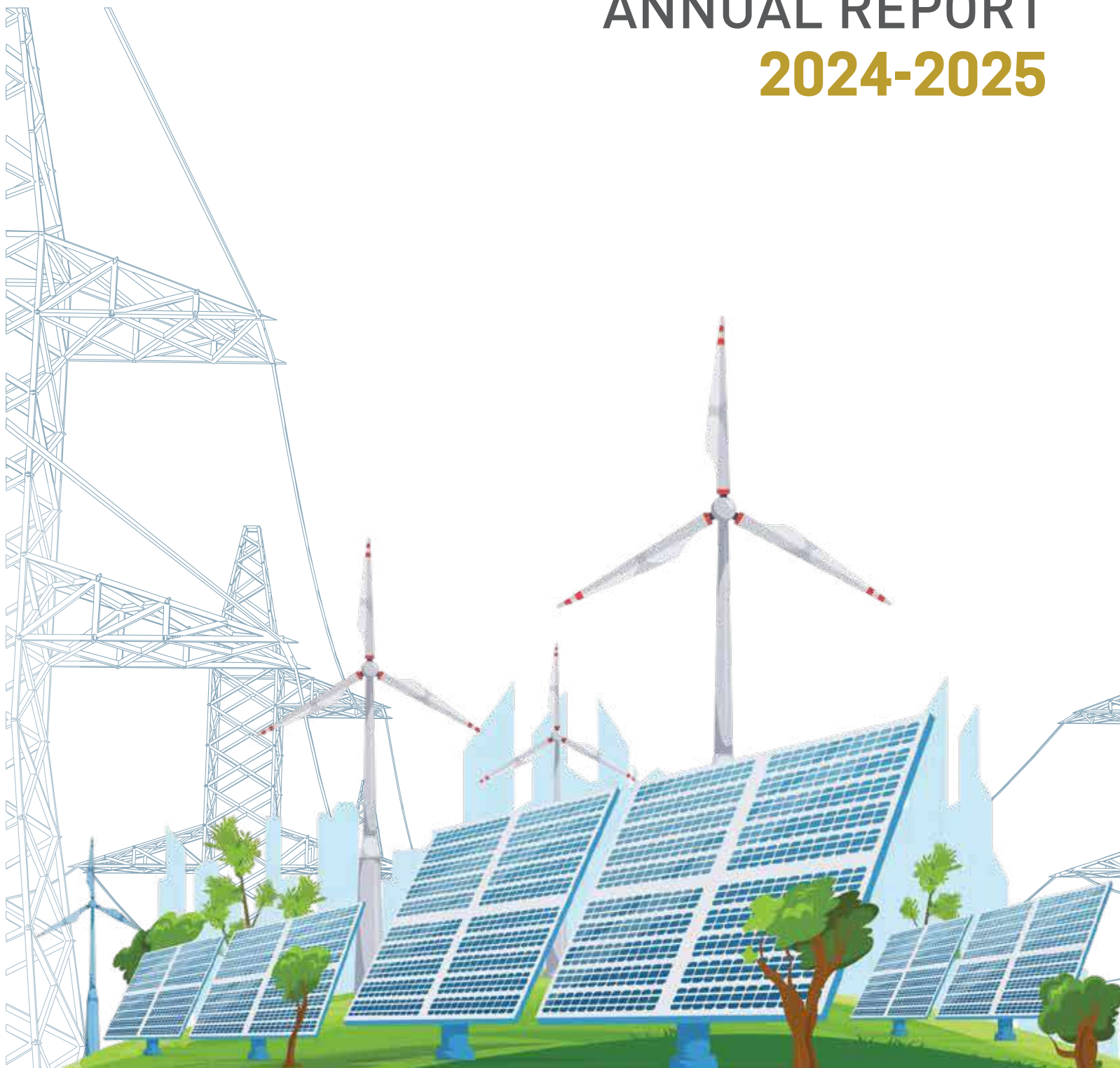




LVL ENERGY FUND PLC

# ANNUAL REPORT 2024-2025







LVL ENERGY FUND PLC

# POWERING THE NATION

Energy fuels progress. Power lights possibility. Innovation drives sustainability.

A resilient nation begins with reliable energy reaching every community, empowering every industry, and enabling every opportunity.

By harnessing clean, responsible, and future-focused energy solutions, national growth becomes inclusive, sustainable, and enduring.

From the most remote village to the heart of industry, every watt delivered is a step toward a greener tomorrow and a stronger Sri Lanka.

In every connection made, every megawatt generated, and every life empowered, lies a commitment to a future powered by purpose resilient, renewable, and ready.



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# FINANCIAL AND OPERATIONAL HIGHLIGHTS

|   | 2025<br>(LKR) | 2024<br>(LKR) |
|---|---------------|---------------|
| <b>EARNING HIGHLIGHTS AND RATIOS</b>                        |               |               |
| Revenue   | 436,978,337   | 419,180,893   |
| Gross Profit  | 236,932,268   | 221,090,893   |
| Results from Operating Activities                           | 262,308,484   | 218,589,636   |
| Share of Profit from Equity Accounted Investees             | 822,342,133   | 256,445,329   |
| Profit/ (Loss) for the Year                                 | 610,151,945   | (65,673,254)  |
| Profit/(Loss) Attributable to Equity Holders of the Company | 563,620,141   | (96,632,303)  |
| Basic/Diluted Earnings/(Loss) Per Share (EPS)               | 0.83          | (0.16)        |
| Return on Equity (ROE)                                      | 10.93%        | (1.22%)       |
| Return on Assets (ROA)                                      | 7.03%         | (0.73%)       |
| <b>FINANCIAL POSITION HIGHLIGHTS AND RATIOS</b>             |               |               |
| Total Assets  | 8,682,149,873 | 8,959,959,509 |
| Equity Attributable to Equity Holders of the Company        | 5,432,199,950 | 5,215,071,697 |
| Total Debt  | 2,851,407,477 | 3,452,790,631 |
| Total Equity  | 5,584,193,388 | 5,371,667,697 |
| Number of Shares in Issue (Numbers)                         | 698,733,742   | 582,278,117   |
| Net Assets Per Share  | 7.77          | 8.96          |
| Debt/Equity   | 0.51          | 0.64          |
| Debt/Total Assets   | 0.33          | 0.39          |



