIETERSZ**  
Non Executive Independent Director

**Appointed to the Board**  
01.10.2022

**Expertise**

Leadership	Electric Engineering	Accounting and Finance
Legal/Regulatory	People's Mgt	Risk & Strategy

**Board sub Committee membership**

Audit Committee	Remuneration Committee	Related Party Transactions Review committee
Board Nomination and Governance committee		

Coralie is an associate member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Institute of Chartered Accountants of Sri Lanka and of the Institute of Certified Management Accountants of Sri Lanka. She has a BSc (Hons) in physics from the University of Sussex and holds an MBA from HeriotWatt University, Edinburgh.

Coralie holds directorships in several listed entities. Coralie counts over 25 years of senior level experience in corporate finance, accounting and

auditing in both private and public sectors. She joined Finlays Colombo in 2010 as Finance Director and was also appointed as Finance Director of Hapugastenne Plantations PLC and Udapussellawa Plantations PLC in 2016 and held these roles until 2020. Prior to that she functioned as the Group CFO at Richard Pieris and Company PLC, a role that entailed responsibility for the finance function of this diversified Group, which included five listed companies.

Details of other Directorships	09
Shareholding in the company	Nil



**R WEUDAGEDARA**  
Company Secretary

Roshini Weudagedara is an Attorney-at-Law and holds a Bachelor of Science in Biological Science from the University of Colombo. She is also a Registered Company Secretary, Notary Public and Commissioner of Oaths.

She has received extensive training on Secretarial and Legal fields at a leading law firm. During her career she has overlooked the Company Secretarial requirements of a number of listed and unlisted companies and has advised clients on matters relating to Exchange Control, Banking, BOI, Companies Act and Listing Rules. At present, she functions as the Company Secretary for the Company as well as the subsidiaries.

# BOARD OF DIRECTORS OF SUBSIDIARIES

DIRECTORS NAME & COMPANY NAME	COMPANY REGISTRATION NO
<b>PANASIAN POWER PLC</b>	<b>PV 9959 PB/PQ</b>
MR.L.H.A.L. SILVA MR. D. SOORIYAARACHCHI MR.P.K. PATHMANATHA MR.W.W.M.S.B.K.G. KAMBURADENIYA MRS.L.K.A.H. FERNANDO MS.C. PIETERSZ	
<b>MANELWALA HYDRO POWER (PVT) LTD</b>	<b>PV 10137</b>
MR.L.H.A.L. SILVA MR.P.K. PATHMANATHA MR. W.A.I.R. PERERA	
<b>PADIYAPELELLA HYDROPOWER LIMITED</b>	<b>PV 64694 PB</b>
MR.L.H.A.L. SILVA DR.Z.A.M.THAHIR MR.P.K.PATHMANATHA MRS.L.K.A.H FERNANDO	
<b>PANASIAN INVESTMENTS (PVT) LTD</b>	<b>PV 84223</b>
MR. L.H.A.L. SILVA MR. P.K.PATHMANATHA MRS. R.WEUDAGEDARA	
<b>LOWER KOTHMALEOYA POWER TWO (PVT) LTD</b>	<b>PV81275</b>
MR.L.H.A.L. SILVA MR.P.A.D.S.K.AMARASEKARA MR.S.K.S.H.K.SURIYAARACHCHI MR.P.K.PATHMANATHA MR. Y. M. K. YAPA BANDARA MR. W.A.I.R. PERERA	
<b>PAP SOLAR ONE (PVT) LTD</b>	<b>PV 128774</b>
MR.P.K.PATHMANATHA MRS. R.WEUDAGEDARA	
<b>ECO GREEN SOLAR SOLUTIONS (PVT) LTD</b>	<b>PV 129828</b>
MR.L.H.A.L. SILVA MR.P.K.PATHMANATHA MR. Y. M. K. Y BANDARA MR. W.A.I.R. PERERA	
<b>PANTHREE SOLARO ENERGY (PVT) LTD</b>	<b>PV 00202822</b>
MR.L.H.A.L. SILVA MR.P.K.PATHMANATHA MR. W.A.I.R. PERERA	
<b>SOLAR POWER GENERATION MATARA (PVT) LTD</b>	<b>PV 00205195</b>
MR.L.H.A.L. SILVA MR.P.K.PATHMANATHA MR. W.A.I.R. PERERA	

DIRECTORS NAME & COMPANY NAME	COMPANY REGISTRATION NO
<b>RAJARATA SUSTAINABLE DEVELOPMENT (PVT) LTD</b>	<b>PV 00206952</b>
MR.P.K. PATHMANATHA MRS.L.K.A.H. FERNANDO	
<b>FINERGREEN RAJARATA (PVT) LTD</b>	<b>PV 00209489</b>
MRS. S. K. M. D. WIJESEKARA MR.P.K. PATHMANATHA	
<b>FINERGREEN GONNORUWA (PVT) LTD</b>	<b>PV 00268543</b>
MR. Y. M. K. Y. BANDARA MR.P.K. PATHMANATHA	
<b>FINERGREEN MATTALA (PVT) LTD</b>	<b>PV 00268544</b>
MRS. R. WEUDAGEDARA MR.P.K. PATHMANATHA	
<b>FINERGREEN RIDIYAGAMA (PVT) LTD</b>	<b>PV 00268569</b>
MRS. R. WEUDAGEDARA MR.P.K. PATHMANATHA	
<b>WINSOL RENEWABLES (PVT) LTD</b>	<b>PV 00270643</b>
MR.L.H.A.L. SILVA MR.P.K. PATHMANATHA MRS. S. K. M. D. WIJESEKARA	
<b>PANASIAN POWER ZAMBIA LIMITED</b>	<b>120180009477</b>
MR. L. H. A. L. SILVA MR. P. K. PATHMANATHA MR. A. MIYANADENIYA MR. W. W. M. S. B. K. G. KAMBURADENIYA MS. S. K. M. D. WIJESEKARA	
<b>PAP SPGM SOLAR (PVT) LTD</b>	<b>PV 00286331</b>
MR. P. K. PATHMANATHA MS. L. K. A. H. FERNANDO	
<b>PAP MHPL SOLAR (PVT) LTD</b>	<b>PV 00286329</b>
MR. P. K. PATHMANATHA MS. L. K. A. H. FERNANDO	
<b>PAP EGSS SOLAR (PVT) LTD</b>	<b>PV 00286330</b>
MR. P. K. PATHMANATHA MS. L. K. A. H. FERNANDO	
<b>PAP PTS SOLAR (PVT) LTD</b>	<b>PV 00286332</b>
MR. P. K. PATHMANATHA MS. L. K. A. H. FERNANDO	
<b>R - E - D CAPITAL ASIA (PVT) LTD</b>	<b>PV 00286382</b>
MR. P. K. PATHMANATHA MS. L. K. A. H. FERNANDO	
<b>SOLAR ONE ASIA (PVT) LTD</b>	<b>PV 00296346</b>
MR. P. K. PATHMANATHA MS. L. K. A. H. FERNANDO	

# MANAGEMENT TEAM

*'A key to achieving success is to assemble a strong and stable management team' – Vivek Wadhwa*



**P.K.PATHMANATHA**  
Chief Executive Officer



**E.A.D.L.D.EGODAWATHTHA**  
Finance Manager



**J.M.K.PATHIRANA**  
Chief Operating Officer



**Y.J.C.GUNATHILAKE**  
Senior Manager - Technical



**U.P.K.W.PATHIRANA**  
Project Manager



**A.S. ARCHANA**  
Manager Environment  
Compliance And Tendering



**R.C.AMARASINGHE**  
Project Manager



**K.D.M.C.SIRIWARDENA**  
Project Manager



**D.A.N.M.K.ATHUKORALA**  
Assistant Manager Admin & HR



**N.G.A. LAKMALI**  
Accountant



**H.A.R.S. DAYARATHNE**  
Assistant Site Manager



**D.M.C.K.S. BANDARA**  
Project Engineer



**S.N.YAPA**  
Electrical Engineer



**H.U.S.YASARA**  
Service Engineer



**P.M.D.PATHIRATHNA**  
Plant Engineer

# CORPORATE GOVERNANCE

*'Corporate Governance needs a mindset change. It's about ethics, value creation, effective control and legitimacy' - Annamarie Van der Merwe*



## CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

On behalf of the Board of Directors, I am pleased to present the Corporate Governance Report of Panasian Power PLC (The Company) for the financial year 2023/2024.

The Board and its sub-Committees work efficiently together to create, implement, and improve strategies across the group. Made up of professional, forward-thinking individuals, with vast experience from diverse backgrounds, the composition of the board is regularly assessed to ensure that the group is managed by

**“Boards play a key role in maintaining focus on sustainability as a strategic imperative in the face of challenge reimagining the business for a sustainable future.”**

competent professionals, each bringing their own expertise to the table.

As chairman, I am primarily responsible for setting the group's strategy in conjunction with the board and ensuring effective board functions. This includes ensuring the board continues to develop its corporate governance, in response to changes in the external and internal environment. I have sought to discharge board functions effectively, by encouraging the active participation of non-executive and executive directors, thereby ensuring a high standard of corporate governance.

On behalf of the board, I wish to declare that the Board of Directors, Corporate Management and Employees have complied with the principles of good governance as set out by the code of Best Practice on Corporate Governance 2023 issued by the

institute of Chartered Accountant of Sri Lanka, The listing rules of the Colombo stock exchange as well as Company's internal policy guidelines. Further, to the best of my knowledge, I affirm that I am not aware of any material violations of any provisions of the code of ethical business conduct which is applicable to the employees and the directors.

**Mr. L.H.A.L. Silva**  
Chairman

03 June 2024

# CORPORATE GOVERNANCE

Panasian Power Group's robust and comprehensive corporate governance framework, endeavors to create an enabling environment for growth in a structured, sustainable and transparent manner. The Group's corporate governance philosophy is institutionalized across all its subsidiaries, and it is this philosophy that has continuously created value for all its stakeholders, notwithstanding the external environment and macroeconomic conditions. The Group's governance framework is supported by internal policies, processes and structures aimed at meeting, and, where possible, exceeding accepted best practice, in addition to the 'triggers' which ensure compliance with mandatory regulatory requirements. This framework is regularly reviewed and updated to reflect global best practice, evolving

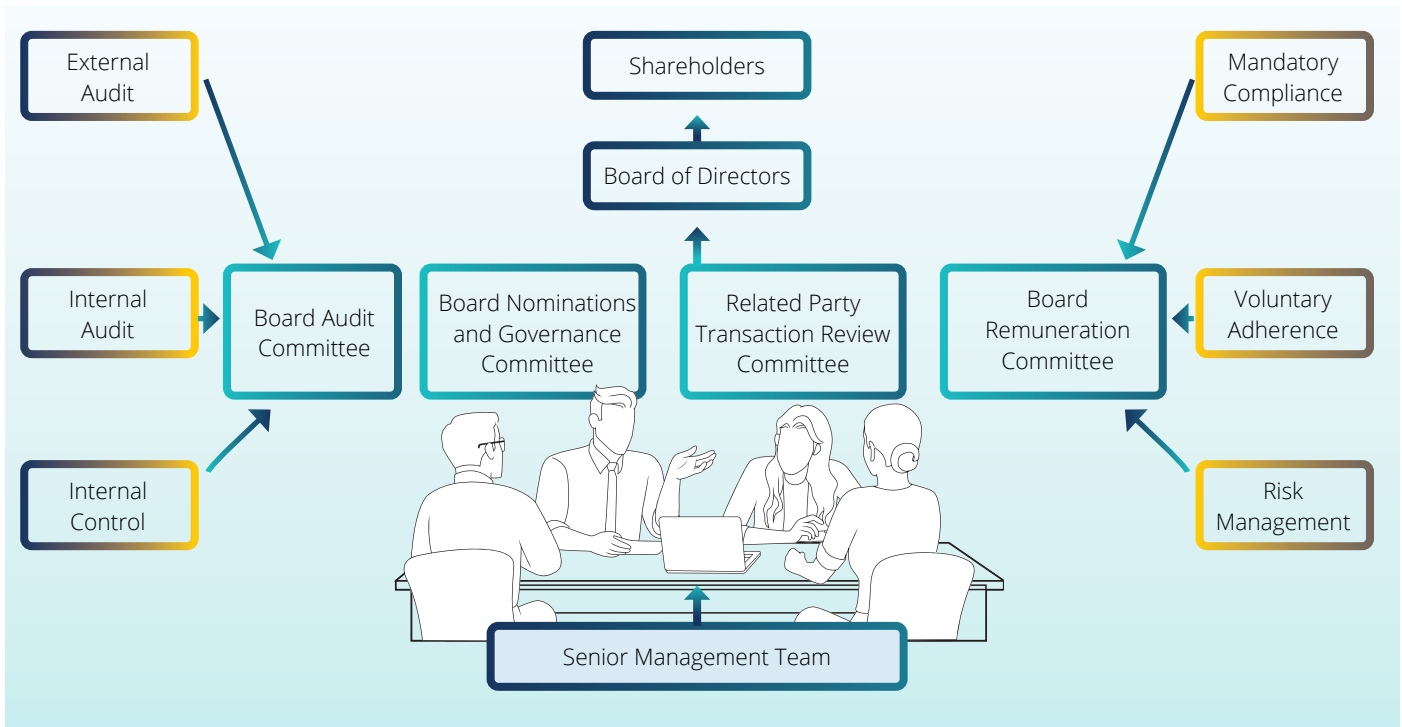
regulations, and dynamic stakeholder needs, while maintaining its foundational principles of accountability, participation, integrity, and transparency.

## KEY CORPORATE GOVERNANCE HIGHLIGHTS 2024

- ◆ Implemented a comprehensive code of business conducts and ethics for all employees.
- ◆ Strengthened the Group's bribery and anti-corruption framework and whistle blowing policy.
- ◆ Establishment of Board Nominations and Governance Committee with effect from 1 October 2023 in line with the revised Listing Rules of the Colombo Stock Exchange
- ◆ Conducted awareness sessions to the Board on new laws and amendments including the personal data protection Act No. 09 of 2022 and revisions to the Listing Rules;
- ◆ sets out a framework that requires professional accountants (PAs) to take actions when they become aware of any illegal or potential illegal act (NOCLAR)
- ◆ Ensured an effective control environment by obtaining confirmation from outsourced service providers and key management personnel
- ◆ Re-constitution of Board sub-committee

## THE GOVERNANCE STRUCTURE OF PAP

A well-precise governance structure of Panasian power PLC as shown below is in place within the company.



The Board of Directors is responsible for the formulation of strategy whilst the Group senior management is tasked with the execution of strategy. Each Board sub-committee is headed by a member of the board. The senior management is expected to achieve the group's strategic priorities, creating value for the organization and the stakeholders

in the short, medium, and long term. The senior management team, as the core executive leadership team, is responsible for forming a conducive culture for effective governance.

The risk management structure makes the group follow laws, regulations, and best practices whilst assurance measures

provide comfort to the Board on the financial statements, internal controls and compliance.

The governance structure provides for setting the tone at the top through clear communication between the Board and the management thereby minimizing the potential for corruption and creating room for diversity.

## OUR COMPLIANCE FRAMEWORK

### MANDATORY REGULATORY FRAMEWORKS -FULLY COMPLIANT

Companies Act No 07 of 2007

- ◆ Sri Lanka Accounting and Auditing Standards Act No.15 of 1995
- ◆ Listing Rules of the Colombo Stock Exchange
- ◆ Inland Revenue Act No.10 of 2006 and amendments
- ◆ Inland Revenue Act No. 24 of 2017 and amendments thereto
- ◆ Customs Ordinance No 17 of 1869
- ◆ Foreign Exchange Act No.12 of 2017
- ◆ Industrial dispute Act No. 43 of 1950
- ◆ The shop and office Employees Act No.15 of 1954

### VOLUNTARY FRAMEWORK AND STANDARDS

- ◆ Code of Best Practice on Corporate Governance issued by the Institute of chartered Accountants of Sri Lanka 2017
- ◆ Code of Best Practice on Corporate Governance issued by the Institute of chartered Accountants 2023 (Under implementation)
- ◆ Integrated Reporting framework
- ◆ Global Reporting Initiative standards

### INTERNAL BENCHMARKS AND PROCEDURES

- ◆ Article of Association
- ◆ Terms of Reference of Board Sub Committees
- ◆ Comprehensive framework of board approved policies
- ◆ Enterprise risk management policy
- ◆ Code of business conduct and ethics
- ◆ Other internal policies and procedures

# CORPORATE GOVERNANCE

## BOARD OF DIRECTORS

The commitment of our Board towards Corporate Governance is a critical factor in the achievement of our corporate strategy. As the facilitators of good Corporate Governance, all Directors dedicate significant time and effort to attend the Board and Board Committee meetings and provide independent judgement on matters relating to strategy, performance, risk management, governance and business conduct and ensure all business functions are carried out in an ethical and effective manner to ensure the continued satisfaction of the stakeholders. The Board assumes a supervisory role in overseeing the Management and its performance and acknowledges the responsibility to ensure that the annual report represents a balanced and accurate view of Corporate Governance practices and the salient matters which are expected to affect the stakeholders.

Our present Board comprises an appropriate and diverse balance of skills, industry experience and perspectives to discharge its responsibilities objectively and effectively

The role and responsibility of the Board are summarized below.

- ◆ Ensure formulation and implementation of business strategy.
- ◆ Appointment of chairman, senior independent director (where relevant), and board sub committees
- ◆ Ensuring that key management personnel have the required skills, experience, and knowledge to implement strategy.
- ◆ Secession Planning
- ◆ Approval of budgets and major capital expenditure
- ◆ Ensure effective systems to secure integrity of information, internal controls, business continuity and risk management.
- ◆ Ensure compliance with all laws, regulations, and ethical requirements
- ◆ Ensure that key stakeholder interests are considered in corporate decisions.
- ◆ Ensure that businesses are developed in a sustainable manner and adoption of integrated reporting frameworks.
- ◆ Ensure adoption of appropriate accounting policies and fostering compliance with financial regulations.
- ◆ Establish a process for monitoring and evaluation of progress on implementation of strategy, budgets, plans, and risks.

## ROLE OF CHAIRMAN

- ◆ Ensure that the board is in control of the affairs of the company.
- ◆ Efficient conduct of the board meetings
- ◆ Ensure that there is a balance of power between executive and non-executive directors.
- ◆ Ascertain views of all directors

## Role of CEO

- ◆ Lead the development of the Company's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses;
- ◆ Run the day -to day business within the authorities delegated to the CEO by the Board
- ◆ Formulate, obtain approvals and implement the Company strategies;
- ◆ Lead the development of senior management within the Company, with the aim of assisting the training and development;
- ◆ Ensure that the Chairman is kept appraised in a timely manner of issues faced by the Company and any

important events and development

- ◆ Ensure compliance with all applicable Laws and Regulations
- ◆ Continuously monitor and report to the Board on the performance of the Company;
- ◆ Ensure that the Chairman is kept appraised in a timely manner of issues faced by the Company and any important events and developments;

## Role of independent directors:

- ◆ Brings an objective view as necessary in the best interests of the Company, while evaluating the performance of the Board and management;
- ◆ Safeguards the interests of all stakeholders;
- ◆ Questions, scrutinizes and debates constructively;
- ◆ In situations of conflicts between management and shareholder's interests, aims towards the solutions which are in the best interest of the Company;
- ◆ Improves corporate credibility and governance standards;

## COMPANY SECRETARY

The Company Secretary, Ms. R. Weudagedara, an Attorney-At Law was appointed by the Board in 2021.

## SUMMARY OF RESPONSIBILITIES OF THE COMPANY SECRETARY

- ◆ Ensure that Board, sub - committee and shareholder meetings are conducted in accordance with the Articles of Association, Code of ethical business conduct for directors as well as relevant legislation;
- ◆ Support the Chairman and the other Board members by ensuring proper flow of information;
- ◆ Preparing meeting agendas in consultation with the Chairman, CEO and other Board members;



- ◆ Ensuring that all board proceedings are duly recorded in the minutes;
- ◆ Coordinating with the management on board papers and ensuring timely submission of board papers;
- ◆ Maintaining statutory registers and filing relevant statutory returns;
- ◆ Promptly communicating with the regulators and shareholders to facilitate a healthy relationship with the Company

**BOARD SKILLS AND EXPERTISE**

The size and skills composition of the Board is influenced by the demands of our diverse and complex business landscapes. An appropriate mix of skills, knowledge and experience ensures that the Board is collectively equipped to drive the Group’s strategy and value creation. Board balance and diversity are critical factors that are determined by the Board. With the formation of the Board Nominations and Governance Committee, the Board has delegated the responsibility of for assessing the number, expertise and other attributes required to provide leadership to Panasian Power PLC and its subsidiaries (refer to page 68 to 71 for detailed profiles of Directors)

**Board changes during 2023/24. Appointments to the Board**

No appointments

**Re-elections**

The re-election of Directors is governed by the Articles of Association and performed at the Annual General Meeting (AGM) of the Company.

One third of the Directors in office retire at each Annual General Meeting by rotation with the directors who have served for the longest period since their appointment/re-appointment retiring first. Retiring Directors are eligible for re-election and maybe recommended for re-election by the Board. The profiles of directors who are eligible for re-election

are provided to the shareholders to make an informed decision.

The BNGC employs a thorough assessment process when considering the recommendation to the Board on the re-election of a director. This involves evaluating several key criteria: Time commitment, skills and expertise, independence, strategic alignment and contribution for growth and stability of the Company. These factors assist the Committee’s recommendations regarding director re-election.

Accordingly, Mr. D. Sooriyaarachchi, non-independent, non-executive director shall retire and offer himself for re-election at the AGM to be held on 27 June 2024.

**RESIGNATIONS**

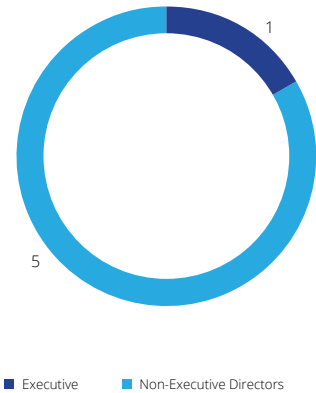
Mr. C.V. Kulatilaka resigned from the Board in July 2023.

**Board Composition**

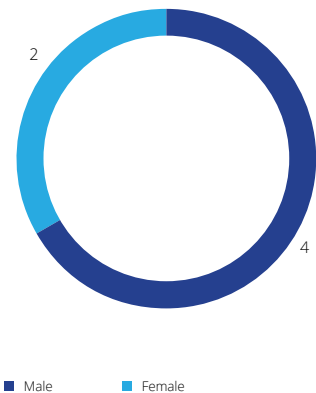
The Board of Directors conducts the affairs of the company based on its diverse industry knowledge and experience, and ensures that its composition is appropriate for the effective execution of its responsibilities. The inclusion of independent directors on the Board is essential to bring objectivity and transparency to the management and to the dealings of the Company. As such, the board comprises three independent Non Executive directors and two non-independent non executive director and one executive director, This composition ensures an appropriate balance of power and authority among the various functions.

The Board of Directors have extensive experience in areas pertinent to the execution of the company’s strategy. They remain professionally active, motivated and willing to broaden and deepen their knowledge and exposure.

**Board composition**



**Gender Diversity**

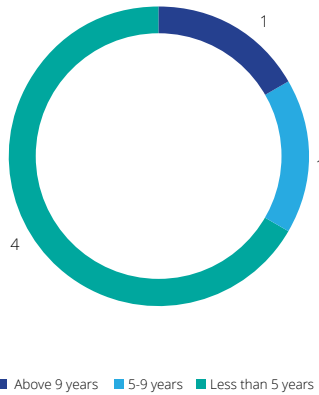


**AGE DIVERSITY**

Age Group	No of Directors	%
Above 70	None	-
60 -70 Years	3	50%
50 -60 Years	2	33.33%
40 -50 Years	1	16.67%

# CORPORATE GOVERNANCE

## Diversity of Tenure



### Maintaining the independence element of the Board and fitness of directors

All directors are required to exercise independent judgement on matters set before the Board. Ensuring the effective functioning of independent directors is a key consideration for the Board. Further, the persons appointed to the Board are those who are fit and proper to discharge the responsibilities, is another consideration.

The Company Secretary obtains declarations from each director on this information on a quarterly basis. Further, there is a separate agenda item reserved for board members to declare if there are any changes to the directorships held by them in other companies.

Criteria	Assessment	Result
Independence of directors are assessed using the criteria laid down in the Listing Rules and the CG Code.	The independence and fitness assessments are conducted annually, other than the new appointments which are assessed at the time of appointment.	Board status of Mr. D. Sooriyaarachchi were changed to non-independent.  All directors considered independent, satisfied the independence criteria.
The fitness and propriety of the directors are assessed using the criteria laid down in the Listing Rules.	All directors submitted declarations which were evaluated by the Board Nominations and Governance Committee and thereafter by the Board.	The Board was satisfied that all directors met the fit and proper assessment criteria.

**Table: Directorships held by each director in other companies**

Name of Directors	No of Board Seats in Listed Companies (excluding PAP)		No of Board seats in unlisted Companies (excluding PAP)
	Executive Capacity	Non Executive Capacity	
Mr. L.H.A.L.Silva	-	Seylan Bank PLC	Finetech Consultancy (Private) Limited
		HNB Assurance PLC	Director of nine companies within Panasian power group
			Lanka Pay (Pvt) Ltd
Ms. L.K.A.H.Fernando	R I L Property PLC	DFCC Bank PLC	Director of Nine companies within Panasian power group
		United Motors Lanka PLC	Director of one companies within R I L Property PLC
			Director of two companies within United Motors PLC
		A&T Associates	
Mr. D. Sooriyaarachchi		AIA Insurance PLC	Lanka Shipping and Logistics PVT LTD
		Singer Lanka PLC	Medapp (PVT) LTD
		Kelani Cables PLC	Sati Human Development Institute (Pvt) Ltd
		Prime Land Residencies PLC	
		Siyapatha Finance PLC	
Mr. P.K. Pathmanatha			Director of twenty one companies within Panasian power group
Mr. K. Kamburadeniya			Director of one companies within Panasian power group
Ms. C. Pietersz		Bogala Graphite PLC	Hemas Pharmaceuticls ( Private) Ltd
		R I L Property PLC	Compass Advisory Services (Pvt) Ltd
		United Motors Lanka PLC	Tambapanni Academic Publishers (Pvt) Ltd
			CT CLSA Asset Management (Pvt) Ltd
			CT CLSA Capital (Pvt) Ltd

**BOARD APPOINTMENTS/ RELECTIONS AND TRAINING**

Board appointments are conducted in a formal and transparent manner, which assesses the Group’s strategic demands as well as skills and competencies of the Board. Profiles of requirements are drawn up and potential candidates are screened. The Board considers thereafter appoints and recommends for election/re-election by the shareholders at the Annual General Meeting In case of new appointments. following details of new Directors are disclosed on their appointment to the Colombo Stock Exchange

- A. brief resume of the Director
- b. The nature of his expertise in relevant functional areas
- c. The names of companies in which the Director holds directorships or memberships in Board Committees; and
- d. Whether such Director is considered Independent

With the formation of the Board Nominations and Governance Committee, the recommendations for Board appointments will fall under Committee’s remit.

The Board has the power to appoint directors to fill any casual vacancies that may arise during the year. The Articles of Association require that Directors appointed in this manner hold office until the next Annual General Meeting and seek election by the shareholders at that meeting ensuring shareholder participation in the election of Directors.

**ASSESSING BOARD EFFECTIVENESS**

Effectiveness of the leadership is assessed through Board and Sub-Committee evaluations which reveal the appropriateness of the Board composition, mix of skills and ability to deliver strategic aspirations. The results of the evaluation are assimilated and submitted to the Chairman for discussion at a Board Meeting.

**Evaluation of the CEO**

At the beginning of the Financial Year, the Board discusses and set financial and non-financial targets to be achieved by the CEO during the year, in line with the short, medium and long- term objectives of the Company. In doing so, the Board will take into consideration the changes in the operating environment. The CEO is responsible to provide the Board with explanations for any adverse variances together with proposed actions to be taken. Remuneration is revised based on the performance. Areas identified for improvement are communicated to the CEO inclusive of any training needs, skills and any knowledge gaps.

The evaluation of the CEO was conducted by the Board Remuneration Committee during the year. With the change of scope under the Listing Rules, the Board Nominations and Governance Committee is tasked with the oversight of the process for the periodic evaluation of the performance of the CEO to ensure that responsibilities are satisfactorily discharged.

**BOARD EVALUATION PROCESS**

**ASSESSMENT QUESTIONNAIRES**

- ◆ Strategies developed and implemented.
- ◆ Compliance with laws and regulations
- ◆ Quality of participation at meetings
- ◆ Effectiveness of systems and processes

**Review of responses**

- ◆ Review of responses by the Chairman
- ◆ Report feedback to the Board of Directors

**Formulation of response**

- ◆ Implementation of remedial measures for improvement

**Board training and induction**

Directors are kept abreast of emerging developments in the economic and industry landscapes along with changes

to regulations, voluntary standards and other issues which could affect the Group and its operations. The areas in which Directors received updates during the year are set out alongside. Directors are also encouraged to attend sessions conducted by the Sri Lanka Institute of Directors. Many of the Directors also conform to the Continuing Professional Development requirements of the respective professional organizations. Knowledge building sessions attended by Directors during the year are set out below:

**BOARD INDUCTION**

On appointment, the new director undergoes a comprehensive induction program to familiarize of the business and governance policies at PAP. New Director is provided with a comprehensive orientation pack consisting of all relevant external and internal regulations that the Director should be aware of. Formal meetings with the Chairman, CEO and the senior Management are held to give an understanding to the new Director of the group’s business to enable him to assimilate into the new role. As a part of the induction process, site visits are also arranged upon request. The Company provides a formal letter upon appointment of each Director, setting out their duties and obligations.

**Figure: Trainings conducted during the year**

Area	Resource	Number of hours
Amendments to the Listing Rules	Internal	0.5
Data Protection Act	Internal	0.5

**BOARD AND SUB-COMMITTEE MEETINGS**

Meetings are scheduled at the beginning of the year giving notice to directors well in advance. The Board meeting held during the year and directors’ attendance are as set out below.

# CORPORATE GOVERNANCE

## 1) Board meeting schedule and attendance.

Name	Nature of Directorship	Attendance**
Mr. L.H.A.L.Silva (Chairman)	Non Executive Independent	9/10
Mr. D. Sooriyaarachchi	Non Executive Independent	9/10
Mr. P.K. Pathmanatha	Executive Director	10/10
Ms. L.K.A.H.Fernando	Non Executive Non Independent	10/10
Mr. K. Kamburadeniya	Non Executive Independent	10/10
Ms. C. Pietersz	Non Executive Independent	10/10
Mr. Vajira Kulatilaka *	Non Executive Independent	2/2

\*\* Attended/Eligible to attend

## 2) Board Audit Committee Attendance

Name	Nature of Directorship	Committee status	Attendance**
Ms. C. Pietersz	Non – Executive Independent	Chairperson	15/15
Mr. L.H.A.L. Silva	Non – Executive Independent	Member	15/15
Ms. L.K.A.H. Fernando	Non – Executive Non -Independent	Member	14/15
Mr. K. Kamburadeniya	Non – Executive Independent	Member	15/15

\*\* Attended/Eligible to attend

## 3) Board Related Party Transactions Review Committee Attendance

Name	Nature of Directorship	Committee status	Attendance**
Mr. V. Kulatilake*	Non-Executive Independent Director	Chairman	1/1
Ms. C. Pietersz	Non-Executive Independent Director (W.e.f. 01.10.2023)	Chairperson	3/3
Mr. L.H.A.L.Silva	Non-Executive Independent Director	Member	5/5
Mr. D. Sooriyaarachchi	Non-Executive Non- Independent Director	Member	4/5
Ms. L.K.A.H.Fernando	Non-Executive Non - Independent Director	Member	5/5

\*\*Attended/Eligible to attend

## 4) Board Remuneration Committee Attendance

Name	Nature of Directorship	Committee status	Attendance**
Mr.K.Kamburadeniya*	Non – Executive Independent	Chairman	1/2
Mr. L.H.A.L. Silva	Non – Executive Independent	Member	2/2
Ms. L.K.A.H. Fernando	Non – Executive Non-Independent	Member	2/2
Mr. D. Sooriyaarachchi	Non – Executive Non - Independent	Member	2/2
Ms. C. Pietersz	Non – Executive Independent	Member	2/2

\*\* Attended/Eligible to attend

## 5) Board Nominations and Governance Committee

Name	Nature of Directorship	Committee status	Attendance**
Mr. K. Kamburadeniya	Non-Executive Independent Director	Chairman	2/2
Mr. D. Sooriyaarachchi	Non-Executive – Non - Independent Director	Member	2/2
Mr. L.H.A.L.Silva	Non-Executive Independent Director	Member	2/2
Ms. L.K.A.H.Fernando	Non-Executive Non - Independent Director	Member	2/2
Ms. C. Pietersz	Non-Executive Independent Director	Member	2/2

\*\* Attended/Eligible to attend

## GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

BOARD DIVERSITY	BOARD INDEPENDENCE	ANTI FRAUD, ANTI CORRUPTION AND ANTI BRIBERY	INCREASING EMPHASIS ON ENVIRONMENT AND SOCIAL ASPECTS	STRENGTHENING OF INTERNAL CONTROL	CYBER SECURITY	DATA PROTECTION
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### Compliance with section 7.6 of the Listing Rules of the Colombo Stock Exchange

The table below summarizes the status of compliance with section 7.6 of the Listing Rules of the Colombo Stock Exchange on the contents of the Annual Report.

CSE Rule reference and description		Extent of compliance	Section reference in the Annual Report
(i)	Names of persons who were Directors of the Company during the financial year	✓	Annual Report of the Board of Directors on page 122
(ii)	Principal activities of the Company and its subsidiaries during the year and any changes therein	✓	Annual Report of the Board of Directors on page 121
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held as at the end of the financial year	✓	Share information on page 208
(iv)	The float adjusted market Capitalization, the public holding percentage, number of public shareholders and option under which the Company complies with the minimum public holding requirement	✓	Share information on page 208
(v)	A statement of each Directors' and Chief Executive Officer's holding in shares of the Company	✓	Annual Report of the Board of Directors on page 123 Share information on Page 208
(vi)	Information pertaining to material foreseeable risk factors of the Company.	✓	Please refer the Risk Management report on page 113
(vii)	Details of material issues pertaining to employees and industrial relations of the Company.	Not applicable	Please refer the Human Capital report on page 122
(viii)	Extents, locations, valuations and the number of buildings of the land holdings and investment properties	✓	Note 15 to the Financial Statements
(ix)	Number of shares representing the stated capital	✓	Note 28 to the Financial Statements
(x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	✓	Share information on page 207
(xi)	Ratios and market price information on: <ol style="list-style-type: none"> <li>1. Dividend per share;</li> <li>2. Dividend pay-out;</li> <li>3. Net Asset Value per share;</li> <li>4. Market value per share;                             <ul style="list-style-type: none"> <li>- Highest lowest values recorded during the Financial Year</li> <li>- Value as at end of the Financial Year</li> </ul> </li> </ol>	✓	Share information on page 209

# CORPORATE GOVERNANCE

	CSE Rule reference and description	Extent of compliance	Section reference in the Annual Report
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value	√	Note 15 to the Financial Statements
xiii)	<p>Details of funds raised through a public issue, Rights Issue and a private placement during the year;</p> <p>a. A statement as to the manner in which proceeds of such issue have 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;</p> <p>c. Any material change in the use of funds raised through an issue of securities</p>	Not applicable	During the year under review, there were no public issues, rights issues or private placements
xiv)	Information in respect of Employee Share Option or Share Purchase Schemes	Not applicable	The Company does not have any Employee Share Option or Share Purchase Schemes at present.
xv)	Disclosures pertaining to Corporate Governance Practices in terms of Section 9 of the Listing Rules	complied	Please refer on page 75 for the disclosures.
(xvi)	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.	√	There were no related party transactions which exceeded 10 % of the Equity or 5 % of the Total Assets, during the year under review.
	<p>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 Company 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>	Not applicable	

Statement of Compliance with section 7.10 of the listing Rules of the CSE on Corporate Governance.

Section 01		The Company	
CSE Rule No.	Principle	Status	Level of Compliance
7.10.1	Non –Executive Directors	Complied	As at 31 March 2024, there are 5 Non Executive Directors, out of the total of 6 directors
7.10.2 (a)	Independent Directors	Complied	As at 31 March 2024, there are 3 Non Executive Independent directors, out of the total of 5 Non – Executive Directors
7.10.2 (b)	Declaration of independence	Complied	All Non – Executive Directors submitted declarations in the prescribed format.
7.10.3 (a)	Names of Independent Directors	Complied	Names of Independent Directors disclosed in Page 82
7.10.3 (b)	Criteria for independence	Complied	The criteria in the listing rule has been considered when determining independence of Directors
7.10.3 (C)	Brief resume of director	Complied	Directors' profiles from pages 68 to 71
7.10.3 (d)	Brief resumes of new appointments to the Board	Complied	Directors' profiles from pages 68 to 71
7.10.4 (a to h)	Criteria for determining independence	Complied	Directors' profiles from page 80
7.10.5 (a)	Composition of Remuneration Committee	Complied	The Remuneration Committee consist of 5 Non –Executive Directors and 3 directors including the Chairman, are independent. The Chairman of the Committee has been appointed by the Board
7.10.5 (b)	Function of Remuneration Committee	Complied	Remuneration Committee Report Page 107.
7.10.5 (C)	Disclosure in the annual report relating to Remuneration Committee	Complied	Board Remuneration Committee report on pages 107 to 108 for composition and remuneration policy
7.10.6 (a)	Composition of Audit Committee	Complied	As at 31 March 2024, the Board Audit Committee consisted of 04 Non – Executive Directors and all three are independent
7.10.6 (B)	Audit Committee Function	Complied	Audit Committee report page 104 to 106
7.10.6 (C)	Disclosure in the annual report relating to audit committee	Complied	Audit Committee report page 104 to 106

# CORPORATE GOVERNANCE

## Statement of Compliance with Colombo Stock Exchange (CSE) Listing Rules - Section 9 on Corporate Governance

Code Reference	Requirement	Extent of compliance	Effective date of Compliance
<b>9.1</b>	<b>Corporate Governance Rules</b>		
	Extent of Compliance with Corporate Governance Rules	The extent of compliance with Corporate Governance Section 09 of the listing rules issued by CSE is tabulated below.	
<b>9.2.1</b>	<b>Policies</b>		
		(a) Policy on the matters relating to the Board of Directors	01 October 2024
		(b) Policy on Corporate Governance, Nominations and re-election	
		(c) Policy on Shareholder and Investor Communications	
		(d) Policy on Remuneration	
		(e) Policy on Board sub-committees	
	Availability of Policies	(f) Policy on Corporate Disclosures	To be complied
		(g) Policy on anti-bribery and corruption	
		(h) Policy on internal code of conduct	
		(i) Policy on ESG	
		(j) Policy on control and management of company assets and shareholder investments	
		(k) Policy on whistle blowing	
		(l) Policy on risk management and internal controls	
		The Company is in the process of implementing these policies. Once implemented, the availability of the same will be disclosed in the website.	
9.2.2	Waivers and exemptions from compliance with the Code of business conduct and ethics	At present there are no waivers and exemptions granted.	Complied
9.2.3	Disclosures in the Annual report on policies	All policies will be implemented and the availability of the same will be disclosed in the website. Going forward, any changes to the policies will be duly disclosed in the annual report.	01 October 2024
9.2.4	Requesting of policies by shareholders	The Company shall make available all such policies to shareholders upon a written request being made for any such Policy.	01 October 2024



Code Reference	Requirement	Extent of compliance	Effective date of Compliance
<b>9.3</b>	<b>Board committees</b>		
9.3.1	Establishment of Board committees	Below mentioned committees are in place: Nominations and Governance committee, Remuneration Committee, Audit committee, Related Party Transactions Review Committee	Complied
9.3.2	Board Compositions, Responsibilities and Disclosures	Please refer the Board sub-committee reports for the composition of the sub-committees in line with the Listing Rules.	Complied
9.3.3	Chairperson of Board committees	The Chairman, Mr. L. H. A. L. Silva does not serve as the Chair in any of the board sub-committees.	Complied
9.4.1	Record maintenance on resolutions	The Company Secretary maintains records of all resolutions and information (Appointment of proxy, number of votes in favour & against) of General meetings. This year , the proxy form will have the option for the shareholders if preferred, to abstain from voting and the record of the same will also be maintained. Copies of such records will be made available to CSE/SEC upon request.	Complied
9.4.2 a-c	Communication and relations with shareholders and investors	The Company will implement a policy on communication and relations with shareholders and investors capturing the requirements under rule 9.4.2. However, the Company ensures that there are proper communication channels for effective communication and relation with the shareholders and investors.	To be complied from 01 October 2024
9.4.2.d	Holding general meetings virtually	The Company will adhere to the guidelines issued by CSE on conducting virtual /Hybrid shareholder meetings if the need arises to convene meetings virtually.	Not applicable
<b>9.5</b>	<b>Policy on matters relating to the Board of Directors</b>		
9.5.1	Formal governing policy on matters relating to the Board of Directors	The policy on Board matters is yet to be implemented. The policy will cover the requirements indicated under rule 9.5.1	To be complied from 01 October 2024
9.5.2	Disclosures in the Annual report relating to 9.5.1	The Company shall confirm compliance with the requirements of the Policy in the annual report.	To be complied from 01 October 2024
<b>9.6</b>	<b>Chairperson and CEO</b>		
9.6.1	Position of Chairperson and CEO	The Chairperson is a Non-Executive Director. The position of Chairperson and CEO is not held by the same individual.	Complied

# CORPORATE GOVERNANCE

Code Reference	Requirement	Extent of compliance	Effective date of Compliance
9.6.2	Disclosure of non-compliance	Not applicable	
9.6.3 a-e and 9.6.4	The requirement for a SID	The need to appoint a SID has not arisen.	Not applicable
<b>9.7</b>	<b>Fitness of Directors and CEO</b>		
9.7.1	Appointment of fit and proper persons as Directors and CEO	The Board Nominations and Governance Committee has been delegated with the authority to ensure that the Directors and the CEO meet the fitness and propriety criteria under the Listing Rules.	04 January 2024 Complied
9.7.2		The Board Nominations and Governance Committee makes recommendations to the Board on the appointment of a new director or when a director is coming up for re-election/re-appointment at the AGM.	Complied
9.7.4	Annual declarations from Directors	Annual declarations from Directors confirming that each of them have continuously satisfied the fit and proper assessment criteria during the financial year and as at the date of confirmation as set out in Section 9.7.3 (a), (b) and © of listing rules were obtained.	Complied
9.7.5	Disclosures in the Annual report	Please refer the Annual report of the board of directors on the affairs of the company on page 75 for the disclosures.	Complied
<b>9.8</b>	<b>Board Composition</b>		
9.8.1	Board at minimum to consist of five (5) Directors	The Company is complied with the requirement as at the reporting date. The Board as at the reporting date comprised of 6 directors. An amendment to the Articles of Association is proposed to increase the minimum number of directors to comply with the Listing Rules.	10/1/2024 Complied
9.8.2	Minimum number of Independent Directors, (Min: 2 or 1/3 of total number, whichever is higher)	The Company is complied with the requirement as at the reporting date. The Board at the end of the reporting date comprised of 3 which were independent .	10/1/2024 Complied
9.8.3	Criteria for determining independence	The Company is complied with the criteria for determining independence of a Director.	Complied
9.8.4			Complied

Code Reference	Requirement	Extent of compliance	Effective date of Compliance
9.8.5	Declarations	Each director submitted a signed and dated declaration of independence against the criteria specified in the Listing Rules based on which the Board made an annual determination as to the independence /non-independence of each director based on the recommendation of the Board Nominations and Governance Committee. The names of independent directors are disclosed in the Corporate Governance Report on page 82. If the Board determined that the independence of an independent director is impaired, an immediate market disclosure will be made.	Complied
<b>9.9</b>	<b>Alternate Directors</b>		
9.9	Appointment of Alternate Director	The current Articles of Association provide for the appointment of alternate directors. A resolution is proposed to amend the existing articles to align with the requirements on the listing rules on the appointment of alternate directors. During the year, no alternate directors were appointed.	Complied
<b>9.10</b>	<b>Disclosures relating to Directors</b>		
9.10.1	Policy on maximum number of Directorships	The policy on Board matters will specify the maximum number of directorships a director is permitted to hold. The Company Secretary will closely monitor the same to ensure that the directors do not exceed the permitted limit.	To be complied from 01 October 2024
9.10.2	Appointment of new Directors	During the year, there were no new director appointments and no alternative directors were appointed. In case of any new appointments, an immediate market disclosure will be made setting out the information required under rule 9.10.2.	Not applicable
9.10.3	Changes to the composition	Any changes to the committee compositions have been duly disclosed.	Complied
9.10.4	Disclosures in the annual report	Please refer the directors profiles and the Corporate governance report for details.	Complied
<b>9.11</b>	<b>Nominations and Governance Committee</b>		
9.11.1	Availability of Nominations and Governance Committee	The Board Nominations and Governance Committee was formed on 1 October 2023.	Complied
9.11.2	Formal procedure for appointment and re-election of Directors	The Committee maintains a formal procedure for the appointment of new Directors and re-election of Directors to the Board.	Complied
9.11.3	Terms of reference	The Committee has adopted a Term of Reference which define the scope, authority and duties and matters pertaining to the quorum of meetings.	Complied

# CORPORATE GOVERNANCE

Code Reference	Requirement	Extent of compliance	Effective date of Compliance
9.11.4(1) - (3)	Composition - Minimum of Three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	Please refer the Board Nominations and Governance Committee report on page 111 for details on composition.	Complied
9.11.5	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Nominations & Governance Committee Report on page 111	Complied
9.11.6	Disclosures in the Annual report	Please refer the Board Nominations and Governance Committee report on page 111 for disclosures.	Complied
<b>9.12</b>	<b>Remuneration Committee</b>		
9.12.2	Availability of a Remuneration Committee	A Board Remuneration Committee is in place.	Complied
9.12.3 and 9.12.4	Remuneration Policy - Executive Directors/Non-Executive Directors	The Company has established this committee with the purpose of providing assistance to the Board of Directors in fulfilling their oversight responsibility to establish and maintain a formal and transparent procedure for developing remuneration policies on Directors including Executive Directors and for and employees including the CEO. The remuneration for Non-Executive Directors is based on the principle of non-discriminatory pay practices to ensure that their independence is not impaired.	Complied
9.12.5	Terms of reference	The Committee has adopted a Terms of Reference which defines the scope, authority and duties and matters pertaining to the quorum of meetings.	Complied
9.12.6 (1) - (3)	Composition - Minimum of Three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	Please refer the Board Remuneration Committee report on page 107 for details on composition.	Complied
9.12.7	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Board Remuneration Committee Report on page 107	Complied
9.12.8	Disclosures in the Annual report	Please refer the Board Remuneration Committee report on page 107 for disclosures.	Complied
<b>9.13</b>	<b>Audit Committee</b>		
9.13.1	Audit Committee	Both the risk and audit functions are performed by the Board Audit Committee.	Complied

Code Reference	Requirement	Extent of compliance	Effective date of Compliance
9.13.2	Terms of reference	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Board Audit Committee Report on page 104	Complied
9.13.3(1) - (7)	Composition	Please refer the Board Audit Committee report on page 104 for composition, meetings and other information.	Complied
9.13.4	Functions	The Committee has documented the functions of the Committee TOR. Functions are effectively discharged by the Committee. Please refer Audit Committee Report on page 104	Complied
9.13.5	Disclosures in the Annual report	Please refer the Board Audit Committee report on page 104 for disclosures.	Complied
<b>9.14</b>	<b>Related Party Transaction Review Committee</b>		
9.14.1	Availability of the Related Party Transactions Review Committee	A Board Related Party Transactions Review Committee is in place.	Complied
9.14.2	Composition	Please refer the Board Related Party Transactions Review Committee report on page 109 for composition.	Complied
9.14.3	Functions	The Committee has documented the functions of the Committee TOR. Functions are effectively discharged by the Committee. Please refer Board Related Party Transactions Review Committee Report on page 109	Complied
9.14.4(1)	Quarterly Meetings	The Committee met four (4) times during the year and the minutes of all meetings are properly documented and tabled at the subsequent Board meetings for ratification.	Complied
9.14.4(2)	Access to knowledge or expertise to assess all aspects of proposed Related Party Transactions	The Committee ensures that they have or have access to knowledge and expertise to assess all aspects of the proposed Related Party Transactions. Under the Terms of Reference the Committee is empowered to seek appropriate professional and expert advice from a qualified person.	Complied
9.14.4(3)	Approval by Board of Directors	Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which have been reviewed by the Committee.	Complied

# CORPORATE GOVERNANCE

Code Reference	Requirement	Extent of compliance	Effective date of Compliance
9.14.4(4)	Conflict of interest	<p>The Related Party Transactions Review Committee oversees the process relating to the said subject. Steps have been taken by the Board to avoid any conflicts of interest, that may arise, in transacting with related parties. Directors provide declarations to the Board about their material interests in business transactions at the time of appointment and thereafter on quarterly basis. If a Director of the Listed Entity has a material personal interest being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4 (3), such Director shall not:</p> <ol style="list-style-type: none"> <li>1) Be present while the matter is being considered at the meeting and;</li> <li>2) Vote on the matter</li> </ol>	Complied
9.14.5	Review of Related Party Transactions by Related Party Transactions Review Committee	The Committee takes into account the provision of the listing rules when reviewing related party transactions.	Complied
9.14.8	Disclosures in the Annual report	Please refer the Board Related Party Transactions Review Committee report on page 109 and Annual Report of the Board of Directors on page 127 for disclosures. There were no non - recurrent related party transactions which exceeded 10 % of the Equity or 5 % of the Total Assets, during the year under review. There were no recurrent related party transactions which exceeded 10 % of the consolidated Net revenue or income, during the year under review.	Complied

Statement of compliance pertaining to the company's act no 7 of 2007

Section Ref No	Requirement	Status	Level of Compliance
168 (1) (a)	The nature of the business of the group and the company together with any change there of during the accounting period	Complied	Page 138 to 139
168 (1) (b)	Signed Financial statements of the group and the company for the accounting period completed	Complied	Page 131-137
168 (1) ©	Auditors' report on financial statements of the group and the Company	Complied	Page 129 to 130
168 (1) (d)	Accounting policies and any changes there in	Complied	Page 138 to 156
168 (1) (e)	Particulars of the entries made in the interest register during the accounting period	Complied	Page 123
168 (1) (f)	Remuneration and other benefits paid to directors of the company during the accounting period.	Complied	Page 161
168 (1) (g)	Corporate donations made by the company during the accounting period	Complied	Page 161
168 (1) (h)	Information on the Directorate of the company and its subsidiaries during and at the end of the accounting period	Complied	Page 68 to 73
168 (1) (i)	Amounts paid/payable to the external auditors as audit fees for other services rendered during the accounting period	Complied	Page 161
168 (1) (j)	Auditors' Relationship or any interest with the Company and its subsidiaries	Complied	Page 124
168 (1) (k)	Acknowledgement of the contents of this report and signatures on behalf of the board	Complied	Page 3

# CORPORATE GOVERNANCE

Compliance with code of best practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka.

Code Ref	Compliance and Implementation	Compliance
<b>DIRECTORS</b>		
<b>A1.</b> an effective Board should direct, lead and control the company	The Board meetings are held on a quarterly basis, at minimum and meet more frequently whenever it is necessary	Complied
<b>A 1.1</b> Regular meetings, structure and process of submitting information	<ul style="list-style-type: none"> <li>◆ Financial and Operational information including progress on agreed key performance indicators and information on the external operating environment.</li> <li>◆ Financial statements for the relevant quarter and year to date together with comparatives for corresponding period of the previous financial year and budgets</li> <li>◆ Forecast performance for the financial year.</li> <li>◆ A description of key risks including an assessment of their impact and likelihood of occurrence, assessment of the previous quarter, how the risks are managed and those accountable for monitoring or managing risk.</li> <li>◆ Operational and Financial compliance statements confirming regulatory compliance and other matters considered necessary in accordance with policies of the group and board.</li> <li>◆ The statements include information regarding breaches of internal controls or fraud detected during the period together with any action taken or confirm the absence thereof.</li> <li>◆ Information on human resources, including appointments and resignations of directors and KMPs of the subsidiaries.</li> <li>◆ Information on Capital Expenditures in the group</li> <li>◆ Share trading of the Company and related party transactions by key management personnel.</li> <li>◆ Documents to which the Company seal has been affixed.</li> <li>◆ Resolutions passed by circulation on matters referred to the board.</li> </ul>	Complied
<b>A.1.2</b> Role and Responsibilities of the Board	The Role and responsibilities of the Board are insert on page 127 and encompass those set out in code	Complied
<b>A.1.3</b> Compliance with the laws of the country and approval to obtain independent professional advice	<p>The Board collectively and directors individually act in accordance with laws and regulations of the country applicable to the business enterprise.</p> <p>In discharging their duties, the directors seek independent professional advice from external parties when-ever necessary at the expense of the Company.</p>	Complied



Code Ref	Compliance and Implementation	Compliance
<b>A.1.4.</b> Access to advice and service of Company Secretary	All directors have access to the advice and services of the Company secretarial function, which provides support on board procedures, compliance with rules and regulations, directions, and statutes, keeping and maintaining minutes and relevant mandatory records of the group.  The appointment and removal of the company secretary rests with the board.	Complied
<b>A.1.5</b> Independent Judgement of Directors	Please refer CG report on page 76 for details.	Complied
<b>A.1.6</b> Dedicate adequate time and effort to matters of the Board and the Company	Sufficient time is allocated before the meeting to review board papers and calls for additional information and clarification including follow up on issues consequent to the meeting. Hence, the directors are able to familiarize themselves with business changes, operations, risks and controls which ultimately help them to satisfactorily discharge their duties and responsibilities to the Company.	Complied
<b>A.1.7</b> Calls for resolutions	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.	Not applicable
<b>A.1.8.</b> Board induction and Training	Please refer CG report on page 81 For details	Complied
<b>A.2</b> Chairman and Chief Executive Officer (CEO)	The position of chairman and Chief Executive officer are held by two individuals.	Complied
<b>A.3</b> Chairman's Role	Please refer CG report on page 78 For details	Complied
<b>A.3.1</b> Conduct of Board Meetings	Please refer CG report on page 82 For details.	Complied
<b>A.4.</b> Availability of Financial Acumen	Refer Principle A.4. in Corporate Governance Report.	Complied
<b>A.5. BOARD BALANCE</b>		
<b>A.5.1.</b> Majority of Non-Executive Directors	Please refer CG report on page 78 For details.	Complied
<b>A.5.2.</b> Independent Non Executive Directors	Please refer CG report on page 82 For details.	Complied
<b>A.5.3.</b> Independence of Directors	Please refer CG report on page 78 For details.	Complied
<b>A.5.4.</b> Annual declaration by directors	Please refer CG report on page 80 For details.	Complied
<b>A.5.5.</b> Annual determination of Independence	Please refer CG report on page 80 For details.	Complied
<b>A.5.6</b> Alternate Directors	No alternate directors were appointed during the year under review.	Not applicable
<b>A.5.7</b> Senior Independent Directors	Need to appoint Senior Independent directors didn't arise during the year	Not applicable

# CORPORATE GOVERNANCE

Code Ref	Compliance and Implementation	Compliance
<b>A.5.8.</b> Senior Independent Director's (SID) meeting with other directors		Not applicable
<b>A.5.9</b> Chairman meetings with Non Executive Directors	The Chairman meets with the NED's without the presence of the Executive Directors on a needs basis, and there are open lines of communication between members of the Board. The need did not arise during the year.	Complied
<b>A.5.10.</b> Recording of concerns in the Board Minutes	All concerns raised by the Directors about the matters of the Company which cannot be unanimously resolved have been duly recorded in the board minutes in sufficient detail	Complied
<b>A.6</b> Supply of Information	<p>The Chairman ensures that all Directors are briefed on issues arising at Board Meetings by requiring management to provide comprehensive information including both quantitative and qualitative information for the monthly Board meetings 7 days prior to the Board/Sub-Committee meetings. The Directors have free and open access to Management at all levels to obtain further information or clarify any concerns they may have. They also have the right to seek independent professional advice at the Company's expense and copies of advice obtained in this manner are circulated to other Directors who request it. Any Director who does not attend a meeting is updated on proceedings prior to the next meeting through:</p> <ul style="list-style-type: none"> <li>◆ Directors who are unable to attend meetings physically have the opportunity to participate through digital platforms. • Formally documented minutes of discussions.</li> <li>◆ By clarifying matters from the Board Secretary.</li> <li>◆ Separate discussions at start of meeting regarding matters arising for the previous meeting.</li> <li>◆ • Archived minutes and Board papers accessible electronically at the convenience of the Directors.</li> </ul> <p>Directors also have an open invitation to attend the meetings of the Management Committees and can interact with Senior Management after Board meetings. Directors are provided with monthly reports on performance, minutes of review meetings and such other reports and documents as necessary. Minutes of meetings are circulated with the Board packs for the next monthly meeting within the agreed time.</p>	Complied
<b>A.7 APPOINTMENT TO THE BOARD</b>		
<b>A.7.1 &amp; A.7.2</b> Appointment to the Board	Please refer CG report on page 80 For details	Complied
<b>A.7.3.</b> disclosure of new Appointment	Please refer CG report on page 80 For details	Complied
<b>A.8.</b> Re -Election	Please refer CG report on page 79 For details	Complied
<b>A.8.1 &amp; A.8.2</b> Re -election of Directors	Please refer CG report on page 79 For details	Complied

Code Ref	Compliance and Implementation	Compliance
<b>A.8.3.</b> Resignation	Written communications are provided to the Board by Directors who resign prior to completion of his appointed term.  Mr. V. Kulatilaka resigned from the Board during the year under review.	Complied
<b>Appraisal of Board Performance</b>		
<b>A.9.1, A.9.2 &amp; A.9.3</b> Annual performance evaluation of Board and its sub Committees	Please refer CG report on page 81 For details	Complied
<b>A.10</b> Annual report to disclose specified information regarding directors	<b>Description</b>	<b>Page Reference</b>
	Profile of Board Members	68-71
	Membership of sub committees and attendance at board and subcommittee meetings	81
	Remuneration paid to directors	161
	Related party transaction and other business interests	194
	Names of listed companies in SL in which they serve as directors	80
<b>A.11.</b> Appraisal of Chief Executive Office	Please refer CG report on page 81 For details	Complied
<b>B. DIRECTORS' REMUNERATION</b>		
<b>B.1</b> Remuneration Procedure	Please refer the Board Remuneration Committee report on page 108 For details	Complied
<b>B.1.2 &amp; B.1.3</b> Remuneration Committee	Please refer the Board Remuneration Committee report on page 107 For details	Complied
<b>B.1.4</b> Remuneration of the Non Executive Directors	Please refer the Board Remuneration Committee report on page 108 For details	Complied
<b>B.1.5.</b> Consultation of the chairman and access to professional advice	Please refer the Board Remuneration Committee report on page 108 For details	Complied

# CORPORATE GOVERNANCE

Code Ref	Compliance and Implementation	Compliance
<b>B.2 THE LEVEL AND MAKE UP OF REMUNERATION</b>		
<b>B.2.1 &amp; B.2.2</b> Level of Remuneration for Senior Management Executives	Please refer the Board Remuneration Committee report on page 108 For details	Complied
<b>B.2.3.</b> Positioning Company remuneration levels relative to other companies	Please refer the Board Remuneration Committee report on page 108 For details	Complied
<b>B.2.4</b> Performance related elements of remuneration for senior management executives	Please refer the Board Remuneration Committee report on page 108 For details	Complied
<b>B.2.5</b> Executive Share Options	The Company does not have executive share option scheme	Not applicable
<b>B.2.6</b> Designing performance related remuneration	Please refer the Board Remuneration Committee report on page 108 For details	Complied
<b>B.2.7 &amp; B.2.8</b> Compensation, Commitments in the event of early termination and dealing with early termination	Please refer the Board Remuneration Committee report on page 108 For details	Complied
<b>B.2.9</b> Level of Remuneration for Non-executive Directors	Please refer the Board Remuneration Committee report on page 108 For details	Complied
<b>B.3</b> Disclosure of the remuneration	Please refer the Board Remuneration Committee report on page 107 For details	Complied
<b>C. RELATIONS WITH SHAREHOLDERS</b>		
<b>C.1</b> Constructive use of AGM and conduct of General Meetings		
<b>C.1.1</b> Notice of the annual General Meeting and General Meetings	A copy of the Annual Report including Financial Statements, Notice of Meeting and the Form of the Proxy are sent to shareholders 15 working days prior to the date of the AGM, as requested by statute, in order to provide the opportunity to all the shareholders to attend the AGM	Complied
<b>C.1.2</b> Separate resolution for all separate issues at the annual general meeting	A separate resolution is proposed for each issue at the AGM.	Complied
<b>C.1.3</b> Use of Proxy	The Company counts all proxies lodged on each resolution and the percentage of votes for and against each resolution	Complied
<b>C.1.4</b> Response to queries at the annual general Meeting	The chairman ensures that the chairman of the sub committees are available to answer questions at the annual general meeting	Complied
<b>C.1.5.</b> Procedure of voting at the Annual General Meeting	The procedure governing voting at the General Meeting is circulated with the Notice of Meeting	Complied

Code Ref	Compliance and Implementation	Compliance
<b>C.2 COMMUNICATION WITH SHAREHOLDERS</b>		
<b>C.2.1 to C.2.7</b> Communication with shareholders	<p>The Company encourages effective communication with the shareholders and answers queries and concerns of shareholders through the Company Secretary, Corporate website and CSE website.</p> <p>The methodology of communication with shareholders is multi-faceted to ensure the accuracy of information disseminated and the timeliness of dissemination</p> <p>The contact person for shareholder communication is the Company Secretary.</p> <p>The Company Secretary maintains a record of all correspondence received and will deliver such correspondence to the Board or individual Director as applicable. The Board or individual Director, as applicable, will respond appropriately to all validly received shareholder correspondence and will direct the Company Secretaries to send the response to the particular shareholder</p>	Complied
<b>C.3</b> Disclosure of major transactions	Please refer the Annual Report of the Board of Directors on page 194 for more details.	Not applicable
<b>D.ACCOUNTABILITY AND AUDIT</b>		
<b>D.1. Financial Reporting</b>		
<b>D.1.1</b> Publishing of annual report including financial statements	The Board has presented the annual report which includes the Financial Statements of the Company and Group that are true and fair, balanced and understandable and prepared in accordance with LKASs and SLFRSs to regulators as well as presented interim and other public price sensitive information in a balanced and understandable way as required by statutory requirements. The Annual Report is partially compliant with integrated reporting standards.	Complied
<b>D.1.2 &amp; D.1.3</b> Balanced and understandable information	<p>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 127 confirming this position.</p> <p>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.</p> <p>Refer the "Responsibility Statement of Chairman, Chief Executive Officer and Finance Manager" on page 128 of the Annual Report</p>	Complied
<b>D.1.4.</b> 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 (refer page 127)	Complied
<b>D.1.5.</b> Statement of Directors' and Auditor's responsibility for the Financial Statements	The statement of Directors' responsibility in preparation of the Financial Statements is given on page 127 while the independent auditors report on pages 129 to 130 state the Auditors' responsibility for the Financial Statements	Complied

# CORPORATE GOVERNANCE

Code Ref	Compliance and Implementation	Compliance
D1.6. Management Discussion and Analysis	<p>Management discussion and analysis and Financial Review is given on pages 24 to 37 of this report. The risk management report is given on pages 113 to 118. The capitals are discussed on pages 38 to 66 of this report. These together discuss.</p> <p>Business model; Industry structure and developments; opportunities and threats risk management; internal control systems and governance; stakeholder relationships;</p>	Complied
D.1.7. Summoning an EGM to notify serious loss of Capital	The Directors ensure that if in the event the net assets of the Company fall below 50% of the value of the Company's shareholders funds an Extraordinary General Meeting will be convened to notify the shareholders of the position and the remedial action will be taken	Not applicable
D.1.8. Related Party Transactions	The transactions entered into by the Company with the related parties is disclosed on Note 36 of the Financial Statements	Complied
<b>D.2. RISK MANAGEMENT AND INTERNAL CONTROL</b>		
D.2.1 Directors to review internal Controls	The internal audit function is outsourced to BDO, who reports to the Board Audit Committee.	Complied
<b>D.2.2 Internal Audit Function</b>		
D.2.3 Review of effectiveness of the risk management and internal audit function	<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 Audit Committee report is given on pages 104 to 106 and the Directors' Statement on Internal Control is on page 125.</p>	Complied
D.2.4 Responsibility of Directors	The Directors take responsibility for maintaining a sound system of internal controls.	Complied
<b>D.3 AUDIT COMMITTEE</b>		
D.3.1. Composition of Audit Committee	Please refer the Board Audit Committee report on page 104 for more details.	Complied
D.3.2 Duties of the Audit Committee	Please refer the Board Audit Committee report on page 104 for more details.	Complied
D.3.3. Terms of reference of the Audit Committee	Please refer the Board Audit Committee report on page 104 for more details.	Complied
D.3.4. Disclosures of the Audit Committee	Please refer the Board Audit Committee report on page 104 for more details.	Complied
D.4 Risk Committee	Please refer the Board Audit Committee report on page 106 for more details.	Complied

Code Ref	Compliance and Implementation	Compliance
<b>D.5 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE</b>		
<b>D.5.1</b> Disclosures of Related Party Review Committee	Please refer the Board Related Party Transactions Review Committee report on page 109 for more details.	Complied
<b>D.5.2.</b> Composition of Related Party Transactions Review Committee	Please refer the Board Related Party Transactions Review Committee report on page 109 for more details.	Complied
<b>D.5.2</b> Terms of Reference of the Related Party Transactions Review Committee	Please refer the Board Related Party Transactions Review Committee report on page 109 for more details.	Complied
<b>D.6 CODE OF BUSINESS CONDUCT AND ETHICS</b>		
<b>D.6.1</b> Disclosures on presence of code of business conduct and ethics	The Company has adopted a Code of Business conduct and ethics and the Directors and Key Management Personnel are committed to the code and the principles contained therein.	Complied
<b>D.6.2.</b> Reporting of price sensitive information	The Company has established policy and process to ensure that material and price sensitive information is immediately disclosed to the Colombo Stock Exchange immediately after relevant decisions are made by the Board of Directors.	Complied
<b>D.6.3</b> Disclosure of share information of Key Management Personnel	A policy is in place and any share transactions done by a Board Director shall be immediately disclosed to the Company Secretary. The Company Secretary will inform such transactions to the Colombo Stock Exchange.	Complied
<b>D.6.4.</b> Whistle blowing policy	There is a whistle-blowing policy in place.  There were no noncompliance reported during the year under review.	Complied
<b>D.6.5.</b> Conducting Training on the code of business conduct and ethics	Regular training sessions are given to employees on the code of business conduct and ethics including to those who newly join the Company as part of induction training. and require confirmation of compliance at least on annual basis from all employees.	Complied
<b>D.6.6.</b> process for company wide dissemination of the policy, training arrangements, violations/non compliances		
<b>D.6.7</b> affirmation from chairman	Please refer the Chairman's message on corporate governance on page 75 for more details.	Complied
<b>D.7. CORPORATE GOVERNANCE DISCLOSURES</b>		
<b>D.7.1</b> Disclosures of Corporate Governance	The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the code	

# CORPORATE GOVERNANCE

Code Ref	Compliance and Implementation	Compliance
<b>E. INSTITUTIONAL INVESTORS</b>		
<b>E.1</b> Shareholder Voting	The Company is committed to maintaining good communications with investors. The Annual General Meeting provides the forum for shareholders to express their views.	Complied
<b>E.2.</b> Evaluation of governance disclosures	When evaluating the governance arrangements particularly, in relation to the Board structure and composition, institutional investors are encouraged to give due weight to all relevant factors drawn to their attention	Complied
<b>F. OTHER INVESTORS</b>		
<b>F.1</b> Individual shareholders	Individual shareholders, investing or divesting directly in shares of the Company are encouraged to carry out adequate analysis and seek the independent advice in such decisions	Complied
<b>F.2</b> Individual shareholders voting	All shareholders are encouraged to participate at meetings of the company and a form of proxy accompanies each notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote	Complied
<b>G. INTERNET OF THINGS AND CYBERSECURIT</b>		
<b>G.1</b> Identify connectivity and related cyber risks	IT governance plays a critical role in assuring integrity, confidentiality and continuity of the information management within the Company.	Complied
<b>G.2.</b> Appoint a COO and allocate budget to implement a cybersecurity policy	The Board is responsible for ensuring prudent and reasonable steps with respect to IT governance including, aligning the IT strategy with the business strategic objectives.	Complied
<b>G.3</b> Include cyber security in board agenda.	The focus on cybersecurity is based on the severity of impact as well as the probability of occurrence.	
<b>G.4</b> Obtain periodic assurance to review effectiveness of cybersecurity risk management	The Company is in the process of formalizing a clear and organized policy on cyber security.	
<b>G.5</b> Disclosure in annual report		



Code Ref	Compliance and Implementation	Compliance
<b>H. ENVIRONMENT, SOCIETY AND GOVERNANCE</b>		
<b>H. Sustainability Reporting</b>	<p>Sustainability principles are embedded in our business operations and considered in formulating our business strategy and reported in a holistic manner throughout this report. Information required by code is located as follows.</p> <p>Principle 01 – Reporting of Economic sustainability on page 26</p> <p>Principle 02 – Reporting on environment on pages 62 the Capital Management report</p> <p>Principle 03 – Reporting on Labor Practices on Pages 47 of the Capital Management Report</p> <p>Principle 04 – Reporting in Society on pages 54 of the Capital Management Report</p> <p>Principle 05 – Reporting on Product responsibility on page 44 of capital management report</p> <p>Principle 06 – Reporting on stakeholder identification, engagement and effective communication on pages 29</p> <p>Principle 07 – Sustainable reporting on page 28</p>	complied

**Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka**

CA Sri Lanka issued a revised code of best practise on corporate governance in December 2023. Effective from 1 April 2024, while the group has presented its compliance in line with the 2017 Code of Best Practice on Corporate Governance, the group has reviewed the 2023 code for further adoptions as applicable and relevant to the group.

# REPORT OF THE BOARD AUDIT COMMITTEE



## C. Pietersz

Chairperson of the Board Audit Committee

Dear shareholder

**As the chairperson of the Board Audit Committee, on behalf of the other committee members, I am pleased to present to you the Board Audit Committee report of Panasian Power PLC, for the year 2023/2024.**

**As required by section 9.13.5 of the Listing Rules of the Colombo Stock Exchange and the Code of best practice on corporate governance issued by the Institute of Chartered Accountants of Sri Lanka 2017 (CG Code 2017), this report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.**

## INTRODUCTION AND PURPOSE:

The Committee assists the Board in discharging its responsibilities and exercises independent oversight over financial reporting, the adequacy of internal control systems, management and monitoring of risk, performance and effectiveness of internal audit, make recommendations on the appointment of the external auditors, compliance with laws, regulations, and implementation of the whistleblowing policy.

## COMMITTEE COMPOSITION:

The Committee composition as at 31 March 2024 is as follows:

Name of Directors	Nature of Directorship	Committee status	Date of appointment
Ms. C. Pietersz	Non – Executive Independent	Chairperson	06 October 2022
Mr. L. H. A. L. Silva	Non – Executive independent	Member	06 October 2022
Ms. L. K. A. H. Fernando	Non – Executive Non Independent	Member	06 October 2022
Mr. K. Kamburadeniya	Non – Executive Independent	Member	06 October 2022

The Committee composition comprise exclusively of non-executive directors and the majority on the Committee are independent.

Chairperson, Ms. C. Pietersz, is a fellow member of the Institute of Chartered Accountants of Sri Lanka.

## TERMS OF REFERENCE (TOR)

The Committee has a Board approved TOR dealing with its authority and duties and carefully designed to discharge the Committee's purpose. The TOR was reviewed during the year taking into consideration changes in the Listing Rules issued in 2023.

## MEETINGS

In terms of the TOR of the Committee, the BAC is required to meet on a quarterly basis. However, the Committee meets more regularly as determined by the Chairperson of the Committee or as requested by any member of the Committee. The quorum for the meetings require the majority of those in attendance to be independent directors.

The Committee held 15 meetings during the year, including on a quarterly basis prior to recommending the financials to be released to the market. The attendance of the members during the year was satisfactory and a summary of the attendance is given on page 105

The CEO, Finance Manager other members of the Management and the External Auditors attended meetings by invitation.

The Committee held one meeting with the external auditors and the Finance Manager and two meetings with the internal auditors and without the presence of the Management.

Name of Directors	Nature of Directorship	Committee status	Attendance / eligible to attend
Ms. C. Pietersz	Non – Executive Independent	Chairperson	15/15
Mr. L. H. A. L. Silva	Non – Executive Independent	Member	15/15
Ms. L. K. A. H. Fernando	Non – Executive Non independent	Member	14/15
Mr. K. Kamburadeniya	Non – Executive Independent	Member	15/15

### SECRETARY TO THE COMMITTEE

**Ms. R. Weudagedara** - Company Secretary functions as the Secretary to the Committee.

### REPORTING TO THE BOARD

The proceedings of the BAC meetings are regularly reported to the Board via the Committee Chair's report outlining proceedings, outcomes and recommendations.

### FINANCIAL REPORTING

The Committee, reviewed and discussed with the Management and the external auditors, the quarterly and annual financial statements, prior to their publication.

The Committee also discussed with the External Auditors and Management, any matters communicated to the Committee by the External Auditors in their reports on the audit for the year and monitored the progress made by the Management in resolving the issues raised by the Auditors.

### DECLARATION FROM THE CEO AND FINANCE MANAGER

The Committee on a quarterly basis obtained and reviewed the assurances received from the

- CEO and the Finance Manager that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;
- CEO and other Key Management Personnel (KMPs) responsible for the adequacy and the effectiveness of the Company's risk management and the internal control systems. For the quarters ended 30 September and 31 December 2023, in line with the revised Listing Rules which became applicable from 1 October 2023. These declarations will be obtained by the Committee on a quarterly basis.

### INTERNAL AUDIT

At the recommendation of the BAC, the internal audit function, has been assigned to M/S. BDO Partners,

The scope of authority and responsibility of the internal audit function is documented in the Internal Audit Charter which was approved on 16 December 2021.

At the beginning of the year, the internal audit plan, based on an assessment of risk, is submitted to the Committee for their review and approval. The BAC then reviews the coverage of the audit plan, to ensure that the scope of the review on internal controls cover all significant operating procedures in the Company's business model.

The internal audit team carried out audits in accordance with the pre-approved audit plan and reported to the Committee, on a quarterly basis. Where appropriate, the Committee recommended re-audits of certain processes.

### EXTERNAL AUDIT

M/S Ernst & Young, Chartered Accountants (Ernst & Young) (approved by the SEC) acts as the Group's External Auditor. They have been the External Auditors over two years.

The Committee has received a declaration from Ernst & Young, confirming that having exercised their professional judgment, they are not aware of any relationship or interest in the Group that can reasonably be thought as having a bearing on their independence within the meaning of the Code of Conduct and Ethics of the Institute of Chartered Accountants of Sri Lanka. Finance Manager is required to table details of any non-audit services obtained during the year. The Committee is satisfied that the independence and objectivity of the independent external auditors, Ernst & Young has not been impaired. The audit fee/non audit fee paid by the company and group to its auditors are mentioned in the notes to the financial statements of the annual report.

Having considered the engagement letter, the Committee approved and recommended to the Board the audit fees for the current engagement. Prior to the recommendation of the re-appointment of the external auditor, the management and the BAC conducted an evaluation on the external auditor.

The Committee recommended to the Board the reappointment of Ernst & Young, as External Auditors for the Financial Year ending 31 March 2025, subject to the approval of the Shareholders at the Annual General Meeting.

# REPORT OF THE BOARD AUDIT COMMITTEE

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Committee oversees the risk Management of the Company, hence no separate Committee is assigned for this purpose.

The Committee assesses the adequacy and effectiveness of the Company's internal controls and risk assessment. A risk-based audit approach was adopted in planning the internal audit to identify the effectiveness of the internal control procedures in place and significant risks were reviewed by the Committee. The Committee assessed the effectiveness of the Company's internal controls by reviewing the reports submitted by the Internal Audit and External Auditors' Management Letter.

The Committee reviewed the risk management framework, practices and key risk indicators as well as the defined roles and responsibilities. The Committee also reviewed the processes in place for identification, measuring, controlling, monitoring of significant risks. The Company and subsidiaries have identified and documented key risks to the business and related mitigating controls. During the year, detailed risk assessments and evaluations carried out by the Management were conducted and the mitigation strategies were reviewed by the Committee.

Please refer the on pages 113 for more details.

## COMPLIANCE

The Committee exercised diligent oversight over compliance matters. This included reviewing reports from the Manager Compliance to assess the effectiveness of compliance monitoring systems and ensured that the process in place to ensure adherence to laws and regulations, was robust.

Additionally, it carefully examined

findings from regulatory examinations and auditor observations. The Committee oversaw the communication of the Code of Conduct to employees and monitored their compliance.

## WHISTLE BLOWING

The Company's whistleblowing policy continued to be implemented and is intended to serve as a communication channel introduced as an integral part of corporate fraud risk management.

## EVALUATION OF THE COMMITTEE

The Committee conducted a performance assessment to evaluate its effectiveness.

## CONCLUSION

The Committee is satisfied that internal controls and procedures in place for assessing and managing risks are adequately designed and operate effectively and is of the view that they provide reasonable assurance that the Company's assets are safeguarded and that the financial statements of the Company are reliable. The Company's external auditors have been effective and independent through-out the year.

The Committee confirms compliance with Sri Lanka Accounting Standards (LKAS / SLFRS) issued by CA Sri Lanka, the Listing Rules, CA 2007, SEC Act, and any other relevant regulations governing financial reporting.

On behalf of the Board Audit Committee



**C. Pietersz**

Chairperson of the Board Audit Committee

03 June 2024  
Colombo

# REPORT OF THE BOARD REMUNERATION COMMITTEE



**K. Kamburadeniya**  
Chairman of the Board Remuneration Committee

Dear shareholder

**As the chairman of the Board Remuneration Committee, on behalf of the other committee members, I am pleased to present to you the Board Remuneration Committee report of Panasian Power PLC, for the year 2023/2024.**

**As required by section 9.12.8 of the Listing Rules of the Colombo Stock Exchange, this report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.**

## INTRODUCTION AND PURPOSE:

The purpose of the Board Remuneration Committee (BRC) is to provide assistance to the Board of Directors in fulfilling their oversight responsibility to establish and maintain a formal and transparent procedure for developing remuneration policies on Directors including Executive Directors and for and employees including the CEO.

## COMMITTEE COMPOSITION:

The Committee composition as at 31 March 2024 is as follows:

Name of Directors	Nature of Directorship	Committee status	Date of appointment
Mr.K.Kamburadeniya*	Non – Executive Independent	Chairman	11 August 2021
Mr. L.H.A.L. Silva	Non – Executive Independent	Member	06 October 2022
Ms. L.K.A.H. Fernando	Non – Executive Non Independent	Member	11 August 2021
Mr. D. Sooriyaarachchi	Non – Executive Non Independent	Member	11 August 2021
Ms. C. Pietersz	Non – Executive	Member	06 October 2022

\*Appointed as the chair w.e.f 01 October 2023

The Committee composition comprise exclusively of non-executive directors and has a minimum of 2 members who are independent. The composition does not include executive directors.