**Revenue**  
**LKR 437 Mn**  
2024 : LKR 419 Mn



**Total Assets**  
**LKR 8,682**  
2024 : LKR 8,960 Mn



**Debt/Equity**  
**0.51**  
2024 : 0.64



**Profit/(Loss) After Tax**  
**LKR 610 Mn**  
2024 : LKR (66) Mn

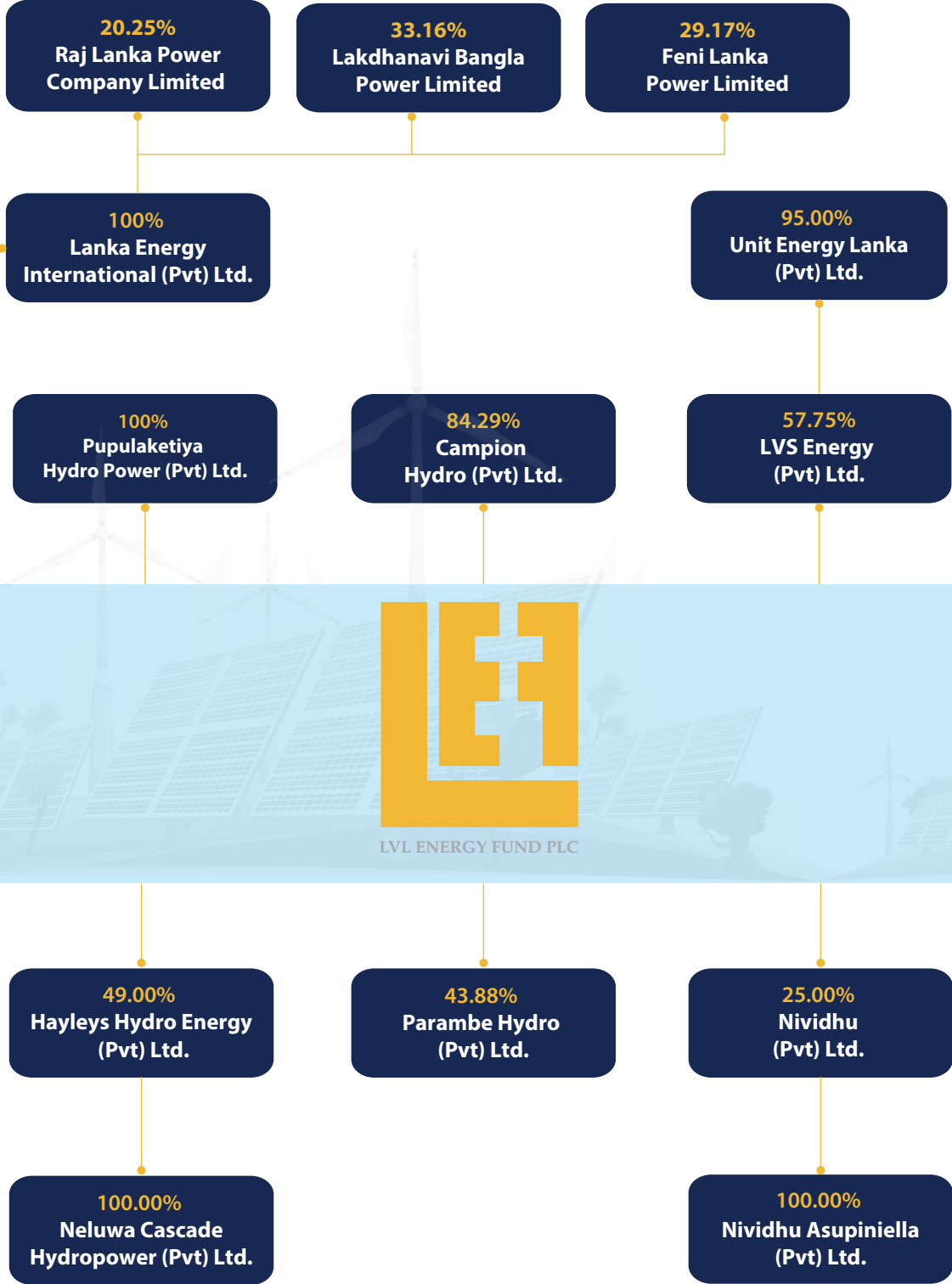


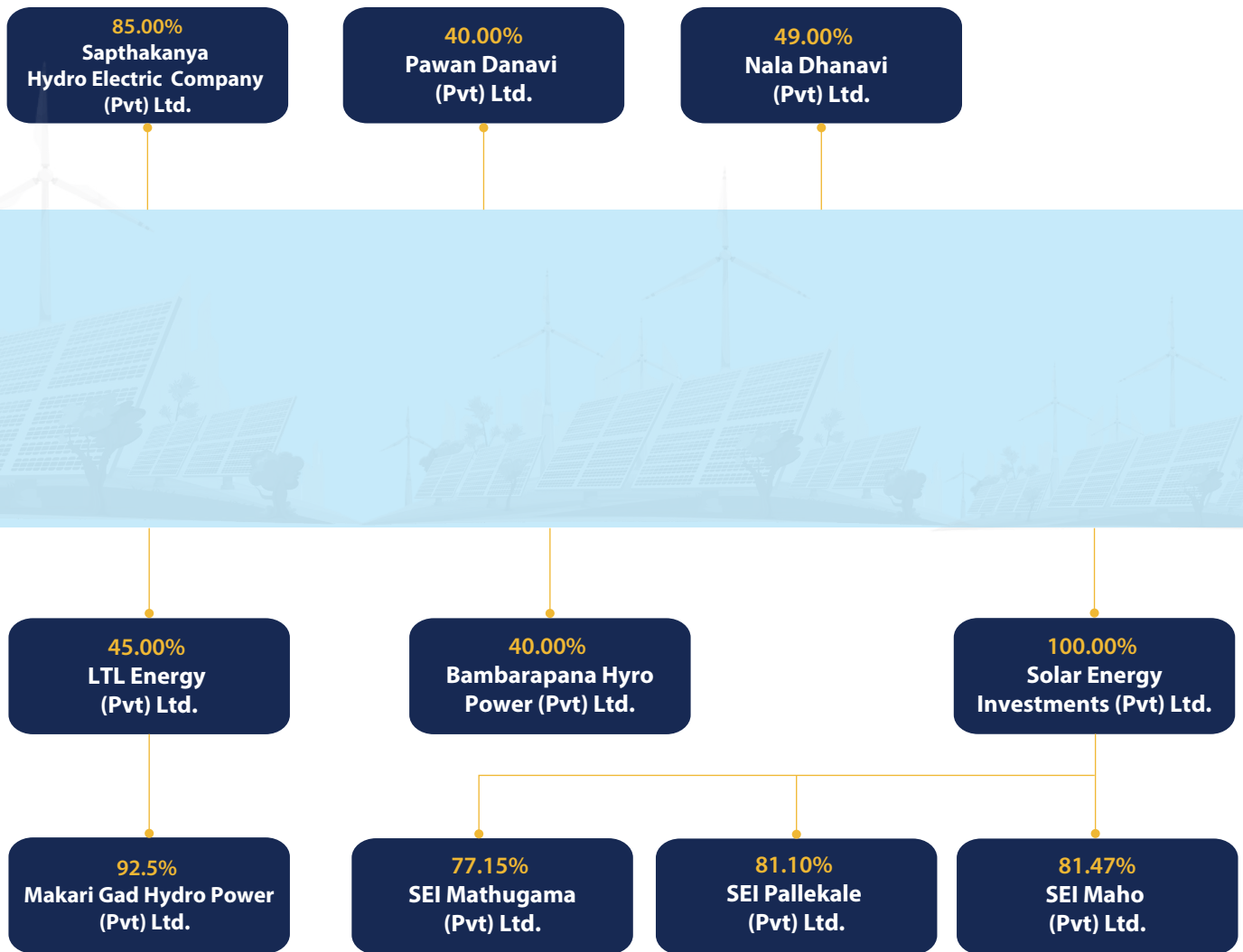
**Equity Attributable to Equity Holders**  
**LKR 5,432 Mn**  
2024 : LKR 5,215 Mn



**Net Assets per Share**  
**LKR 7.77**  
2024 : LKR 8.96

# GROUP STRUCTURE





# CHAIRMAN'S MESSAGE

I welcome you to the fourteenth Annual General Meeting of the Company and on behalf of the Board present to you the Annual Report of the board of directors and audited accounts of the Company for the year ended 31<sup>st</sup> March 2025.