**Chairman , Mr. K. Kamburadeniya** is an independent non-executive director.

## TERMS OF REFERENCE (TOR)

The Committee has a Board approved written TOR dealing with its authority and duties and carefully designed to discharge the Committee's purpose. The TOR was reviewed during the year.

## MEETINGS

In terms of the TOR of the Chairman, the Committee meets at least once a year and at such other times as the Chair or members of the Committee shall require.

The CEO attends meetings by invitation.

Name of Directors	Nature of Directorship	Committee status	Attendance /eligible to attend
Mr.K.Kamburadeniya*	Non – Executive Independent	Chairman	1/2
Mr. L.H.A.L. Silva	Non – Executive Independent	Member	2/2
Ms. L.K.A.H. Fernando	Non – Executive Non Independent	Member	2/2
Mr. D. Sooriyaarachchi	Non Executive Non - Independent	Member	2/2
Ms. C. Pietersz	Non – Executive Independent	Member	2/2

# REPORT OF THE BOARD REMUNERATION COMMITTEE

## SECRETARY TO THE COMMITTEE

Ms. R. Weudagedara - Company Secretary functions as the Secretary to the Committee.

## REPORTING TO THE BOARD

The proceedings of the BRC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations.

The minutes of BRC meetings are also tabled at successive Board meetings, for informational purposes.

## REMUNERATION POLICY

The remuneration policy of the Company is driven by two principles:

- a. To reward in a manner that ensures that they are properly incentivized and motivated to perform in the best interests of the Company in the long term;
- b. To provide the level of remuneration required to attract and retain personnel of sufficient caliber;

Accordingly, the remuneration is designed in such a way to ensure fair remuneration to all members of the staff and the remuneration is linked to the achievement of individual objectives which are aligned to the short – term and long term objectives of the Company.

The remuneration of the non-executive directors is fixed considering factors including market benchmarks to ascertain prevailing industry standards, the directors' level of expertise, experience, and responsibilities within the Company, the time commitment required for board duties, and the company's financial performance and sustainability.

The proposals relating to remuneration are arrived at, in consultation with the Chairman and the CEO, if it is deemed necessary. No Director is involved in deciding his own remuneration.

## DIRECTORS' EMOLUMENTS

The Directors' emoluments are disclosed in Note 161 to the Financial Statements.

## PROFESSIONAL ADVICE

The Committee is authorised by the Board to obtain, at the company's expense, any outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary for the fulfilment of its duties.

On behalf of the Board Remuneration Committee



**Mr. K. Kamburadeniya**

Chairman of the Board Remuneration Committee

03 June 2024

Colombo

# REPORT OF THE BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE



**C. Pietersz**

Chairperson of the Board Related party transactions review Committee

Dear shareholder

**As the Chairperson of the Board Related Party Transactions Review Committee, on behalf of the other committee members, I am pleased to present to you the Board Related Party Transactions Review Committee report of Panasian Power PLC, for the year 2023/2024.**

**As required by section 9.14.8 of the Listing Rules of the Colombo Stock Exchange and the Code of best practice on corporate governance issued by the Institute of Chartered Accountants of Sri Lanka 2017 (CG Code 2017), this report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.**

## INTRODUCTION AND PURPOSE:

The purpose of the Board Related Party Transactions Review Committee (BRPTRC) is to provide assistance to the Board of Directors in fulfilling their oversight responsibility for the following:

- ◆ Evaluate and consider transactions with related parties (other than those exempted) of the Company as defined by Section 9 of the Listing Rules of the Colombo Stock Exchange before they are undertaken, in order to ensure that related parties are treated on par with other shareholders and other stakeholders of the Company.

- ◆ Ensure that necessary processes are in place to identify, approve, disclose and monitor related party transactions according to the provisions contained in the Board approved Manual for related party transactions pertaining to the Company.

## COMMITTEE COMPOSITION:

The Committee composition as at 31 March 2024 is as follows:

Name of Directors	Nature of Directorship	Committee status	Date of appointment/ Resignation
Mr. V. Kulathilake*	Non Executive Independent Director	Chairman	31 July 2023
Ms. C. Pietersz	Non Executive Independent Director	Chairperson	01 October 2023
Mr. L.H.A.L.Silva	Non Executive Independent Director	Member	28 June 2022
Mr. D. Sooriyaarachchi	Non Executive Non Independent Director	Member	11 August 2021
Ms. L.K.A.H.Fernando	Non Executive Non Independent Director	Member	28 June 2022

\* Resigned w.e.f 31 July 2023

Following the change of nature of directorship of Mr. D. Sooriyaarachchi to 'non-independent' who was the previous chair, Ms. C. Pietersz, was appointed as the Chair of the Committee with effect from 01 oct 2023

The Committee composition comprise exclusively of non-executive directors and has a minimum of 2 members who are independent.

Chairperson, Ms. C. Pietersz is an independent non-executive director.

## TERMS OF REFERENCE (TOR)

The Committee has a Board approved written TOR dealing with its authority and duties and carefully designed to discharge the Committee's purpose. The TOR was reviewed during the year.

## MEETINGS

In terms of the TOR of the Committee, the BRPTRC meets on a quarterly basis.

The CEO and the Finance Manager attend meetings by invitation.

Name	Nature of Directorship	Committee status	Attendance** /eligible to attend
Mr. V. Kulathilake*	Non Executive Independent Director	Chairman	1/1
Ms. C. Pietersz	Non Executive Independent Director	Chairperson	3/3
Mr. L.H.A.L.Silva	Non Executive Independent Director	Member	5/5
Mr. D. Sooriyaarachchi	Non Executive Non Independent Director	Member	4/5
Ms. L.K.A.H.Fernando	Non Executive Non Independent Director	Member	5/5

# REPORT OF THE BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

## SECRETARY TO THE COMMITTEE

**Ms. R. Weudagedara** - Company Secretary functions as the Secretary to the Committee.

## REPORTING TO THE BOARD

The proceedings of the BRPTRC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations. Where necessary, the Committee requests the Board of Directors to approve the related party transactions under review and in such instances, the Board approval is obtained prior to entering into such transaction.

The minutes of BRPTRC meetings are also tabled at successive Board meetings, for informational purposes.

## POLICIES AND PROCEDURES

A Board approved Manual on Related Party Transactions is in place with the objective to establish a frame work for the Company for identification of related parties and their transactions.

This Manual on Related Party Transactions is reviewed and approved by the Board on an annual basis, based on the recommendations of the Committee.

### Identification of related parties

Related parties are identified in accordance with the criteria set out in the Sri Lanka Accounting Standards (LKAS 24) as well as the Listing Rules.

In terms of the Manual, the Finance Manager, is entrusted with the responsibility to identify and update the list of related parties, as and when an event occurs.

The Company adopts a disclosure based approach in identifying related parties.

### Reporting and reviewing related party transactions

The Company has set up a process which enables the Company to generate data on related party transactions, throughout the Company's accounting system.

All related party transactions (other than those exempted) are submitted to the Committee prior to entering into the transaction.

All recurrent related party transactions are submitted to the Committee on a quarterly basis for review. The Committee has established guidelines to follow, when reviewing these recurrent related party transactions.

The Company Secretary would monitor the transactions of the Company with the identified related parties to ascertain transactions which triggers shareholder/Board approval as well as immediate disclosures.

## PROFESSIONAL ADVICE AND ACCESS TO MANAGEMENT

The Committee ensured that it had access to sufficient knowledge and expertise to assess all aspects of the transaction. To this extent, the Committee is empowered to obtain, at the Company's expense, any outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary for the fulfilment of its duties.

## CONFLICT OF INTEREST

If a member has a personal material interest in a matter being considered or a related party transaction involves directly or indirectly one of the members of this Committee, the conflicted member informed the Committee immediately and excused himself at

the meeting. Such member was not present while the matter was being considered at the meeting, unless for the express purpose of providing information to the Committee at the request of the other members and abstained from voting on the matter.

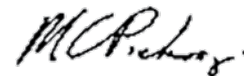
## DECLARATION

Other than those exempted, all transactions with related parties entered into during the year 2023/24, were reviewed by the Committee and the observations were duly communicated to the Board. For this purpose all relevant facts and circumstances of the proposed transactions were provided to the Committee by the Senior Management.

During the year under review, the Company has complied with the related party transactions rules set out

in Section 9 of the Listing rules. An affirmative statement of compliance with the rules pertaining to related party transactions by the Board of Directors is included on page 109 of this annual report.

On behalf of the Board Related Party Transactions Review Committee.



**Ms. C. Pietersz**

Chairperson of the Board Related Party Transactions Review Committee

03 June 2024  
Colombo



# REPORT OF THE BOARD NOMINATIONS AND GOVERNANCE COMMITTEE



**K. Kamburadeniya**

Chairman of the Board Nomination and Governance Committee

Dear shareholder

**As the chairman of the Board Nominations and Governance Committee, on behalf of the other committee members, I am pleased to present to you the Board Nominations and Governance Committee report of Panasian Power PLC, for the year 2023/2024.**

**As required by section 9.11.4 of the Listing Rules of the Colombo Stock Exchange, this report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.**

## INTRODUCTION AND PURPOSE:

Formed in 2023, the purpose of the Board Nominations and Governance Committee (BNGC) is to provide assistance to the Board of Directors in fulfilling their oversight responsibility for the following:

- ◆ Recommend to the Board all proposed appointments of directors through a formal and transparent process.
- ◆ Ensure plans are in place for orderly succession to both the Board and senior management positions.
- ◆ Oversee the Company's compliance with, and approach to, all applicable regulations and guidance related to corporate governance matters.

## COMMITTEE COMPOSITION:

The Committee composition as at 31 March 2024 is as follows:

Name of Directors	Nature of Directorship	Committee status	Date of appointment/ Resignation
Mr. K. Kamburadeniya	Non Executive Independent Director	Chairman	01 October 2023
Mr. D. Sooriyaarachchi	Non Executive Non Independent Director	Member	01 October 2023
Mr. L.H.A.L. Silva	Non Executive Independent Director	Member	01 October 2023
Ms. L.K.A.H.Fernando	Non Executive Non Independent Director	Member	01 October 2023
Ms. C. Pietersz	Non Executive Independent Director	Member	01 October 2023

The Committee composition comprise exclusively of non-executive directors and has a minimum of 2 members who are independent. The composition does not include executive directors.

**Chairman, Mr. K. Kamburadeniya** is an independent non-executive director.

## TERMS OF REFERENCE (TOR)

The Committee has a Board approved written TOR dealing with its authority and duties and carefully designed to discharge the Committee's purpose. The TOR was reviewed during the year.

## MEETINGS

In terms of the TOR of the Committee, the Committee meets at least once a year and at such other times as the Chairman or members of the Committee shall require.

The CEO attends meetings by invitation.

*Attendance at Committee meetings are as follows.*

Name of Directors	Nature of Directorship	Committee status	Attendance /eligible to attend
Mr. K. Kamburadeniya	Non Executive Independent Director	Chairman	2/2
Mr. D. Sooriyaarachchi	Non Executive Non Independent Director	Member	2/2
Mr. L.H.A.L.Silva	Non Executive Independent Director	Member	2/2
Ms. L.K.A.H.Fernando	Non Executive Non Independent Director	Member	2/2
Ms. C. Pietersz	Non Executive Independent Director	Member	2/2

# REPORT OF THE BOARD NOMINATIONS AND GOVERNANCE COMMITTEE

## SECRETARY TO THE COMMITTEE

**Ms. R. Weudagedara** - Company Secretary functions as the Secretary to the Committee.

## REPORTING TO THE BOARD

The proceedings of the BNGC meetings are regularly reported to the Board via the Committee Chairman outlining proceedings, outcomes and recommendations.

## PROCESS FOR BOARD APPOINTMENTS/RE-ELECTIONS/RE-APPOINTMENTS

The BNGC assesses the Board composition against the pre-defined criteria of skill and knowledge requirements to ascertain whether the combined knowledge and experience of the Board matches the strategic demands of the Company. The findings of such assessment are taken into account in case of new board appointments and when incumbent directors came up for re-election/re-appointment.

The assessment of the Board composition comprehensively addresses the aspects of diversity, including age, tenure, gender, expertise, and independence, ensuring a well-rounded and effective governance structure.

The Articles of Association was amended in 2023 to facilitate the retirement by rotation of directors. In terms of the articles of association, 1/3 of the directors (other than executive directors) who have been longest in office are required to retire by rotation and seek re-election at the next AGM.

The Committee has assessed and according to their assessment, recommended the re-election of Mr. Deepal Sooriyaarachchi to be eligible to retire by rotation and to seek re-election at the AGM. The committee is in the process of documenting the existing policy and process for nominating directors.

Name of Director	Role in Board sub-committee	First date of appointment	Last re-appointment date	Details of directorships including those held within the past 3 years in listed entities	Relationships between the director/CFM with other directors, Company, shareholders having more than 10% in the Company
Mr. Deepal Sooriyaarachchi	BNGC/ BRPTRC/ BRC – Member	11 November 2014	-	Please refer page 80 for details on current directorships. Number of directorships in listed entities held within the past 3 years – 5	Nil

## PERFORMANCE EVALUATION OF THE BOARD AND THE CEO

The Committee oversees that there is a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO to ensure that their responsibilities are satisfactorily discharged.

## BOARD INDUCTION AND TRAINING

The Committee ensures that a well-structured induction program is conducted for the newly appointed directors of the Company on corporate governance, Listing Rules, securities market regulations. There were no new director appointment during the year.

## PROCESS TO INFORM INDEPENDENT DIRECTORS OF MAJOR ISSUES RELATING TO THE COMPANY

To uphold corporate governance best practices, it's essential to keep independent directors informed of major issues within the Company. This involves regular updates through board meetings and timely communication of urgent matters between meetings. Directors also

receive detailed reports and relevant documentation and have direct access to the management for clarification or additional information as needed.

## DETERMINATIONS ON DIRECTOR INDEPENDENCE

The Committee made recommendations to the Board as to determinations of director independence. During the year, Mr. D. Sooriyaarachchi was considered as non-independent with effect from 11 November 2023.

Additionally, the Committee offered insights when necessary regarding the potential impact of proposed related party transactions on a director's independence.

## CORPORATE GOVERNANCE

The Committee reviewed and recommended adjustments to the Company's governance structure and processes, ensuring alignment with Listing Rules, regulatory requirements and industry best practices.

The Committee also received reports from management regarding compliance with the corporate governance framework, including adherence to the Listing Rules and other relevant laws.

## DECLARATION

During the year,

1. an annual update on Corporate Governance (CG), Listing Rules, and other applicable laws has been provided to the Directors;
2. The Directors have met the criteria for independence as outlined in the Listing Rules of the Colombo Stock Exchange;
3. Compliance with the Listing Rules on Corporate Governance Rules has been ensured, except for those with future effective dates.

On behalf of the Board Nominations and Governance Committee



**Mr. K. Kamburadeniya**  
Chairman of the Board Nominations and Governance Committee

03 June 2024  
Colombo

# RISK MANAGEMENT

*‘Successful investing is about managing risk, not avoiding it’ - Benjamin Graham*

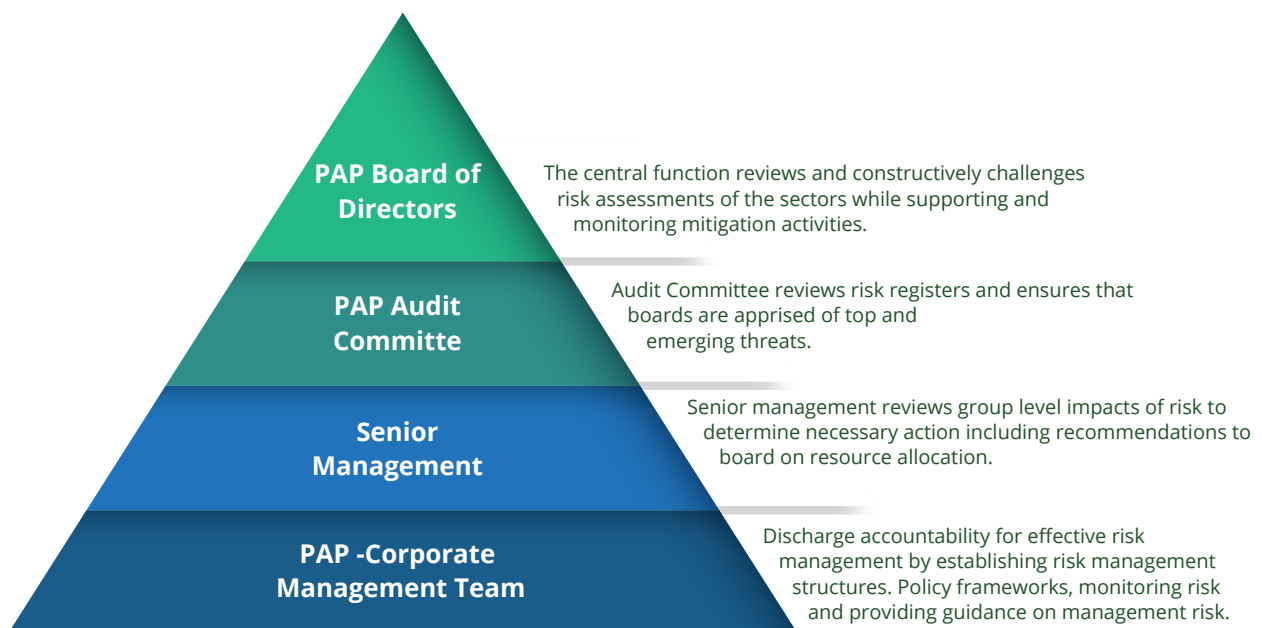
The Group’s risk management landscape shifted significantly during the year, impacted by rising macroeconomic vulnerabilities, supply chain disruptions, political uncertainties, changes in rules and regulations. Despite continued uncertainties in our operating environment, we have demonstrated resilience in our ability to manage emerging risks consistently across the Group in line with our risk appetite.

The main challenges are graphically depicted as follows.



## RISK GOVERNANCE

The Board of Directors has ultimate responsibility of identifying managing the company’s risk exposures and is assisted by the Board Audit Committee. The Audit Committee is accountable for ensuring the adequacy of internal controls and implementing continuous improvements based on findings derived through internal audit reports, compliance reports submitted by the management as well as by disseminating the recommendations made by the external auditors. Risk identification is an ongoing process involving continuous stakeholders engagement and persistent evaluation of the internal and external business environments and the risk grids are updated on an ongoing basis and presented to the board for review.



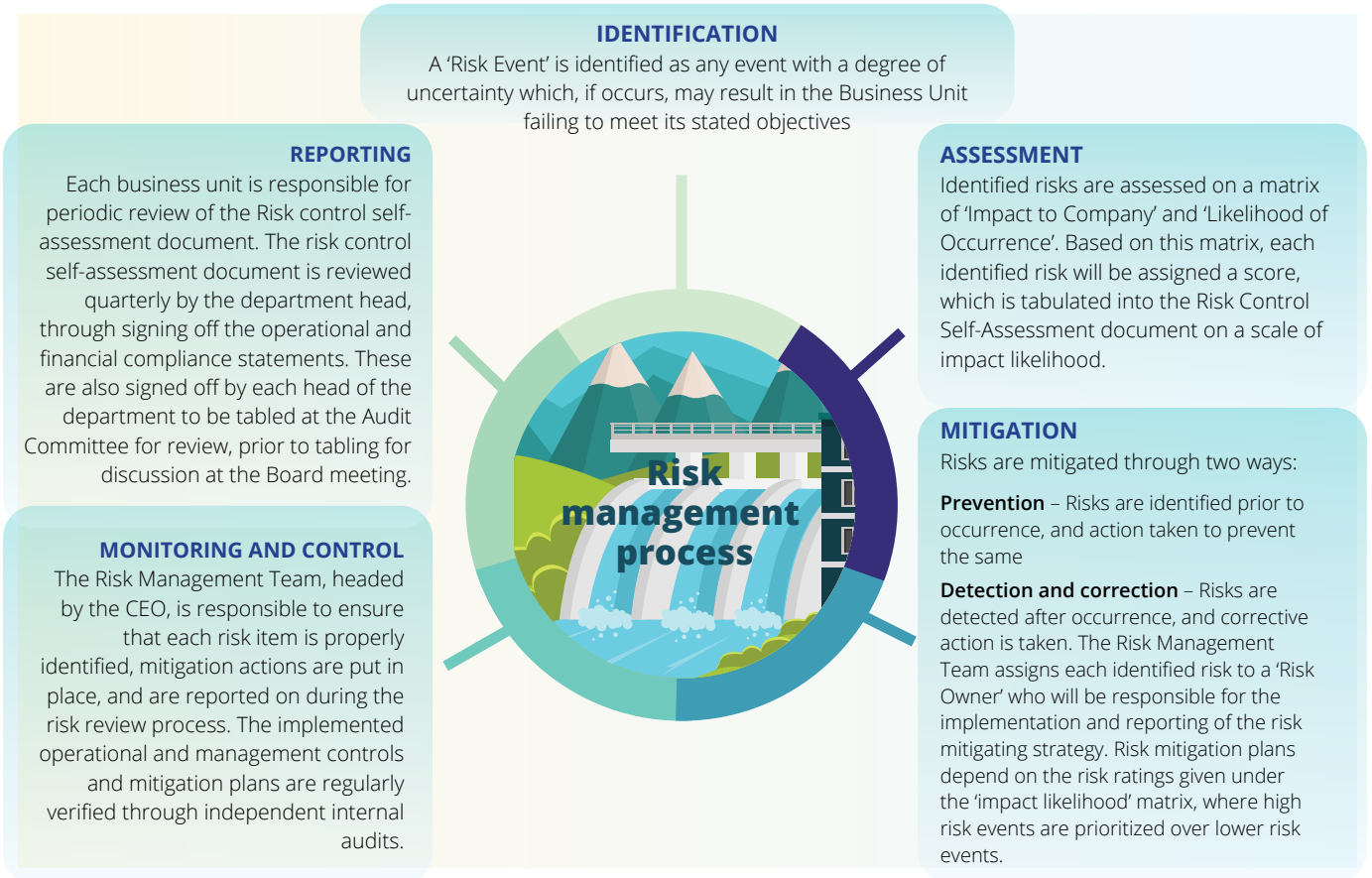
# RISK MANAGEMENT

## A STRUCTURED APPROACH TO MANAGING RISK

PAP uses the three lines of defence governance model which promotes transparency, accountability, and consistency through the clear identification and segregation of roles. This emphasises the fundamental concept that risk ownership and management are everyone’s responsibility across all levels of the hierarchy.

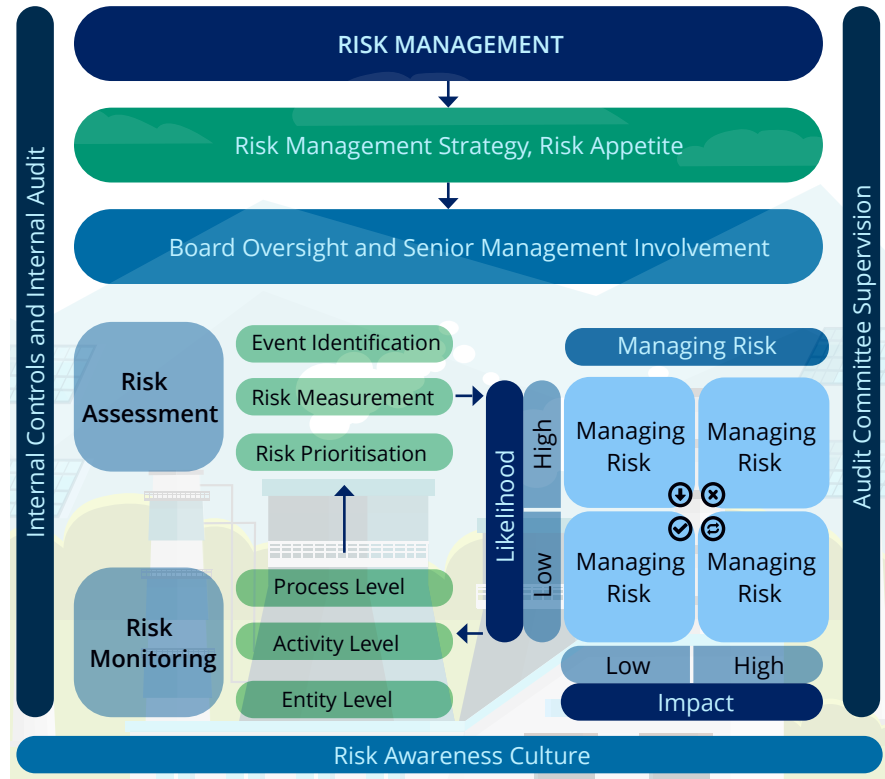


## RISK MANAGEMENT PROCESS



### INTEGRATED RISK MANAGEMENT FRAMEWORK

The integrated risk management framework (IRMF) established sets out the processes and responsibilities for identifying, measuring, mitigating, monitoring and reporting risks. The IRMF takes a top-down approach that cascades from PAP's strategic plan, vis-a-vis the Company's Risk Management Strategy and Risk Appetite, both approved by the PAP Board. The Risk Management Strategy and Risk Appetite, together serve as guiding principles to ensure that all major risks are identified, assessed, managed and monitored in a way that supports the Company to meet its strategic objectives and fulfil stakeholder deliverables.



### RISK APPETITE

The board holds ultimate responsibility for setting the risk appetite of the business and the management is responsible for implementation of the same. Risk appetite is the amount of risk, at a broad level, that an organization is willing to accept in pursuit of its strategic objectives. Risk Appetite reflects the risk management philosophy that a Board wants the organization to adopt and, in turn, influences its risk culture, operating style and decision-making.

### Risk culture

PAP believes that effectiveness of the risk management system depends to large extent on the culture of risk awareness. The Board sets the tone from the top via policies and procedures that promote the risk culture. While managers of business units are held accountable for ensuring these policies. Procedures and standards are implemented and adhered without exception. Continuous training

and other capacity building initiatives are also a key component that reinforces the risk awareness culture at all levels of the business.

### Top risks in 2023/2024

The matrix below is used to assess prevalent risks and a score is obtained for each type of risk, facilitating identification of common risks aggregation and prioritization. There are presented to Audit committee and board and used for decision making including the strategic direction of growth and resource allocation.

		Impact		
		L	M	H
Probability	H			1, 6, 20
	M		3, 4, 8, 11, 12, 14, 22	2, 5, 7, 9, 13, 16, 17, 21
	L	18, 20	10, 15, 19, 22	5

# RISK MANAGEMENT

No	Risk Event	Implication	Risk mitigation Approach	Severity impact on Business	Probability of Occurrence	Risk (Probability * Likelihood)
<b>Business risk</b>						
01	Project planning, organization of financing	Loss of expected energy out put	The combination of qualitative and quantitative methods, the priority of mathematical models in the accumulation of data on current and similar RE projects	3	3	9
02	Complex permitting process.	Delay of starting of commercial operation and project cancellation	Continuous follow up with approving authorities.	3	2	6
03	Issues associate with dispatchability	Loss of revenue	Need to balance supply and demand in the grid	2	2	4
04	Sources of Finance	In ability to capitalized lucrative business opportunities	Maintained healthy relationship with bank and lending institutions	2	2	4
05	Dependency on weather	Uncertainty on projected revenue	Maintain proper energy mix to take advantage from weather pattern change	3	2	6
06	Land availability	Inability to capitalized lucrative business opportunities.	Maintain healthy relationship with respective stakeholders.	3	3	9
<b>Financial risk</b>						
07	Interest Rate risk	Direct impact on project profitability	Negotiate for favorable interest rate. Maintain proper mixed of fixed and variable rate for borrowings. Negotiate for mutually beneficial interest rate CAP.	3	2	6
08	Foreign Currency and Exchange rate risk	* 36% of Group Turnover derived from EPC sector	Entering in to forward exchange contracts with banking partners.	2	2	4
09		Solar Panel and invertor and project equipment import will be negatively impacted from LKR depreciation	Exploring overseas projects with USD tariff	3	2	6
10	Liquidity and financial stability	Financial stress and impaired ability to meet future debt obligations.	periodical cash flow forecasts and solvency-based analysis to identify current and future cash needs. Invest surplus cash balance in funds which offer highest return. Create Reserves for debt services	2	1	2

No	Risk Event	Implication	Risk mitigation Approach	Severity impact on Business	Probability of Occurrence	Risk (Probability * Likelihood)
11		Credit risk Potential losses due to impairment of receivables (CEB receivables)	Agreements with CEB are legally enforceable. Obtaining Bank Guarantees from other debtors. Strengthening credit policy pertaining to retail business.	2	2	4
12	Counter Party Risk (Company has given corporate guarantees to subsidiaries of the Company)	A default of any of these subsidiaries can result in liability exposure	Corporate governance and regular monitoring of performance of these subsidiaries.	2	2	4
<b>Strategic risk</b>						
13	Deviation from expected result due to error may include on simplification, approximations or inaccurate assumptions	Material deviation between expected profitability and actual profitability	Obtained experts opinion when setting key assumptions and parameters	3	2	6
14	Unable to generate expected yield due to changes/ fluctuations in solar irradiances	Loss of expected revenue	Use of bi facial technology in solar panels	2	2	4
<b>Operational Risk</b>						
15	Reputational Risk	Negative PR due to foreseen or any unforeseen event can have a significant impact on Company	Adherence to statutory and regulatory compliance is affected under dedicated controls. Shareholder concerns are addressed effectively and promptly brought to the attention of the Board when required	2	1	2
16	Risk arising from damages to physical assets due to negligence, accident, wear and tear and / or possible unplanned break downs.	Loss of revenue	Regular upgrading of H&S policies and measures and conducting awareness sessions. preventive break downs. Conducting periodic review using industry experts. Business interruption insurance cover	3	2	6

# RISK MANAGEMENT

No	Risk Event	Implication	Risk mitigation Approach	Severity impact on Business	Probability of Occurrence	Risk (Probability * Likelihood)
17	Risk arising from damages of plants due to natural hazards (Wild Elephants, wild fare)	Loss of revenue	Obtaining all risk insurance cover.	3	2	6
<b>IT Risks</b>						
18	Probability of threats that comes from enterprise hardware, software and networks.	Negative impact due to loss of data, system	Maintain appropriate tools and teams to mitigate the risk Insurance policies are in place for computer hardware and business continuity plan. Data protection policy	1	1	1
<b>Legal and compliance risk</b>						
19	Risk arising from uncertainty regarding potential changes in applicable laws and regulations.	Lower than expected revenue. Image of the group can be damaged. Possibility of imposing Penalty and surcharge	Regular monitoring Obtaining compliance confirmation quarterly Internal Audit	2	1	2
<b>People and retention risk</b>						
20	Risk arising from inability to attract and retain qualified and experience staff.	Can be adversely affected to group operations, productivity, and financial results	Implement progressive HR Policies Maintain cordial relationship with employees.	3	3	9
<b>Environmental Risk</b>						
21	Risk of actual and potential threats to the environment and residents	Adverse environmental conditions impact on the projects under construction. Impact on yield from Hydro and solar power plants due to adverse environmental conditions such as floods, drought, landslides.	Monitoring sustainability report for H&S incidents and identifying increasing trends. Conducting regular health and safety session, fire drills Internal Audits.	3	2	6
<b>Environmental Risk</b>						
22	The probability or uncertainty of losses rather than expected profit from investment	Negative impact on subsidiary performance	Review of budgets, performance of each sector on a regular basis.	2	2	4





## FINANCIAL STATEMENTS

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# FINANCIAL CALENDAR 2024

**Interim Financial Statements (Interim Financial Statements are published as per rule 7.4 of the Colombo Stock Exchange)**

Interim financial statements for the three months ended 30 June 2023	Approved on 07 August 2023
Interim financial statements for the six months ended 30 September 2023	Approved on 08 November 2023
Interim financial statements for the nine months ended 31 December 2023	Approved on 09 February 2023
Interim financial statements for the year ended 31 March 2024	Approved on 29 May 2024

**Audited Financial Statements**

Audited financial statements for the year ended 31 March 2024	Approved on 03 June 2024
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**Dividends**

Interim dividend for the year ended 31 March 2024	Paid on 25 April 2024
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**Annual General Meeting**

22 Annual General Meeting	27 June 2024
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# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF COMPANY

The Directors have pleasure in presenting the 22 Annual Report together with the Audited Financial Statements of PanAsian Power PLC, and the Audited Consolidated Financial Statements of the PanAsian Power Group for the year ended 31 March 2024.

## GENERAL

This report also considers the requirements of the Companies Act No. 07 of 2007 (as amended), the relevant listing rules of the Colombo Stock Exchange (CSE) and recommended reporting and corporate governance best reporting practices, such as the rules on Code of Best Practices on Related Party Transactions (2013) issued by the SEC, Code of Best Practice on Corporate Governance (2013) jointly issued by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka to the extent of business exigency as required by the Company and are also guided by recommended best accounting practices.

## LEGAL STATUS

The Company was incorporated on 22<sup>nd</sup> April 2002 under the name of PanAsian Power PLC. The shares of the Company were listed on the Colombo Stock Exchange on 25 March 2011 and re-registered as per the Companies Act No. 07 of 2007 on 03 December 2008 under registration No. PV 9959 PB/PQ.

## PRINCIPLE ACTIVITY OF THE COMPANY

The principal activities of the Company are the generation and sale of hydroelectricity to the Ceylon Electricity Board.

There had been no significant changes in the nature of the activities of the Company and its subsidiaries during the year under review.

## PRINCIPLE ACTIVITY OF THE SUBSIDIARY COMPANIES

The principal activities of the subsidiaries are the generation and sale of hydroelectricity and solar electricity to the Ceylon Electricity Board and Engineering, Procurement and Construction of roof top solar power plants and sale of solar panel and inverters.

There had been no significant changes in the nature of the activities of the subsidiaries during the year under review.

## BUSINESS REVIEW

A review of the Company and its subsidiaries' performance during the financial year is given in the Chairman's Statement, Chief Executive Officer's Review and in the Operation Review on the pages 16 to 37 of the Annual Report. These reports form an integral part of the directors report and provide a fair review of the performance of the PanAsian Power Group during the financial year ended 31 March 2024.

## FINANCIAL STATEMENTS

The Financial Statements of the Company and the PanAsian Power Group are set out on pages 120-206 of the Annual Report.

## AUDITOR'S REPORT

The Auditor's Report on the Financial Statements is given on pages 129 to 130 of the Annual Report.

## MATERIAL ACCOUNTING POLICIES

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 138 to 156 of the Annual Report.

## GOING CONCERN

The Group has prepared the Financial Statements for the year ended 31 March 2024 on the basis that it will continue to operate as a going concern.

In determining the basis of preparing the financial statements for the year ended 31 March 2024, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Group companies and the appropriateness of the use of the going concern basis.

It is the view of the management that there are no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. The management has formed judgment that the Company, its subsidiaries, joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalization of risk mitigation initiatives and monitoring of business continuity and response plans at each business level along with the financial strength of the Group.

In determining the above, significant management judgment, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions, foreign exchange market limitations and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

Financial Statements are prepared based on the "Going Concern" concept

## STATED CAPITAL

The total stated capital of the Company as at 31 March 2024 was Rs. 1,030,000,000/- (2023- Rs. 1,030,000,000/-) represented by 625,000,000 ordinary shares. There were no changes in the stated capital of the company in the year.

## REVENUE

Revenue generated by the Company amounted to Rs. 106,050,125/- (2023

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

- Rs. 91,131,811/-), whilst Panasain Power Group revenue amounted to Rs. 1,490,346,498/- (2023 - Rs. 1,014,079,462/-). Contribution to Panasian Power from different business segments is provided in note 7 to the financial statements on page 157-159.

## DONATIONS

The Group and the Company made donations during the year amounting to Rs. 6,593,860/- and Rs. 573,000/- respectively (2022/23 - Group: Rs. 2,824,178/-, Company - Rs. 1,411,848/-). No donations were made for any political related activities.

## PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The Group and the Company incurred Rs. 40,810,504/- and Rs. 4,076,605/- respectively (2022/23 - Group: Rs. 21,649,471/- Company: Rs. 2,402,548/-) on acquisition of property, plant and equipment, details of which are available in Note 15 to the Financial Statements.

The investment in intangible assets by the Group during the year was Rs. 1,995,978/- whilst the investment in intangible assets by the Company was Rs. 1,995,978/-. (2022/23 - Group: Rs. 185,000/-, Company: Rs. 185,000/-). Specific information on extent, locations, valuations and number of buildings on the Company's land holdings are given in Note 15 to the Financial Statement.

## MARKET VALUE OF FREEHOLD LAND

A qualified independent valuer carried out a revaluation of the Company's freehold land on date and the carrying value of freehold land has been adjusted accordingly. The details of market value of freehold land are given in Note 15 to the Financial Statements.

## RESERVES

Total reserves as at 31 March 2024 of the Company and Group amounted to Rs. 691,886,938/- (2023 - Rs.

618,723,531/-) and Rs. 1,207,719,734/- (2023 - Rs. 912,102,508/-), respectively. The movement and composition of the capital revenue reserves is disclosed in the Statement of Changes in Equity on pages 135

## EVENTS AFTER THE REPORTING DATE

There have been no events subsequent to the reporting date which would have any material effect on the Company or on the Group other than those disclosed in Note 37 to the Financial Statements on page 199.

## CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There have been no commitments or contingent liabilities other than those stated in Note 38 on page 199 of this Annual Report.

## HUMAN RESOURCES

The number of persons employed by the Company and Group as at 31 March 2024 was 38 (2023 - 27) and 74 (2023 - 64), respectively. The Group is committed to pursuing various Human Resources (HR) initiatives that ensure the individual development of all our teams as well as facilitating the creation of value for themselves, the Company, and all other stakeholders. There were no material issues pertaining to employees and industrial relations in the year under review.

## CORPORATE GOVERNANCE

On pages 75 to 103 of this Report, corporate governance practices and principles related to the Company's management and operations are outlined. The Directors confirm that the Company complies with the relevant corporate governance rules set forth in the CSE listing guidelines.

## THE DIRECTORS DECLARE THAT:

- ◆ The Company has not engaged in any activities which contravene laws and regulations.

- ◆ The Directors have declared all material interest in contracts involving the Company and refrained from voting on matters in which they were materially interested; and
- ◆ The Company has made all endeavors to ensure the equitable treatment of shareholders; and
- ◆ The business is a going concern with supporting assumptions or qualifications as necessary; and
- ◆ The Directors have conducted a review of internal controls covering financial operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board indicates that there is an ongoing procedure for identifying, evaluating, and managing any significant risks faced by the Group. The annual strategic planning cycle includes an evaluation and risk assessment of each business segment, and the Board and Audit Committee routinely analyse the key risks and preventative measures in place.

## DIRECTORATE

The names of the directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 68 to 71.

Mr. L. H. A. L. Silva (chairman)

Mr. D. Sooriyaarachchi

Mr. P. K. Pathmanatha (CEO/Executive Director)

Mr. W. W. M. S. B. K. G. Kamburadeniya

Mrs. L. K. A. H. Fernando

Ms. C. Pietersz

## INTEREST REGISTER

An Interest Register is maintained by the Company as per the requirements

of the Companies Act No. 07 of 2007. All Directors have made the necessary declarations as provided for in Section 192 (2) of the aforesaid Companies Act.

During the year, entries made in the Interest Register consisted of Directors' interests in contracts and remuneration paid to the Directors. The Interest Register is available at the registered office of the Company, in keeping with the requirements of Section 119 (1) (d) of the Companies Act No. 07 of 2007. The

particulars of the Directors' Interests in contracts are given on page 122 of the Annual Report and form an integral part of the Annual Report of the Board of Directors. The Directors have no direct or indirect interest in a contract or a proposed contract with the Company other than those disclosed.