## GROUP FINANCIAL PERFORMANCE

During the year 2024/25, our Subsidiary Income increased to LKR 437 million from LKR 419 million in the previous year. The Operating Profit increased to LKR 262 million from LKR 219 million in the previous year. In addition, the Share of Earnings from the Equity Accounted Investees increased to LKR 822 million from LKR 256 million a year ago. The Share of profits from associate companies for the year 2023/24 was particularly low since our investee companies in Bangladesh were adversely affected by one-off impairment losses charged against already accrued penalty interest on delayed payments by Bangladesh Power Development Board. The Group profit before interest and tax increased to LKR 1,085 million from LKR 475 million in the previous year.

The above increase in Profit before Interest and Tax was further enhanced by a reduction in Finance Expenses to LKR 354 million from LKR 487 million in the previous year on account of reducing interest rates and loan balances. The Group tax charges increased to LKR 121 million from LKR 54 million recorded last year. The post-tax profit improved to LKR 610 million from a post-tax loss of LKR 66 million in the Year 2023/24.

Post-tax profit attributable to equity holders of the Company was LKR 564 million compared to a post-tax loss of LKR 97 million in the previous year.

The company has investments in Bangladesh and Nepal and therefore is exposed to Foreign Currency Risks. At the Other Comprehensive Income (OCI) level, we at present are adversely affected by exchange rate movements between USD & BDT, BDT & LKR and NPR & LKR. Total OCI for the year is a loss of LKR 812 million compared to a loss of LKR 766 million for the previous year. Risk arising from rate movements between USD & BDT is fully hedged, as part of the revenue in Bangladesh is denominated in USD.

*"The Group profit before interest and tax increased to LKR 1,085 million from LKR 475 million in the previous year."*

## OUTLOOK

Sri Lanka's economy has made a remarkable recovery in 2024, surpassing growth expectations by recording a 5.0% growth, compared to the projected 4.4%. This growth has been driven by strong performances in industry and services, particularly in construction and tourism-related services. In 2025, growth is expected to moderate to 3.5%, reflecting scarring effects of the crisis and structural impediments to growth, amid global headwinds and unprecedented trade policy uncertainty. The government is focusing on fiscal sustainability, aiming to improve the Revenue-to-GDP ratio, reduce the budget deficit, and maintain a primary surplus.

Monetary policy remains accommodative, with declining interest rates supporting private sector credit growth. AWPLR, the benchmark interest rate used by all the Sri Lankan banks, reduced from around 10.5% p.a. at the beginning of the financial year to around 8.5% p.a. towards the end of the financial year. Inflation was contained at a very low level during the year, at times turning negative as well.

Sri Lanka's external sector in early 2025 has shown signs of strengthening, with a continued monthly surplus in the current account. This positive performance is driven by healthy inflows of worker remittances and improvements in the terms of trade. However, the trade deficit has widened due to increased import expenditure, particularly on items like motor vehicles. The tourism sector has also seen a recovery.

The company has made significant investments in Bangladesh. Bangladesh's economy in 2025 is projected to grow, but at a slower pace than recent years, with some sources indicating a potential growth rate of around 4%. Factors like increased inflation, potential global economic slowdown, and political uncertainties are expected to influence the country's economic performance. The country's Gross Foreign currency reserves are around USD 25 billion.

The company has also invested in a hydro power project in Nepal. Nepal's economy is projected to experience moderate growth in 2025, with forecasts ranging from 4.4% to 4.9%. This growth is expected to be driven by increased domestic trade, hydropower generation, and improvements in the services sector. Its economy is largely dependent on remittances from its foreign workers. Nepal has substantial foreign reserves amounting to over USD 18 billion, which is sufficient to cover over one year of imports.

### ACKNOWLEDGEMENTS

I thank my fellow directors for the confidence they have placed in me and support extended to me in the performance of my responsibilities as Chairman of the Company. During the year, M/s Thimal Perera and Ravi Dassanayake, who represented DFCC Bank, resigned from the board when HNB acquired the DFCC Bank's 50% stake in Acuity Partners (Pvt) Ltd. Acuity Partners (Pvt) Ltd is now a fully owned subsidiary of HNB and is rebranded as HNB Investment Bank. Mr. Ajitha Wijetunge and Mr. Mahal Wijetunge also resigned from the board after they sold their equity stakes in the company. On behalf of the company, I wish all of them success in all their future endeavours.

I thank our business partners for their loyalty and support. The co-operation extended to us by other financial institutions is also acknowledged and appreciated. Let me conclude by thanking Mr. Palitha Gamage, the Chief Executive Officer

and rest of the staff, for their commitment and hard work in managing and sustaining the affairs of the company during another challenging year.

The company raised LKR 465 million through a rights issue of 1 for 5 shares held in May 2024. The issue was oversubscribed. I am grateful to the shareholders who placed their trust in the company and its board of directors. The money raised was exclusively used for the reduction of debt of the company as per the declared purpose of the issue.



Damith Pallewatte  
Chairman  
29<sup>th</sup> August 2025

# BOARD OF DIRECTORS

## 1. MR. DAMITH PALLEWATTE

*(Chairman/Non-Executive Director)*

Mr. Damith Pallewatte is a distinguished banking and risk management professional with over 28 years of experience in the financial services industry. He currently serves as the Managing Director and Chief Executive Officer of Hatton National Bank PLC (HNB), one of Sri Lanka's leading and most respected financial institutions.

Prior to his current role, Mr. Pallewatte held several key leadership positions including Acting Chief Executive Officer, Deputy General Manager - Wholesale Banking Group, Chief Risk Officer (CRO) and Chief Information Security Officer (CISO). Before joining HNB, he was the Chief Risk Officer at Nations Trust Bank PLC.

Mr. Pallewatte holds an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura and a BSc (Hons) degree in Management from the London School of Economics, University of London. He holds the designation of Financial Risk Manager conferred by Global Association of Risk Professionals since 2013 and also a certified Sustainability and Climate Risk Manager from the same institution. He is a Fellow Member of the CIMA (UK) and CGMA. In addition to his executive responsibilities at HNB, Mr. Pallewatte serves as the Chairman of HNB Investment Bank (Private) Limited, a full-service investment bank and Chairman of two listed entities in CSE, LVL Energy Fund PLC and Lanka Ventures PLC. In addition, he serves as a director of LankaPay (Private) Limited, Lanka Financial Services Bureau Limited and the Vice President and Director of the International Chamber of Commerce Sri Lanka (ICCSL).

He has played an active role in shaping the broader industry landscape through appointments to the MESANA (Middle East South Asia and North Africa) Regional Advisory and Engagement Panels of AICPA and CIMA, and has served as Vice Chairman of the CIMA Country Network Committee (Sri Lanka) and Chair of the South Asia Area Committee of CIMA & AICPA covering Sri Lanka, India and Bangladesh. He is a past president of the CRO Forum, a conclave of Bank CROs, in Sri Lanka.