#### DIRECTORS' SHAREHOLDING

The Directors' interest in shares of the Company as at 31 March 2024 and 31 March 2023 are as follows;

Name of Director	31/03/2024	31/03/2023
Mr. L. H. A. L. Silva	NIL	NIL
Mr. D. Sooriyaarachchi	"	"
Mr. P. K. Pathmanatha	"	"
Mr. W. W. M. S. B. K. G. Kamburadeniya	"	"
Ms. L. K. A. H. Fernando	"	"
Mr. C. V. Kulatilake*	"	"
Ms. C. Pietersz	"	"

\*Resigned w.e.f. 31 July 2023

#### BOARD SUB COMMITTEE

The Audit Committee, Remuneration Committee, Related Party Transaction Review Committee and Nomination and Governance Committee function as board subcommittees with Directors who possess the requisite qualifications and experience.

The composition of the said committees is as follows:

#### AUDIT COMMITTEE

Ms. C. Pietersz (Chairman)

Mr. L. H. A. L. Silva

Ms. L. K. A. H. Fernando

Mr. K. Kamburadeniya

#### REMUNERATION COMMITTEE

Mr. K. Kamburadeniya (Chairman) - with effect from 01st October 2023

Mr. D. Sooriyaarachchi

Ms. L.K.A.H.Fernando

Mr. L.H.A.L.Silva

Ms. C. Pietersz

#### RELATED PARTY TRANSACTION REVIEW COMMITTEE

Ms. C. Pietersz (Chairman) - with effect from 01st October 2023

Mr. L.H.A.L.Silva

Mr. D. Sooriyaarachchi

Ms. L.K.A.H.Fernando

#### NOMINATION AND GOVERNANCE COMMITTEE -WITH EFFECT FROM 01ST OCTOBER 2023

Mr. K. Kamburadeniya(Chairman)

Mr. D. Sooriyaarachchi

Mr. L.H.A.L.Silva

Ms. L.K.A.H.Fernando

Ms. C. Pietersz

#### RETIREMENT OF DIRECTORS BY ROTATION AND RE-ELECTION

##### Retirement by rotation

One third of the directors in office retire at each annual general meeting by rotation with the directors have served for the longest period since their appointment/re-appointment retiring first. Retiring directors are eligible for re-election and may be recommended for re-election by the board.

##### Election

Accordingly Mr D Sooriyaarachchi - Non Independent Non Executive director shall retire and offer himself for re-election at AGM to be held on 27 June 2024.

##### Directors' Remuneration

Details of the remuneration and other benefits received by the Directors are set out on page 161 of the Financial Statements.

##### Related Party Transactions

The Company's transactions with related parties, given in Note 36 to the Financial Statements have complied with the listing Rule 9.3.2 of the Colombo Stock Exchange and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

##### Stock Market Information

An ordinary share of the Company was quoted on the CSE at Rs. 3.00 as at 31 March 2024 (31 March 2023 - Rs. 3.40). Information relating to public holding, earnings, dividend, net assets, market value per share and share trading is given in Key Ratios and Information on page 207 and in the Shareholders Information section on pages 207 to 209.

The Company endeavors at all times to ensure equitable treatment to all shareholders.

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

## Substantial Shareholding

The names of the twenty largest shareholders, the number of shares held, and the percentages held are given on page 208 of the Annual Report. The distribution schedule of the shareholders and public holdings is disclosed on page 207 of the Annual Report.

## ENVIRONMENTAL PROTECTION

The Group complies with the relevant environmental laws, regulations and endeavors to comply with best practices applicable in the country of operation.

## STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies, and taxes payable on behalf of, and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the reporting date have been paid or, where relevant provided for, except as specified in Note 162 to the financial statements on page 199, covering contingent liabilities.

## AUDITORS

Messrs. Ernst & Young, Chartered Accountants, have intimated their willingness to continue as auditors of the Company, and a resolution to re-appoint them as auditor and authorizing the Directors to fix their remuneration will be proposed at the Annual General Meeting.

The Audit Committee reviews the appointment of the auditor, its effectiveness, and its relationship with the Group, including the level of audit and non-audit fees paid to the auditor. Details of audit fees are set out in Note 10 of the Financial Statement. The auditors do not have any relationship (other than that of an auditor) with the Company or any of its subsidiaries.

Further details on the work of the auditor and the Audit Committee are set out in the Audit Committee Report on page 104.

## ANNUAL REPORT

The Board of Directors approved the Company and Consolidated Financial Statements on 03 June 2024. The appropriate number of copies of this report will be submitted to the CSE and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

## ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as a physical meeting on 27 June 2024 at 10.00 a.m.

This Annual Report is signed for and on behalf of the Board of Directors.



**L. H. A. L. Silva**  
Chairman



**P.K. Pathmanatha**  
Chief Executive Officer/Executive Director



**R. Weudagedara**  
Company Secretary

03 June 2024

# THE BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

The Board of Directors present this Statement on Internal Control in accordance with principle D.1.5. of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

## RESPONSIBILITY

The Board of Directors of Panasian Power PLC acknowledge its responsibility for the adequacy and effectiveness of Group's system of internal controls to safeguard shareholders' investment and Group's assets.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the systems of internal controls as and when there are changes to the business environment or regulatory guidelines.

The Board is of the view that the systems of internal control over financial reporting in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The Board has delegated specific responsibilities to the following four subcommittees:

- ◆ Board Audit Committee
- ◆ Board Related Party Transactions Review Committee
- ◆ Board Remuneration Committee
- ◆ Board Nomination and Governance Committee

These committees are chaired by Independent Non-Executive Directors and have the authority to examine particular issues and report back to the Board with their recommendations.

## INTERNAL AUDIT

The Internal Audit function of the Group verifies compliance of operations with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any noncompliance.

Audits are carried out on all Strategic Business Units (SBUs), the frequency of which are determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of SBUs. The annual audit plan is reviewed and approved by the Audit Committee and the findings of the audits are submitted to the Audit Committee for review at their periodic meetings.

## POLICIES, PROCEDURES AND BUDGETS

Policies and procedures to ensure compliance with internal controls and relevant laws and regulations are set out in operations manuals, which are updated from time to time.

Annual budgets are approved by the respective Boards and the subsidiaries' performance are assessed against the budgets and explanations are provided for significant variances periodically to the respective Boards.

## INSURANCE AND PHYSICAL SAFEGUARDS

Adequate insurance and physical safeguards on major assets are in place to ensure Group assets are sufficiently covered to minimize material loss against any adverse unforeseen events.

## WHISTLEBLOWING POLICY

The Group encourages a whistleblowing policy which enables employees to bring irregularities in financial reporting, internal controls, or other matters within the Group to the notice of the higher management.

Proper arrangements are in place to facilitate fair and independent investigation for such matters, if any. The prevalence and effectiveness of this policy is monitored by the Audit Committee from time to time.

## THE GROUP CODE OF ETHICS & PROFESSIONAL CONDUCT

The Group Code of Ethics and Professional Conduct (Code) which includes a strong set of corporate values and conduct, is circulated to Directors and all employees. The Board ensures that Directors and all employees strictly comply with the Code in exercising their duties, communications, role modelling and in any other circumstance, so as to uphold the Group's integrity and image. Strict disciplinary actions are initiated for any violation of the Group Code of Ethics and Professional Conduct.

## CYBER SECURITY

The Group has become more technology driven, thus increasing the Group's reliance on cyber connectivity. In this era, securing and protecting the Group's information assets becomes a priority. The Board has taken necessary precautions to minimize the risk of a security breach. During the year under review, necessary steps were rolled out to manage the exposure to cyber-attacks by reducing the threat surface and potentially exploitable vulnerabilities.

## GOING CONCERN

The statement of going concern is set out in the Annual Report of the Board of Directors on page 121.

## RISK MANAGEMENT

The Board has set up an ongoing process for identifying, monitoring and managing the principal and emerging risks faced by the Group.

An overview of the Group's risk management framework is set out on pages 113 to 118 of this Annual Report.

# THE BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

## ANNUAL REPORT

The Board is responsible for the preparation of the Annual Report and confirm that the quarterly reports, annual financial statements and the annual review of operations of the Group and its equity accounted investees that are incorporated in this Annual Report have been prepared and presented in a reliable manner based on a balanced and comprehensive assessment of the financial performance of the Group.

## CONFIRMATION

Based on the above processes, the Board of Panasian Power PLC confirms that the financial reporting system of the Group has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes and has been done in accordance with Sri Lanka Accounting Standards and regulatory requirements.

By order of the Board



**L.H.A.L. Silva**  
Chairman



**C. Pietersz**  
Audit committee chairperson.



**E.A.D.L.D. Egodawaththa**  
Finance Manager

03 June 2024



# STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible under sections 150 (1), 151, 152 (1), & 153 of the Companies Act No. 7 of 2007 ("The Companies Act"), to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit & loss of the Company and the Group for the financial year.

The Directors are also responsible, under section 148, the Companies Act to ensure that proper accounting records are kept to enable, determination of the financial position with reasonable accuracy, preparation of Financial Statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/ LKAS), the Companies Act and the listing rules of the Colombo Stock Exchange.

The Directors are of the opinion, based on their knowledge of the company, key operations and specific inquiries, that adequate resources exist to support the Company on a going concern basis over the next year. These Financial Statements have been prepared on that basis.

The Directors have taken proper and sufficient measures to safeguard the assets of the Group and, in that context, have instituted appropriate systems of internal control and accounting records

to prevent and detect fraud and other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

The Directors have confirmed that the Company satisfies the solvency test requirement under Section 56 of the Companies Act No. 07 of 2007 for the interim dividend declared and a solvency certificate was obtained from the Auditors in respect of the said interim dividend declared.

The external auditors, Messrs Ernst & Young, Chartered Accountants who were re- appointed in terms of the Companies Act No. 7 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the auditors, shown on pages 129 to 130 sets out their responsibilities in relation to the Financial Statements.

## 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 Balance Sheet date have been paid or provided where relevant.

For and on behalf of the Board

## Panasian Power PLC



**R. Weudagedara**  
Secretaries

03 June 2024

# RESPONSIBILITY STATEMENT OF CHAIRMAN, CHIEF EXECUTIVE OFFICER AND FINANCE MANAGER

The Section D.1.3 of the 'Code of Best Practice on Corporate Governance 2017' (The Code) issued by the Institute of Chartered Accountants of Sri Lanka recommends that the Board should, before it approves the financial statements for a financial period, obtain a declaration, in their opinion, on Financial Statements and system of risk management and internal control from its Chief Executive Officer and Finance Manager.

We confirm that, the Financial Statements of PanAsian Power PLC and Consolidated Financial Statements of the Group as at 31 March 2024 are prepared and presented in accordance with the requirements of the following;

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (SLFRS/ LKASs);
- Companies Act No. 07 of 2007
- Listing Rules of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka.

We also confirm that the accounting policies used in preparation of the Consolidated Financial Statements are appropriate and consistently applied, except unless otherwise stated in the Notes accompanying the Financial Statements. There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation. The material accounting policies and estimates that involved a high degree of judgement and complexity were discussed with the Audit Committee.

The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements were made on a prudent and reasonable basis, in order that the Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs. To ensure this, the Company has taken reasonable and sufficient care in installing a system of internal controls and accounting records, for safeguarding assets, and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis.

The Group Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Financial Statements were audited by Messrs. Ernst & Young, Chartered Accountants, Independent External Auditors. Their report is given on pages from 129 to 130 of the Annual Report.

The Audit Committee of the Company meets periodically with the Internal Auditors and the Independent External Auditors to review the manner in which these auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the Independent External Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

## CONCLUSION

We confirm that we have discharged our responsibilities in maintaining proper financial records and preparing financial statements in accordance with SLFRSs and LKASs. To the best of our knowledge, we also confirm that the system of risk management and internal control was operating effectively during the year.



**L. H. A. L. Silva**  
Chairman



**P. K. Pathmanatha**  
Chief Executive officer /Executive Director



**E.A.D.L.D. Egodawaththa**  
Finance Manager

03 June 2024

# INDEPENDENT AUDITOR'S REPORT



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

Tel : +94 11 246 3500  
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Email: eysl@k.ey.com  
ey.com

## To the Shareholders of Panasian Power PLC Report on the audit of the financial statements

### OPINION

We have audited the Financial Statements of Panasian 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 2024, and the 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 a summary of material accounting policy information.

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

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

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

KEY AUDIT MATTER	HOW KAM WAS ADDRESSED
<p><b>Assessment of fair value of Land, electro-mechanical equipment, civil construction and solar power Plants</b></p> <p>Property, plant and equipment include Land, Electro-mechanical equipment, Civil construction and solar power plants carried at fair value. The fair value of such assets were determined by an external valuer engaged by the Group. This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the materiality of the reported Land, Electro-mechanical equipment, Civil construction and solar power plants which amounted to Rs. 4.1 Bn representing 76% of the Group’s total assets as of the reporting date; and</li> <li>the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of Land, Electro-mechanical equipment, Civil construction and solar power plants using the income approach</li> </ul> <p>Key areas of significant judgments, estimates and assumptions used in assessing fair value of Land, Electro-mechanical equipment, Civil construction and solar power plants as disclosed in Note 15 to the financial statements, include judgements involved in ascertaining the appropriate valuation technique and estimates such as actual annual average generation KW, Cost per MW, Plant Factor, Selling price (Tarif rate), price per perch, discount rate, yield rate, anticipated maintenance cost and Capacity Rate</p>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>assessed the competence, capability and objectivity of the external valuer engaged by the Group.</li> <li>read the external valuer’s reports and understood the key estimates made and the approach taken by the external valuer in determining fair values.</li> <li>assessed the reasonableness of the significant judgements, estimates and assumptions made by the valuer such as actual annual average generation KW, Cost per MW, Plant Factor, Selling price (Tarif rate), price per perch, discount rate, yield rate, anticipated maintenance cost and Capacity Rate and valuation technique as relevant in assessing the fair value of Land, Electro-mechanical equipment, Civil construction and solar power plants</li> </ul> <p>We also assessed the adequacy of the related financial statement disclosures in Note 15.</p>

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

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

A member firm of Ernst & Young Global Limited

## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION INCLUDED IN THE 2024 ANNUAL REPORT

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

Our opinion on the financial statements does not cover 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 THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

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

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

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied 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 1697.



Colombo  
3 June 2024

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs..	2024 Rs.	2023 Rs.
Revenue from contracts with customers	6	<b>1,414,864,311</b>	1,014,079,462	<b>106,050,125</b>	91,131,811
Billing under the standardized power purchase agreement	6.1	<b>75,482,387</b>	-	-	-
Cost of sales		<b>(721,413,141)</b>	(359,047,940)	<b>(39,971,495)</b>	(29,542,883)
<b>Gross profit</b>		<b>768,933,557</b>	655,031,522	<b>66,078,630</b>	61,588,928
Other income	8	<b>8,132,933</b>	10,713,266	<b>173,171,287</b>	2,769,917
Administrative expenses		<b>(225,328,101)</b>	(173,926,349)	<b>(62,315,397)</b>	(74,727,381)
Selling and distribution expenses		<b>(15,969,828)</b>	(2,386,319)	-	-
Impairment (loss)/ reversal on trade receivables		<b>960,976</b>	(5,184,026)	<b>2,544,689</b>	(1,039,156)
Revaluation gain/ (loss)	15	<b>23,965,067</b>	(56,610,312)	-	-
<b>Operating profit/(loss)</b>		<b>560,694,604</b>	427,637,782	<b>179,479,209</b>	(11,407,692)
Finance income	9.1	<b>23,826,666</b>	6,920,888	<b>45,506,206</b>	41,088,952
Finance cost	9.2	<b>(361,111,048)</b>	(422,082,558)	<b>(67,212,100)</b>	(66,313,296)
Net finance cost		<b>(337,284,382)</b>	(415,161,670)	<b>(21,705,894)</b>	(25,224,344)
Share of profit of equity accounted investees - (net of tax)	21.1	<b>1,798,865</b>	(3,152,210)	-	-
<b>Profit/(loss) before taxation</b>	10	<b>225,209,087</b>	9,323,902	<b>157,773,315</b>	(36,632,036)
Income tax expense	11.1	<b>(125,549,343)</b>	(470,122,524)	<b>7,817,551</b>	(50,181,197)
<b>Profit/(loss) for the year</b>		<b>99,659,744</b>	(460,798,622)	<b>165,590,866</b>	(86,813,233)
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
- Re-measurement of retirement benefit obligation	29	<b>(2,232,401)</b>	265,081	<b>(1,921,113)</b>	254,013
- Deferred tax effect on re-measurement of retirement benefit obligation	11.2	<b>638,305</b>	(79,524)	<b>576,334</b>	(76,204)
- Revaluation of property, plant and equipment - share equity accounted investees		-	(1,347,305)	-	-
- Revaluation of property, plant and equipment	15	<b>449,969,023</b>	(213,455,370)	<b>48,453,316</b>	162,916,191
- Deferred tax effect on revaluation	11.2	<b>(99,851,028)</b>	64,036,611	<b>(14,535,995)</b>	(48,874,857)
<b>Other comprehensive income for the year, net of tax</b>		<b>348,523,899</b>	(150,580,507)	<b>32,572,542</b>	114,219,143
<b>Total comprehensive income for the year</b>		<b>448,183,643</b>	(611,379,129)	<b>198,163,408</b>	27,405,910

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs..	2024 Rs.	2023 Rs.
<b>Profit /(loss) attributable to:</b>					
Owners of the parent		<b>72,027,968</b>	(479,458,516)	<b>165,590,866</b>	(86,813,233)
Non-controlling interests		<b>27,631,776</b>	18,659,894	-	-
Profit /(loss) for the year		<b>99,659,744</b>	(460,798,622)	<b>165,590,866</b>	(86,813,233)
<b>Total comprehensive income for the year attributable to:</b>					
Owners of the parent (net of tax)		<b>420,617,226</b>	(619,755,524)	<b>198,163,408</b>	27,405,910
Non-controlling interests		<b>27,566,417</b>	8,376,395	-	-
		<b>448,183,643</b>	(611,379,129)	<b>198,163,408</b>	27,405,910
Earning per share for profit attributed to the ordinary equity holders of the company					
Basic earnings / (loss) per share (Rs.)	13	<b>0.12</b>	(0.77)	<b>0.26</b>	(0.14)
Dividend per share (Rs.)	14	<b>0.20</b>	-	<b>0.20</b>	-

The accounting policies and notes on pages 138 to 206 form an integral part of these financial statements.

The figures in bracket indicate deductions.

# STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	15	<b>4,152,677,840</b>	3,819,252,402	<b>620,571,053</b>	594,568,308
Capital work in progress	16	<b>118,391,792</b>	13,076,121	<b>17,791,432</b>	10,528,278
Right of use assets	17	<b>79,230,136</b>	31,733,023	<b>23,239,701</b>	29,436,955
Intangible assets	18	<b>75,464,715</b>	78,997,583	<b>2,206,369</b>	1,369,244
Investment in subsidiaries	19	-	-	<b>1,230,177,714</b>	1,230,177,694
Investment in preference shares	20	<b>4,153,902</b>	11,076,962	<b>23,000,000</b>	23,000,000
Investment in equity accounted investees	21	<b>10,195,610</b>	9,648,266	-	-
Other non financial assets	22	<b>6,115,150</b>	5,115,150	<b>6,115,150</b>	5,115,150
Deferred tax assets	32	<b>793,477</b>	83,095	-	-
<b>Total non-current assets</b>		<b>4,447,022,622</b>	3,968,982,602	<b>1,923,101,419</b>	1,894,195,629
<b>Current assets</b>					
Inventories	23	<b>186,317,986</b>	83,442,042	<b>1,023,407</b>	44,448
Investment in unit trust -FVTPL	24	<b>30,936,127</b>	6,414	-	-
Trade and other receivables	25	<b>310,393,234</b>	817,297,737	<b>21,000,884</b>	112,620,680
Income tax receivables	35	<b>906,834</b>	906,834	-	-
Amount due from related companies	26	<b>12,347,117</b>	5,782,887	<b>401,470,660</b>	176,618,043
Cash and cash equivalents	27	<b>470,547,136</b>	123,626,628	<b>84,477,008</b>	69,061,732
<b>Total current assets</b>		<b>1,011,448,434</b>	1,031,062,542	<b>507,971,959</b>	358,344,903
<b>Total assets</b>		<b>5,458,471,056</b>	5,000,045,144	<b>2,431,073,378</b>	2,252,540,532
<b>Equity and liabilities</b>					
<b>Equity</b>					
Stated capital	28	<b>1,030,000,000</b>	1,030,000,000	<b>1,030,000,000</b>	1,030,000,000
Revaluation reserves		<b>1,353,080,032</b>	1,002,913,989	<b>440,008,695</b>	406,091,374
Retained earnings		<b>(145,360,298)</b>	(90,811,481)	<b>251,878,244</b>	212,632,157
<b>Equity attributable to owners of the company</b>		<b>2,237,719,734</b>	1,942,102,508	<b>1,721,886,939</b>	1,648,723,531
Non controlling interests	42	<b>193,057,912</b>	180,791,495	-	-
<b>Total equity</b>		<b>2,430,777,646</b>	2,122,894,003	<b>1,721,886,939</b>	1,648,723,531
<b>Non-current liabilities</b>					
Retirement benefit obligations	29	<b>11,550,170</b>	7,957,081	<b>9,561,523</b>	6,251,477
Lease liabilities	30	<b>75,788,917</b>	36,743,817	<b>28,528,143</b>	34,128,913
Interest bearing loans and borrowings	31	<b>1,179,122,720</b>	1,190,842,114	<b>86,674,286</b>	35,435,000
Loan due to related companies	36.4	<b>199,102,645</b>	-	-	-
Deferred tax liabilities	32	<b>684,756,003</b>	578,731,017	<b>161,449,249</b>	155,307,139
<b>Total non-current liabilities</b>		<b>2,150,320,455</b>	1,814,274,029	<b>286,213,201</b>	231,122,529

## STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Current liabilities</b>					
Lease liabilities	30	<b>10,138,508</b>	5,491,816	<b>5,600,770</b>	5,485,766
Interest bearing loans and borrowings	31	<b>470,574,825</b>	733,108,261	<b>74,168,328</b>	90,345,419
Amount due to related companies	33	-	263,342	<b>184,238,281</b>	18,779,337
Loan due to related companies		-	60,000,000	-	60,000,000
Trade and other payables	34	<b>282,767,745</b>	56,081,518	<b>157,973,303</b>	37,273,593
Income tax payables	35	<b>79,191,109</b>	44,335,111	-	-
Bank overdrafts	27	<b>34,700,768</b>	163,597,064	<b>992,556</b>	160,810,357
<b>Total current liabilities</b>		<b>877,372,955</b>	1,062,877,112	<b>422,973,238</b>	372,694,472
<b>Total liabilities</b>		<b>3,027,693,410</b>	2,877,151,141	<b>709,186,439</b>	603,817,001
<b>Total equity and liabilities</b>		<b>5,458,471,056</b>	5,000,045,144	<b>2,431,073,378</b>	2,252,540,532

The accounting policies and notes on pages 138 to 206 form an integral part of these financial statements.

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



**E.A.D.L.D. Egodawaththa**  
Finance Manager

The Board of Directors are responsible for the financial statements. Approved and signed for and on behalf of Board of Directors.



**L.H.A.L. Silva**  
Chairman



**P.K. Pathmanatha**  
Chief Executive Officer/ Executive Director

Colombo  
03 June 2024



# STATEMENT OF CHANGES IN EQUITY

Group	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total Rs.	Non controlling interest Rs.	Total equity Rs.
<b>Balance as at 01 April 2022</b>	1,030,000,000	1,143,402,764	388,455,268	2,561,858,032	172,415,100	2,734,273,132
<b>Total comprehensive income for the year</b>						
- Profit / (loss) for the period	-	-	(479,458,516)	(479,458,516)	18,659,894	(460,798,622)
- Other comprehensive income	-	(140,488,775)	191,767	(140,297,008)	(10,283,499)	(150,580,507)
Balance as at 31 March 2023	1,030,000,000	1,002,913,989	(90,811,481)	1,942,102,508	180,791,495	2,122,894,003
<b>Balance as at 01 April 2023</b>	1,030,000,000	1,002,913,989	(90,811,481)	1,942,102,508	180,791,495	2,122,894,003
<b>Total comprehensive income for the year</b>						
- Profit / (loss) for the period	-	-	72,027,968	72,027,968	27,631,776	99,659,744
- Other comprehensive income	-	350,166,043	(1,576,785)	348,589,258	(65,359)	348,523,899
<b>Transactions with owners in their capacity as owners</b>						
<b>Distributions</b>						
- Dividends (Note 14)	-	-	(125,000,000)	(125,000,000)	(15,300,000)	(140,300,000)
<b>Balance as at 31 March 2024</b>	1,030,000,000	1,353,080,032	(145,360,298)	2,237,719,734	193,057,912	2,430,777,646

Company	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total equity Rs.
<b>Balance as at 01 April 2022</b>	1,030,000,000	292,050,040	299,267,581	1,621,317,621
<b>Total comprehensive income for the year</b>				
- Profit / (loss) for the period	-	-	(86,813,233)	(86,813,233)
- Other comprehensive income	-	114,041,334	177,809	114,219,143
Balance as at 31 March 2023	1,030,000,000	406,091,374	212,632,157	1,648,723,531
<b>Balance as at 01 April 2023</b>	1,030,000,000	406,091,374	212,632,157	1,648,723,531
<b>Total comprehensive income for the year</b>				
- Profit / (loss) for the period	-	-	165,590,866	165,590,866
- Other comprehensive income	-	33,917,321	(1,344,779)	32,572,542
<b>Transaction with owners of the company</b>				
<b>Distributions</b>				
- Dividends (Note 14)	-	-	(125,000,000)	(125,000,000)
<b>Balance as at 31 March 2024</b>	1,030,000,000	440,008,695	251,878,244	1,721,886,939

The accounting policies and notes on pages 138 to 206 form an integral part of these financial statements.

The figures in bracket indicate deductions.

# STATEMENT OF CASH FLOWS

For the period ended 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Cash flows from operating activities</b>					
Profit/(loss) before taxation		<b>225,209,087</b>	9,323,902	<b>157,773,315</b>	(36,632,036)
<b>Adjustments for,</b>					
Depreciation of property, plant and equipment	15	<b>181,319,156</b>	197,115,512	<b>26,527,176</b>	19,942,557
Depreciation of right of use assets	17.1	<b>6,520,611</b>	6,289,092	<b>6,197,254</b>	6,197,256
Amortisation of intangible asset	18.3	<b>5,528,847</b>	5,707,225	<b>1,158,853</b>	908,637
Revaluation gain/(loss)		<b>(23,965,067)</b>	56,610,312	-	-
Reversal of debtors' impairment		<b>(960,976)</b>	-	<b>(2,544,689)</b>	-
Provision for retirement benefit obligation	29	<b>2,558,271</b>	2,135,905	<b>2,042,683</b>	1,635,153
Accretion of lease interest	30	<b>4,043,667</b>	-	<b>3,283,834</b>	-
Sundry income		-	(6,981,505)	-	-
Other income		-	(2,769,917)	<b>(2,096,595)</b>	(2,769,917)
Dividend income	8	<b>(715,384)</b>	(961,844)	<b>(168,334,434)</b>	-
Dividend written back	8	<b>(2,740,258)</b>	-	<b>(2,740,258)</b>	-
Rent deposits written off	10	<b>526,500</b>	-	<b>526,500</b>	-
Share of profit of equity accounted investees - joint venture	21.1	<b>(1,798,865)</b>	3,152,210	-	-
Fair value gain/(loss) from unit trust		-	(6,843)	-	(70)
Interest income	9.1	<b>(23,826,666)</b>	(6,914,045)	<b>(45,506,206)</b>	(41,088,882)
Interest expense	9.2	<b>361,111,048</b>	422,082,558	<b>67,212,100</b>	68,990,091
		<b>732,809,971</b>	684,782,562	<b>43,499,533</b>	17,182,789
Decrease / (increase) in inventories		<b>(102,875,944)</b>	(37,837,736)	<b>(978,959)</b>	182,802
(Increase) / decrease in trade and other receivables		<b>506,904,503</b>	(362,916,981)	<b>94,147,622</b>	(44,907,481)
Decrease / (increase) in amounts due from related parties		<b>(6,564,230)</b>	(1,590,888)	<b>(224,852,617)</b>	(9,890,257)
Increase in other payables		<b>102,552,611</b>	157,095,746	<b>120,699,710</b>	21,905,237
Increase / (decrease) in amounts due to related parties		<b>(263,342)</b>	172,042	<b>165,458,943</b>	16,395,928
		<b>1,232,563,569</b>	439,704,745	<b>197,974,232</b>	869,018
Interest paid		<b>(359,501,665)</b>	(343,059,206)	<b>(53,239,241)</b>	(63,986,775)
Income tax paid		<b>(84,355,348)</b>	(42,466,702)	-	(24,712,352)
Retirement benefit obligation paid	29	<b>(761,333)</b>	(221,932)	<b>(217,500)</b>	-
<b>Net cash generated from / (used in) operating activities</b>		<b>787,945,223</b>	53,956,905	<b>144,517,491</b>	(87,830,109)
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	15	<b>(40,810,504)</b>	2,038,569	<b>(4,076,605)</b>	(2,402,548)

For the period ended 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Redemption of investments in preference shares	20	<b>6,923,060</b>	2,838,448	-	-
Investments in unit trust	24	<b>(133,500,000)</b>	(3,500,000)	-	-
Withdrawals from unit trust	24	<b>103,500,000</b>	3,951,032	-	73,706
Investments in capital work in progress	16	<b>(105,315,672)</b>	(15,103,963)	<b>(7,263,154)</b>	(1,239,748)
Proceeds from sale / returned of property plant and equipment		-	29,598	-	-
Investment in subsidiary		-	-	<b>(20)</b>	-
Investment in non financial assets	22	<b>(1,000,000)</b>	-	<b>(1,000,000)</b>	-
Investments in intangible assets	18.3	<b>(1,995,978)</b>	(27,500)	<b>(1,995,978)</b>	(27,500)
Sundry income		-	6,981,505	-	-
Dividend received		<b>1,063,792</b>	2,213,364	<b>70,048,375</b>	-
Interest received	9.1	<b>23,826,666</b>	6,914,045	<b>8,710,372</b>	41,088,952
<b>Net cash (used in)/ generated from investing activities</b>		<b>(147,308,636)</b>	6,335,098	<b>64,422,990</b>	37,492,862
<b>Cash flows from financing activities</b>					
Proceeds from loans and borrowings	31	<b>755,218,030</b>	419,437,056	<b>189,497,804</b>	117,731,761
Related party loan obtain/(repayments)		<b>139,102,645</b>	-	<b>(60,000,000)</b>	-
Repayment of borrowings	31	<b>(1,029,470,860)</b>	(464,992,977)	<b>(154,435,608)</b>	(38,925,883)
Dividends paid		<b>(15,300,000)</b>	(138,961,585)	-	(123,661,585)
Payment of finance lease liabilities	30	<b>(14,369,600)</b>	(6,439,000)	<b>(8,769,600)</b>	(6,264,000)
<b>Net cash (used in) / generated from financing activities</b>		<b>(164,819,785)</b>	(190,956,506)	<b>(33,707,404)</b>	(51,119,707)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>475,816,804</b>	(130,664,502)	<b>175,233,077</b>	(101,456,954)
<b>Cash and cash equivalents at the beginning of the year</b>	27	<b>(39,970,436)</b>	90,694,066	<b>(91,748,625)</b>	9,708,329
<b>Cash and cash equivalents at the end of the year</b>	27	<b>435,846,368</b>	(39,970,436)	<b>83,484,452</b>	(91,748,625)

The accounting policies and notes on pages 138 to 206 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

### 1.1 General

- (a) PanAsian Power PLC (“the Company”) is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company and principal place of business is located at Level 04, BTL Shipping House, No 45/2, Braybrooke Street, Colombo 02.
- (b) The fully owned subsidiary companies, Manelwala Hydropower (Pvt) Ltd, PanAsian Investments (Pvt) Ltd, Winsol Renewables (Pvt) Ltd and R-E-D Capital Asia (Pvt) Ltd are private companies with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No 7 of 2007. The immediate parent of these Companies is PanAsian Power PLC.
- (c) 83% owned subsidiary company, Padiyapelella Hydropower Limited is a limited liability company with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No 7 of 2007. The immediate parent of the Company is PanAsian Power PLC.
- (d) 1. The sub subsidiary PAP Solar One (Pvt) Ltd is a limited liability company incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.
2. PanAsian Investments (Pvt) Ltd is the immediate parent of PAP Solar One (Pvt) Ltd.
- (e) 1. The fully owned sub subsidiaries Eco Green Solar Solutions (Pvt) Ltd and Solar Power Generation Matara (Pvt) Ltd and PAP MHPL Solar (Pvt) Ltd are limited liability companies incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.
2. Manelwala Hydropower (Pvt) Ltd is the immediate parent Eco Green Solar Solutions (Pvt) Ltd and Solar Power Generation Matara (Pvt) Ltd and PAP MHPL Solar (Pvt) Ltd.
- (f) 1. The fully owned sub subsidiary Panthree Solaro Energy (Pvt) Ltd is a limited liability company incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.
2. PAP Solar One (Pvt) Ltd is the immediate parent of Panthree Solaro Energy (Pvt) Ltd.
- (g) 1. The fully owned sub subsidiaries Rajarata Sustainable Development (Pvt) Ltd and Finergreen Rajarata (Pvt) Ltd are limited liability companies incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.
2. PAP Solar One (Pvt) Ltd is the immediate parent of Rajarata Sustainable Development (Pvt) Ltd and Finergreen Rajarata (Pvt) Ltd.
- (h) 1. The fully owned sub subsidiary PAP PTS Solar (Pvt) Ltd is limited liability company incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.
2. Panthree Solaro Energy (Pvt) Ltd is the immediate parent of PAP PTS Solar (Pvt) Ltd.
- (i) 1. The fully owned sub subsidiary PAP SPGM Solar (Pvt) Ltd is limited liability company incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.
2. Solar Power Generation Matara (Pvt) Ltd is the immediate parent of PAP SPGM Solar (Pvt) Ltd.
- (j) 1. The fully owned sub subsidiary PAP EGSS Solar (Pvt) Ltd is limited

liability company incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.

2. Eco Green Solar Solutions (Pvt) Ltd is the immediate parent of PAP EGSS Solar (Pvt) Ltd.

- (k) Joint Venture Powergen One (Pvt) Ltd is a limited liability company incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007. PanAsian Investments (Pvt) Limited has invested 50% of ordinary shares of Powergen One (Pvt) Ltd.

### 1.2 Consolidated financial statements

The consolidated financial statements of the Company as at, and for the year ended 31 March 2024 comprise the financial statements of Company and its subsidiaries (together referred to as the “Group”)

### 1.3 Date of authorisation for issue

These consolidated financial statements were authorized for issue by the Board of Directors on 03 June 2024.

### 1.4 Principal activities and nature of operations

The principal activity of the Company and its subsidiaries Manelwala Hydropower (Pvt) Limited and Padiyapelella Hydropower Limited are to produce hydro power.

The Company entered into standardised agreement for purchase of energy with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Rath Ganga Mini-Hydro Production Facilities for a period of 15 years, beginning on the commercial operation date of 5 July 2004 and new agreement signed on 28 July 2019 for

another 5 years. The capacity of power potential is 3000kW and situated at Rath Ganga, Ratnapura.

The subsidiary, Manelwala Hydropower (Pvt) Limited entered into standardised agreement for purchase of energy with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Kurundu Oya Mini-Hydro Production Facilities for a period of 15 years, beginning on the commercial operation on 18 June 2008 and new agreement signed on 22 April 2024 for another 20 years. The capacity of power potential is 2400kW and situated at Walapane.

The subsidiary, Padiyapelella Hydropower Limited entered into standardised agreement for purchase of energy with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Belihul Oya Mini-Hydro Production Facilities for a period of 20 years and the project was commissioned in 01 March 2017. The capacity of power potential of Phase 1 is 3500kW and situated at Padiyapelella

The subsidiary, Panasian Investments (Pvt) Limited and Winsol Renewables (Pvt) Ltd obtained the approval from Winsol Renewables (Pvt) Ltd Sustainable Energy Authority as an EPC (Engineering, procurement and Construction) supplier for rooftop solar power plants. Panasian Investments (Pvt) Limited is the sole distributor of the Sungrow solar power plants equipment in Sri Lanka.

The sub subsidiary Eco Green Solar Solutions (Pvt) Ltd., entered into standardised agreement for purchase of energy with the Ceylon Electricity Board (CEB) for the sale of electrical energy from

Beliatta Solar Power PV Plant to National Grid for a period of 20 years and the project was commissioned in 29 July 2019. The capacity of power potential is 1000kW.

The sub subsidiary Solar Power Generation Matara (Pvt) Ltd., entered into two standardised agreements for purchase of energy with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Matara Solar Power PV Plants to National Grid for a period of 20 years. The capacity of power potential 2000kW.

The sub subsidiary Panthree Solaro Energy (Pvt) Ltd entered into standardised agreements for purchase of energy with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Matara, Pannala and Maho Solar Power PV plant to National Grid for a period of 20 years. The capacity of power potential 3000kW.

The sub subsidiary PAP Solar One (Pvt) Ltd., operate 4000 kW rooftop solar projects in Kohuwala, Kolonna and 6 projects in Kurunegala District. The Company entered into an agreement to generate and supply solar power to National Grid for 20 Years.

Details of commissioning solar power plants of PAP Solar One (Pvt) Ltd are as follows;

<b>Project</b>	<b>Date of commissioning</b>	<b>Capacity (kWp)</b>
Kolonna	<b>29 August 2018</b>	305
Kohuwala	<b>27 September 2018</b>	345
Mawathagama I	<b>24 June 2019</b>	720
Mawathagama II	<b>31 May 2019</b>	495
Malsiripura	<b>24 May 2019</b>	355
Narammala	<b>03 July 2019</b>	320
Palapathwala	<b>19 September 2019</b>	775
Uhumeeya	<b>28 March 2019</b>	615

The sub subsidiary Rajarata Sustainable Development (Pvt) Ltd., completed construction of 2500 kWp rooftop solar projects in Anuradhapura district. The Company has entered into agreements to generate and supply solar power to National Grid for 20 Years for one 1250 kWp project.

The sub subsidiary Finergreen Rajarata (Pvt) Ltd., completed construction of 2500 kWp rooftop solar projects in Anuradhapura district and accordingly commissioned. The Company has entered into agreements to generate and supply solar power to National Grid for 20 Years.

During the year, the sub subsidiaries PAP PTS Solar (Pvt) Ltd, PAP MHPL Solar (Pvt) Ltd, PAP SPGM Solar (Pvt) Ltd and PAP EGSS Solar (Pvt) Ltd were awarded total of 35MW solar projects from Ceylon Electricity Board (CEB) for the sale of electrical energy from Galle, Anuradapura, Ampara, Maho, Mathara and Kurunegala.

The joint venture company Powergen One (Pvt) Ltd., operate 400 kW rooftop solar project in Boralasgamuwa and entered into an agreement to generate and supply solar power to National Grid for 20 Years and the project was commissioned in 23 April 2020.

## NOTES TO THE FINANCIAL STATEMENTS

### 1.5 Parent enterprise and ultimate parent enterprise

The Company's controlling entity and ultimate parent undertaking is R I L Property PLC which is incorporated in Sri Lanka.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

Group and the separate financial statements of the Company and Group have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs) effective from 1 January 2012, laid down by The Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No. 07 of 2007.

### 2.2 Responsibility for financial statements

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

### 2.3 Basis of measurement

The consolidated and separated financial statements have been prepared on the historical cost basis, except following.

- The retirement benefit obligations are measured at the present value of the defined benefit obligation as explained in the respective notes to the financial statements.
- Investment in Unit Trusts are measured at fair value.
- Land, electro mechanical equipment and civil construction included in property, plant and equipment are measured at fair value.

- Roof top and ground solar power plants are measured at fair value.
- Assets held for sales measured at fair value.

### 2.4 Going Concern

These financial statements have been prepared on the basis that the Company and the Group would continue as a going concern for foreseeable future.

In light of ongoing economic crisis of the country the Group has assessed its going concern and a detailed disclosure of its assessment are provided in the financial statements. In preparing the financial statements for the year ended 31 March 2024, the management has assessed the possible effects of the ongoing economic crisis of the country on the businesses of the Group to determine their ability to continue as a going concern. Based on currently available information, the management is satisfied that having taken into consideration factors that could impact the revenue, supply chain, cash flows, accessibility to funds & costs, the Group would continue as a going concern.

Consequent to giving due consideration to the presentations by management, the Directors are satisfied that the Group have adequate resources to continue as a going concern for a foreseeable future. The Group had positive net asset, and based on the arrangements made forecasted positive working capital and cash flow positions for the next twelve months. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a

going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

### 2.5 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the Group's functional currency.

### 2.6 Use of estimates, judgments and assumptions

The preparation of financial statements of the Group in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported values of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making a judgment about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, is stated below:

### 2.6.1 Fair value of non-financial assets

The fair value used by the Group in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market in the most advantageous market that is accessible by the Group for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would act in their market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following Notes:

Note 15 – Valuation of land, structures, hydro plants and solar plants

Note 38 – Commitments and contingencies

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### 2.6.2. Fair value of land, civil construction, electro mechanical Equipment solar power plants

Land, civil construction and electromechanical equipment are measured at fair value less accumulated depreciation on civil construction and electromechanical equipment and impairment losses are recognized after the date of the revaluation.

Valuations are performed every year from 1 April 2021 to ensure that the fair value of revalued asset does not differ materially from its carrying amount. The valuation was carried out by Mr. J.M.S. Bandara (Chartered Valuation Surveyor), who is an incorporated valuer holding a degree of B.Sc (Hons) Estate Management and Valuation (Sri Lanka)

The key assumptions used to determine the fair value of the land, civil construction and electromechanical equipment are provided in Note 15.

### 2.6.3 Useful lives of depreciable assets

Management reviews its estimation of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment.

### 2.6.4 Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination. The fair value of contingent consideration

is dependent on the outcome of many variables that affect future profitability.

### 2.6.5 Defined benefit obligation

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as mortality rates, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expense provided in Note 29.

### 2.6.6 Fair value of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### 2.6.7 Recognition of deferred tax assets and liabilities

Management applies significant judgment to the extent the deferred tax assets can be recognised based on an assessment of the probability of the Group's future taxable income against which the deferred tax liabilities can be utilised. In addition, significant judgment is required in assessing

## NOTES TO THE FINANCIAL STATEMENTS

the impact of any legal or economic limits or uncertainties in various future tax jurisdictions.

### 2.6.8 Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1** - quoted prices (unadjusted) in active markets for identical assets and liabilities.

**Level 2** - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Further information about assumptions made in measuring fair values is included in the respective notes to the consolidated financial statements.

### 2.7 Materiality and Aggregation

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

### 2.8 Comparative information

The comparative information has been reclassified/restated where necessary to conform to the current year's classification in order to provide a better presentation. Refer Note 12.

## 3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently for all periods presented in the financial statements by the Group and the Company unless otherwise indicated.

### 3.1 Basis of consolidation

#### 3.1.1 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 outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an 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 consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

#### 3.1.2 Subsidiary

Subsidiary is entity controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if, and only if, the Group has:

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



- The ability to use its power over the investee to affect its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights over the investee.

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

The financial statements of subsidiary are included in the consolidated financial statements from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases.

The accounting policies of subsidiary has been changed when necessary to align them with the policies adopted by the Group.

### 3.1.3 Non-controlling interest

For each business combination, the group elect to measure any non- controlling interest in the acquiree either,

- At fair value.
- At their proportionate share of the acquirer's identifiable assets, which are generated at fair value.

Change in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

Adjustment to non-controlling interests are based on a proportionate amount or the net amount of the subsidiary.

### 3.1.4 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

### 3.1.5 Reporting date

Group's subsidiaries have the same reporting period as the parent company.

### 3.1.6 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### 3.1.7 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

## 3.2 Foreign currencies

### 3.2.1 Foreign currency transactions

The financial statements of the Group are presented in Sri Lankan Rupees, which is the functional and presentation currency of the Group.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting

## NOTES TO THE FINANCIAL STATEMENTS

date. Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the reporting currency at the exchange rate that prevailed at the date the fair value was determined.

Foreign currency differences arising on retranslation are recognized in the income statement, except for differences arising on the retranslation of FVOCI equity investments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognized in other comprehensive income.

Foreign currency gains and losses are reported on a net basis in the income statement.

### 3.3 Financial instruments

#### 3.3.1 Financial assets

##### (i) Recognition and 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.

Receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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 fair value through profit or loss (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.

##### (ii) Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; fair value through other comprehensive income (FVOCI) – equity investment; or 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 on the principal amount outstanding.

Group financial assets classified and measured at amortised cost are investments in preference shares, trade and other receivables and cash & cash equivalent.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has not designated any debt instruments as FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On

initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has designated investment in unit trust as FVTPL.

### Financial assets - 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 level 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 realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company'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 Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

### Financial assets -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 Company 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 Company 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 Company'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

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premium to its contractual par amount, 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.

### Financial assets - Subsequent measurement and gains and losses

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
<b>Financial assets at amortised cost</b>	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 recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

### 3.3.2 Financial liabilities

#### (i) Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held – for – trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### 3.3.3 Derecognition

#### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial 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 in which the Group neither transfers nor retains substantially all of the risks and

rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

#### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### 3.3.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 3.3.5 Non-Derivative Financial Liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise interest-bearing borrowings, bank overdrafts, amount due to related parties, security deposits, trade and other payables and other financial liabilities due to customers. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the Statement of Cash Flows.

### 3.3.6 Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives

are measured at fair value, and changes therein are generally recognised in profit or loss.

However, Group does not have any derivative liabilities.

### 3.3.7 Impairment of financial assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- equity investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based

on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Company to actions such as realising security (if any is held); or

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

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- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### 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 assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

### Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

## 3.4 Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Rights-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Groups lease liabilities are included in Loans and borrowings (see Note 31).

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

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 3.5 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

## 3.6. Property, plant and equipment

### 3.6.1 Recognition and measurement

All items of property, plant and equipment are recognised initially at cost. Where items of property, plant & equipment are subsequently revalued, the entire class of such assets is revalued.

Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date. Subsequent to the initial recognition of the asset at cost, the revalued property, plant & equipment are carried at revalued amounts less accumulated depreciation thereon and accumulated impairment losses.

#### 3.6.1.1 Cost and Revaluation Model

##### (i) Cost Model

The Group and company applies the cost model to office equipment, buildings and structure, tools and equipments, furniture and fittings and motor vehicles and records at cost of purchase together with any incremental expenses there on less accumulated depreciation and any accumulated impairment losses.

##### (ii) Revaluation Model

The Group and company applies revaluation model for the entire class of free hold lands, civil construction and electromechanical equipment for measurement after initial recognition. Such properties are carried at revalued amounts, being their fair value at the date of revaluation, less any subsequent accumulated depreciation and any

accumulated impairment losses charged subsequent to the date of revaluation.

Fair value of land, civil construction and electromechanical equipment are provided in Note 15 including solar plant valuation.

On recognition of an asset, any income in the carrying amount is recognized in the revaluation reserve in equity through OCI or used to reverse a previous loss on revaluation of the same asset, which was charged to income statement. In this circumstance, the increase is recognized as income to the extent of the previous write down in value. Any decrease in carrying amount is recognized as an expense in the financial statement or charged to revaluation reserve in equity through OCI, only to the extent of any credit balance existing in the revaluation reserve in respect of the asset.

Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to the working condition for its intended use, and borrowing costs if the recognition criteria are met. This also includes cost of dismantling and removing the items and restoring them in the site on which they are located.

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### 3.6.2 Significant components of property plant and equipment

When parts of an item of property, plant and equipment have different useful lives than the underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

### 3.6.3 Subsequent cost

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are derecognised from the cost of the asset. The cost of day-to-day servicing of property, plant and equipment are recognised in the income statement as and when incurred.

### 3.6.4 Depreciation

Depreciation is recognised in the income statement on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. 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 or on the date that the asset is disposed. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of property plant and equipment are as follows:

Office equipment	4 years
Furniture and fittings	4 years
Tools and equipment	4 years
Staff Quarters	4 years
Buildings and Structures	20 years
Motor vehicles	4 years

#### Civil construction

Intake Weir	38 years
Headrace Channel	38 years
De-silting Tank	41 - 42 years
Spillway Gate	35 - 37 years
Forebay tank	37- 41 years
Penstock	37 - 38 years
Power House	37 - 38 years
Rest rooms	35 - 37 years

#### Electro Mechanical Equipment

Turbines	21 - 29 years
Generators	23 - 29 years
Transformers and	
Power Lines	22 - 24 years
Voltage Panel	21 - 24 years
Crane	22 - 25 years

#### Solar Power Plant

Ground solar plants	20 years
Rooftop solar	
power plants	20 years

The cost of replacement of components of assets recognised in the carrying amount of property, plant and equipment is depreciated over the balance useful life of the asset.

Depreciation methods, useful lives and the residual values are reviewed at each reporting date and adjusted accordingly.

### 3.6.5 De-recognition

The carrying amount of an item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when item is de recognized.

### 3.6.6 Capital work-in-progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital in progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

## 3.7 Intangible assets

### 3.7.1 Initial Recognition and measurement

The Group recognises intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.



The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

### 3.7.2 Subsequent costs

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

### 3.7.3 Subsequent measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortization

expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

### 3.7.4 Intangible assets recognised by the Group

#### 3.7.4.1 Computer software

All computer software cost incurred and licensed for use by the Group, which does not form an integral part of related hardware, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets.

The Group amortises computer software over period of 4 years.

#### 3.7.4.2 Right to generate hydropower

Right to generate hydropower, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets

The Company amortises the intangible asset over 15 years on a straight-line basis.

#### 3.7.4.3 Right to generate solar power

Right to generate solar power, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised

under intangible assets

The Group amortises the intangible asset over 20 years on a straight-line basis.

## 3.8 Impairment - Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

### 3.8.1 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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

## NOTES TO THE FINANCIAL STATEMENTS

the asset or cash-generating unit.

### 3.8.2 Reversal of impairment

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are recognised in the income statement.

### 3.9 Inventory

Inventories are stated at the lower of cost and net realizable value. Cost of inventories is based on a weighted average cost. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

### 3.10 Liabilities and provisions

Liabilities classified as current liabilities in the statement of financial position are those which fall due for payment on demand of the creditor or within one year of the reporting date. Non-current liabilities are those balances that become repayable

after one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

#### 3.10.1 Financial liabilities

All financial liabilities are recognised at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Groups financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts and amounts due to equity accounted investees.

#### 3.10.2. Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

#### 3.10.3. Borrowing cost capitalization

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

#### 3.11 Provisions

A provision is recognised if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and

it is probable that an outflow of economic benefits will be required to settle the obligation.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. "Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small."

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

### 3.12 Employee benefits

#### 3.12.1 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid in cash as ex gratia in the short term, if the Group has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee, and the obligation can be measured reliably.

#### 3.12.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed employee benefit

contribution into a separate entity and will have no further legal or constructive obligations to pay any additional amounts. Obligations for contributions to a defined contribution plan are recognized as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

### 3.12.2.1 Employee provident fund and Employee trust fund

The Group contributes a sum not less than 12% of the gross emoluments of employees employed in Sri Lanka as provident fund benefits and 3% as trust fund benefits.

### 3.12.3 Defined benefit plan – retiring gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method by qualified actuary as recommended by LKAS-19. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

### The liability is not externally funded.

Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of other comprehensive income as they occur.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past.

### 3.13 Revenue

Revenue is measured based on the consolidation specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. Determining the timing of the transfer of control at a point in time or over time require judgment.

The following information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

### Sale of Electricity

Company sells electricity to CEB credit basis. At the time of transmission of the electricity to CEB, Company meets its performance obligation. Revenue is recognised when the goods are delivered to the customers.

### Sale of Solar Plant and Inverters

Company sells panels and inverters to the customers on cash or credit basis. At the time of delivery of the goods to the customers, Company meets its performance obligation. Revenue is recognised when the goods are delivered to the customers.

### 3.14 Expenditure

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to income statement in arriving at the profit for the year.

### 3.15 Income tax expense

Income tax expense comprises of current tax and deferred tax. The income tax expense is recognised in the income statement except to the extent that it relates to the items recognised directly in the statement of other comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

The Group has determined that interest and penalties related to income taxes, including certain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

### 3.15.1 Current Tax

The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

## NOTES TO THE FINANCIAL STATEMENTS

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue (Amendment) Act, No.04 of 2023.

Taxation for the current and previous periods to the extent unpaid is recognized as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the financial statements.

### 3.15.2 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.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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 benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this assumption.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 3.16 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank ,cash in hand and short term deposits.. Cash and bank balances are stated at recoverable values. There were no cash and cash equivalents held by the Group companies that were not available for use.

Bank overdrafts and short-term borrowings that are repayable on demand and forming 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.

### 3.17 Statements of cash flows

The statement of cash flows has been prepared using the "indirect method" in accordance with LKAS 7 -"Statement of cash flows".

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes

in value. The cash and cash equivalents include cash in-hand, balances with banks and short term deposits with banks.

Interest paid is classified as operating cash flows, interest received are classified as investing cash flows, while dividends paid are classified as financing cash flows for the purpose of presenting the cash flow statement.

### 3.18 Contingencies and capital commitments

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which not wholly within control of the Group.

Commitments and Contingent liabilities are disclosed in Note 38 to the financial statements.

### 3.19 Related party transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies and decisions of the other, irrespective of whether a price is being charged.

### 3.20 Earnings per share

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted

average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 3.21 Events occurring after the reporting date

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

### 3.22 Operating segment information

A segment is a distinguishable component of the company and the group that is engaged either in providing products or services which are subject to risks and rewards that are different from those of other segments.

Segment information is presented in the respective Notes to the Financial Statements.

### 3.23 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which;

- represent a separation major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

### 3.24 Non-current assets held for sale

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Comparatives in the statement of the financial position are not re-presented when a non-current asset is classified as held for sale. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out above have been applied consistently to all periods presented in these financial statements and have been no significant changes to the accounting policies.

### 5. NEW AND AMENDED STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below. None of the new or amended pronouncements are expected to have a material impact on the financial statements of the company in the foreseeable future. The company intends to adopt these amended standards, if applicable, when they become effective.

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

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

The amendments are effective for annual periods beginning on or after 1 January 2024

#### 5.2 Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information

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

The amendments are effective for annual periods beginning on or after 1 January 2024

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

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

The amendments are effective for annual periods beginning on or after 1 January 2024

For the year ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>6 REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
Supply of electricity	<b>881,919,476</b>	866,801,036	<b>106,050,125</b>	91,131,811
Sale of solar inverters	<b>271,285,963</b>	41,579,556	-	-
Sale of solar panels	<b>235,869,539</b>	95,795,497	-	-
Income from rooftop solar projects	<b>22,663,082</b>	6,760,543	-	-
Service income	<b>3,126,251</b>	3,142,830	-	-
	<b>1,414,864,311</b>	1,014,079,462	<b>106,050,125</b>	91,131,811
<b>6.1 Billing under the standardized power purchase agreement</b>				
Billing under the standardized power purchase agreement (Note 6.1.1)	<b>75,482,387</b>			
	<b>75,482,387</b>	-	-	-
<b>6.1.1 Padiyapelella Hydropower Limited</b>	<b>75,482,387</b>	-	-	-
	<b>75,482,387</b>	-	-	-

The company has recorded the additional payment received from CEB as "Billing under the standardized power purchase agreement" which were recorded & billed as per the provision of standardized power purchase agreement with Ceylon Electricity Board.

## 6.2 Revenue from contracts with customers - Segment analysis

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Hydro power	<b>503,463,348</b>	530,071,485	<b>106,050,125</b>	91,131,811
Solar power	<b>378,456,128</b>	336,729,550	-	-
Engineering, procurement and construction (EPC)	<b>532,944,835</b>	147,278,427	-	-
	<b>1,414,864,311</b>	1,014,079,462	<b>106,050,125</b>	91,131,811

**6.3** The group identified hydro power, solar power and engineering, procurement and construction (EPC) as separate business segments.

**6.4** The revenue from contracts with customers recognize at a point in time upon satisfying the performance obligation.

## 7 SEGMENTAL INFORMATION

The group identified hydro power, solar power and engineering, procurement and construction (EPC) as business segments and the below information is based on these primary segments.

### Hydro Power

Represents the group's major continuing line of business. This includes two fully-owned mini-hydro plants and one with ownership of 83%. Operational hydropower plants have an aggregate capacity of 8.9MW. Aggregate operational results, assets and liabilities of the hydro power plants are presented under this segment.

### Solar Power

Represents the group's latest continuing line of business. This includes eighteen fully-owned operational solar power plants with an aggregate capacity of 10.5 MW and 0.4 MW in operation under joint venture arrangements. Aggregate operational results, assets and liabilities of solar power plants are presented under this segment. In addition to operational plants, capital work in progress represent of the Group's fully-owned solar power plants under construction and their liabilities are aggregated under this segment.

## NOTES TO THE FINANCIAL STATEMENTS

### 7 SEGMENTAL INFORMATION (CONT.)

#### Engineering, Procurement and Construction (EPC)

This segment represents Engineering, Procurement and Construction of roof top solar power plants and sale of solar inverters, panels and other accessories to third party customers. A fully owned subsidiary company, Panasian Investments (Pvt) Ltd is the authorised channel partner for Sungrow inverters in Sri Lanka and Winsol Renewables (Pvt) Ltd is engaged in the installation of solar systems for end consumers.

	2024				2023			
	Hydro Power Rs.	Solar Power Rs.	EPC Service Rs.	Group Rs.	Hydro Power Rs.	Solar Power Rs.	EPC Service Rs.	Group Rs.
For the year ended 31 March								
Revenue from contracts with customers	503,463,348	378,456,128	532,944,835	1,414,864,311	530,071,485	336,729,550	147,278,427	1,014,079,462
Billing under the standardized power purchase agreement	75,482,387	-	-	75,482,387	-	-	-	-
Cost of sales	578,945,735	378,456,128	532,944,835	1,490,346,698	530,071,485	336,729,550	147,278,427	1,014,079,462
	(133,806,147)	(138,133,243)	(449,473,751)	(721,413,141)	(110,825,946)	(144,949,982)	(103,272,013)	(359,047,940)
Results from EBITDA	400,994,896	300,452,397	51,066,786	752,514,079	386,867,433	214,674,787	30,917,730	632,459,950
Depreciation and amortization	(84,456,726)	(106,783,645)	(579,104)	(191,819,475)	(83,637,042)	(120,833,769)	(351,357)	(204,822,168)
Net finance costs	14,363,327	(352,579,126)	931,417	(337,284,382)	(150,577,504)	(251,746,176)	(12,837,991)	(415,161,670)
Share of profit of equity accounted investees - Joint venture	-	1,798,865	-	1,798,865	-	(3,152,210)	-	(3,152,210)
<b>Profit / (loss) before taxation</b>	<b>330,901,497</b>	<b>(157,111,509)</b>	<b>51,419,099</b>	<b>225,209,087</b>	<b>152,652,887</b>	<b>(161,057,368)</b>	<b>17,728,382</b>	<b>9,323,902</b>
Income tax expense	(35,275,264)	(74,633,724)	(15,640,355)	(125,549,343)	(193,684,049)	(268,937,749)	(7,500,726)	(470,122,524)
<b>Profit / (loss) for the year</b>	<b>295,626,233</b>	<b>(231,745,233)</b>	<b>35,778,744</b>	<b>99,659,744</b>	<b>(41,031,162)</b>	<b>(429,995,117)</b>	<b>10,227,656</b>	<b>(460,798,622)</b>
<b>Other comprehensive income for the year</b>								
- Remeasurment retirement of benefit obligation	(2,235,268)	-	2,867	(2,232,401)	289,904	-	(24,822)	265,082
- Deferred tax effect on re-measurement of retirement benefit obligation	639,165	-	(860)	638,305	(86,971)	-	7,447	(79,524)
- Revaluation of property, plant and equipment- Share equity accounted investees	-	-	-	-	-	-	(1,347,305)	(1,347,305)
- Revaluation of property, plant and equipment	399,850,096	50,118,927	-	449,969,023	(28,095,816)	(185,359,553)	-	(213,455,370)
- Deferred tax effect on revaluation	(84,815,350)	(15,035,678)	-	(99,851,028)	8,428,745	55,607,866	-	64,036,611
<b>Total comprehensive income</b>	<b>609,064,876</b>	<b>(196,661,984)</b>	<b>35,780,751</b>	<b>448,183,643</b>	<b>(60,495,300)</b>	<b>(559,746,804)</b>	<b>8,862,976</b>	<b>(611,379,129)</b>
<b>Total comprehensive income attributable to:</b>								
Owners of the company	581,498,459	(196,661,984)	35,780,751	420,617,226	(68,871,695)	(559,746,804)	8,862,976	(619,755,524)
Non-controlling interests	27,566,417	-	-	27,566,417	8,376,395	-	-	8,376,395
	609,064,876	(196,661,984)	35,780,751	448,183,643	(60,495,300)	(559,746,804)	8,862,976	(611,379,129)
Earnings / (loss) per share (Rs.)				0.12				(0.77)



## 7.1 Segmental Balance Sheet

As at 31 March	2024			2023			
	Hydro Power Rs.	Solar Power Rs.	EPC Service Rs.	Hydro Power Rs.	Solar Power Rs.	EPC Service Rs.	Group Rs.
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	2,380,219,010	1,816,293,893	6,645,169	2,053,392,932	1,814,523,582	590,343	3,868,506,857
Capital work in progress	24,293,475	94,098,317	-	11,152,270	1,873,851	50,000	13,076,121
Right of use asset	23,239,702	55,990,436	-	29,436,955	2,296,068	-	31,733,023
Intangible assets	2,206,370	73,258,348	-	1,369,241	77,628,343	-	78,997,584
Investment in subsidiaries	1,273,394,324	266,903,346	113,000,010	1,273,394,294	67,401,000	113,000,010	1,453,795,304
Investment in preference shares	250,466,208	-	4,153,902	118,000,000	-	11,076,962	129,076,962
Investment in joint venture	-	-	12,515,200	-	-	12,515,200	12,515,200
Other non financial assets	6,115,150	-	-	5,115,150	-	-	5,115,150
Deferred tax assets	-	-	793,477	-	-	83,095	83,095
<b>Segmental non-current assets</b>	<b>3,959,934,239</b>	<b>2,306,544,340</b>	<b>137,107,758</b>	<b>3,491,860,842</b>	<b>1,963,722,844</b>	<b>137,315,610</b>	<b>5,592,899,296</b>
Eliminations/Adjustments	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>3,959,934,239</b>	<b>2,306,544,340</b>	<b>137,107,758</b>	<b>3,491,860,842</b>	<b>1,963,722,844</b>	<b>137,315,610</b>	<b>3,968,982,602</b>
<b>Current assets</b>							
Inventory	28,195,933	1,031,367	157,840,435	26,107,289	1,229,352	56,105,401	83,442,042
Investment in unit trust - FVTPL	30,936,127	-	-	6,414	-	-	6,414
Trade and other receivables	154,871,704	70,887,570	95,300,964	589,840,468	216,130,398	11,326,871	817,297,737
Amount due from related companies	1,067,231,366	514,210,002	189,402,893	640,538,491	211,836,442	135,258,748	987,633,681
Income tax receivable	906,834	-	-	906,834	-	-	906,834
Cash and cash equivalents	122,584,198	273,487,171	74,475,767	94,096,276	18,830,921	10,699,431	123,626,628
Segmental current assets	1,404,726,162	859,616,110	517,020,059	1,351,495,772	448,027,113	213,390,451	2,012,913,336
Eliminations/Adjustments	-	-	-	-	-	-	(981,850,794)
<b>Total current assets</b>	<b>1,404,726,162</b>	<b>859,616,110</b>	<b>517,020,059</b>	<b>1,351,495,772</b>	<b>448,027,113</b>	<b>213,390,451</b>	<b>1,031,062,542</b>
<b>Total assets</b>	<b>5,364,660,401</b>	<b>3,166,160,450</b>	<b>654,127,817</b>	<b>4,843,356,614</b>	<b>2,411,749,957</b>	<b>350,706,061</b>	<b>5,000,045,144</b>
<b>Non-current liabilities</b>							
Retirement benefit obligation	11,280,038	-	270,131	7,783,952	-	173,129	7,957,081
Finance lease obligation	28,528,144	47,260,774	-	34,128,913	2,614,904	-	36,743,817
Interest bearing loans and borrowings	262,674,286	916,448,434	-	310,949,286	876,777,385	3,115,443	1,190,842,114
Deferred tax liabilities	325,117,443	359,464,324	174,236	308,082,238	270,648,779	-	578,731,017
Loan due to related companies	-	199,102,645	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>627,599,911</b>	<b>1,522,276,177</b>	<b>444,367</b>	<b>660,944,389</b>	<b>1,150,041,068</b>	<b>3,288,572</b>	<b>1,814,274,029</b>
<b>Current liabilities</b>							
Finance lease obligations	5,600,770	4,537,738	-	5,485,766	6,049	-	5,491,816
Interest bearing loans and borrowings	173,682,672	153,432,451	143,459,701	230,962,479	447,698,329	54,447,456	733,108,263
Loan due to related companies	-	-	-	60,000,000	-	-	60,000,000
Amount due to related companies	197,750,110	1,377,773,261	182,973,767	55,661,477	841,472,175	84,980,469	982,114,120
Other payables and accruals	200,601,269	9,067,038	83,850,007	45,858,794	7,404,869	2,871,615	56,135,278
Income tax payable	73,253,573	853,855	5,083,681	41,468,221	-	2,866,890	44,335,111
Bank overdraft	33,678,558	1,022,211	-	161,004,734	1,063,261	1,529,070	163,597,064
<b>Segmental current liabilities</b>	<b>684,566,952</b>	<b>1,546,686,554</b>	<b>415,367,156</b>	<b>600,441,471</b>	<b>1,297,644,683</b>	<b>146,695,500</b>	<b>2,044,781,652</b>
Eliminations/Adjustments	-	-	-	-	-	-	(981,904,540)
<b>Total current liabilities</b>	<b>684,566,952</b>	<b>1,546,686,554</b>	<b>415,367,156</b>	<b>600,441,471</b>	<b>1,297,644,683</b>	<b>146,695,500</b>	<b>1,062,877,112</b>
<b>Total liabilities</b>	<b>1,312,166,863</b>	<b>3,068,962,731</b>	<b>415,811,523</b>	<b>1,261,385,860</b>	<b>2,447,685,751</b>	<b>149,984,072</b>	<b>2,877,151,141</b>

## NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
For the year ended 31 March				
<b>8 OTHER INCOME</b>				
Dividend income	<b>715,384</b>	961,844	<b>168,334,434</b>	-
Unclaimed dividend written off	<b>2,740,258</b>	-	<b>2,740,258</b>	-
Income from carbon credit sales	<b>3,136,952</b>	2,769,917	<b>2,096,595</b>	2,769,917
Sundry income	-	6,981,505	-	-
Service income	<b>1,540,339</b>	-	-	-
	<b>8,132,933</b>	10,713,266	<b>173,171,287</b>	2,769,917
<b>9 FINANCE INCOME AND EXPENSES</b>				
<b>9.1 Finance income</b>				
Interest income	<b>20,227,414</b>	6,914,045	<b>42,641,206</b>	41,088,882
Foreign exchange gains	<b>2,669,540</b>	-	-	-
Fair value gain / (loss) on unit trust (Note 24)	<b>929,712</b>	6,843	-	70
Corporate guarantee charges	-	-	<b>2,865,000</b>	-
	<b>23,826,666</b>	6,920,888	<b>45,506,206</b>	41,088,952
<b>9.2 Finance expenses</b>				
Interest on loans and borrowings	<b>(355,457,998)</b>	(414,417,950)	<b>(65,857,658)</b>	(65,342,909)
Foreign exchange loss	<b>(59,657)</b>	(3,299,932)	<b>(46,092)</b>	(23,929)
Amortization of loan processing fees	<b>(1,549,727)</b>	(524,849)	<b>(454,554)</b>	-
Interest on lease liability	<b>(4,043,666)</b>	(3,839,827)	<b>(853,796)</b>	(946,458)
	<b>(361,111,048)</b>	(422,082,558)	<b>(67,212,100)</b>	(66,313,296)
Net finance expenses	<b>(337,284,382)</b>	(415,161,670)	<b>(21,705,894)</b>	(25,224,344)
<b>10 PROFIT / (LOSS) BEFORE TAXATION</b>				
Profit /(loss) before taxation is stated after charging all the expenses including the following :				
<b>Direct costs</b>				
Staff cost (Note 10.1)	<b>29,649,149</b>	26,297,098	<b>8,880,019</b>	7,789,311
Insurance	<b>10,565,026</b>	8,268,909	<b>926,368</b>	298,781
Repairs and maintenance services	<b>23,948,710</b>	7,385,998	<b>2,599,513</b>	1,671,409
Depreciation on property, plant and equipment (15)	<b>175,539,200</b>	187,483,354	<b>23,453,316</b>	16,824,366
Amortisation of intangible assets (Note 18)	<b>5,286,640</b>	5,715,233	<b>916,645</b>	916,645

For the year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>Administrative expenses</b>				
Depreciation on property, plant and equipment (Note 15)	<b>5,779,956</b>	9,632,158	<b>3,073,860</b>	3,118,191
Depreciation on right of use assets (Note 17)	<b>6,520,611</b>	6,289,092	<b>6,197,254</b>	6,197,256
Amortization of intangible assets (Note 18)	<b>242,207</b>	50,915	<b>242,207</b>	50,915
Donations	<b>6,593,860</b>	2,824,178	<b>573,000</b>	1,411,848
Directors' remuneration	<b>15,753,125</b>	13,308,594	<b>4,095,813</b>	3,460,234
Audit fees	<b>4,111,993</b>	4,048,756	<b>1,495,880</b>	1,266,839
Staff cost (Note 10.2)	<b>75,894,516</b>	65,889,806	<b>19,092,941</b>	18,445,169
Rent deposit written off	<b>526,500</b>	-	<b>526,500</b>	-

### 10.1 Staff Cost - Direct cost

Salaries and wages	<b>28,065,573</b>	24,841,320	<b>8,292,613</b>	7,207,869
Defined contribution plan cost - EPF and ETF	<b>1,583,576</b>	1,455,778	<b>587,406</b>	581,442
	<b>29,649,149</b>	26,297,098	<b>8,880,019</b>	7,789,311

### 10.2 Staff Cost - Administrative expenses

Short term benefits	<b>66,977,324</b>	57,796,640	<b>15,453,923</b>	15,343,129
Defined contribution plan cost - EPF and ETF	<b>6,589,144</b>	5,957,261	<b>1,596,335</b>	1,466,887
Retirement benefit plan cost - retiring gratuity	<b>2,328,048</b>	2,135,905	<b>2,042,683</b>	1,635,153
	<b>75,894,516</b>	65,889,806	<b>19,092,941</b>	18,445,169
Total staff cost	<b>105,543,665</b>	92,186,904	<b>27,972,960</b>	26,234,480
Number of employees at year end	<b>74</b>	64	<b>38</b>	27

### 10.3 Key management personnel compensation

Key management personnel comprise the directors and senior managers of the company. Payment made to key management personnel during the year were as follows;

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Short term employment benefits	<b>62,913,091</b>	40,516,218	<b>13,742,625</b>	10,534,216
	<b>62,913,091</b>	40,516,218	<b>13,742,625</b>	10,534,216

## NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
For the year ended 31 March				
<b>11 INCOME TAX EXPENSE</b>				
<b>11.1 Statement of profit or loss</b>				
<b>Current tax expense</b>				
Income tax on current year profit (Note 11.3)	<b>90,864,950</b>	49,007,509	-	-
Less: (over) / under provision in respect of previous year	<b>(1,311,292)</b>	199,527	-	206,807
Tax on dividend paid by subsidiaries	<b>29,893,805</b>	-	-	-
	<b>119,447,463</b>	49,207,036	-	206,807
<b>Deferred tax expense</b>				
Deferred taxation charges/(credit) (Note 31)	<b>6,101,880</b>	420,915,488	<b>(7,817,551)</b>	49,974,390
<b>Deferred tax expense in statement of profit or loss</b>	<b>6,101,880</b>	420,915,488	<b>(7,817,551)</b>	49,974,390
<b>Income tax expense/credit reported in the statement of profit or loss</b>	<b>125,549,343</b>	470,122,524	<b>(7,817,551)</b>	50,181,197
<b>11.2 Recognised in statement of other comprehensive income</b>				
Deferred tax effect on re measurement of retirement benefit obligation	<b>(638,305)</b>	79,524	<b>(576,334)</b>	76,204
Deferred tax expense on revaluation gain	<b>99,851,028</b>	(64,036,611)	<b>14,535,995</b>	48,874,857
	<b>99,212,723</b>	(63,957,087)	<b>13,959,661</b>	48,951,061
<b>11.3 Tax reconciliation statement</b>				
Profit /(loss) before taxation	<b>225,209,087</b>	9,323,902	<b>157,773,315</b>	(36,632,036)
Consolidation adjustment	<b>169,552,750</b>	275,513,620	-	-
Non business income	<b>(394,128,250)</b>	(141,939,350)	<b>(215,812,493)</b>	(43,858,869)
Aggregate disallowed expenses	<b>417,642,254</b>	577,775,266	<b>39,466,781</b>	55,211,552
Aggregate allowable expenses	<b>(519,068,853)</b>	(422,420,767)	<b>(21,838,247)</b>	(12,591,525)
Temporary concessions under 6 schedule	<b>(17,351,824)</b>	(19,089,153)	-	-
<b>Total taxable income /(loss) from business</b>	<b>(118,144,836)</b>	279,163,518	<b>(40,410,644)</b>	(37,870,878)
Exempt income from business	-	(152,654,025)	-	-
	<b>(118,144,836)</b>	126,509,493	<b>(40,410,644)</b>	(37,870,878)
Taxable Income from business during the year	<b>367,210,278</b>	126,509,493	-	-
Taxable loss incurred during the year	<b>(485,362,794)</b>	(272,292,495)	<b>(40,410,644)</b>	(37,870,878)
	<b>(118,152,516)</b>	(145,783,002)	<b>(40,410,644)</b>	(37,870,878)

Income tax and deferred tax have been provided as per the new rates legislated by the Inland revenue (Amendment) Act No 45 of 2022. The deferred tax charge in the income statement includes Rs. 6.10 Mn and Rs. (7.81) Mn for the group and the company respectively. The deferred tax charge in the other comprehensive Income statement includes Rs. 99.21Mn and Rs. 13.95 Mn for the group and the company respectively.

For the year ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Non business income - liable interest income	<b>196,726,389</b>	189,306,805	<b>42,641,206</b>	41,088,952
Non business income - dividend income	<b>1,599,996</b>	3,813,360	-	-
Deductions allowed	-	(24,884,080)	-	(22,513,756)
Tax loss utilised during the year	<b>(84,432,777)</b>	(93,201,553)	<b>(42,641,206)</b>	(18,575,196)
Total taxable income	<b>481,103,886</b>	201,544,026	-	-
Tax @ 10%	<b>210,678,059</b>	-	-	-
Tax @ 14%	-	59,487,171	-	-
Tax @ 15%	<b>2,315,380</b>	1,509,740	-	-
Tax @ 20%	<b>109,832,970</b>	-	-	-
Tax @ 24%	-	28,633,198	-	-
Tax @ 30%	<b>158,277,477</b>	111,913,917	-	-
Total	<b>481,103,886</b>	201,544,026	-	-
<b>Income tax charged at</b>				
Tax rate of 10%	<b>21,067,806</b>	-	-	-
Tax at rate of 14% or 12%	-	8,328,204	-	-
Tax at rate of 15%	<b>347,307</b>	226,461	-	-
Tax rate of 20%	<b>21,966,594</b>	-	-	-
Tax rate of 24%	-	6,871,968	-	-
Tax rate of 30%	<b>47,483,243</b>	33,580,876	-	-
Taxation on current profits	<b>90,864,950</b>	49,007,509		

Group tax expense is based on the taxable profit of individual companies within the group. At present the tax law of Sri Lanka do not provide for group taxation.

#### 11.4 Deferred tax expense

Origination / (reversal) of temporary difference arising from				
Property, plant and equipment	<b>(15,297,945)</b>	(382,814,554)	<b>8,437,796</b>	(60,086,111)
Provisions	<b>(854,254)</b>	3,717,198	<b>(763,407)</b>	552,632
Intangible assets	<b>41,651</b>	348,392	<b>41,651</b>	370,889
Carried forward tax losses	<b>9,501,718</b>	(46,052,488)	<b>(528,615)</b>	5,788,704
Retirement benefit obligation	<b>267,769</b>	1,688,958	<b>416,680</b>	1,269,800
Leases	<b>239,182</b>	2,197,006	<b>213,446</b>	2,129,696
	<b>(6,101,880)</b>	(420,915,488)	<b>7,817,551</b>	(49,974,390)

## NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
For the year ended 31 March				
<b>11.5 Tax losses brought forward</b>				
Tax loss brought forward	<b>3,093,754,844</b>	2,275,170,971	<b>19,295,682</b>	-
Loss incurred during the year	<b>485,362,794</b>	272,292,495	<b>40,410,644</b>	37,870,878
Losses incurred during exempted period	-	-	-	-
Adjustment to tax loss brought forward	<b>(371,617,854)</b>	639,492,931	<b>468,530</b>	-
Tax loss utilized during the year	<b>(84,432,777)</b>	(93,201,553)	<b>(42,641,206)</b>	(18,575,196)
	<b>3,123,067,007</b>	3,093,754,844	<b>17,533,650</b>	19,295,682

The group has tax losses amounting to Rs 3.1Bn (2023 - 3Bn ) are available to offset against future taxable profits of companies in which tax losses arose

- 11.6** The income tax liability of the companies are computed at the standard rate of 30% except for following companies which enjoy concessions

Company	2024	2023
Manelwala Hydropower (Private) Limited	<b>20%</b>	20%
Padiyapelella Hydropower Limited	<b>10%</b>	-

## 12 RE-CLASSIFICATION OF COMPARATIVE INFORMATION

The presentation and classification of following in the statement of profit or loss and other comprehensive income are re-classified to ensure comparability with the current year.

	2024	2023 (Re-classified)	2023 (Previous)
	Rs.	Rs.	Rs.
<b>Statement of profit or loss and other comprehensive income</b>			
Administration expenses	<b>225,328,101</b>	173,926,349	232,922,980
Selling and distribution expense	<b>15,969,828</b>	2,386,319	-
Revaluation (gain)/loss	<b>(23,965,067)</b>	56,610,312	-
	<b>217,332,862</b>	232,922,980	232,922,980

### 13 BASIC EARNINGS / (LOSS) PER SHARE

Basic earnings /(loss) per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For the period ended 31 March	Group		Company	
	2024	2023	2024	2023
Profit /(loss) attributable to ordinary shareholders (Rs.)	<b>72,027,968</b>	(479,458,516)	<b>165,590,866</b>	(86,813,233)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>625,000,000</b>	625,000,000	<b>625,000,000</b>	625,000,000
Basic earning / (loss) per share (Rs.)	<b>0.12</b>	(0.77)	<b>0.26</b>	(0.14)

The diluted earning per share is same as the basic earnings per share

### 14 DIVIDEND PER SHARE

The calculation of dividend per share is based on the dividend attributable to ordinary shareholders and the number of ordinary shares outstanding as at the reporting date.