## 2. MR. RAY ABEYWARDENA

*(Non-Executive Director)*

Mr. Ray Abeywardena is the Managing Director/Group Chief Executive Officer of HNB Investment Bank (Private) Limited. He has been associated with Sri Lanka's capital markets for over 40 years, primarily as a Stockbroker and since 2009 as an Investment Banker.

Mr. Abeywardena is the Chairman of HNB Securities Limited, HNB Stockbrokers (Private) Limited and the Central Depository System (Private) Limited. He also serves as a Director of LVL Energy Fund PLC, Lanka Ventures PLC, the Colombo Stock Exchange and the CSE Clear (Private) Limited.

Mr. Abeywardena is a Certified Management Accountant (Australia), a member of the Chartered Institute of Marketing, (UK) and holds a Master's Degree in Business Administration from the University of Wales.

## 3. MR. NIHAL KEKULAWALA

*(Independent Non-Executive Director)*

Mr. Kekulawala counts over 30 years in the banking profession and was appointed as a Director in February 2018. He has held senior positions at Hatton National Bank PLC and played a strategic role in the diversification of HNB from commercial banking to investment banking, venture capital, stock brokering and life/general insurance. Mr. Kekulawala served as the lead consultant and was responsible for setting up a commercial banking operation in the Solomon Islands. He also functioned as the inaugural CEO of the Bank. He presently serves on the Boards of several public companies.

Mr. Kekulawala is a Fellow of the Institute of Chartered Accountants UK and Sri Lanka, Fellow of the Chartered Institute of Bankers in England and has an MBA from the University of Manchester.

## 4. MR. CHANDANA DHARMAWARDANA

*(Independent Non-Executive Director)*

Mr. Chandana Dharmawardana functions as a consultant to Maliban Biscuit Manufactories (Private) Limited since January 2014. Prior to that he was attached to DFCC Bank PLC for a period of 27 years from 1986 to 2013 and at the time of retirement held the position Vice President, Corporate Banking. Between the period 1980 – 1986, he was employed at Sri Lanka Ports Authority as a Mechanical Engineer.

Mr. Dharmawardana holds a Bachelor of Engineering degree from the University of Moratuwa. He is a member of the Institute of Engineers, Sri Lanka and a Chartered Engineer. He is also an Associate in Development Banking of the Association of Development Financing Institutions in Asia and the Pacific.

**5. MR. RAJIVE DISSANAYAKE**  
*(Non-Executive Director)*

Mr. Rajive Dissanayake, who boasts over two decades of experience in banking and capital markets, currently holds the position of Executive Vice President, SME & Micro Finance at Hatton National Bank PLC. He has previously functioned in the capacities of Chief Financial Officer and Chief Strategy Officer at Hatton National Bank PLC, being an integral part of the Corporate Management Team of the Bank for almost a decade.

Mr. Dissanayake was appointed to the Board of LVL Energy Fund PLC in 2021, as a Nominee Director of Hatton National Bank PLC. In addition to being on the Board of LVL Energy Fund PLC, Mr. Dissanayake is also a Director of Lanka Ventures PLC, HNB Investment Bank (Private) Limited and National Credit Guarantees Institute. Mr. Dissanayake is also the Chairman of HNB Finance PLC.

Mr. Dissanayake is a CFA Charter holder, Fellow Member of the Chartered Institute of Management Accountants and a Chartered Global Management Accountant. He also holds a degree in Bachelor of Business Administration from the University of Colombo.

**6. MR. KUSAL JAYAWARDANA**  
*(Independent Non-Executive Director)*

Mr. Kusal Jayawardana brings over 25 years of experience in debt capital markets, equity capital markets, corporate advisory, mergers and acquisitions, investment management and financial services. Mr. Jayawardana is presently the Deputy Managing Director of Alliance Finance Company PLC and an independent director of ACL Cables PLC, LVL Energy Fund PLC, Lanka Ventures PLC and Cable Solutions PLC. He is also a co-founder of corporate finance advisory firm Serendib Frontier Capital. Previously he was the Managing Director/CEO of NDB Capital Limited, Bangladesh and Chief Operating Officer of NDB Capital Holdings Limited and was a director of Resus Energy PLC, Panasian Power PLC, Lanka Communication Services (Private) Limited.

Mr. Jayawardana is involved in launching several innovative capital market products in Sri Lanka and Bangladesh, including securitisation structures, convertible securities and derivatives and has executed several landmark capital market transactions. He played a key role in setting up NDB Capital Limited, Bangladesh and Emerald Sri Lanka Fund, being the first private equity country fund set up in Sri Lanka. Mr. Jayawardana is a Chartered Financial Analyst, an Associate Member of the Chartered Institute of Management Accountants, UK and the Chartered Global Management Accountants, USA and was an Associate member of the Association of Chartered Certified Accountants, UK. He also holds an MBA from the Open University of Sri Lanka in collaboration with Commonwealth of Learning, Canada. He is presently reading for his doctoral program at the University of Colombo.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. FINANCIAL REVIEW

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements of the Group and the Company for the year ended 31<sup>st</sup> March 2025.

### 1.1 Revenue

Total revenue of the Group for the year under review was LKR 537 million compared to LKR 486 million in the previous year. Other Income which mainly consists of Delay Payment Interest received from CEB, increased to LKR 76 million from LKR 54 million in the previous year. The subsidiary company income increased to LKR 437 million from LKR 419 million in the previous year.

Operations of the six plants managed by the subsidiary companies were stable during the year, except for routine maintenance requirements. Y-o-Y Changes in the revenue generation of these six plants were mainly due to natural variations in weather.

| Subsidiary Company                           | Revenue (LKR Mn) |              |
|--|------------------|--------------|
|  | 2024/25          | 2023/24      |
| Unit Energy Lanka (Private) Ltd              | 185.6            | 164.7        |
| Sapthakanya Hydro Electric Company (Pvt) Ltd | 34.4             | 35.5         |
| Campion Hydro (Pvt) Ltd                      | 60.3             | 64.0         |
| SEI Maho (Pvt) Ltd                           | 81.8             | 75.9         |
| SEI Pallekele (Pvt) Ltd                      | 49.2             | 50.2         |
| SEI Mathugama (Pvt) Ltd                      | 25.7             | 28.8         |
| <b>Total</b>                                 | <b>437.0</b>     | <b>419.1</b> |

### 1.2 Operating Profit

Operating Profit increased in the year to LKR 262 million from LKR 219 million due to the increase in Delay Interest payments received from CEB and a 4% increase in generation income of subsidiaries. Direct expenses of subsidiaries marginally increased to LKR 200 million compared to LKR 198 million last year. This increase is largely attributable to the rate of inflation in the country.

### 1.3 Share of Profit from Equity Accounted Investees (Associate Companies)

Share of profit from associate companies increased by 221% to LKR 822 million in 2024/25 from LKR 256 million in the year 2023/24. Contribution from thermal power plants in Bangladesh increased in the current year to LKR 739 million from LKR 375 million in the previous year. Reported profits of our investee companies in Bangladesh for FY 2023/24 were affected by

one-off impairment losses charged against already accrued penalty interest on delayed payments from Bangladesh Power Development Board.

Contribution from renewable energy projects in Sri Lanka improved from LKR 40 million to LKR 109 million. Profitability of these associates was boosted by receipt of interest on delayed payments from CEB. The hydro power project in Nepal commenced commercial operations in March 2023. During the year 2024/25, the plant operated well and the project company is now making cash profits. It has commenced paying back the project loans taken from a syndicate of banks in Nepal.

### 1.4 Profit before Interest and Tax

As the net result of the above changes, Profit before Interest and Tax increased by 128% to LKR 1,085 million from LKR 475 million in the previous year.

### 1.5 Finance and Tax Charges

On the back of declining interest rates and gradual repayment of capital, group finance cost reduced to LKR 354 million from LKR 487 million in the previous year. Total borrowings of the group reduced to LKR 2,851 million by 31<sup>st</sup> March 2025 from LKR 3,453 million at the end of the previous year, a reduction of LKR 602 million due to repayments by the company and subsidiaries.

### 1.6 Profit after Tax

The group's bottom line improved appreciably to a profit of LKR 610 million from a loss of LKR 66 million in the previous year. Main contributory factors were increase in the Share of Profits from associates and the reduction in interest cost during the year. Accordingly, the profit attributable to equity holders of the Company is LKR 564 million which compares favorably with the loss of LKR 97 million last year.

### 1.7 Other Comprehensive Income

Other comprehensive income for the year was a negative of LKR 812 million consisting of foreign currency translation of investments amounting to a negative of LKR 546 million and share of OCI from equity accounted investees amounting to a negative of LKR 266 million. During the year SL Rupee appreciated against BDT from LKR 2.74 per BDT in April 2024 to LKR 2.44 per BDT in March 2025 resulting in the negative foreign currency translation.

Negative OCI of equity accounted investees is a result of two of our investee companies in Bangladesh having USD borrowings and BDT depreciating 10.4% against USD during the year. Both

companies have USD denominated revenues and as such, this part of the exchange risk is fully hedged.

### 1.8 Total Assets

Total assets of the Group as at 31<sup>st</sup> March 2025 amounted to LKR 8,682 million compared with LKR 8,960 million a year ago, a reduction of LKR 278 million. This reduction is largely a result of the negative OCI emanating from three of the investee companies in Bangladesh described in the paragraph above.

### 1.9 Debt Capital

Total interest-bearing borrowings of the Group as at 31<sup>st</sup> March 2025 amounted to LKR 2,851 million compared with LKR 3,453 million a year ago. The composition of the borrowings is as follows:

| LKR Mn                 | LEF   | Subsidiaries |
|------------------------|-------|--------------|
| Non Current Borrowings | 1,618 | 752          |
| Current Borrowings     | 413   | 68           |

### 1.10 Equity Capital

Group equity as at 31<sup>st</sup> March 2025 was LKR 5,584 million, including non-controlling interest. Accordingly, 64% of Total assets are funded by equity.

## 2. PORTFOLIO HIGHLIGHTS

Our investment portfolio in operational projects as at 31<sup>st</sup> March 2025 in terms of cost stood at LKR 4,771 million. Portfolio diversification in terms of energy source, capacity, ownership and geography is given below:

| Number of Projects | Local | Overseas |
|--------------------|-------|----------|
| Hydro              | 7     | 1        |
| Wind               | 2     | -        |
| Solar              | 3     | -        |
| Thermal            | -     | 3        |

| Generation Capacity in MWs | Local | Overseas |
|----------------------------|-------|----------|
| Hydro                      | 17.6  | 10.0     |
| Wind                       | 15.3  | -        |
| Solar                      | 6.0   | -        |
| Thermal                    | -     | 218.4    |

| LEF Investment (LKR Mn) | Local | Overseas |
|-------------------------|-------|----------|
| Hydro                   | 731.1 | 664.7    |
| Wind                    | 666.6 | -        |
| Solar                   | 200.0 | -        |
| Thermal                 | -     | 2,508.2  |

| Number of Projects | Local | Overseas |
|--------------------|-------|----------|
| Subsidiaries       | 6     | -        |
| Associates         | 6     | 4        |

Our investment portfolio is diversified not only in terms of energy source but also in terms of geographic location. In Sri Lanka, the hydro power plants are spreaded across Ratnapura, Nuwara Eliya, Kegalle, Galle and Badulla districts thereby benefitting from rainfall patterns attributable to each district. The hydro power plant in Nepal further strengthened the diversification of the portfolio in terms of geographic location.

The solar power plants in Mathugama in Kalutara district, Medadumbara in Kandy district and Ambanpola in Kurunegala district have further diversified the portfolio in terms of energy source and geographic location.

Our two wind power plants are located in Kalpitiya peninsula, which is renowned for good wind resources.

Since energy generation based on hydro and wind resources is seasonal by nature, by investing in three thermal power plants in Bangladesh and solar power projects in Sri Lanka, we were able to avoid major fluctuations in revenue across the year.

The expansion of our footprint beyond the shores of Sri Lanka has ensured that we do not depend entirely on a single buyer for our sales.

A summary of energy generation during financial year 2024/25 is given below:

| Electricity Generation in MWh | Local  | Overseas |
|-------------------------------|--------|----------|
| Hydro                         | 54,935 | 56,514   |
| Wind                          | 31,633 | -        |
| Solar                         | 9,387  | -        |
| Thermal                       | -      | 471,186  |

Total energy generated by our group companies in the year 2024/25 was 623,655 MWhs.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3. OPERATING ENVIRONMENT

#### 3.1 Macro-economic Environment

After six consecutive quarters of contraction, the Sri Lanka economy recorded an expansion in the second half of 2023. In Q3 2023, Q4 2023 and Q1 2024, the GDP of the country expanded by 1.6%, 4.5% and 5.3% respectively.

Sri Lanka's macroeconomic environment in 2024/25 is characterized by a fragile recovery, with growth expected to moderate after a strong rebound in 2024. The Annual Growth rate for 2024 was 5%. In Q1 2025, the GDP Growth rate was 4.8%. While the country has shown signs of stabilization, it faces ongoing challenges related to debt, structural issues, and global economic uncertainties.

##### 3.1.1 Interest Rates

The interest rate of all borrowings of the company and project companies operating in Sri Lanka were linked to AWPLR, and as such were exposed to interest rate movements in the market. During FY 2023/24, AWPLR eased gradually ending the financial year at around 10% p.a. AWPLR during FY 2024/25 further reduced to 8.5% towards the end of the financial year. As a result, the finance cost of the company, as well as project companies reduced to an acceptable level.

Working capital facilities in Bangladesh Taka (BDT) of the three project companies in Bangladesh are benchmarked to SMART (Six-month Moving Average Rate of Treasury Bills) announced by Bangladesh Bank. SMART interest rate experienced upward movement throughout 2024, driven by Bangladesh Bank's efforts to control inflation through a tighter monetary policy. The SMART rate, rose from 9.61% in March 2024 to 10% by mid-FY 2024/25. However, Bangladesh Bank has now shifted away from the SMART rate and towards a market-based system for determining lending rates. The new system relies on market-based interest rates, determined by the banker-customer relationship and the demand and supply of loanable funds.