For the Period ended 31 March	Group		Company	
	2024	2023	2024	2023
Interim dividends (Rs.)	<b>125,000,000</b>	-	<b>125,000,000</b>	-
Number of ordinary shares	<b>625,000,000</b>	625,000,000	<b>625,000,000</b>	625,000,000
Dividend per share (Rs.)	<b>0.20</b>	-	<b>0.20</b>	-

- 14.1** The board of directors of the company has declared a interim dividend of Rs 0.20 per share for the financial year ended 31 March 2024. As required by section 56 (2) of the companies act no. 07 of 2007, the board of directors has confirmed that the company satisfies the solvency test in accordance with section 57 of companies act no.07 of 2007 and has obtained a certificate from auditors, prior to declaring interim dividend which was paid on 25 April 2024.

## NOTES TO THE FINANCIAL STATEMENTS

### 15 PROPERTY, PLANT AND EQUIPMENT

#### 15.1 Group

	Freehold lands	Office equipment	Furniture and fittings	Staff quarters	Building structure	Tools & equipment	Motor vehicles
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Cost / Valuation</b>							
Balance as at 01st April	155,360,386	14,882,934	13,984,968	1,314,800	-	37,750	36,304,520
Additions during the year	-	4,359,108	1,650,135	-	498,550	-	5,775,000
Transfers/disposals	-	-	-	-	-	-	(7,345,000)
Revaluation gain / (loss)	9,001,680	-	-	-	-	-	-
Accumulated depreciation on revalued assets							
<b>Balance as at 31 March 2024</b>	164,362,066	19,242,042	15,635,103	1,314,800	498,550	37,750	34,734,520
<b>Accumulated depreciation and impairment</b>							
Balance as at 01 April	-	12,258,578	11,215,083	493,056	-	14,233	34,035,547
Depreciation for the year	-	1,575,552	2,160,144	328,704	13,474	9,437	2,044,260
Accumulated depreciation on disposals	-	-	-	-	-	-	(7,345,000)
Accumulated depreciation on revalued assets							
Balance as at 31 March 2024	-	13,834,130	13,375,227	821,760	13,474	23,670	28,734,807
Carrying amount 31 Marh 2024	164,362,066	5,407,912	2,259,876	493,040	485,076	14,080	5,999,713
Carrying amount 31 March 2023	155,360,386	2,624,356	2,769,885	821,744	-	23,517	2,268,973

#### 15.2 Company

	Freehold	Office equipment	Furniture and fittings	Motor vehicles	Civil construction Intake weir and head race* Channel	De-silting tank and forbay tank	Spillware gate and restrooms
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Cost / Valuation</b>							
Balance as at 01 April	36,410,385	10,711,997	12,893,658	1,742,520	98,478,013	54,787,720	28,540,905
Additions during the year	-	2,690,220	1,386,385	-	-	-	-
Revaluation gain	1,851,680	-	-	-	7,094,518	3,809,312	2,142,165
Accumulated depreciation on revalued assets	-	-	-	-	(2,976,665)	(1,518,366)	(948,728)
<b>Balance as at 31 March 2024</b>	38,262,065	13,402,217	14,280,043	1,742,520	102,595,866	57,078,666	29,734,342
<b>Accumulated depreciation and impairment</b>							
Balance as at 01st April	-	9,121,240	10,212,154	1,446,472	-	-	-
Depreciation for the year	-	891,667	2,083,510	98,683	2,976,665	1,518,366	948,728
Accumulated depreciation on revalued assets	-	-	-	-	(2,976,665)	(1,518,366)	(948,728)
<b>Balance as at 31 March 2024</b>	-	10,012,907	12,295,664	1,545,155	-	-	-
<b>Carrying amount 31 March 2024</b>	38,262,065	3,389,310	1,984,379	197,365	102,595,866	57,078,666	29,734,342
Carrying amount 31 March 2023	36,410,385	1,590,757	2,681,504	296,048	98,478,013	54,787,720	28,540,905



**Civil construction**

**Electro mechanical equipment**

Intake weir and headrace channel	De-silting tank and forbay tank	Spillware gate and restrooms	Penstock and power house	Turbines and generators	Transformers and power lines	Voltage panel and crane	Solar power plants	Total 2024	Total 2023
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
464,732,473	143,253,783	71,805,127	399,146,591	710,630,373	95,587,222	80,216,024	1,690,011,949	<b>3,877,268,899</b>	4,321,667,226
-	-	-	-	-	-	-	28,527,711	<b>40,810,504</b>	21,649,471
-	-	-	-	-	-	-	-	<b>(7,345,000)</b>	(8,498,762)
62,765,359	28,098,432	20,333,522	57,831,289	188,514,861	17,182,518	20,772,432	69,433,995	<b>473,934,089</b>	(270,065,681)
(13,805,142)	(3,959,510)	(2,299,321)	(11,876,119)	(32,522,404)	(4,961,154)	(4,426,445)	(101,337,488)	<b>(175,187,585)</b>	(187,483,354)
513,692,690	167,392,705	89,839,328	445,101,761	866,622,830	107,808,586	96,562,011	1,686,636,167	<b>4,209,480,908</b>	3,877,268,899
-	-	-	-	-	-	-	-	<b>58,016,496</b>	48,384,339
13,805,142	3,959,510	2,299,321	11,876,119	32,522,404	4,961,154	4,426,445	101,337,488	<b>181,319,156</b>	197,115,511
-	-	-	-	-	-	-	-	<b>(7,345,000)</b>	-
(13,805,142)	(3,959,510)	(2,299,321)	(11,876,119)	(32,522,404)	(4,961,154)	(4,426,445)	(101,337,488)	<b>(175,187,585)</b>	(187,483,354)
-	-	-	-	-	-	-	-	<b>56,803,068</b>	58,016,497
513,692,690	167,392,705	89,839,328	445,101,761	866,622,830	107,808,586	96,562,011	1,686,636,167	<b>4,152,677,840</b>	-
464,732,473	143,253,783	71,805,127	399,146,591	710,630,373	95,587,222	80,216,024	1,690,011,949	-	3,819,252,402

**Electro mechanical equipment**

Penstock and power house	Turbines and generators	Transformers and powerlines	Voltage panel and crane	Total 2024	Total 2023
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
105,542,132	210,524,730	26,652,810	29,063,304	<b>615,348,174</b>	466,853,802
-	-	-	-	<b>4,076,605</b>	2,402,548
7,603,429	20,487,750	2,514,985	2,949,477	<b>48,453,316</b>	162,916,191
(3,190,190)	(11,684,669)	(1,400,500)	(1,734,197)	<b>(23,453,316)</b>	(16,824,367)
109,955,371	219,327,811	27,767,295	30,278,584	<b>644,424,779</b>	615,348,174
-	-	-	-	<b>20,779,866</b>	17,661,675
3,190,190	11,684,669	1,400,500	1,734,197	<b>26,527,176</b>	19,942,557
(3,190,190)	(11,684,669)	(1,400,500)	(1,734,197)	<b>(23,453,316)</b>	(16,824,366)
-	-	-	-	<b>23,853,726</b>	20,779,866
109,955,371	219,327,811	27,767,295	30,278,584	<b>620,571,053</b>	-
105,542,132	210,524,730	26,652,810	29,063,304	-	594,568,308

## NOTES TO THE FINANCIAL STATEMENTS

### 15 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

**15.3** The cost of fully depreciated property, plant and equipment which are still in use at the reporting date is as follows,

	Group		Company	
	2024	2023	2024	2023
Furniture and fittings	<b>5,788,366</b>	5,766,166	<b>4,843,002</b>	4,843,002
Motor vehicles	<b>27,492,600</b>	14,513,600	<b>1,347,790</b>	1,347,790
Office equipment	<b>10,359,104</b>	8,350,327	<b>7,704,390</b>	6,596,315
	<b>43,640,070</b>	28,630,093	<b>13,895,182</b>	12,787,107

**15.4** During the financial year, the group acquired/capitalized property, plant and equipment to the aggregate value of Rs.40.81 Mn and (2022/23 Rs. 21.65Mn). Cash payments amounting to Rs.40.81 (2022/23 Rs. 21.65Mn) were made during the year for purchase of property, plant and equipment.

**15.5** During the financial year, the company acquired property, plant and equipment to the aggregate value of Rs.4Mn (2022/23 Rs. 2.40Mn). Cash payments amounting to Rs.4Mn (2022/23 Rs. 2.40Mn) were made during the year for purchase of property, plant and equipment.

### 15.6 Carrying value of revalued property, plant and equipment

As at 31 March						
Group	2024			2023		
	Cost Rs.	Accumulated depreciation Rs.	Carrying value Rs.	Cost Rs.	Accumulated depreciation Rs.	Carrying value Rs.
Electro mechanical equipment	<b>564,451,620</b>	<b>476,289,791</b>	<b>88,161,829</b>	564,451,620	442,787,716	121,663,904
Civil construction	<b>945,306,480</b>	<b>643,259,968</b>	<b>302,046,512</b>	945,306,480	587,643,714	357,662,766
Freehold land	<b>56,120,522</b>	-	<b>56,120,522</b>	56,120,522	-	56,120,522
Solar power plants	<b>1,555,035,087</b>	<b>266,463,943</b>	<b>1,288,571,144</b>	1,526,507,376	198,739,165	1,327,768,211
Total	<b>3,120,913,709</b>	<b>1,386,013,702</b>	<b>1,734,900,007</b>	3,092,385,998	1,229,170,595	1,863,215,403

As at 31 March						
Company	2024			2023		
	Cost Rs.	Accumulated depreciation Rs.	Carrying value Rs.	Cost Rs.	Accumulated depreciation Rs.	Carrying value Rs.
Electro mechanical equipment	<b>106,088,061</b>	<b>106,088,061</b>	-	106,088,061	101,014,520	5,073,541
Civil construction	<b>148,160,843</b>	<b>136,353,865</b>	<b>11,806,978</b>	148,160,843	133,983,362	14,177,481
Freehold land	<b>12,976,484</b>	-	<b>12,976,484</b>	12,976,484	-	12,976,484
Solar power plants	-	-	-	-	-	-
Total	<b>267,225,388</b>	<b>242,441,926</b>	<b>24,783,462</b>	267,225,388	234,997,882	32,227,506

## 15.7 Revaluation of land, civil construction, electro mechanical equipment and solar power plants

### *Accounting judgements, estimates and assumption*

The Group uses the revaluation model for measurement of freehold land, civil construction and electro mechanical equipment and solar power plant. The Group engaged independent expert valuer to determine the fair value of its land. As at 31st March 2024, hydro electric power plants and solar power plants have been revalued using income approach.

The changes in fair value are recognised in other comprehensive income. Statement of Profit or Loss and in the statement of changes in equity.

Fair value of the hydro and solar plants is determined by independent valuations carried out by Mr. J. M. Senanayaka Bandara, BSc (Hons) Estate Management and a chartered valuation surveyor, who has recent experience in valuing projects. In determining the fair value of solar and hydro plants the income approach has been used, which is based upon assumptions including annual average generation, applicable tariff rate remaining period of power purchase agreement, anticipated direct cost, appropriate capitalization rate and in determine the fair value of land, make reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are approximated within appropriate range of values. further, key variables of present economic outlook, rates of interest and exchange rates in the financial sector and investor sentiments towards existing and new projects were considers when deciding the income approach for valuation of plants.

### *Fair value hierarchy*

The fair value measurement for all of properties has been categorised as level 3 fair value based on the input to the valuation technique used.

## 15.8 Valuation techniques and significant unobservable inputs

Entity	Nature	Capacity	Valuation technique	Significant unobservable inputs	Sensitivity of fair value to unobservable inputs	Effective date of valuation
Panasian Power PLC	Hydro Power	3 Mw	Income Approach	Annual Average Generation -14,022,050 Kw Capitalization Rate -12%	Positive Correlated Sensitivity  Negatively Correlated Sensitivity	31 March 2024
				Outgoing Percentage -25% Total Extent -4A -0R-34.76P Per acre - Rs.7,000,000 Power Purchase Agreement -20 Years	Negatively Correlated Sensitivity  Positive Correlated Sensitivity  Positive Correlated Sensitivity	

## NOTES TO THE FINANCIAL STATEMENTS

Entity	Nature	Capacity	Valuation technique	Significant unobservable inputs	Sensitivity of fair value to unobservable inputs	Effective date of valuation
Manelwala Hydropower (Pvt) Ltd	Hydro Power	2.4Mw	Income Approach	Annual Average Generation -8,423,273 Kw Capitalization Rate -13% Outgoing Percentage -25% Total Extent -2A -2R-32.3P Per acre - Rs.5,250,000 Power Purchase Agreement -20 Years	Positive Correlated Sensitivity Negatively Correlated Sensitivity Negatively Correlated Sensitivity Positive Correlated Sensitivity Positive Correlated Sensitivity	31 March 2024
Padiyapelella Hydropower Limited	Hydro Power	3.5Mw	Income Approach	Annual Average Generation -16,000,000 Kw Capitalization Rate -13% Outgoing Percentage -25% Total Extent -7A -1R-27P Per acre - Rs.4,900,000 Power Purchase Agreement -15 Years	Positive Correlated Sensitivity Negatively Correlated Sensitivity Negatively Correlated Sensitivity Positive Correlated Sensitivity Positive Correlated Sensitivity	31 March 2024
PAP Solar One (Pvt) Ltd	Roof Top Solar	3.8Mw	Income Approach	Annual Average Generation -3,884,586 Kw Capitalization Rate -13% Outgoing Percentage -20% Rental -3% of Total Revenue	Positive Correlated Sensitivity Negatively Correlated Sensitivity Negatively Correlated Sensitivity Negatively Correlated Sensitivity	31 March 2024
Solar Power Generation Matara (Pvt) Ltd	Ground Solar	2 Mw	Income Approach	Annual Average Generation -3,561,540 Kw Capitalization Rate -13% Outgoing Percentage -20% Total Extent -8A -0R-0P Per acre - Rs.2,750,000	Positive Correlated Sensitivity Negatively Correlated Sensitivity Negatively Correlated Sensitivity Positive Correlated Sensitivity	31 March 2024

Entity	Nature	Capacity	Valuation technique	Significant unobservable inputs	Sensitivity of fair value to unobservable inputs	Effective date of valuation
Panthree Solaro Energy Solutions (Pvt) Ltd	Ground Solar	3 Mw	Income Approach	Annual Average Generation -4,988,042 Kw	Positive Correlated Sensitivity	31 March 2024
				Capitalization Rate -13%	Negatively Correlated Sensitivity	
				Outgoing Percentage -20%	Negatively Correlated Sensitivity	
				Total Extent -12A -0R-13 P		
Rajarata Sustainable Development (Pvt) Ltd	Ground Solar	2 Mw	Income Approach	Annual Average Generation -3,173,264 Kw	Positive Correlated Sensitivity	31 March 2024
				Capitalization Rate -13%	Negatively Correlated Sensitivity	
				Outgoing Percentage -17.5%	Negatively Correlated Sensitivity	
				Total Extent -9A -0R-28.25 P		
Finergreen Rajarata (Pvt) Ltd	Ground Solar	2 Mw	Income Approach	Annual Average Generation -3,284,094 Kw	Positive Correlated Sensitivity	31 March 2024
				Capitalization Rate -13%	Negatively Correlated Sensitivity	
				Outgoing Percentage -20%	Negatively Correlated Sensitivity	
				Total Extent -9A -0R-28.25 P		
Eco Green Solar Solutions (Pvt) Ltd	Ground Solar	1 Mw	Income Approach	Annual Average Generation -1,441,623 Kw	Positive Correlated Sensitivity	31 March 2024
				Capitalization Rate -13%	Negatively Correlated Sensitivity	
				Outgoing Percentage -20%	Negatively Correlated Sensitivity	
				Total Extent -9A -0R-28.25 P		

## NOTES TO THE FINANCIAL STATEMENTS

### 15.9 Summary description of valuation methodology

#### Income approach

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

#### Market approach method

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

#### Replacement cost method

The depreciated replacement cost method is an acceptable method used in financial reporting to arrive at a surrogate for the market value of specialized and limited properties, for which market evidence is unavailable and net cash flows are unable to predict.

### 15.10 Details of freehold and leasehold lands of the group

Company	Location	Land Extent	
		Leasehold (Perches)	Freehold (Perches)
Panasian Power PLC	Ratturugala, Rathnapura	188.30	548.30
Manelwala Hydropower (Pvt) Ltd	Walapane, Nuwaraeliya	631.41	520.54
Padiyapelella Hydropower Limited	Walapane, Nuwaraeliya	98.84	1,542.29
Eco Green Solar Solutions (Pvt) Ltd	Beliatta	754	-
Panthree Solaro Energy (Pvt) Ltd	Matara	-	640.00
Panthree Solaro Energy (Pvt) Ltd	Pannala	-	487.00
Panthree Solaro Energy (Pvt) Ltd	Maho	-	806.00
Solar Power Generation Matara (Pvt) Ltd	Matara	-	1,280.00
Rajarata Sustainable Development (Pvt) Ltd	Maradankadawala	-	828.25
Rajarata Sustainable Development (Pvt) Ltd	Thirappane	-	640.00
Finergreen Rajarata (Pvt) Ltd	Maradankadawala	-	828.25
Finergreen Rajarata (Pvt) Ltd	Thirappane	-	640.00
PAP MHPL Solar (Pvt) Ltd	Kurunegala	3,164.79	-
PAP SPGM Solar (Pvt) Ltd	Matara	3,366.00	-
PAP EGSS Solar (Pvt) Ltd	Galle, Baddegama	3,206.68	-
PAP EGSS Solar (Pvt) Ltd	Galle	3,047.04	-

### 15.11 Assets pledged as securities

Carrying value of property, plant & equipment of the group are pledged as security for bank borrowings (refer Note 31.1).

### 15.12 Temporarily idle property, plant & equipment

There was no temporarily idle property, plant & equipment as of 31 March 2024.

### 15.13 Capitalised borrowing costs

The Group's property, plant and equipment includes borrowing cost arising from bank loans borrowed specifically for their development. During the year was amounted to Rs . NIL (2022/2023) - NIL

As at 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>16 CAPITAL WORK IN PROGRESS</b>				
Balance at the beginning of the year	<b>13,076,121</b>	13,143,937	<b>10,528,278</b>	9,288,530
Additions during the year	<b>107,239,523</b>	15,121,462	<b>7,263,154</b>	1,239,748
Capitalized during the year	<b>(1,856,352)</b>	(15,189,278)	-	-
Charged to income statement	<b>(67,500)</b>	-	-	-
	<b>118,391,792</b>	13,076,121	<b>17,791,432</b>	10,528,278

## 17 LEASES

### As a lessee

The group has lease contracts for office building & lands used for ground solar projects. The following table summarises the lease terms and remaining duration.

Company	Description	Lease term	Remaining lease term
Panasian Power PLC	Office building	8 Years	3 Years
Eco Green Solar Solutions (Pvt) Ltd	Ground solar	30 Years	23 Years
PAP EGSS Solar (Pvt) Ltd	Ground solar	22 Years	21 Years

### 17.1 Right of use assets

As at 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Cost</b>				
Balance at the 01 April	<b>41,304,421</b>	41,304,421	<b>38,732,838</b>	38,732,838
Obtained during the year	<b>54,017,724</b>	-	-	-
Balance as at the end of the year	<b>95,322,145</b>	41,304,421	<b>38,732,838</b>	38,732,838
<b>Accumulated depreciation</b>				
Balance at the 01 April	<b>9,571,398</b>	3,282,306	<b>9,295,883</b>	3,098,627
Depreciation charge for the year	<b>6,520,611</b>	6,289,092	<b>6,197,254</b>	6,197,256
Balance as at the end of the year	<b>16,092,009</b>	9,571,398	<b>15,493,137</b>	9,295,883
<b>Net book value as at 31 March</b>	<b>79,230,136</b>	31,733,023	<b>23,239,701</b>	29,436,955

#### 17.1.1 Set out below are the carrying amount of right of use assets recognised

As at 31 March,	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Land	<b>55,990,435</b>	2,296,068	-	-
Office premises	<b>23,239,701</b>	29,436,955	<b>23,239,701</b>	29,436,955
	<b>79,230,136</b>	31,733,023	<b>23,239,701</b>	29,436,955
<b>Depreciation charge of right of use assets</b>				
Land	<b>323,357</b>	91,836	-	-
Office premises	<b>6,197,254</b>	6,197,256	<b>6,197,254</b>	6,197,256
	<b>6,520,611</b>	6,289,092	<b>6,197,254</b>	6,197,256

## NOTES TO THE FINANCIAL STATEMENTS

### 18 INTANGIBLE ASSETS

#### 18.1 Right to generate hydro power

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Cost</b>				
At the beginning of the year	<b>21,191,000</b>	21,191,000	<b>15,191,000</b>	15,191,000
Addition during the year	-	-	-	-
At the end of the year	<b>21,191,000</b>	21,191,000	<b>15,191,000</b>	15,191,000
<b>Accumulated amortisation</b>				
At the beginning of the year	<b>19,975,925</b>	18,630,684	<b>13,975,922</b>	13,059,277
Amortisation charge for the year	<b>916,645</b>	1,345,241	<b>916,645</b>	916,645
<b>At the end of the year</b>	<b>20,892,570</b>	19,975,925	<b>14,892,567</b>	13,975,922
Carrying amount	<b>298,430</b>	1,215,075	<b>298,433</b>	1,215,078

18.1.1 The right to generate hydro power represents the amounts paid to purchase exclusive rights to generate hydro electric power. The group amortize this right over 15 years (first term) on a straight line basis beginning from the year of commercial operations.

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>18.2 Right to generate solar power</b>				
Eco Green Solar Solutions (Pvt) Ltd	<b>10,175,000</b>	10,835,000	-	-
Solar Power Generation Matara (Pvt) Ltd	<b>12,625,000</b>	13,375,000	-	-
Rajarata Sustainable Development (Pvt) Ltd	<b>26,242,712</b>	27,767,711	-	-
Finergreen Rajarata (Pvt) Ltd	<b>24,215,636</b>	25,650,632	-	-
	<b>73,258,348</b>	77,628,343	-	-
<b>Right to generate solar power</b>				
<b>Cost</b>				
At the beginning of the year	<b>87,400,000</b>	87,400,000	-	-
Additions during the year	-	-	-	-
At the end of the year	<b>87,400,000</b>	87,400,000	-	-
<b>Accumulated amortisation</b>				
At the beginning of the year	<b>9,771,657</b>	5,401,665	-	-
Amortisation charge for the year	<b>4,369,995</b>	4,369,992	-	-
<b>At the end of the year</b>	<b>14,141,652</b>	9,771,657	-	-
Carrying amount as at 31 March	<b>73,258,348</b>	77,628,343	-	-



**18.2.1** The right to generate solar power represent the amounts paid to purchase exclusive rights to generate solar power. The group amortize this right over 20 years on straight line basis beginning from the year of commercial operations.

**18.3 Software license**

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Cost</b>				
At the beginning of the year	<b>1,589,802</b>	1,562,302	<b>1,589,802</b>	1,562,302
Additions during the year	<b>1,995,978</b>	185,000	<b>1,995,978</b>	185,000
Transfer during the period	-	(157,500)	-	(157,500)
At the end of the year	<b>3,585,780</b>	1,589,802	<b>3,585,780</b>	1,589,802
<b>Accumulated amortisation</b>				
At the beginning of the year	<b>1,435,636</b>	1,443,644	<b>1,435,636</b>	1,443,644
Amortisation charge for the year	<b>242,207</b>	50,915	<b>242,207</b>	50,915
Transfer during the period	-	(58,923)	-	(58,923)
<b>At the end of the year</b>	<b>1,677,843</b>	1,435,636	<b>1,677,843</b>	1,435,636
<b>Carrying amount</b>	<b>1,907,937</b>	154,166	<b>1,907,937</b>	154,166
<b>Total intangible assets</b>	<b>75,464,715</b>	78,997,583	<b>2,206,369</b>	1,369,244
Total amortisation for the year	<b>5,528,847</b>	5,707,225	<b>1,158,853</b>	908,637

**18.3.1** Software licence of the group includes fully amortized assets having gross carrying amount of Rs. 1,404,802 (2023 - Rs. 1,404,802)

## NOTES TO THE FINANCIAL STATEMENTS

### 19

	Group		Company	
	2024	2023	2024	2023
As at 31 March	Rs.	Rs.	Rs.	Rs.
<b>INVESTMENT IN SUBSIDIARIES</b>				
				Effective Holding %
Manelwala Hydropower (Pvt) Ltd	-	-	<b>565,107,184</b>	565,107,184
Panasian Investments (Pvt) Ltd	-	-	<b>128,000,000</b>	128,000,000
Padiyapelella Hydropower Limited	-	-	<b>537,070,510</b>	537,070,510
R-E-D Capital Asia (Pvt) Ltd	-	-	<b>10</b>	-
Winsol Renewables (Pvt) Ltd	-	-	<b>10</b>	-
	-	-	<b>1,230,177,714</b>	1,230,177,694

Investment in subsidiaries are carried at cost less any accumulated impairment losses.

### 20

	Group		Company	
	2024	2023	2024	2023
As at 31 March	Rs.	Rs.	Rs.	Rs.
<b>INVESTMENT IN PREFERENCE SHARES</b>				
Eco Green Solar Solutions (Pvt) Ltd	-	-	<b>23,000,000</b>	23,000,000
Powergen One (Pvt) Ltd	<b>4,153,902</b>	11,076,962	-	-
	<b>4,153,902</b>	11,076,962	<b>23,000,000</b>	23,000,000

### 20.1

Powergen One (Pvt) Ltd redeemed preference shares issued to Panasian Investment (Pvt) Ltd amounting to Rs 6,923,060 during the year under review.

### 21

	Group		Company	
	2024	2023	2024	2023
As at 31 March	Rs.	Rs.	Rs.	Rs.
<b>INVESTMENT IN EQUITY ACCOUNTED INVESTEES</b>				
				Effective Holding %
Powergen One (Pvt) Ltd	<b>10,195,610</b>	9,648,266	-	-
	<b>10,195,610</b>	9,648,266	-	-

Panasian Power PLC has 50% stake in Powergen One (Pvt) Ltd, joint venture involve in solar power generation.

The group recognizes its interest in joint ventures using the equity method as per paragraph 16 of LKAS 28 -Interests in associate and joint ventures. The summarized financial information of the joint venture and reconciliation with the carrying amount of the investment are set out below

### 21.1 Share of net results of equity accounted investee

	2024 Rs.	2023 Rs.
	Powergen One (Pvt) Ltd	Powergen One (Pvt) Ltd
Revenue	<b>7,674,854</b>	7,482,376
Operating expense including cost of sales	<b>(4,661,264)</b>	(12,191,088)
Net finance cost	<b>(2,135)</b>	(1,027,150)
<b>Profit/(loss) before taxation - 100%</b>	<b>3,011,455</b>	(5,735,862)
Income tax expenses	-	(1,154,833)
<b>Profit/(loss) after tax - 100%</b>	<b>3,011,455</b>	(6,890,695)
Group share of results of equity accounted investee net of tax (50%) - before adjustments	<b>1,505,728</b>	(3,445,347)
Depreciation on unrealised profit on sale of PPE	<b>293,138</b>	293,138
<b>Group share of results of equity accounted investee net of tax (50%)- After adjustments</b>	<b>1,798,865</b>	(3,152,209)
<b>Other comprehensive income - 100%</b>	-	(2,694,609)
<b>Group share of results of equity accounted investee net of tax (50%)</b>	-	(1,347,305)
<b>Total comprehensive income (100%)</b>	<b>3,011,455</b>	(9,585,304)

### 21.2 Share of net financial highlights of equity accounted investees

	2024 Rs.	2023 Rs.
	Powergen One (Pvt) Ltd	Powergen One (Pvt) Ltd
Non-current assets	<b>29,500,000</b>	32,500,000
Current assets (including cash and cash equivalents)	<b>6,725,276</b>	8,293,946
Non-current liabilities	<b>(4,153,902)</b>	(11,076,962)
Current liabilities	<b>(3,949,076)</b>	(2,103,101)
Net assets (100%)	<b>28,122,298</b>	27,613,883
Cash & cash equivalents	<b>5,280,739</b>	6,947,744

### 21.3 Reconciliation for carrying amount of equity accounted investee

	2024 Rs.	2023 Rs.
	Powergen One (Pvt) Ltd	Powergen One (Pvt) Ltd
Initial investment	<b>12,515,200</b>	12,515,200
Group share of unrealised profit	<b>(5,862,756)</b>	(5,862,756)
Retain earnings	<b>7,803,549</b>	7,645,128
Depreciation on unrealized profit	<b>1,734,398</b>	1,441,260
Group share of revaluation of equity accounted investee net of tax (50%)	-	(1,347,305)
Dividend paid	<b>(5,994,781)</b>	(4,743,261)
<b>Net Investment in joint venture</b>	<b>10,195,610</b>	9,648,266

Powergen One (Pvt) Ltd was incorporated on 27th December 2017 as a joint venture between Panasian Investments (Pvt) Ltd, which is a fully owned subsidiary of Panasian Power PLC, and Jinadasa Brothers (Pvt) Ltd, to install and operate 400 kWp rooftop solar power plant in the rooftop of factory owned by Jinadasa Brothers (Pvt) Ltd located in Borelasgamuwa, Sri Lanka.

## NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>22 OTHER NON FINANCIAL ASSETS</b>				
Lower Kothmale Oya Power Two (Pvt) Ltd	<b>4,000,000</b>	3,000,000	<b>4,000,000</b>	3,000,000
Medakumbura Mini Hydropower Project	<b>2,115,150</b>	2,115,150	<b>2,115,150</b>	2,115,150
	<b>6,115,150</b>	5,115,150	<b>6,115,150</b>	5,115,150

On 31 July 2017 the Company entered in to an agreement with the owners of Lower Kothmale Oya Power Two (Pvt) Ltd, to purchase the total ordinary share capital of it upon receiving letter of intent from Ceylon Electricity Board. The Company has paid an advance for said acquisition amounting to Rs.4 million to owners of Lower Kothmale Oya Power Two (Pvt) Ltd.

On 31 July 2017 the Company entered in to an agreement with the owners of Medakumbura Mini Hydropower Project , to purchase the approvals and location of the project upon receiving letter of intent from Ceylon Electricity Board. The Company has paid an advance for said acquisition amounting to Rs. 2.1 million to owners of Medakumbura Mini Hydropower Project.

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>23 INVENTORIES</b>				
Finished goods	<b>122,108,921</b>	27,336,641	-	-
Spare parts	<b>34,706,925</b>	56,105,401	<b>1,023,407</b>	44,448
Raw material	<b>1,145,117</b>		-	-
Work in progress	<b>28,357,023</b>	-	-	-
	<b>186,317,986</b>	83,442,042	<b>1,023,407</b>	44,448

The carrying value of finished goods inventories as at 31 March 2024, has been pledged as security for liabilities. (Note 31.1)

There is no requirement to make provision for slow moving inventories as at 31 March 2024

<b>24 INVESTMENT IN UNIT TRUST - FVTPL</b>				
Balance at the beginning of the year	<b>6,414</b>	450,603	-	73,706
Investments made during the year	<b>133,500,000</b>	3,500,000	-	-
Fair value gain/ (loss)	<b>929,713</b>	6,843	-	70
Withdrawals during the year	<b>(103,500,000)</b>	(3,951,032)	-	(73,776)
Balance at the end of the year	<b>30,936,127</b>	6,414	-	-

<b>25 TRADE AND OTHER RECEIVABLES</b>				
Trade receivables (Note 25.1)	<b>252,759,773</b>	770,526,075	<b>8,274,850</b>	98,485,996
Other receivables (Note 25.2)	<b>57,633,461</b>	46,771,662	<b>12,726,034</b>	14,134,684
	<b>310,393,234</b>	817,297,737	<b>21,000,884</b>	112,620,680

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>25.1 Trade receivable</b>				
Ceylon Electricity Board	<b>199,675,356</b>	785,222,987	<b>8,274,850</b>	101,030,686
Other trade debtors	<b>71,564,776</b>	4,744,423	-	-
Less; Provision for doubtful debts (Note 25 .1.2)	<b>(18,480,359)</b>	(19,441,335)	-	(2,544,690)
	<b>252,759,773</b>	770,526,075	<b>8,274,850</b>	98,485,996

A receivable represents the group's right to an amount of consideration that is unconditional trade receivables are non interest bearing and are generally in terms of 30 to 90 days. During the year Rs 18.4mn (2023 - 19.4mn) and nil (2023- 2.5mn) for the group and the company respectively, was recognized as a provision for expected credit losses on trade receivables.

#### 25.1.1 Age analysis of trade receivables is set out below

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Below 30 days	<b>167,411,364</b>	71,879,810	<b>2,809,552</b>	5,826,330
30 to 60 days	<b>17,274,048</b>	84,134,518	<b>5,465,298</b>	2,901,581
61 to 180 days	<b>56,049,152</b>	245,121,578	-	18,751,268
Over 180 days	<b>12,025,209</b>	369,390,169	-	71,006,817
	<b>252,759,773</b>	770,526,075	<b>8,274,850</b>	98,485,996

#### 25.1.2 Set out below is the movement in the allowance for expected credit losses of trade receivables

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
As at 1 April	<b>19,441,335</b>	14,257,310	<b>2,544,690</b>	1,505,534
Provision for expected credit loss	<b>12,820,725</b>	50,914,555	-	9,289,802
Provision reversal during the year	<b>(13,781,701)</b>	(45,730,530)	<b>(2,544,690)</b>	(8,250,646)
As at 31 March	<b>18,480,359</b>	19,441,335	-	2,544,690

#### 25.1.3 Base on the assessment carried out by the Board of Directors as at 31 March 2024, Rs. 18.48 Mn has been provided as an impairment provision against trade receivable over 365 days outstanding.

#### 25.2 Other receivables

Deposits paid	<b>9,543,000</b>	4,666,500	<b>3,140,000</b>	3,666,500
Prepayments	<b>6,361,174</b>	5,155,601	<b>3,148,020</b>	2,102,992
Advance paid	<b>11,348,625</b>	4,624,307	<b>5,037,840</b>	4,125,757
Other receivable	<b>30,380,662</b>	32,325,254	<b>1,400,174</b>	4,239,435
	<b>57,633,461</b>	46,771,662	<b>12,726,034</b>	14,134,684

## NOTES TO THE FINANCIAL STATEMENTS

		Group		Company	
		2024	2023	2024	2023
		Rs.	Rs.	Rs.	Rs.
<b>26</b>	<b>AMOUNT DUE FROM RELATED COMPANIES</b>				
	<b>Company Name</b>	<b>Relationship</b>			
	Padiyapelella Hydropower Limited	Subsidiary	-	-	31,854,075
	Solar power Generation Matara (Pvt) Ltd	Subsidiary	-	-	<b>10,249,992</b>
	Manelwala Hydropower (Pvt) Ltd	Subsidiary	-	-	<b>1,120,137</b>
	Lower Kothmale Oya Power Two (Pvt) Ltd (Note 26.1)	Affiliate	<b>8,434,692</b>	3,895,760	<b>6,082,361</b>
	Panasian Investments (Pvt)Ltd	Subsidiary	-	-	<b>15,487,978</b>
	Pap Solar One (Pvt) Ltd	Subsidiary	-	-	<b>23,674,833</b>
	Eco Green Solar Solutions (Pvt) Ltd	Subsidiary	-	-	<b>51,855,598</b>
	Powergen One (Pvt) Ltd	Joint Venture	<b>3,436,955</b>	1,887,127	<b>44,856</b>
	Finergreen Rajarata (Pvt) Ltd	Subsidiary	-	-	<b>65,729,745</b>
	Rajarata Sustainable Development (Pvt) Ltd	Subsidiary	-	-	<b>26,604,144</b>
	Panthree Solaro Energy (Pvt) Ltd	Subsidiary	-	-	<b>37,227,729</b>
	Winsol Renewables (Pvt) Ltd	Subsidiary	-	-	<b>1,502,299</b>
	Finergreen Gannoruwa (Pvt) Ltd (Note 26.1)	Affiliate	<b>168,142</b>	-	<b>96,736</b>
	Finergreen Mattala (Pvt) Ltd (Note 26.1)	Affiliate	<b>163,109</b>	-	<b>78,370</b>
	Finergreen Ridiyagama (Pvt) Ltd (Note 26.1)	Affiliate	<b>144,219</b>	-	<b>62,609</b>
	R-E-D Capital Asia (Pvt) Ltd	Subsidiary	-	-	<b>161,653,273</b>
			<b>12,347,117</b>	5,782,887	<b>401,470,660</b>

**26.1** Amounts due from Lower Kothmale Oya Power Two (Pvt) Ltd, Finergreen Gannoruwa (Pvt) Ltd, Finergreen Mattala (Pvt) Ltd, Finergreen Ridiyagama (Pvt) Ltd were not taken for the consolidation due to assets acquired and liabilities assumed does not constitute a business (IFRS 3).

**26.2** Summary of related party balances movement is elaborated in Note 36.5

**26.3 Fair value of amounts due from related parties**

Due to short term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

**26.4** Based on the assessment of potential impairment carried out internally by the Board of Directors as at 31 March 2024, no provision was required to be made in the financial statement.

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>27 CASH AND CASH EQUIVALENTS</b>				
Cash at bank	<b>274,715,904</b>	38,712,398	<b>74,728,641</b>	883,294
Cash in hand	<b>1,355,003</b>	755,003	<b>200,000</b>	200,000
Short term deposits	<b>194,476,229</b>	84,159,227	<b>9,548,367</b>	67,978,439
Cash and cash equivalents	<b>470,547,136</b>	123,626,628	<b>84,477,008</b>	69,061,732
Bank overdraft	<b>(34,700,768)</b>	(163,597,064)	<b>(992,556)</b>	(160,810,357)
Cash and cash equivalents for the purpose of cash flow statement	<b>435,846,368</b>	(39,970,436)	<b>83,484,452</b>	(91,748,625)
<b>28 STATED CAPITAL</b>				
<i>Issued and fully paid number of shares</i>				
Ordinary shares	<b>625,000,000</b>	625,000,000	<b>625,000,000</b>	625,000,000
<i>Value of issued and fully paid shares</i>				
Ordinary shares (Rs)	<b>1,030,000,000</b>	1,030,000,000	<b>1,030,000,000</b>	1,030,000,000

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.

The ultimate parent is having 74.84% stake of Panasian Power PLC at 31 March 2024

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
As at 31 March				
<b>29 RETIREMENT BENEFIT OBLIGATION</b>				
Present value of unfunded obligations	<b>11,550,170</b>	7,957,081	<b>9,561,523</b>	6,251,477
Total present value of the obligation	<b>11,550,170</b>	7,957,081	<b>9,561,523</b>	6,251,477
<b>Movement in present value of the retirement benefit obligation</b>				
Balance as at the beginning of the year	<b>7,957,081</b>	6,308,189	<b>6,251,477</b>	4,870,337
Current service cost	<b>1,205,567</b>	1,189,675	<b>979,932</b>	904,602
Interest cost	<b>1,352,704</b>	946,230	<b>1,062,751</b>	730,551
Actuarial (gain) / losses	<b>2,232,401</b>	(265,081)	<b>1,921,113</b>	(254,013)
	<b>12,747,753</b>	8,179,013	<b>10,215,273</b>	6,251,477
Payments during the year	<b>(761,333)</b>	(221,932)	<b>(217,500)</b>	-
Transferred to payable	<b>(436,250)</b>	-	<b>(436,250)</b>	-
Balance as at end of the year	<b>11,550,170</b>	7,957,081	<b>9,561,523</b>	6,251,477

## NOTES TO THE FINANCIAL STATEMENTS

<b>Expense recognised in profit or loss;</b>				
Interest cost	<b>1,352,704</b>	946,230	<b>1,062,751</b>	730,551
Current service cost	<b>1,205,567</b>	1,189,675	<b>979,932</b>	904,602
	<b>2,558,271</b>	2,135,905	<b>2,042,683</b>	1,635,153
<b>Actuarial gains or losses recognised in other comprehensive income</b>				
Recognised during the year	<b>2,232,401</b>	(265,081)	<b>1,921,113</b>	(254,013)

The average yield of treasury bond rate has been used as the discounted rate.

The group operates a retirement benefit plans under the regulatory frameworks in Sri Lanka under payment of gratuity Act No. 12 of 1983. The level of benefit provided depends on members' length of service and their monthly salary in each year leading up to retirement. This plan is not subject to receive inflationary increases once in payment. The group does not maintain any trustee administered funds instead the plan is funded by the group as and when the obligation falls due. The actuarial valuation was carried out by a professional qualified firm of actuaries, Meserss Acturial & Management Consultants (Private) Limited as at 31 March 2024 using " Projected Unit Credit Method" recommended by LKAS 19 - " Employee Benefit"

	<b>Group</b>		<b>Company</b>	
	2024	2023	2024	2023
As at 31 March				
<b>29.1 Principal actuarial assumptions used;</b>				
Rate of discount	<b>12%</b>	17%	<b>12%</b>	17%
Expected salary increment rate	<b>10%</b>	10%	<b>10%</b>	10%

Assumptions regarding future mortality are based on 1967/70 mortality tables issued by Institute of Actuaries, London

The weighted average duration of the retirement benefit obligation of the company and the subsidiary at the end of the reporting period is 6 years and 6.25 years respectively. The expected maturity analysis of undiscounted retirement benefit obligation is as follows;

### 29.2 Maturity profile of the defined benefit obligation plan

	<b>Group</b>		<b>Company</b>	
	2024	2023	2024	2023
As at 31 March				
	Rs.	Rs.	Rs.	Rs.
Less than next 12 months	<b>1,422,452</b>	1,047,882	<b>1,135,084</b>	853,392
Between 1-2 Years	<b>2,715,924</b>	1,575,575	<b>2,267,164</b>	1,267,714
Between 2-5 Years	<b>3,229,297</b>	2,156,863	<b>2,753,738</b>	1,477,602
Between 5-10 Years	<b>2,121,596</b>	1,913,492	<b>1,707,329</b>	1,616,208
Over 10 years	<b>2,060,900</b>	1,263,269	<b>1,698,208</b>	1,036,561
	<b>11,550,169</b>	7,957,081	<b>9,561,523</b>	6,251,477



### 29.3 Sensitivity of assumptions employed in actuarial valuation

The following table demonstrates the sensitivity to a reasonable possible change in key assumptions employed with all other variables held constant in the retiring benefit obligations measurement as at 31 March 2024. The sensitivity of the statement of financial position and statement of comprehensive income is the effect of the assumed changes in the discount rate on the profit or loss and retiring benefit obligation for the year.

	Group		Company	
	Rs.	Rs.	Rs.	Rs.
<b>A one percentage point change in discount rate</b>	+1%	-1%	+1%	-1%
As at 31 March 2024 (Increase/(decrease))	(10,983,425)	12,174,237	(9,099,154)	10,069,138
As at 31 March 2023 (Increase/(decrease))	(7,575,882)	8,374,799	(5,953,135)	6,578,085
<b>A one percentage point change in salary escalation rate</b>				
As at 31 March 2024 (Increase/(decrease))	12,225,197	(10,928,100)	10,114,726	(9,050,175)
As at 31 March 2023 (Increase/(decrease))	8,429,609	(7,521,399)	6,622,960	(5,908,587)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the retirement benefit obligation to significant actuarial assumptions the same method (present value of defined obligation calculated with the projected unit credit method at end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
As at 31 March				
<b>LEASE LIABILITIES</b>				
Balance as at the beginning of the year	<b>42,235,633</b>	44,834,806	<b>39,614,679</b>	42,231,497
Obtained during the year	<b>54,017,724</b>	-	-	-
Lease rentals paid during the year	<b>(14,369,600)</b>	(6,439,000)	<b>(8,769,600)</b>	(6,264,000)
Accretion of interest	<b>4,043,667</b>	3,839,827	<b>3,283,834</b>	3,647,182
Balance as at the end of the year	<b>85,927,424</b>	42,235,633	<b>34,128,913</b>	39,614,679
<b>Maturity analysis of lease liability - discounted</b>				
Due within one year	<b>10,138,508</b>	5,491,816	<b>5,600,770</b>	5,485,766
	<b>10,138,508</b>	5,491,816	<b>5,600,770</b>	5,485,766
Due after one year and within five years	<b>46,668,837</b>	34,191,575	<b>28,528,143</b>	34,128,913
Due after five years	<b>29,120,080</b>	2,552,242	-	-
	<b>75,788,917</b>	36,743,817	<b>28,528,143</b>	34,128,913
	<b>85,927,425</b>	42,235,633	<b>34,128,913</b>	39,614,679
<b>Maturity analysis of lease payment - undiscounted</b>				
Due within one year	<b>15,189,230</b>	7,716,800	<b>9,427,230</b>	7,516,800
	<b>15,189,230</b>	7,716,800	<b>9,427,230</b>	7,516,800
Due after one year and within five years	<b>62,920,062</b>	41,906,996	<b>31,454,766</b>	40,881,996
Due after five years	<b>128,321,318</b>	5,025,000	-	-
	<b>191,241,380</b>	46,931,996	<b>31,454,766</b>	40,881,996
	<b>206,430,610</b>	54,648,796	<b>40,881,996</b>	48,398,796

## NOTES TO THE FINANCIAL STATEMENTS

### 30.1 Set out below are the carrying amounts of lease liabilities

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Land	<b>51,798,512</b>	2,620,954	-	-
Office premises	<b>34,128,913</b>	39,614,679	<b>34,128,913</b>	39,614,679
	<b>85,927,425</b>	42,235,633	<b>34,128,913</b>	39,614,679

### 30.2 Following are the amounts recognized in profit or loss:

Depreciation expenses of right-of-use assets	<b>6,520,611</b>	6,289,092	<b>6,197,254</b>	6,197,256
Interest expenses on lease liability	<b>4,043,667</b>	3,839,827	<b>853,796</b>	946,458
	<b>10,564,278</b>	10,128,919	<b>7,051,050</b>	7,143,714

The total cashflows made with respect to leases is Rs.14,369,600 (2023 -Rs. 6,414,000)

## 31 INTEREST BEARING LOANS AND BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Balance as at the beginning of the year	<b>1,760,679,031</b>	1,743,174,372	<b>123,651,389</b>	104,845,511
Obtained/restructured during the year	<b>755,218,030</b>	513,816,303	<b>189,497,804</b>	57,731,761
Repayments made during the year	<b>(858,461,417)</b>	(496,311,644)	<b>(150,791,393)</b>	(38,925,883)
	<b>1,657,435,644</b>	1,760,679,031	<b>162,357,800</b>	123,651,389

### 31.1 Security and Loan repayment terms

Loan obtained by	Bank/ financial institution	Group		Company		Facility value
		2024	2023	2024	2023	
		Rs	Rs	Rs	Rs	
Panasian Power PLC	Sampath Bank PLC	<b>35,435,000</b>	65,919,629	<b>35,435,000</b>	65,919,629	200,000,000
	Sampath Bank PLC	-	57,731,761	-	57,731,761	125,000,000
	Commercial Bank of Ceylon PLC	<b>126,922,800</b>	-	<b>126,922,800</b>	-	150,000,000
Manelwala Hydropower (Pvt) Ltd	National Development Bank PLC	<b>2,514,344</b>	5,878,052	-	-	20,000,000
Padiyapelella Hydropower Limited	Sampath Bank PLC	<b>224,000,000</b>	284,000,000	-	-	500,000,000

## 31 INTEREST BEARING LOANS AND BORROWINGS (CONTS.)

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Accrued interest	-	170,267,422	-	2,129,030
Loan processing fees	<b>(7,738,099)</b>	(6,996,078)	<b>(1,515,186)</b>	-
Balance as at the end of the year	<b>1,649,697,545</b>	1,923,950,375	<b>160,842,614</b>	125,780,419
Due within one year - Loan repayment	<b>472,144,008</b>	627,620,982	<b>74,774,400</b>	88,216,389
Due within one year - Accrued interest	-	106,470,454	-	2,129,030
Due within one year - Loan processing fees	<b>(1,569,183)</b>	(983,175)	<b>(606,072)</b>	-
	<b>470,574,825</b>	733,108,261	<b>74,168,328</b>	90,345,419
Due after one year and within five years	<b>1,124,141,628</b>	910,058,049	<b>87,583,400</b>	35,435,000
Due after one year and within five years - Accrued interest	-	63,796,968	-	-
Due after one year and within five years - Loan processing fees	<b>(6,069,164)</b>	-	<b>(909,114)</b>	-
Due after five years	<b>61,150,008</b>	223,000,000	-	-
Due after five years-Loan processing fees	<b>(99,752)</b>	(6,012,903)	-	-
	<b>1,179,122,720</b>	1,190,842,114	<b>86,674,286</b>	35,435,000

Purpose	Interest rate	Repayment term	Security
To absorb a part of the existing term loan of 320Mn granted to part finance the acquisition cost of Padiyapelella Hydropower Limited	AWPLR + 1%	84 Monthly Installments	Primary mortgage bond of Rs 320Mn over project lands together with project assets including civil structures, power generating plants machinery and other equipment of Manelwala mini hydro power project..
To advance against monthly CEB Invoices	AWPLR + 1%	360 Days	Primary mortgage bond of Rs 125Mn over receivables from CEB.
To re-structure TOD facility of Rs, 150,000,000/-	AWPLR + 1.5%	42 Monthly Installements (Including 3 months grace period)	Corporate guarantee for Rs.150,000,000/- of R I L Property PLC
Install solar power panels in the factory roof of Bernard Boteju Industries (Pvt) Ltd in Kohuwala	6.30%	78 Monthly Installments	Corporate guarantee from Panasian Power PLC
To absorb a part of the term loans granted to Panasian Power PLC to part finance the acquisition and implementation cost of Padiyapelella mini hydropower project	AWPLR + 1%	120 Monthly Installments	Primary mortgage bond of Rs 490Mn over project lands together with project assets including civil structures, power generating plants machinery and other equipment of Padiyapelella mini hydropower project.

## NOTES TO THE FINANCIAL STATEMENTS

### 31.1 Security and Loan Repayment Terms (Contd.)

Loan obtained by	Bank/ financial institution	Group		Company		Facility value Rs
		2024 Rs	2023 Rs	2024 Rs	2023 Rs	
		49,000,000	100,000,000	-	-	100,000,000
<b>Panasian Investments (Private) Limited</b>	National Development Bank PLC	3,115,443	7,269,279	-	-	27,000,000
		41,338,258	49,565,193	-	-	50,000,000
	Sampath Bank PLC	99,006,000	-	-	-	150,000,000
	Union Bank of Colombo PLC	-	-	-	-	100,000,000
<b>Eco Green Solar Solutions (Private) Limited</b>	Sampath Bank PLC	25,260,000	36,560,000	-	-	50,000,000
		45,500,000	52,500,000	-	-	70,000,000
		2,405,000	4,605,000	-	-	4,920,000
		7,224,000	13,000,000	-	-	13,000,000
		3,198,000	5,750,000	-	-	5,750,000
<b>Solar Power Generation Matara (Pvt) Ltd</b>	Sampath Bank PLC	176,000,000	205,004,611	-	-	240,000,000
		-	8,000,000	-	-	8,000,000
		-	15,061,071	-	-	15,061,071
		-	2,938,929	-	-	2,938,929
<b>Panthree Solaro Energy (Pvt) Ltd</b>	Sampath Bank PLC	92,000,000	104,000,000	-	-	120,000,000
		1,733,000	27,500,000	-	-	27,500,000
	Seylan Bank PLC	48,825,000	57,550,000	-	-	60,000,000
		70,000,000	70,000,000	-	-	70,000,000

Purpose	Interest rate	Repayment term	Security
To service capital & interest arrears and to finance O&M	AWPLR + 2%	24 Monthly Installements (Including 12 months grace period)	Primary mortgage bond for Rs.10.0Mn over 100% of shares issued by Padiyapelella Hydropower Limited and owned by Panasian Power PLC and Palace Path Holding (Pvt) Ltd, supported by an irrevocable Power of attorney from the shareholders in favour of Sampath Bank PLC with the right to transfer the shares mortgaged to the bank.
Install solar power panels in the factory roof of JBPL in Boralesgamuwa	6.30%	78 Monthly Installments	Corporate guarantee from Panasian Power PLC
Import Credit Line	AWPLR + 1.5%	Maximum 120 days	Primary mortgage over project assets including the access rights
Import Credit Line	AWPLR + 2%	Maximum 120 days	Lien over fixed deposit and corporate guarantee from Panasian Power PLC
Import Credit Line	AWPLR + 1%	Maximum 120 days	Line over weekly saving build up and corporate guarantee from Panasian Power PLC
Beliatta 1 SBSPll Solar PV Project	AWPLR + 1%	72 Monthly Installments	Mortgage over stock, Book debt and corporate guarantee from Panasian Power PLC
Beliatta 1 SBSPll Solar PV Project	AWPLR + 1%	108 Monthly Installments	Primary mortgage over project assets for Rs. 85 Mn
To service arrears capital restructured loan	AWPLR + 1%	24 Monthly Installements (Including 6 months grace period)	
To service arrears interest restructured loan	12.50%	24 Monthly Installements (Including 6 months grace period)	Primary mortgage over 100% of the ordinary shares of the borrower in issue at any given time supported with the share transfer forms signed in blank together with an irrevocable power of attorney in favour of Sampath Bank PLC securing 50 Mn. Corporate guarantee from Padiyapelella Hydro Power Limited for Rs. 135 Mn
To settle temporary overdraft	AWPLR	24 Monthly Installements (Including 6 months grace period)	
1 MW Matara 2 SBPll Solar PV Power Project & 1 MW Matara 3 SBPll Solar PV Power Project	AWPLR + 1%	93 Monthly Installments	Counter indemnity for Rs 30 Mn of the company
			Lien over funds for Rs 6 Mn lying to the credit of fixed deposit account of the company Corporate guarantee from MHPL for 30 Mn
To finance the capital commitments of the bank against CEB receivables.	AWPLR + 1.75%	24 Monthly Installments (Including 6 months grace period)	Primary mortgage over freehold land, project assets and approvals for Rs. 260 Mn
			Mortgage bond for Rs. 260 Mn over shares of the Company
To finance the interest commitments of the bank against CEB receivables.	12.50%	24 Monthly Installments (Including 6 months grace period)	
O&M expenses comitements of the bank against CEB receivables		24 Monthly Installments (Including 6 months grace period)	
1MW Matara 1 SBSPll Solar PV Plant	AWPLR + 1%	132 Monthly Installments (Including 12 months grace period)	Primary mortgage over land, project assets and documents for Rs. 130Mn
To finance the capital, interest, O&M commitments of the bank against CEB receivables.	AWPLR + 1%	24 months Installments (Including 6 months grace period)	To finance the interest commitments against CEB receivables
To finance ground solar project in Maho	Quaterly AWPLR +1.25%	59 Monthly Installments (Including 4 months grace period)	Primary mortgage over land, project assets and documents for Rs. 130Mn
To finance ground solar project in Maho	Quaterly AWPLR +1.5%	120 Monthly Installments (Including 72 months grace period)	Corporate guarantee for 130Mn from PanasianPower PLC

## NOTES TO THE FINANCIAL STATEMENTS

### 31.1 Security and Loan Repayment Terms (Contd.)

Loan obtained by	Bank/ financial institution	Group		Company		Facility value Rs
		2024 Rs	2023 Rs	2024 Rs	2023 Rs	
		<b>44,700,000</b>	51,900,000	-	-	54,000,000
		<b>65,000,000</b>	65,000,000	-	-	65,000,000
		<b>12,920,811</b>	30,169,607			30,169,607
<b>Pap Solar One (Private) Limited</b>	National Development Bank PLC	<b>2,514,344</b>	6,371,474	-	-	20,000,000
		<b>96,659,124</b>	117,794,801	-	-	325,000,000
		<b>549,497</b>	1,839,885	-	-	4,900,000
						<b>Restructured Loan</b>
<b>Rajarata Sustainable Development (Pvt) Ltd</b>	National Development Bank PLC	<b>190,899,519</b>	142,920,309			112,650,000
						68,769,376
						13,100,000
						24,900,000
		-	10,833,912			10,833,912
		-	7,424,244	-	-	25,000,000
						<b>Restructured Loan</b>
<b>Finergreen Rajarata (Private) Limited</b>	National Development Bank PLC	<b>190,715,495</b>	142,921,432			112,650,000
						67,807,940
						13,100,000
						24,900,000
		-	10,669,842			10,669,842

Purpose	Interest rate	Repayment term	Security
To finance ground solar project in Pannala	Quaterly AWPLR +1.25%	60 Monthly Installments (Including 4 months grace period)	Primary mortgage over land, project assets and documents for Rs. 119Mn
To finance ground solar project in Pannala	Quaterly AWPLR +1.5%	120 Monthly Installments (Including 72 months grace period)	Corporate guarantee for 119Mn from Panasian Power PLC
To finance the Interest commitments of the bank against CEB receivables.	AWPLR + 1.25%		
Install solar power panels in the factory roof of Bernard Boteju Industries (Pvt) Ltd in Kolonna	6.30%	78 Monthly Installments	Corporate guarantee from Panasian Power PLC
Install solar power panels in the factory roof of Hela Clothing (Pvt) Ltd at Mawathagama, Narammala,Uhu meeya,Melsiripura,Palapathwala	AWPLR + 2%	54 Monthly Installments	325 Mn corporate guarantee from Panasian Power PLC
Acquisition of brand new Mistubishi double cab	13.90%	60 Monthly Installments	Primary mortgage over vehicle
Install & commission 2.5MW rooftop solar power project in the district of Anuradhapura	AWPLR + 3.25%	84 Monthly Installments (Including 9 months grace period)	Primary mortgage over the movable project assets including machinery, documents, licenses, approvals, agreements, contracts bonds, cash flows, book debts, insurance proceeds and receivables
	AWPLR +0.25%	42 Monthly Installments (Including 9 months grace period)	Primary mortgage over project lands (freehold and leasehold ) upon the borrower obtaining title to the said lands
	AWPLR +0.25%	12 Monthly Installments (Including 5 months grace period)	Primary mortgage over 100 % shares of the borrower held by J Dissanayake and Pap Solar One (Pvt) Ltd
	AWPLR +2.5%	30 Monthly Installments (Including 6 months grace period)	230 Mn corporate guarantee from Panasian Power PLC
To finance the Interest commitments of the Bank against CEB receivables.	AWPLR + 0.5%		
"SAVBHAGYA COVID - 19 RENAISSANCE FACILITY" -To fund working capital requirements.	4% Per annum	34 Monthly Installments	Rajarata Sustainable Development (Pvt) Ltd Monthly cash inflow
	AWPLR + 3.25%	59 Monthly Installments (Including 9 months grace period)	Primary mortgage over the movable project assets including machinery, documents, licenses, approvals, agreements, contracts bonds, cash flows, book debts, insurance proceeds and receivables
Install & commission 2.5MW rooftop solar power project in the district of Anuradhapura	AWPLR + 0.25%	47 Monthly Installments (Including 9 months grace period)	Primary mortgage over Project lands (freehold and leasehold ) upon the borrower obtaining title to the said lands
	AWPLR + 0.25%	24 Monthly Installments (Including 17 months grace period)	Primary mortgage over 100 % shares of the Borrower held by J Dissanayake and Pap Solar One (Pvt) Ltd
	AWPLR + 2.5%	24 Monthly Installments (Including 12 months grace period)	230 Mn corporate guarantee from Panasian Power PLC
To finance the interest commitments of the bank against CEB receivables.	AWPLR + 0.5%		

## NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>32 DEFERRED TAXATION</b>				
Balance as at beginning of the year	<b>578,647,922</b>	221,689,521	<b>155,307,139</b>	56,381,688
Origination and reversal of temporary difference				
- Recognised in profit or loss (Note 32.2.1)	<b>6,101,880</b>	420,915,488	<b>(7,817,551)</b>	49,974,390
- Recognised in other comprehensive income (Note 32.2.1)	<b>99,212,724</b>	(63,957,087)	<b>13,959,661</b>	48,951,061
Balance as at end of the year	<b>683,962,526</b>	578,647,922	<b>161,449,249</b>	155,307,139

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset assets against tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The applicable tax rate used to calculate the deferred tax liability of the company for all the temporary differences is 30% (2022/2023 -at 30%) and applicable tax rate of 20% and 30% is used for deferred tax liability of subsidiary.

### 32.1 Net deferred tax liabilities (Group)

Composition of deferred tax assets and liabilities is as follows,

As at 31 March	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	Rs.	Rs.	Rs.	Rs.
Net deferred tax liabilities				
Property, plant and equipment	<b>(22,202)</b>	<b>(735,626,242)</b>	31,156	(620,530,626)
Provisions	-	<b>5,490,444</b>	-	2,924,755
Intangible assets	-	<b>(82,500)</b>	-	388,149
Carried forward tax loss	<b>815,679</b>	<b>36,387,503</b>	-	30,093,092
Retirement benefit obligations	-	<b>3,691,503</b>	51,939	5,242,831
Lease liability	-	<b>5,383,289</b>	-	3,150,783
	<b>793,477</b>	<b>(684,756,003)</b>	83,095	(578,731,017)
Net deferred tax		<b>(683,962,526)</b>		(578,647,922)



**32.1.1 Recognised deferred tax assets and liabilities (Group)**

As at 31 March	Net balance as at 01.04.2023 Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Net balance as at 31.03.2024 Rs.	Deferred tax liability Rs.	Deferred tax asset Rs.
Property, plant and equipment	(620,499,470)	(15,297,945)	(99,851,028)	<b>(735,648,444)</b>	(684,756,003)	(22,202)
Provisions	5,713,220	(854,254)	-	<b>4,858,965</b>	-	-
Intangible assets	388,150	41,651	-	<b>429,801</b>	-	-
Carried forward tax loss	30,093,092	9,501,718	-	<b>39,594,810</b>	-	815,679
Retirement benefit obligations	2,506,303	267,769	638,305	<b>3,412,377</b>	-	-
Lease liability	3,150,783	239,182	-	<b>3,389,965</b>	-	-
	(578,647,922)	(6,101,879)	(99,212,723)	<b>(683,962,526)</b>	(684,756,003)	793,477

"The Group's total tax losses as of 31 March 2024 was Rs. 3,123,067,007/- out of which deferred tax asset was recognized for Rs.131,982,698/- to the extent that future taxable profits are available based on the tax forecast done by the management for next six years. The unrecognized deferred tax asset of the group is Rs. 897,325,293/- for the remaining unutilized tax losses amounting to Rs. 2,991,084,309/- due the uncertainty recording the availability of future taxable profits against which deferred tax asset would be utilized."

As at 31 March	Net balance as at 01.04.2022 Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Net balance as at 31.03.2023 Rs.	Deferred tax liability Rs.	Deferred tax asset Rs.
Property, plant and equipment	(299,683,073)	(382,814,554)	64,036,611	(620,499,470)	(620,499,470)	-
Provisions	1,362,344	3,717,198	-	5,713,220	-	5,713,220
Intangible assets	39,759	348,391	-	388,150	-	388,150
Carried forward tax loss	74,211,575	(46,052,486)	-	30,093,092	-	30,093,092
Retirement benefit obligation	1,530,549	1,688,957	(79,524)	2,506,303	-	2,506,303
Lease liability	953,777	2,197,006	-	3,150,783	-	3,150,783
	(221,585,069)	(420,915,488)	63,957,087	(578,647,922)	(620,499,470)	41,851,548

## NOTES TO THE FINANCIAL STATEMENTS

### 32.2 Net deferred tax liabilities (Company)

Composition of deferred tax assets and liabilities is as follows,

As at 31 March	2024		2023	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
<b>Net deferred tax liability</b>				
Property, plant and equipment	-	<b>(173,356,858)</b>	-	(167,258,659)
Intangible asset	<b>512,300</b>	-	470,649	-
Provision for debtors	-	-	763,407	-
Retirement benefit obligation	<b>2,868,457</b>	-	1,875,443	-
Lease obligation	<b>3,266,763</b>	-	3,053,317	-
Tax loss	<b>5,260,089</b>	-	5,788,704	-
Liability	<b>11,907,609</b>	<b>(173,356,858)</b>	11,951,520	(167,258,659)
Net deferred tax liability		<b>(161,449,249)</b>		(155,307,139)

Company has calculated deferred tax as of 31 March 2024 at the rate of 30% (30% - 2023).

#### 32.2.1 Recognised deferred tax assets and liabilities

As at 31 March	Net balance as at 01.04.2023 Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Net balance as at 31.03.2024 Rs.	Deferred tax liability Rs.	Deferred tax asset Rs.
Property, plant and equipment	(167,258,658)	8,437,796	(14,535,995)	<b>(173,356,858)</b>	(173,356,858)	-
Intangible asset	470,649	41,651		<b>512,300</b>	-	512,300
Provision	763,407	(763,407)		-	-	-
Retirement benefit obligation	1,875,443	416,680	576,334	<b>2,868,457</b>	-	2,868,457
Leases	3,053,317	213,446		<b>3,266,763</b>	-	3,266,763
Brought forward tax losses	5,788,704	(528,615)		<b>5,260,089</b>	-	5,260,089
	(155,307,139)	7,817,551	(13,959,661)	<b>(161,449,249)</b>	(173,356,858)	11,907,609

As at 31 March	Net balance as at 01.04.2022 Rs.	Recognised in profit or loss Rs.	Recognised in OCI Rs.	Net balance as at 31.03.2023 Rs.	Deferred tax liability Rs.	Deferred tax asset Rs.
Property, plant and equipment	(58,297,690)	(60,086,111)	(48,874,857)	(167,258,658)	(167,258,658)	-
Intangible asset	99,761	370,888	-	470,649	-	470,649
Provision	210,775	552,632	-	763,407	-	763,407
Retirement benefit obligation	681,847	1,269,800	(76,204)	1,875,443	-	1,875,443
Leases	923,620	2,129,697	-	3,053,317	-	3,053,317
Brought forward tax losses	-	5,788,704	-	5,788,704	-	5,788,704
	(56,381,687)	(49,974,390)	(48,951,061)	(155,307,139)	(167,258,658)	11,951,520

		Group		Company	
		2024	2023	2024	2023
As at 31 March		Rs.	Rs.	Rs.	Rs.
<b>33</b>	<b>AMOUNT DUE TO RELATED COMPANIES</b>	<b>Relationship</b>			
	Panasian Investment (Pvt) Ltd	Subsidiary	-	-	-
	Manelwala Hydropower (Pvt) Ltd	Subsidiary	-	-	18,695,891
	Padiyapalella Hydropower Limited	Subsidiary	-	-	<b>95,495,246</b>
	RIL Property PLC	Ultimate Parent	-	263,342	-
	PAP SPGM Solar (Pvt) Ltd	Subsidiary	-	-	<b>45,333,807</b>
	PAP PTS Solar (Pvt) Ltd	Subsidiary	-	-	<b>27,976,312</b>
	PAP MHPL Solar (Pvt) Ltd	Subsidiary	-	-	<b>12,932,916</b>
	PAP EGSS Solar (Pvt) Ltd	Subsidiary	-	-	<b>2,500,000</b>
			-	263,342	<b>184,238,281</b>
					18,779,337

		Group		Company	
		2024	2023	2024	2023
As at 31 March		Rs.	Rs.	Rs.	Rs.
<b>34</b>	<b>TRADE AND OTHER PAYABLES</b>				
	Trade creditors	<b>77,136,418</b>	5,389,522	<b>8,331,585</b>	2,046,354
	Dividend payable	<b>130,508,496</b>	8,359,499	<b>130,508,496</b>	8,359,499
	Other payables	<b>9,484,133</b>	9,215,127	<b>718,056</b>	2,919,758
	Accrued expenses	<b>65,638,698</b>	33,117,370	<b>18,415,166</b>	23,947,982
		<b>282,767,745</b>	56,081,518	<b>157,973,303</b>	37,273,593

All trade payables are unsecured.

The carrying value of accruals and other payables are considered to be the same as their fair values due to their short term nature.

		Group		Company	
		2024	2023	2024	2023
As at 31 March		Rs.	Rs.	Rs.	Rs.
<b>35</b>	<b>INCOME TAX PAYABLE/(RECEIVABLE)</b>				
	Opening balance	<b>43,428,277</b>	36,687,943	-	24,505,545
	During the year provision	<b>91,017,438</b>	49,007,509	-	-
	Income tax under/(over) provision for previous year	<b>(1,509,375)</b>	199,527	-	206,807
	WHT claimed against income tax	<b>(2,795)</b>	(3,912)	-	-
	During the year payments	<b>(54,649,271)</b>	(42,462,790)	-	(24,712,352)
	Closing balance	<b>78,284,274</b>	43,428,277	-	-
	Income tax payable	<b>79,191,109</b>	44,335,111	-	-
	Income tax receivable	<b>(906,834)</b>	(906,834)	-	-
	Net balance	<b>78,284,274</b>	43,428,277	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 36 RELATED PARTY TRANSACTIONS

#### 36.1 Parent and ultimate parent

The company's controlling entity and ultimate parent undertaking is RIL Property PLC which is incorporated in Sri Lanka.

#### 36.2 Key management personnel and related companies

According to Sri Lanka Accounting Standards LKAS 24- Related Party Transaction disclosure "Key Mngement Personnel" are those having the authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors and senior managers (including executive and non executive directors) have been classified as KMP of the company.

#### 36.3 Terms & conditions of transactions with related parties

The group and the company carried out transactions in the ordinary course of business with the following related entities disclosed in Note 36.5 The list of directors at each of these subsidiaries, and joint ventures have been disclosed on page 72 in the annual report.

Governance structure, nature of the entity's relationship, principal place of business and the country of incorporation have been disclosed in the page number 138 of the annual report

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year-end are unsecured, and interest-free except the loan disclosed under note 36.4 and settlement occurs in cash.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

#### Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total asset whichever is lower of the company as per 31st March 2023 audited financial statements, which required additional disclosures in the 2023/2024 annual report under Colombo stock exchange listing rules 9.14.8 and code of best practice on related party transactions under security & exchange commission directives issued under section 13(c) of the security and exchange commission act.

#### Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the group as per 31st march 2023 audited financial statements, which required additional discourses in the 2023/2024 annual report under Colombo stock exchange listing rule 9.14.8 and code of best practices on related party transactions under securities and exchange commission directives issued under section 13(c) of the securities and exchange commission act.

### 36.4 Loans due to related parties

R-E-D Capital Asia (Pvt) Ltd obtained 190Mn working capital loan from RIL Property PLC on 5th December 2023. and this transaction is carried out in the ordinary course of business. The outstanding loan amount at year-end is the unsecured and applicable interest rate at the rate of AWPLR+2.5% per annum.

### 36.5 Related party transactions (Company)

Name of the Company	Relationship	Nature of transaction	Opening balance Rs.	Transaction amount Rs.	Closing balance Rs.
Panasian Investments (Pvt) Ltd	Subsidiary		14,308,381		
		Fund transfer		(10,323,048)	
		Expenses reimbursement		3,133,086	
		Interest		2,542,964	
		Shared cost		5,826,595	15,487,978
Manelwala Hydropower (Pvt) Ltd	Subsidiary		(18,695,891)		
		Fund transfer		(40,674,930)	
		Expense reimbursement		(41,796,210)	
		Interest		(8,806,679)	
		Shared cost		13,523,173	
Padiyapelella Hydropower Limited	Subsidiary		31,854,075		
		Fund transfer		(112,502,654)	
		Expense reimbursement		(32,070,011)	
		Interest		(1,175,248)	
		Shared cost		18,398,593	(95,495,246)
Eco Green Solar Solutions (Pvt) Ltd	Sub subsidiary		4,891,931		
		Fund transfer		(9,641,040)	
		Expense reimbursement		51,096,883	
		Interest		2,579,353	
		Shared cost		2,928,472	51,855,598
Panthree Solaro Energy (Pvt) Ltd	Sub subsidiary		10,701,522		
		Fund transfer		43,109,170	
		Expense reimbursement		(30,157,085)	
		Interest		3,086,252	
		Shared cost		10,487,870	37,227,729

## NOTES TO THE FINANCIAL STATEMENTS

Name of the Company	Relationship	Nature of transaction	Opening balance Rs.	Transaction amount Rs.	Closing balance Rs.
Pap Solar One (Pvt) Ltd	Sub subsidiary		19,775,638		
		Fund transfer		(9,920,966)	
		Expense reimbursement		(760,585)	
		Interest		4,092,876	
		Shared cost		10,487,870	23,674,833
Solar Power Generation Matara (Pvt) Ltd	Sub subsidiary		22,342,955		
		Fund transfer		11,798,688	
		Expense reimbursement		(30,370,877)	
		Interest		4,047,360	
		Shared cost		2,431,866	10,249,992
Finergreen Rajarata (Pvt) Ltd	Sub subsidiary		51,994,821		
		Fund transfer		(569,602)	
		Expense reimbursement		(318,006)	
		Interest		9,161,122	
		Shared cost		5,461,410	65,729,745
Rajarata Sustainable Development (Pvt) Ltd	Sub subsidiary		17,917,064		
		Fund transfer		(579,085)	
		Expense reimbursement		(29,137)	
		Interest		3,468,707	
		Shared cost		5,826,595	26,604,144
Lower Kothmale Oya Power Two (Pvt) Ltd	Affiliate		2,831,460		
		Fund transfer		336,489	
		Expense reimbursement		2,338,557	
		Interest		575,855	6,082,361
Powergen One (Pvt) Ltd	Joint Venture		-		
		Expense reimbursement		38,727	
		Interest		6,129	44,856

Name of the Company	Relationship	Nature of transaction	Opening balance Rs.	Transaction amount Rs.	Closing balance Rs.
PAP EGSS Solar (Pvt) Ltd	Sub subsidiary		-		
		Fund transfer		(4,196,257)	
		Expense reimbursement		1,681,058	
		Interest		15,199	(2,500,000)
PAP MHPL Solar (Pvt) Ltd	Sub subsidiary		-		
		Fund transfer		(13,620,000)	
		Expense reimbursement		679,835	
		Interest		7,249	(12,932,916)
PAP PTS Solar (Pvt) Ltd	Sub subsidiary		-		
		Fund transfer		(28,975,000)	
		Expense reimbursement		1,209,835	
		Interest		(211,147)	(27,976,312)
PAP SPGM Solar (Pvt) Ltd	Sub subsidiary		-		
		Fund transfer		(45,250,000)	
		Expense reimbursement		318,335	
		Interest		(402,142)	(45,333,807)
R-E-D Capital Asia (Pvt) Ltd	Subsidiary		-		
		Investment in ordinary shares		(10)	
		Fund transfer		156,546,257	
		Expense reimbursement		16,855	
		Interest		5,090,171	161,653,273
Winsol Renewables (Pvt) Ltd	Subsidiary		-		
		Investment in ordinary shares		(10)	
		Expense reimbursement		1,449,005	
		Interest		53,304	1,502,299

## NOTES TO THE FINANCIAL STATEMENTS

Name of the Company	Relationship	Nature of transaction	Opening balance Rs.	Transaction amount Rs.	Closing balance Rs.
<b>R I L Property PLC</b>	Parent		(64,180,630)		
		Services		(2,770,660)	
		Payments		4,822,260	
		Short term loan		(70,000,000)	
		repayment of loan		130,000,000	
		interest		(6,213,205)	
		Repayment of interest		8,342,235	-
<b>36.6 Related Party Transactions (Group)</b>					
<b>R I L Property PLC</b>	Parent		(64,456,000)		
		Services		(3,395,311)	
		Payments		5,722,282	
		Short term loan		(110,000,000)	
		Working capital loan		(190,000,000)	
		Repayment of loan		170,000,000	
		Interest		(17,636,790)	
		Repayment of interest		10,663,174	
		Advance received for EPC contract		(24,600,000)	(223,702,645)
<b>United Motors Lanka Limited PLC</b>	Affiliate Company		(37,860)		
		Services		(950,370)	
		Payments		863,368	(124,862)
<b>Powergen One (Pvt) Ltd</b>	Joint Venture		(1,887,126)		
		Administration & operational expenses		(451,070)	
		Interest		(383,375)	
		Dividend		(715,384)	(3,436,955)
<b>Lower Kothmale Oya Power Two (Pvt) Ltd</b>	Affiliate Company		(3,895,760)		
		Fund transfer		-	
		Expense reimbursement		(6,708,557)	
		Interest		(830,375)	(11,434,692)

**36.7** For the material outstanding balances with related parties have been charged with a variable interest rate (AWPLR+1%) for related party balances.



### 37 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material events occurring after the statement of financial position date that require adjustment or disclosure in the financial statements

### 38 COMMITMENT AND CONTINGENT LIABILITIES

#### 38.1 Capital Expenditure Commitment

##### Panasian Power PLC

Company has a commitment amounting to Rs.21,192,284/- to be incurred for rectifications and improvements of mini hydropower project at Rathganga

##### Padiyapelella Hydropower Limited

Company has a commitment amounting to Rs.1,601,200,627/- to be incurred for construction of 3MW mini hydropower (PHL Phase 2) project at Padiyapellalla.

#### 38.2 Contingent Liabilities

The Company entered in to an agreement with the owners of Lower Kothmale Oya Power Two (Private) Limited, to acquire the project upon receiving the "Letter of Intent" from the Ceylon Electricity Board. The total purchase consideration for the above acquisition is LKR 15 million and Rs. 4 million was paid as an advance for acquisition. The balance LKR 11 million will become payable upon receiving the Letter of Intent to the said project. Work is ongoing to secure approvals for the project.

The Company entered in to memorandum of understanding with the owners of Medakumbura Mini Hydro Power Project, to acquire the project upon receiving the "Letter of Intent" from the Ceylon Electricity Board. The total purchase consideration for the above acquisition is LKR 10 million with LKR 2 million paid as an advance for acquisition. The balance LKR 8 million will become payable upon receiving the Letter of Intent for the said project. Work is ongoing to secure approvals for the project.

As of the reporting date, the group has total amount of contingent liability related to usance LCs is Rs. 5,875,632/- (USD-19,296/-) This amount represents the potential future payment obligations that may arise related to importation of inventory.

#### 38.3 The Company has provided corporate guarantee as follows,

Beneficiary	Bank	Value (LKR)
Manelwala Hydro Power (Pvt) Ltd	NDB	28,000,000
Panasian Investment (Pvt) Ltd	NDB	27,000,000
Panasian Investment (Pvt) Ltd	NDB	50,000,000
Panasian Investment (Pvt) Ltd	Sampath	150,000,000
Eco Green Solar Soluations (Pvt) Ltd	Sampath	135,000,000
Panthree Solaro Energy (Pvt) Ltd	Seylan	130,000,000
Panthree Solaro Energy (Pvt) Ltd	Seylan	119,000,000
Solar Power Generation Matara (Pvt) Ltd	Sampath	30,000,000
Solar Power Generation Matara (Pvt) Ltd	Sampath	77,000,000
Panthree Solaro Energy (Pvt) Ltd	Sampath	77,000,000
PAP Solar One (Pvt) Ltd	NDB	28,000,000
Rajarata Sustainable Development (Pvt) Ltd	NDB	230,000,000
Finergreen Rajarata (Pvt) Ltd	NDB	230,000,000
Total		1,311,000,000

## NOTES TO THE FINANCIAL STATEMENTS

### 39 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying value of the company's financial instruments by classes, that are not carried at fair value in the financial instruments are not materially different from their fair values.