US Dollar (USD) borrowings of project companies in Bangladesh are linked to SOFR (Secured Overnight Financing Rate). SOFR at the beginning of FY 2024/25 was 5.35% p.a. and reduced to 4.41% p.a. towards the end of the financial year.

Nepali Rupee borrowings of our project company in Nepal are pegged to the Base Rate of the consortium of banks which

funded the project. Base Rates of banks came down from around 10.5% p.a. in April 2023 to 8.5% p.a. in March 2024. By March 2025, the weighted average base rate applicable to our project loan had come down to 6.7% p.a.

##### 3.1.2 Exchange Rates

In relation to the investments in Bangladesh, where long term borrowings are in USD, the exchange rate between BDT and USD has an impact on financial results of those entities. However, the USD denominated feed-in tariff of those projects helps to cushion the adverse effect of depreciation of BDT against the USD. At our end, the exchange rate between BDT and LKR has an impact on translation of the carrying value of the investments from BDT to LKR.

During the FY 2024/25, the BDT depreciated 10.4% against the USD from 109.7 BDT to USD in April 2024 to 121.2 BDT to USD in March 2025. LKR appreciated by 1.4% against the USD during this period from 300.4 LKR to USD in April 2024 to 296.2 LKR to USD in March 2025. As a result, LKR appreciated by 10.9% against BDT during the same period from 2.74 LKR to BDT in April 2024 to 2.44 LKR to BDT in March 2025. Impact of these exchange rate movements on our performance is explained under "Other Comprehensive Income" section given above.

During FY 2024/25, LKR appreciated against Nepali Rupee from 2.25 LKR to NPR in April 2024 to 2.16 LKR to NPR in March 2025.

##### 3.1.3 Taxation

For FY 2024/25, the applicable Corporate Tax is 30%. Dividends are taxed at the rate of 15%.

The concessionary rate of corporate tax of 14% granted to entities engaged in the generation of renewable energy under the Sixth Schedule of the Inland Revenue Act No. 24 of 2017 (the Act) has expired and our investee companies engaged in renewable energy generation are now liable to pay corporate tax at 20% and 30%.

The withholding tax (WHT) rate applicable to dividends distributed by companies in Bangladesh is 20%. However, in terms of the Double Taxation Agreement dated 24<sup>th</sup> July 1986 entered into between the governments of Sri Lanka and Bangladesh, dividends paid by our Bangladeshi investee companies are subject to WHT at a concessionary rate of 15%.

In terms of the Act, foreign dividend received by a resident company is exempt from tax subject to substantial participation as defined in the Third Schedule of the Act. Accordingly, the dividends received from our investee companies in Bangladesh are exempt from tax. The re-distribution of such dividend is not subject to any further tax in terms of Inland Revenue (Amendment) Act No. 10 of 2021.

### 3.1.4 Electricity Sector in Sri Lanka

In Sri Lanka, the electricity landscape is nearly balanced between clean and fossil energy sources, with low-carbon electricity accounting for slightly more than half of the country's total electricity consumption. Among the low-carbon sources, hydropower contributes the largest share, encompassing about a third of the total electricity, while solar and wind energy make up approximately 10% and 5%, respectively. This balanced mix highlights an emerging trend towards cleaner energy sources, although there remains a significant dependency on fossil fuels, which supply nearly half of the electricity. Prioritizing low-carbon over fossil energy sources is essential to mitigate climate change and reduce air pollution for a healthier and more sustainable energy future. Total installed generation capacity in Sri Lanka is 5800 MWs.

### 3.1.5 Electricity Sector in Bangladesh

Electricity generation in Bangladesh heavily relies on fossil fuels, with more than 90% of its electricity coming from these sources. A significant portion of this, around 57%, comes from gas, and nearly a fifth is derived from coal, implying a strong dependence on fossil energy. Net imports contribute close to 8% to the electricity mix, while low-carbon energy sources make up about 2% of electricity, illuminating a considerable gap in sustainable energy production. Solar power is at the forefront of low-carbon sources, albeit contributing just over 1%, showing room for significant expansion in this area. Total installed generation capacity connected to the grid is 26,000 MWs.

### 3.1.6 Electricity Sector in Nepal

Nepal's electricity generation is primarily dominated by hydropower, with over 98% of the installed capacity coming from hydroelectric plants. As of mid-March 2025, the total installed capacity reached 3,600 MW, including both hydropower and alternative energy sources. Nepal has a vast potential for hydropower generation, estimated at 72,000 MW, with a significant portion considered economically and technically feasible.

### 3.2 Feed-in Tariff

For Unit Energy, the 15-year SPPA with CEB expired in February 2023. It has been extended for another five years. CEB initially offered a tariff of LKR 11.23 per KWh for the year 2023. This was later revised to LKR 15.77 per KWh from August to December 2023. The applicable tariff for 2025 is Rs.16.46 per KWh.

For Neluwa, the 15-year SPPA with CEB expired in December 2022. It has been extended for another five years. CEB initially offered a tariff of LKR 7.24 per KWh for the year 2023. This was later revised to LKR 10.58 per KWh from August to December 2023. The applicable tariff for 2025 is LKR 11.07 per KWh.

Belihuloya hydro power plant completed its original 15-year power purchase agreement in May 2017. The subsequent 5-year power purchase agreement also expired in May 2022. Now the project is on the second 15-year PPA, effective up to 2038. The feed-in tariff attributable to the plant for the calendar years 2022 and 2023 was LKR 9.19 and 9.46 per KWh, respectively. The tariff is escalated annually at the rate of 3% and the tariff applicable for 2025 is LKR 10.03 per KWh.

The 15-year power purchase agreement of the Nividu Assupiniella hydro power plant expired on 10<sup>th</sup> November 2020. The new 5-year power purchase agreement is in force till October 2025. In terms of the new agreement, the feed-in tariff attributable to the plant for the one-year period ended 10<sup>th</sup> November 2022 was LKR 7.62 per KWh and the tariff will be escalated at the rate of 3% annually for the remaining period. Currently applicable tariff is LKR 8.31 per KWh.

Pawan Dhanavi wind power plant is operating under the second tier of the three-tier tariff regime since 9<sup>th</sup> August 2020. Tariff for 2025 is LKR 14.39 per KWh. Nala Dhanavi wind power plant is operating under the second tier of the tariff regime since June 2021. Tariff for 2025 is LKR 17.49 per KWh.

Theberton entered the tier two tariff structure in September 2023. Currently applicable tariff is LKR 9.91 per KWh. Campion and Bambarapana hydro power plants operated under the first tier of the 20-year three-tier tariff regime and the feed in tariffs applicable to the plants in calendar year 2025 are LKR 19.14 and LKR 19.02 per KWh respectively. Campion fell to the tier 2 tariff in April 2025, which is LKR 9.56 per KWh.

## MANAGEMENT DISCUSSION AND ANALYSIS

The 20-year fixed feed-in tariff attributable to the solar power plants in Mathugama, Pallekele and Maho is LKR 17.48, LKR 16.93 and LKR 15.93 per KWh respectively.

LTL Energy (Pvt) Ltd owned Makari Gad MHP in Nepal has a 30-year PPA with Nepal Energy Authority. Tariff applicable for the wet season is NPR 5.09 per KWh whereas the tariff for the dry season is NPR 8.90 per KWh.

Thermal power plants in Bangladesh namely Feni Lanka, Lakdhanavi Bangla and Raj Lanka have 15-year power purchase agreements with Bangladesh Power Development Board. Remaining periods of the PPAs are 9, 4 and 3 years respectively. They are entitled to a structured tariff consisting of a Capacity Charge and an Energy Charge.

#### 4. PLANT & EQUIPMENT

Subject to financial viability, we relied on leading and well-established suppliers of plant and equipment with the view to ensuring their reliability, availability and efficiency. This is evident from the following list of machinery suppliers to our projects:

##### Hydro Power

| Project Name | Source  |
|--------------|---|
| Belihuloya   | Wasserkraft, Germany  |
| Assupiniella | VA Tech, Germany  |
| Kadawala     | Voith Siemens, Germany  |
| Lower Neluwa | Gugler Hydro Energy, Austria  |
| Theberton    | Fuchun Industry Development Co, China<br>Hongya Power Generating Equipment, China |
| Campion      | Hongya Power Generating equipment, China  |
| Bambarapana  | Global Hydro Energy, Austria  |
| Makari Gad   | Wasserkraft Volk, Germany   |

##### Wind Power

| Project Name | Source        |
|--------------|---------------|
| Pawan Danavi | Gamesa, Spain |
| Nala Dhanavi | Gamesa, Spain |

##### Solar Power

| Company Name                                  | Source   |
|---|--|
| SEI Mathugama (Pvt) Ltd.                      | Solar modules: Q Cells, South Korea<br>Inverters: Sungrow, China |
| SEI Maho (Pvt) Ltd.                           | Solar modules: JA Solar, China<br>Inverters: Ingeteam, Spain     |
| Solar Energy Investments Pallekele (Pvt) Ltd. | Solar modules: JA Solar, China<br>Inverters: Ingeteam, Spain     |

##### Thermal Power

| Company Name                | Source            |
|-----------------------------|-------------------|
| Raj Lanka Power Co Ltd      | Wartsila, Finland |
| Lakdhanavi Bangla Power Ltd | Wartsila, Finland |
| Feni Lanka Power Ltd        | Wartsila, Finland |

#### 5. FUTURE OUTLOOK

Thermal power plants in Bangladesh collectively provide a considerable contribution to our group profit. However, depreciation of BDT against both USD and LKR affected our profitability and Comprehensive Income. In May 2025, Fitch affirmed Bangladesh's long term foreign currency issuer default rating at "B+" taking into account the moderate level of government debt, availability of official external financing, low government revenue to GDP ratio, low international reserves and significant financial sector weaknesses. The foreign exchange pressures have eased due to a well-established readymade garment industry and a stable remittance inflow. US tariff risk to Bangladesh is relatively low as US accounts for only 18% of Bangladesh's RMG exports. The EU is the key market for RMGs and accounts for nearly 50% of the total RMG exports. Currently the country is under an IMF program which looks to improve macroeconomic stability, address banking sector weaknesses and moderate government debt. Last two years, our associate companies in Bangladesh were unable to remit the already declared dividends to us owing to restrictions imposed by project lending banks, resulting in a high liquidity risk for the company. The management in Bangladesh is addressing these issues and we expect the situation to ease during FY 2025/26.

Construction of the 10MW Makari Gad hydro power plant in Nepal, which was hampered by COVID-19 pandemic, flash floods and landslides was completed and commercial

## MANAGEMENT DISCUSSION AND ANALYSIS


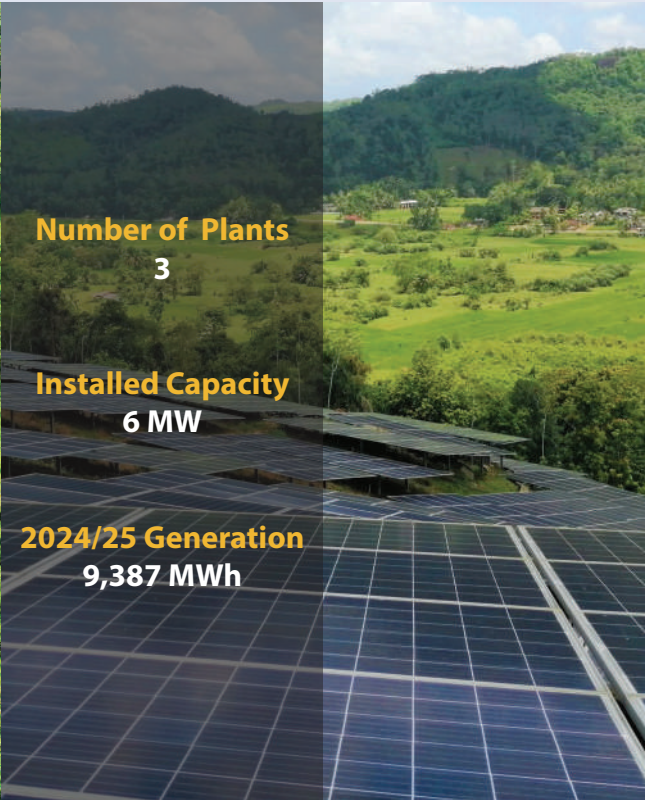
operations started in March 2023. Project is fully operational now but not yet reached the break-even level due to high finance cost. Board of Makari Gad MHP is actively looking into possible means of reducing this high finance cost.



The company's high debt position affected cash-flows and consequently distributions to shareholders. AWPLR exceeded 28% by October 2022 compared to a low of 5.43% recorded in FY 2021/22. During FY 2023/24 and FY 2024/25 interest rates eased gradually and AWPLR has reached the single digit level by mid-2025.

In FY 2023/24 and FY 2024/25 inflation moderated significantly and CBSL has relaxed their monetary policy stance by reducing policy rates. This reduction in market inflation and interest rates will have a favorable impact on our debt servicing and profitability.

In May 2024, the company raised additional capital through a 1:5 rights issue and raised LKR 465 million. The issue was oversubscribed. The entire rights issue proceeds were utilized to reduce debt of the company as stated in the Circular to the Shareholders.