The management assessed that, cash & short-term deposits, trade receivables, trade payables, bank overdrafts & other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments

Fair is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values,

The fair value of unquoted instruments loans from banks and other financial liabilities, obligations & finance leases, as well as non-financial liabilities are estimated by discounting future cash flows using rates currently available debt on similar terms, credit risk and remaining maturities

The fair of the unquoted ordinary shares has been estimated using the discounted cash flows (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cashflows, the discount rate, credit risk & volatility. the probabilities of the various estimated within the range can reasonably assessed and are used in management estimates of fair value for this unquoted equity investment.

### 39 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group holds following financial instruments

#### 39.1 Group

As at 31 March 2024	Note	Financial assets at amortized cost Rs.	Financial assets at FVTPL Rs.	Other financial liabilities Rs.	Total carrying value Rs.	Fair value Rs.	Fair value measurement
Investment in unit trust	24	-	<b>30,936,127</b>	-	<b>30,936,127</b>	<b>30,936,127</b>	<b>Level 1</b>
Investment in preference shares	20	<b>4,153,902</b>	-	-	<b>4,153,902</b>	-	
Trade and other receivables	25.1	<b>252,759,773</b>	-	-	<b>252,759,773</b>	-	
Amounts due from related parties	26	<b>12,347,117</b>	-	-	<b>12,347,117</b>	-	
Cash and cash equivalents	27	<b>469,192,133</b>	-	-	<b>469,192,133</b>	-	
<b>Total</b>		<b>738,452,925</b>	<b>30,936,127</b>	-	<b>769,389,052</b>	<b>30,936,127</b>	
Bank overdraft	27	-	-	<b>34,700,768</b>	<b>34,700,768</b>	-	
Accruals and other payables	34	-	-	<b>282,767,745</b>	<b>282,767,745</b>	-	
Finance lease liabilities	30	-	-	<b>85,927,424</b>	<b>85,927,424</b>	-	
Interest bearing loans and borrowings	31	-	-	<b>1,649,697,545</b>	<b>1,649,697,545</b>	-	
Loan obtained from related parties		-	-	<b>199,102,645</b>	<b>199,102,645</b>	-	
<b>Total</b>		-	-	<b>2,252,196,127</b>	<b>2,252,196,127</b>	-	

As at 31 March 2023	Note	Financial assets at amortized cost Rs.	Financial assets at FVTPL Rs.	Other financial liabilities Rs.	Total carrying value Rs.	Fair value Rs.	Fair value measurement
Investment in unit trust	24	-	6,414	-	6,414	6,414	Level 1
Investment in preference shares	20	11,076,962	-	-	11,076,962	-	
Trade and other receivables	25.1	770,526,075	-	-	770,526,075	-	
Amounts due from related parties	26	5,782,887	-	-	5,782,887	-	
Cash and cash equivalents	27	122,871,625	-	-	122,871,625	-	
<b>Total</b>		<b>910,257,549</b>	<b>6,414</b>	-	<b>910,263,963</b>	<b>6,414</b>	
Bank overdraft	27	-	-	163,597,064	163,597,064	-	
Accruals and other payables	34	-	-	56,081,518	56,081,518	-	
Finance lease liabilities	30	-	-	42,235,633	42,235,633	-	
Interest bearing loans and borrowings	31	-	-	1,923,950,375	1,923,950,375	-	
Amounts due to related parties	33	-	-	263,342	263,342	-	
Loan obtained from related parties		-	-	60,000,000	60,000,000	-	
<b>Total</b>		-	-	<b>2,246,127,932</b>	<b>2,246,127,932</b>	-	

## NOTES TO THE FINANCIAL STATEMENTS

### 39.2 Company

As at 31 March 2024	Note	Financial assets at amortized cost Rs.	Financial assets at FVTPL Rs.	Other financial liabilities Rs.	Total carrying value Rs.	Fair value Rs.	Fair value measurement
Investment in preference shares	20	23,000,000	-	-	23,000,000	-	
Trade and other receivables	25.1	8,274,850	-	-	8,274,850	-	
Amounts due from related parties	26	401,470,660	-	-	401,470,660	-	
Cash and cash equivalents	27	84,277,008	-	-	84,277,008	-	
<b>Total</b>		<b>517,022,518</b>	<b>-</b>	<b>-</b>	<b>517,022,518</b>	<b>-</b>	
Bank overdraft	27	-	-	992,556	992,556	-	
Accruals and other payables	34	-	-	157,973,303	157,973,303	-	
Finance lease liabilities	30	-	-	34,128,913	34,128,913	-	
Interest bearing loans and borrowings	31	-	-	160,842,614	160,842,614	-	
Amounts due to related parties	33	-	-	184,238,281	184,238,281	-	
<b>Total</b>		<b>-</b>	<b>-</b>	<b>538,175,667</b>	<b>538,175,667</b>	<b>-</b>	

As at 31 March 2023	Note	Financial assets at amortized cost Rs.	Financial assets at FVTPL Rs.	Other financial liabilities Rs.	Total carrying value Rs.	Fair value Rs.	Fair value measurement
Investment in preference shares	20	23,000,000	-	-	23,000,000	-	
Trade and other receivables	25.1	98,485,996	-	-	98,485,996	-	
Amounts due from related parties	26	176,618,043	-	-	176,618,043	-	
Cash and cash equivalents	27	68,861,732	-	-	68,861,732	-	
<b>Total</b>		<b>366,965,771</b>	<b>-</b>	<b>-</b>	<b>366,965,771</b>	<b>-</b>	
Bank overdraft	27	-	-	160,810,357	160,810,357	-	
Accruals and other payables	34	-	-	37,273,593	37,273,593	-	
Finance lease liabilities	30	-	-	39,614,679	39,614,679	-	
Interest bearing loans and borrowings	31	-	-	125,780,419	125,780,419	-	
Amounts due to related parties	33	-	-	18,779,337	18,779,337	-	
<b>Total</b>		<b>-</b>	<b>-</b>	<b>382,258,385</b>	<b>382,258,385</b>	<b>-</b>	

**39.3** During the reporting period ended 31 March 2024, there were no transfer between Level I and Level II fair value measurements.

**39.4** The Group's exposure to various risk associated with the financial instruments is discussed in Note. 40. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above

#### 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company has investment in unit trust, trade and other receivables and cash and cash equivalents that arise directly from its operations. The Group's and Company's principal financial liabilities, consists of loans and borrowings, trade and other payables and finance lease liabilities. The main purpose of these financial liabilities is to finance the Group's and Company's operations. The Group and Company are exposed to interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Group and Company's management oversees the management of these risks. The Company's Board of Directors is supported by an Audit committee that advises on financial risk and appropriate financial risk governance framework for the Company. The Audit Committee provides guidance to the Company's Board of Directors that the Company's financial risk taking activities are governed by appropriate policies and procedures and that financial risk are identified, measures and managed in accordance with Company policies and Company risk appetite.

##### 40.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments

The Group and Company trade only with recognised, creditworthy third parties. It is the Group's and Company'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 and proactive steps taken to reduce the risk. The trade and receivables are due from ceylon electricity board which is the primary government institution responsible for distributing electricity to general public. Credit risk in relation to electricity sales to the government institution is highly unlikely. However, as a proactive measure group has made a provision for expected credit loss for CEB outstanding which count more than twelve months. Further, Company maintains a regular and healthy communication relationship in order to recover all the balances due. While cash and cash equivalents are also subject to the impairment requirement of SLFRS 09, the identified impairment loss was immaterial.

Set out below is the information about the credit risk exposure on the Group's trade receivable using the provision matrix

As at 31 March	Group		Company	
	2024 Carrying amount Rs.	2023 Expected credit loss Rs.	2024 Carrying amount Rs.	2023 Expected credit loss Rs.
Below 30 days	<b>167,411,364</b>	-	<b>2,809,552</b>	-
30 to 60 days	<b>17,274,048</b>	-	<b>5,465,298</b>	-
61 to 180 days	<b>56,049,152</b>	-	-	-
Over 180 days	<b>30,505,567</b>	18,480,359	-	-
	<b>271,240,132</b>	18,480,359	<b>8,274,850</b>	-
Net value as at 31 March 2024	<b>252,759,773</b>		<b>8,274,850</b>	-

With respect to credit risk arising from the other financial assets of the Group and Company, such as cash and cash equivalents, financial assets FVOCI, the exposure to credit risk arises from default of the counterparty. The Group and Company manages its operations to avoid any excessive concentration of counterparty risk and the Group and Company takes all reasonable steps to ensure the counterparties fulfil their obligations

## NOTES TO THE FINANCIAL STATEMENTS

### 40.2 Liquidity Risk

Company monitor its risk to a shortage of funds by forecasting its operational cash requirements on an annual basis and project cash flow requirements as per project implementation period. The Group objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarize the maturity profile of the Group's financial liabilities based on contractual undiscounted cashflows

<b>Group</b>					
As at 31 March 2024	Less than two months	2-12 Months	1-2 Years	2-5 Years	More than 05 years
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest bearing loans and borrowings	<b>207,465,956</b>	<b>263,108,873</b>	<b>290,058,556</b>	<b>828,013,912</b>	<b>61,050,248</b>
Lease liabilities	<b>856,873</b>	<b>5,805,167</b>	<b>22,547,911</b>	<b>9,376,355</b>	<b>47,341,118</b>
Trade and other payables	<b>282,767,745</b>	-	-	-	-
	<b>491,090,574</b>	<b>268,914,040</b>	<b>312,606,467</b>	<b>837,390,267</b>	<b>108,391,366</b>
<hr/>					
As at 31 March 2023	Less than two months	2-12 Months	1-2 Years	2-5 Years	More than 05 years
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest bearing loans and borrowings	91,733,280	641,374,981	241,490,584	724,471,752	224,879,775
Lease liabilities	691,925	3,922,701	7,198,004	30,423,003	
Trade and other payables	56,081,516				
	148,506,721	645,297,682	248,688,588	754,894,755	224,879,775
<hr/>					
<b>Company</b>					
As at 31 March 2024	Less than two months	2-12 Months	1-2 Years	2-5 Years	More than 05 years
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest bearing loans and borrowings	<b>12,361,388</b>	<b>61,806,940</b>	<b>52,363,328</b>	<b>34,310,958</b>	-
Lease liabilities	<b>743,170</b>	<b>4,857,599</b>	<b>19,491,170</b>	<b>9,036,974</b>	-
Trade and other payables	<b>157,973,303</b>	-	-	-	-
	<b>171,077,861</b>	<b>66,664,539</b>	<b>71,854,498</b>	<b>43,347,932</b>	-
<hr/>					
As at 31 March 2023	Less than two months	2-12 Months	1-2 Years	2-5 Years	More than 05 years
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest bearing loans and borrowings	16,000,619	71,959,801	28,620,000	9,200,000	
Lease liabilities	679,378	3,553,588	4,958,710	30,423,003	
Trade and other payables	37,273,593				
	53,953,590	75,513,389	33,578,710	39,623,003	-

### 40.3 Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market rates relates primarily to the Company's short term and long term debt obligations. The Group manages its interest rate risk by daily monitoring and managing of cashflow, by keeping borrowings for a minimum and negotiating favourable rates on borrowings

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
<b>Fixed rate instruments</b>				
Financial liabilities	<b>47,217,743</b>	46,782,934	-	-
<b>Variable rate instruments</b>				
Financial assets	-	-	-	-
Financial liabilities	<b>1,657,435,644</b>	1,713,896,097	<b>162,357,800</b>	123,651,390

#### 40.4 Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in the market interest rate, with all other variables held constant.

Group	Profit or loss		Equity	
	1% increase	1% Decrease	1% Increase	1% Decrease
<b>31 March 2024</b>				
Variable rate instruments	<b>(16,574,356)</b>	16,574,356	<b>(16,574,356)</b>	16,574,356
Cashflow sensitivity (Net)	<b>(16,574,356)</b>	16,574,356	<b>(16,574,356)</b>	16,574,356
31 March 2023				
Variable rate instruments	<b>(17,138,961)</b>	17,138,961	<b>(17,138,961)</b>	17,138,961
Cashflow sensitivity (Net)	<b>(17,138,961)</b>	17,138,961	<b>(17,138,961)</b>	17,138,961
Company	Profit or loss		Equity	
	1% increase	1% Decrease	1% Increase	1% Decrease
<b>31 March 2024</b>				
Variable rate instruments	<b>(1,623,578)</b>	1,623,578	<b>(1,623,578)</b>	1,623,578
Cashflow sensitivity (Net)	<b>(1,623,578)</b>	1,623,578	<b>(1,623,578)</b>	1,623,578
31 March 2023				
Variable rate instruments	<b>(1,236,514)</b>	1,236,514	<b>(1,236,514)</b>	1,236,514
Cashflow sensitivity (Net)	<b>(1,236,514)</b>	1,236,514	<b>(1,236,514)</b>	1,236,514

#### 40.5 Currency Risk

The group exposure to currency risk is the extent that there is a mismatch between the currencies in which sales, purchase and borrowings are denominated and the respective functional currencies of the group companies

#### 40.6 Operational Risk

The main source of income of the group is generation of electricity using hydro power and solar power. The extend of electricity generated for hydropower will vary depending on the rainfall received by the catchment area. The extend of electricity generated for solar power will vary depending on the solar irradiation on the plant. As a result revenue of the group can vary significantly.

In addition, failure of turbine, generators, inverters and other operational disruptions to the power generation process could disrupt the operations of the group companies. To manage this risk, the group regularly monitors performance of operational assets as well as engages the internal audit function to assess operational risk.

## NOTES TO THE FINANCIAL STATEMENTS

### 41 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong financial position and healthy capital ratios to support its business and maximise shareholder value

The Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to share holders, issue new shares, have a rights issue.

	Group	
	2024	2023
	Rs.	Rs.
Total liabilities	<b>3,027,693,410</b>	2,877,151,141
Less; cash and cash equivalents	<b>(470,547,136)</b>	(123,626,628)
<b>Net debt</b>	<b>2,557,146,274</b>	2,753,524,513
Total equity	<b>2,430,777,646</b>	2,122,894,003
Net debt to equity ratio	<b>105%</b>	130%

### 42 NON CONTROLLING INTEREST (NCI)

The following table summarises the information relating to the Group's subsidiary that has a material NCI, before any intra group eliminations.

#### Padiyapellella Hydropower Limited

As at 31 March	2024	2023
	Rs.	Rs.
NCI percentage	<b>17%</b>	17%
Non current assets	<b>1,036,095,207</b>	1,069,946,307
Current assets	<b>481,157,854</b>	491,126,117
Non current liabilities	<b>(197,654,618)</b>	(318,477,914)
current liabilities	<b>(183,963,671)</b>	(179,115,136)
Net assets	<b>1,135,634,772</b>	1,063,479,374
<b>Net assets attributable to NCI</b>	<b>193,057,912</b>	180,791,495
Revenue	<b>243,837,050</b>	281,292,377
Profit/(loss) for the year	<b>162,539,861</b>	109,764,085
Other comprehensive income	<b>(384,465)</b>	(60,491,170)
<b>Total comprehensive income</b>	<b>162,155,396</b>	49,272,915
Profit/(loss) allocated to NCI	<b>27,631,776</b>	18,659,894
OCI allocated to NCI	<b>(65,359)</b>	(10,283,499)
Cash flows from operating activities	<b>210,780,582</b>	(59,516,695)
Cash flows from investing activities	<b>(56,605)</b>	29,384,456
Cash flows from finance activities	<b>(213,693,502)</b>	44,053,508
<b>Net Increase/ (decrease) in cash and cash equivalents</b>	<b>(2,969,525)</b>	13,921,270



# INVESTOR INFORMATION

## 1 STOCK EXCHANGE LISTING

The issued ordinary shares of Panasin Power PLC are listed with the Colombo Stock Exchange of Sri Lanka. The Audited Accounts of the Company and the Consolidated Accounts for the year ended 31 March 2024 have been submitted to the Colombo Stock Exchange. Stock Symbol -PAP.N0000

## 2 DISTRIBUTION OF SHAREHOLDING

No of share Held	2024				2023				
	shareholders		Total	% Total	shareholders		Total	% Total	
	Number	Percentage	Holding	Holding	Number	Percentage	Holding	Holding	
1	1,000	<b>2,711</b>	<b>0.41</b>	<b>1,382,832</b>	<b>0.22</b>	2,748	0.39	1,433,838	0.22
1,001	10,000	<b>2,672</b>	<b>0.40</b>	<b>11,971,339</b>	<b>1.92</b>	2,823	0.41	12,769,830	2.04
10,001	100,000	<b>1,056</b>	<b>0.16</b>	<b>34,426,799</b>	<b>5.50</b>	1,194	0.17	40,659,414	6.51
100,001	1,000,000	<b>178</b>	<b>0.03</b>	<b>47,036,870</b>	<b>7.53</b>	176	0.03	47,030,315	7.53
Over 1000000		<b>25</b>	<b>0.00</b>	<b>530,182,160</b>	<b>84.83</b>	27	0.00	523,106,603	83.70
Total		<b>6,642</b>	<b>1.00</b>	<b>625,000,000</b>	<b>100.00</b>	6,968	1.00	625,000,000	100.00

## 3 ANALYSIS OF SHAREHOLDERS

Categories	2024				2023			
	shareholders		Total	% Total	shareholders		Total	% Total
	Number	Percentage	Holding	Holding	Number	Percentage	Holding	Holding
Individuals	<b>6,477</b>	<b>0.98</b>	<b>122,348,427</b>	<b>0.20</b>	6,789	0.97	129,646,506	0.21
Institutional	<b>165</b>	<b>0.02</b>	<b>502,651,573</b>	<b>0.80</b>	179	0.03	495,353,494	0.79
Total	<b>6,642</b>	<b>1.00</b>	<b>625,000,000</b>	<b>1.00</b>	6,968	1.00	625,000,000	1.00
Resident	<b>6,611</b>	<b>0.99</b>	<b>623,625,103</b>	<b>1.00</b>	6936	0.99	623,146,903	0.99
Non resident	<b>31</b>	<b>0.01</b>	<b>1,374,897</b>	<b>0.00</b>	32	0.01	1,853,097	0.01
Total	<b>6,642</b>	<b>1.00</b>	<b>625,000,000</b>	<b>1.00</b>	6,968	1.00	625,000,000	1.00

No shares are held by directors and the chief executive officer at the end of the year

## 4 DIRECTORS' SHAREHOLDING

Description Categories	Number of shares	
	2024	2023
Mr. L.H.A.L Silva	-	-
Mr D. Sooriyaarachchi	-	-
Ms. L.K.A.H.Fernando	-	-
Mr.C.V. Kulatilaka*	-	-
Mr. W.W.M.S.B.K.G. Kamburudeniya	-	-
Mr.P.K.Pathmanatha	-	-
Ms. M.C.Pietersz	-	-

\* Resigned w.e.f 31/07/2023

## INVESTOR INFORMATION

### 5 PUBLIC SHAREHOLDINGS

As at 31March	2024	2023
Issued share capital	<b>625,000,000</b>	625,000,000
Less; Directors' shareholding and major shareholders	<b>467,721,975</b>	462,875,231
Public holding	<b>157,278,025</b>	162,124,769
Number of public shareholders	<b>6,641</b>	6,967
Public holding percentage	<b>25.16%</b>	25.94%
The float adjusted market capitalization – Rs.	<b>471,834,075</b>	551,224,215

The Company has complied with the rule 7.14.1 (a) option 5 of the Listing Rules of the Colombo Stock Exchange governing the minimum public holding requirement of listed entities for continuous listing requirements. As at 31 March 2024, the public holding of the Company stood at 25.16% percent surpassing the minimum requirement of 20 percent, under the relevant option

### 6 SHARE PERFORMANCE AT COLOMBO STOCK EXCHANGE

	2024	2023
Highest market price (Rs.)	<b>4.5</b>	4.90
Lowest market price (Rs.)	<b>2.8</b>	3.00
Closing market price as at 31 March (Rs.)	<b>3.0</b>	3.40

### 7 TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	31 March 2024		31 March 2023	
	No. of Shares	Holding %	No. of Shares	Holding %
R I L Property PLC	<b>467,721,975</b>	74.84	<b>462,875,231</b>	74.06
MR. Weerasinghe Amarakoon Mudiyansele	<b>11,300,000</b>	1.81	<b>11,300,000</b>	1.81
DFCC Bank Plc/S.M.D.N.P. Banda	<b>6,320,000</b>	1.01	<b>5,408,390</b>	0.87
Mr. Kangasu Chelvadurai Vignarajah	<b>5,048,585</b>	0.81	<b>4,656,760</b>	0.75
Mr. Agampodi Ushan De Silva	<b>3,725,596</b>	0.60	<b>2,749,095</b>	0.44
LOLC Finance PLC/C.B.R. Fernando	<b>3,500,000</b>	0.56	-	-
Mr. Weeraratne Pattiyaapawulage Don Raj Rohitha	<b>2,800,000</b>	0.45	<b>2,800,000</b>	0.45
Seylan Bank PLC/Jayantha Dewage	<b>2,426,000</b>	0.39	<b>2,426,000</b>	0.39
Dr. Ramanujam Prathap	<b>2,350,000</b>	0.38	<b>2,350,000</b>	0.38
Senkadagala Finance PLC/Mr. S. Gobinath	<b>2,270,000</b>	0.36	<b>2,420,000</b>	0.39
Cocoshell Activated Cargon Company Limited	<b>2,090,000</b>	0.33	<b>2,120,000</b>	0.34
Mr. Ananda Deepthi Edussuriya	<b>2,000,000</b>	0.32	<b>2,000,000</b>	0.32
Metrocorp (Pvt) Ltd	<b>2,000,000</b>	0.32	<b>2,000,000</b>	0.32
Mr. Nazeer Mohamed Hussain Mohamed	<b>1,803,000</b>	0.29	<b>1,803,000</b>	0.29
Mr. D. D. Gunaratne	<b>1,650,000</b>	0.26	<b>1,352,687</b>	0.22
Mr. Mohamed Shahid Osman	<b>1,590,000</b>	0.25	<b>1,590,000</b>	0.25
Citizens Development Business Finance PLC/T.K. Fernando	<b>1,530,000</b>	0.24	<b>1,701,618</b>	0.27
Dr. Agampodi Sajini Nethma De Silva	<b>1,497,500</b>	0.24	<b>1,497,500</b>	0.24
Mr. Aruna Sriyan Jayasinghe	<b>1,378,130</b>	0.22	<b>1,378,130</b>	0.22
Mr. Balaruwaduge Manukulasuriya Francis Indika Mendis	<b>1,350,000</b>	0.22	<b>1,350,000</b>	0.22
MR. Weerathunga Dickowita Kankanamge Athua Kithsiri	-	-	<b>1,300,000</b>	0.21
	<b>524,350,786</b>	83.90	<b>515,078,411</b>	82.44

**8 EQUITY INFORMATION**

	2024	2023
Earnings per share (Rs.)	<b>0.12</b>	-0.77
Dividend per share (Rs.)	<b>0.20</b>	-
Net asset value per share (Rs.)	<b>3.58</b>	3.11
Dividend pay out ratio (%)	<b>75%</b>	-

# TEN YEARS FINANCIAL SUMMARY

	10	9	8	7	6	5	4	3	2	1
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
<b>Operating results</b>										
Revenue	1,490,346,698*	1,014,079,462	935,512,639	729,074,023	563,814,790	761,280,653	489,392,823	204,567,345	287,187,421	298,522,878
Gross profit	768,933,557	655,031,522	639,256,257	487,748,679	424,205,336	608,135,780	363,955,890	162,903,126	239,910,334	265,474,278
Other income	8,132,933	10,713,266	4,490,643	11,099,242	-	645,040	-	1,869,565	2,792,793	2,750,595
Administration expenses	(225,328,101)	(173,926,349)	(145,422,677)	(124,871,410)	(119,980,556)	(90,437,502)	(65,339,973)	(55,408,595)	(42,536,064)	(45,663,745)
Selling and distribution expenses	(15,969,828)	(2,386,319)	-	-	-	-	-	-	-	-
Net finance cost	(337,284,382)	(415,161,670)	(135,031,264)	(101,836,116)	(110,960,336)	(90,408,984)	(98,711,869)	(78,553,984)	(50,039,682)	(31,718,674)
Net profit before taxation	225,209,087	9,323,902	(109,811,344)	274,578,288	195,261,913	425,975,397	199,866,047	30,810,112	150,127,381	190,842,454
Taxation	(125,549,343)	(470,122,524)	(74,239,239)	(10,133,819)	(42,553,678)	(54,638,740)	(47,454,178)	(9,665,480)	(15,220,196)	(23,572,012)
Net profit after taxation	99,659,744	(460,798,622)	(184,050,583)	264,444,469	152,708,235	371,336,657	152,411,869	21,144,632	134,907,186	167,270,442
<b>Funds employed</b>										
Stated capital	1,030,000,000	1,030,000,000	1,030,000,000	1,030,000,000	1,030,000,000	630,000,000	630,000,000	630,000,000	630,000,000	630,000,000
Revenue reserve	(145,360,298)	(90,811,481)	388,455,268	796,381,691	701,817,869	691,573,610	453,226,549	347,400,747	400,581,182	490,174,886
Non controlling interest	193,057,912	180,791,495	172,415,100	129,943,319	130,676,013	125,695,270	86,559,660	43,633,537	39,082,878	39,451,297
Borrowings (both non current & current)	1,848,800,190	1,923,950,375	1,831,262,190	1,992,718,137	1,467,275,726	1,114,337,020	743,672,256	736,308,958	639,880,158	637,083,736
Lease liability (both non current & current)	85,927,424	42,235,633	44,834,806	59,286,409	62,570,259	2,301,740	3,062,467	3,713,878	-	-
<b>Assets employed</b>										
Non current assets	4,447,022,622	3,968,982,602	4,521,722,172	3,781,901,012	3,384,150,150	2,546,931,029	2,023,929,232	2,048,350,972	1,686,140,548	1,661,333,574
Current assets	1,011,448,434	1,031,062,542	622,036,741	774,751,700	579,521,849	436,097,425	324,457,016	87,356,103	160,247,870	284,853,693
Current liabilities	877,372,955	1,062,877,112	707,212,055	598,789,556	317,814,772	214,451,106	776,880,265	133,219,442	10,322,170	31,505,609
Retirement benefit obligations	11,550,170	7,957,081	6,308,189	6,590,502	6,017,254	4,101,392	5,578,355	5,018,452	3,502,078	2,865,586
Differed tax liability	684,756,003	578,731,017	221,585,069	76,953,458	154,694,708	125,905,691	105,485,032	59,514,819	35,771,324	28,554,041
<b>Key indicators</b>										
Earnings per share (Rs.)	0.12	(0.77)	(0.31)	0.38	0.24	0.66	0.28	0.04	0.27	0.34
Net asset per share (Rs.)	3.58	3.11	4.37	3.70	3.49	3.05	2.76	2.44	2.23	2.41
Market price of share closing	3.00	3.40	3.70	3.60	2.50	3.00	2.70	3.00	3.20	3.40
Dividend per share (Rs)	0.20	-	0.34	0.22	0.22	0.16	0.13	0.15	0.15	0.30
Price earning ratio (times)	26	(4.43)	(11.81)	9.40	10.5	4.54	9.69	7.5	12	10
Dividend payout (%)	75%	-	(11.0%)	57%	92%	24%	46%	375%	55.60%	88.20%

\* Includes Rs 75,482,387 additional payment received from CEB as 'billing under the standardized power purchase agreement'.

# GLOSSARY OF FINANCIAL TERMS

**ACCRUAL BASIS** Recording Revenues and Expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

**CAPITAL EMPLOYED** Shareholders' funds plus non-controlling interests and debt including lease liabilities.

**CONTINGENT LIABILITIES A** condition or situation existing at the Balance Sheet date due to past events, where the financial effect is not recognized because: The obligation is crystallized by the occurrence or non-occurrence of one or more future events or, A probable outflow of economic resources is not expected or, It is unable to be measured with sufficient reliability

**CURRENT RATIO** Current assets divided by current liabilities.

**DEBT/EQUITY RATIO** Debt as a percentage of Shareholders' Funds

**DIVIDEND COVER** Earnings per share over dividends per share

**EARNINGS PER SHARE (EPS)** Profit after Tax attributable to ordinary shareholding over weighted average number of shares in issue during the period.

**EARNINGS YIELD** Earnings per share as a percentage of Market price per Share at the end of the period.

**EARNINGS BEFORE INTEREST AND TAX (EBIT)** Earnings before interest and tax (includes other operating income)

**EFFECTIVE RATE OF TAXATION** Income Tax, (including deferred tax) over Profit before

**Tax ENTERPRISE VALUE (EV)** Market capitalisation plus net debt/(net cash).

**INTEREST COVER** Consolidated profit before interest and tax over interest expense.

**MARKET CAPITALISATION** Number of Shares in issue at the end of the period multiplied by the market price at end of period.

**NET ASSETS** Total assets minus current liabilities, long-term liabilities, and non-controlling interests.

**NET ASSET PER SHARE** Net assets as at a particular financial year end divided by the number of shares in issue as at the current financial year end.

**NET DEBT** Total debt minus cash equivalents (cash in hand and at bank plus short-term deposits).

#### **NET TURNOVER PER EMPLOYEE**

Net turnover over average number of employees

**PRICE EARNINGS RATIO** Market Price per Share over earnings per share

**QUICK RATIO** Cash plus short-term investments plus receivables, divided by current liabilities.

**RETURN ON ASSETS** Profit after Tax over average total assets

**RETURN ON EQUITY** Profit attributable to shareholders as a percentage of average shareholders' funds.

#### **RETURN ON CAPITAL EMPLOYED**

**EBIT** as a percentage of average capital employed.

**SHAREHOLDERS' FUNDS** Stated capital plus other components of equity plus revenue reserves

**TOTAL ASSETS** Fixed Assets plus Investments plus NonCurrent Assets plus Current Assets'

**TOTAL DEBT** Long Term Loans plus Short Term Loans and Overdrafts

**TOTAL EQUITY** Shareholders' funds plus non-controlling interest

**TOTAL VALUE ADDED** The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources

**WORKING CAPITAL** Capital required to finance the day-to-day operations (Current Assets minus Current Liabilities)

# ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting (AGM) of Panasian Power PLC will be held on 27 June 2024 at 10.00 am at Lavender Hall, BMICH Colombo, Bauddhaloka Mawatha, Colombo 07 for the following purposes:

## AGENDA

- 1) To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31 March 2024 together with the Report of the Auditors thereon;
- 2) To re-elect Mr. Deepal Sooriyaarachchi who retires by rotation pursuant to the provisions of Article 24 (6) a. of the Articles of Association of the Company, as a director;
- 3) To re-appoint the retiring Auditors, Messrs. Ernst & Young, Chartered Accountants to hold office until the conclusion of the next Annual General Meeting and to authorize the directors to fix their remuneration;
- 4) To authorize the Board of Directors to determine donations for the year ending 31 March 2025 and up to the date of the next Annual General Meeting;
- 5) To consider any other business of which due notice has been given

By Order of the Board  
For and on behalf of Panasian Power PLC



Roshini Weudagedara  
Company Secretary

03 June 2024  
Colombo

## NOTES

1. A duly registered and entitled holder of the Company's shares is entitled to attend, speak and vote at the AGM and is entitled to appoint a proxyholder to attend, speak and vote on a show of hands or on a poll on his/her behalf; The proxy so appointed shall be valid for any adjournment of the meeting as for the meeting to which it relates.
2. A proxyholder need not be a shareholder of the Company;
3. A proxy so appointed shall have the same right as the shareholder to vote on a show of hands as well as to speak at the AGM;
4. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy.
5. In the event the Appointor of the proxy attending the meeting, the authority of the proxy to attend, vote and/or in any way participate at the meeting shall stand automatically cancelled and revoked.
6. A shareholder shall not be entitled to appoint more than one proxy to attend on the same occasion.
7. The Form of Proxy is enclosed for this purpose. The completed Form of Proxy must be deposited at the Registered Office of the Company. Situated at Level 4, BTL Shipping House, No 45/2, Braybrooke Street, Colombo 02 or email to [agm@panasianpower.com](mailto:agm@panasianpower.com) or facsimile to 0114 506 412 not less than forty-eight (48) hours before the appointed hour of the meeting;







# FORM OF PROXY

I/We.....of  
 ..... being a member/members of Panasian Power  
 PLC, hereby appoint ..... (N I C No.) of.....failing him/ her

Mr. L. H. A. L. Silva	whom failing
Mr. D. Sooriyaarachchi	whom failing
Mr. P. K. Pathmanatha	whom failing
Ms. L. K. A. H. Fernando	whom failing
Mr. W. W. M. S. B. K. G. Kamburadeniya	whom failing
Ms. C. Pietersz	whom failing

as my/our proxy to represent me/us and\* ..... to vote on my/our behalf at the Annual General Meeting (AGM) of Panasian Power PLC (the Company) to be held on 27 June 2024 at 10.00 am at Lavender Hall, BMICH Colombo, Bauddhaloka Mawatha, Colombo 07 and at any adjournment thereof.

I/ We the undersigned hereby authorize my/our Proxy to vote on my/our behalf in accordance with the preference indicated below:

	<b>For</b>	<b>Against</b>
(1) To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31 March 2024 together with the Report of the Auditors thereon	<input type="checkbox"/>	<input type="checkbox"/>
(2) To re-elect Mr. D. Sooriyaarachchi who retires by rotation pursuant to the provisions of Article 24 (6) a. of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
(3) To re-appoint the retiring Auditors, Messrs. Ernst & Young, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration;	<input type="checkbox"/>	<input type="checkbox"/>
(4) To authorize the Board of Directors to determine donations for the year ending 31 March 2025 and up to the date of the next Annual General Meeting	<input type="checkbox"/>	<input type="checkbox"/>

Signed on this ..... day of.....Two Thousand and Twenty Four

.....  
 Signature/s

\*If you wish your Proxy to speak at the meeting you should insert the words “to speak and” in the place indicated and initial such insertion.

**Notes:**

1. Instructions as to completion appear overleaf;
2. Please indicate with an “x” in the space provided how your proxyholder is to vote;
3. If there is in the view of the proxyholder doubt (by reason of the way in which the instructions contained in the proxy have been completed) as to the way in which the proxyholder should vote, the proxyholder shall vote as he thinks fit;

**Instructions as to completion**

1. To be valid, this completed Form of Proxy must be deposited at the Registered Office of the Company situated at Level 4, BTL Shipping House, No 45/2, Braybrooke Street, Colombo 02 or email to [agm@panasianpower.com](mailto:agm@panasianpower.com) or facsimile to 0114 506 412 , not less than forty-eight (48) hours before the appointed hour of the meeting;
2. The full name and address of the proxyholder and of the shareholder appointing the proxyholder should be entered legibly in the Form of Proxy; Please fill in the date of signature;
3. If you wish to appoint any person other than directors as your proxy, please insert the relevant details in the space provided overleaf;
4. If the Form of Proxy is signed by the Power of Attorney, the respective Power of Attorney should accompany the completed Form of Proxy for registration, in the event it has already not being registered with the Company;
5. If the shareholder is a company or a corporate body, the Form of Proxy should be executed under the common seal or be signed by its Attorney or by an Officer authorized to do so on behalf of such company/ corporate body;
6. Every alteration or addition to the Form of Proxy must be duly authenticated by the full signature of the shareholder signing the Form of Proxy. Such signatures should as far as possible be placed in proximity to the addition or alteration intended to be authenticated;
7. The use of the word "Member/s" herein is a reference to "Shareholder/s";

# CORPORATE INFORMATION

## Name of the Company

Panasian Power PLC

## Legal Form

A Public Quoted Company with limited liability incorporated under the Provision of the Companies Act No 07 of 2007. The Company has been registered under Section 17(2) of the BOI Law No 4 of 1978 on 26 November 2008

## Date of incorporation

22 April, 2002

## Date of listing of shares on the Colombo Stock Exchange

7 January, 2011

## Company Registration Number

PV 9959 PB/PQ

## Accounting Year End

31, March

## Registered Office and Head Office

Level 4, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02.

## Subsidiary Companies

Manelwala Hydropower (Pvt) Limited  
Panasian Investments (Pvt) Limited  
Solar Power Generation Matara (Pvt) Ltd  
Panthree Solaro Energy (Pvt) Ltd  
PAP Solar One (Pvt) Ltd  
Padiyapelella Hydropower Limited  
Rajarata Sustainable Development (Pvt) Ltd  
Finergreen Rajarata (Pvt) Ltd  
Panasian Power Zambia Limited  
Lower Kotmale Oya Power Two (Pvt) Ltd  
Eco Green Solar Solutions (Pvt) Ltd  
Finergreen Ridiyagama (Pvt) Ltd  
Finergreen Gonnoruwa (Pvt) Ltd  
Finergreen Mattala (Pvt) Ltd  
Winsol Renewable (Pvt) Ltd  
PAP SPGM Solar (Pvt) Ltd (Incorporated on 10.10.2023)  
PAP EGSS Solar (Pvt) Ltd (Incorporated on 10.10.2023)  
PAP MHPL Solar (Pvt) Ltd (Incorporated on 10.10.2023)  
PAP PTS Solar (Pvt) Ltd (Incorporated on

10.10.2023)

R-E-D Capital Asia (Pvt) Ltd (Incorporated on 11.10.2023)

Solar One Asia (Pvt) Ltd (Incorporated on 11.03.2024)

## Joint Ventures

Powergen One (Pvt) Ltd

## Nature of business

To engage in and undertake to establish, operate and manage any form of renewable energy power plant, and engage in any business related with the renewable energy sector.

## Directors

Mr. L.H.A.L.Silva (Chairman)  
Mr. D. Sooriyaarachchi  
Mr. P.K. Pathmanatha (CEO/ Executive Director)  
Ms. L.K.A.H.Fernando  
Mr. K. Kamburadeniya  
Ms. C. Pietersz

## Board Secretary

Ms. R.Weudagedara

## List of Sub Committees

### Audit Committee

Ms. C. Pietersz (chairperson)  
Mr. L.H.A.L.Silva  
Mr. K. Kamburadeniya  
Ms. L.K.A.H.Fernando

### Board Nominations and Governance Committee

-with effect from 01st

October 2023  
Mr. K. Kamburadeniya (Chairman)  
Mr. D. Sooriyaarachchi  
Mr. L.H.A.L.Silva  
Ms. L.K.A.H.Fernando  
Ms. C. Pietersz

### Remuneration Committee

Mr. K. Kamburadeniya (Chairman) - with effect from 01st October 2023  
Mr. D. Sooriyaarachchi  
Ms. L.K.A.H.Fernando  
Mr. L.H.A.L.Silva  
Ms. C. Pietersz

## Related Party Transactions Review Committee

Ms. C. Pietersz (Chairperson) - with effect from 01st October 2023  
Mr. L.H.A.L.Silva  
Mr. D. Sooriyaarachchi  
Ms. L.K.A.H.Fernando

## Registrars

S S P Corporate Services (Pvt) Limited  
No 101, Inner Flower Road  
Colombo 3  
Tel: +94112573894

## Auditors

M/s Ernst & Young  
Chartered Accountants  
No 201, De Saram Place,  
Colombo 10  
Tel : +94 11 246 3500

## Bankers

### Sampath Bank PLC

110, Sir James Peiris Mawatha  
Colombo 2  
Tel: +94112303050

### National Development Bank PLC

40,Mawam Mawatha  
Colombo 2  
Tel: +94112448888

### Seylan Bank PLC

90, Galle Road  
Colombo 03  
Tel: +94112456135

### Commercial Bank PLC

Foreign Branch  
Commercial House  
21, Sir Razik Fareed Mawatha  
Colombo 01  
Tel: +94112486028

### Hatton National Bank PLC

Level 14, 479, T B Jaya Mawatha  
Colombo 10  
Tel: +94112660660

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