# PROJECT PORTFOLIO

| HYDRO  | SOLAR   |
|--|---|
|  <p><b>Number of Plants</b><br/>8</p> <p><b>Installed Capacity</b><br/>28.25 MW</p> <p><b>2024/25 Generation</b><br/>111,449 MWh</p> |  <p><b>Number of Plants</b><br/>3</p> <p><b>Installed Capacity</b><br/>6 MW</p> <p><b>2024/25 Generation</b><br/>9,387 MWh</p> |

| WIND  | THERMAL  |
|---|--|
|  <p><b>Number of Plants</b><br/>2</p> <p><b>Installed Capacity</b><br/>15.3 MW</p> <p><b>2024/25 Generation</b><br/>31,633 MWh</p> |  <p><b>Number of Plants</b><br/>3</p> <p><b>Installed Capacity</b><br/>218.4 MW</p> <p><b>2024/25 Generation</b><br/>471,186 MWh</p> |



**UNIT ENERGY - HYDRO**

**Location**

Ginigathhena, Sri Lanka

**Installed Capacity (MW)**

4.85

**Date of Commission**

Mar-08

**2024/25 Generation (MWh)**

11,222

**LEF's Investment (LKR Mn)**

135.40

**LEF's Stake**

55%



**CAMPION - HYDRO**

**Location**

Bogawanthalawa, Sri Lanka

**Installed Capacity (MW)**

1.2

**Date of Commission**

Sep-15

**2024/25 Generation (MWh)**

3,213

**LEF's Investment (LKR Mn)**

118.00

**LEF's Stake**

84%



**SAPTHAKANYA- HYDRO**

**Location**

Nortan Bridge, Sri Lanka

**Installed Capacity (MW)**

1.3

**Date of Commission**

May-17

**2024/25 Generation (MWh)**

3,645

**LEF's Investment (LKR Mn)**

142.80

**LEF's Stake**

85%

**PROJECT PORTFOLIO**

**NELUWA - HYDRO**

**Location**  
Neluwa, Sri Lanka

**Installed Capacity (MW)**  
2.2

**Date of Commission**  
Jan-08

**2024/25 Generation (MWh)**  
5,396

**LEF's Investment (LKR Mn)**  
58.80

**LEF's Stake**  
49%



**BAMBARAPANA - HYDRO**

**Location**  
Haliela, Sri Lanka

**Installed Capacity (MW)**  
2.5

**Date of Commission**  
Feb-18

**2024/25 Generation (MWh)**  
7,953

**LEF's Investment (LKR Mn)**  
155.64

**LEF's Stake**  
40%



**NIVIDHU/BELIHULOYA - HYDRO**

**Location**  
Belihul Oya, Sri Lanka

**Installed Capacity (MW)**  
2.2

**Date of Commission**  
May-02

**2024/25 Generation (MWh)**  
9,693

**LEF's Investment (LKR Mn)**  
120.15

**LEF's Stake**  
25%



## PROJECT PORTFOLIO



### NIVIDHU/ASUPINIELLA - HYDRO

**Location**

Asupiniella, Sri Lanka

**Installed Capacity (MW)**

4

**Date of Commission**

Nov-05

**2024/25 Generation (MWh)**

13,812

**LEF's Investment**

Wholly-owned subsidiary of  
Nividhu Belihuloya

**LEF's Stake**

25%



### MAKARI GAD - HYDRO

**Location**

Chaubisho, Nepal

**Installed Capacity (MW)**

10

**Date of Commission**

Mar-23

**2024/25 Generation (MWh)**

56,514

**LEF's Investment (LKR Mn)**

660.38

**LEF's Stake**

42%



### MAHO - SOLAR

**Location**

Ambanpola, Sri Lanka

**Installed Capacity (MW)**

3

**Date of Commission**

Mar-22

**2024/25 Generation (MWh)**

5,132

**LEF's Investment (LKR Mn)**

101.81

**LEF's Stake**

81%

## PROJECT PORTFOLIO

### MATHUGAMA - SOLAR

**Location**

Mathugama, Sri Lanka

**Installed Capacity (MW)**

01

**Date of Commission**

Jan-21

**2024/25 Generation (MWh)**

1,410

**LEF's Investment (LKR Mn)**

35.10

**LEF's Stake**

77%



### PALLEKELE - SOLAR

**Location**

Theldeniya, Sri Lanka

**Installed Capacity (MW)**

2

**Date of Commission**

Mar-22

**2024/25 Generation (MWh)**

2,845

**LEF's Investment (LKR Mn)**

80.02

**LEF's Stake**

81%



### NALA DHANAVI - WIND

**Location**

Kalpitiya, Sri Lanka

**Installed Capacity (MW)**

5.1

**Date of Commission**

Jun-13

**2024/25 Generation (MWh)**

11,359

**LEF's Investment (LKR Mn)**

242.55

**LEF's Stake**

49%





**PAWAN DANAVI - WIND**

**Location**  
Kalpitiya

**Installed Capacity (MW)**  
10.2

**Date of Commission**  
Aug-12

**2024/25 Generation (MWh)**  
20,273

**LEF's Investment (LKR Mn)**  
424.00

**LEF's Stake**  
40%



**FENI LANKA - THERMAL**

**Location**  
Feni, Bangladesh

**Installed Capacity (MW)**  
114

**Date of Commission**  
Nov-19

**2024/25 Generation (MWh)**  
321,685

**LEF's Investment (LKR Mn)**  
1423.20

**LEF's Stake**  
29%



**LAKDHANAVI BANGLA - THERMAL**

**Location**  
Comilla, Bangladesh

**Installed Capacity (MW)**  
52.2

**Date of Commission**  
Jan-15

**2024/25 Generation (MWh)**  
137,654

**LEF's Investment (LKR Mn)**  
653.00

**LEF's Stake**  
33%

**PROJECT PORTFOLIO**

**RAJ LANKA - THERMAL**

**Location**  
Rajshahi, Bangladesh

**Installed Capacity (MW)**  
52.2

**Date of Commission**  
Jan-14

**2024/25 Generation (MWh)**  
11,848

**LEF's Investment (LKR Mn)**  
386.50

**LEF's Stake**  
20%



# ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors of LVL Energy Fund PLC have pleasure in presenting to the members their report together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investing in projects in the energy sector in Sri Lanka and abroad.

## PERFORMANCE REVIEW

A review of the Group's business and its performance during the year is contained in the Chairman's Message and Management Discussion and Analysis on pages 12 to 17 of the Annual Report. This review together with the Financial Statements reflects the state of affairs of the Company and the Group. These reports form an integral part of the Annual Report of the Directors.

## FINANCIAL STATEMENTS

The Financial Statements of the Company and the Group together with the Notes are given on pages 43 to 84.

## AUDITOR'S REPORT

The Auditors' Report on the Financial Statements is given on pages 40 to 42.

## ACCOUNTING POLICIES

The accounting policies including any changes to accounting policies adopted in the preparation of Financial Statements are given on pages 48 to 58.

## DIRECTORATE

The following Directors held office during the year under review:

Mr. P.G.D.B. Pallewatte

Mr. M.R. Abeywardena

Mr. J.D.N. Kekulawala\*

Mr. K.C.S. Dharmawardana\*

Mr. A.G.R. Dissanayake

Mr. W.P.K. Jayawardana\*

Mr. M.A. Wijetunge - Resigned on 15<sup>th</sup> March 2025

Mr. M.M. Wijetunge - Resigned on 30<sup>th</sup> December 2024

Mr. R.A. Dassanayake - Resigned on 21<sup>st</sup> January 2025

Mr. N.H.T.I. Perera - Resigned on 21<sup>st</sup> January 2025

\*Independent Director

As required by Listing Rule 9.8.2 of the Colombo Stock Exchange, the Board has determined that Messrs. J.D.N. Kekulawala, K.C.S. Dharmawardana and W.P.K. Jayawardana to be independent non-executive Directors. Further details are given on page 28 under Corporate Governance.

In terms of Article 27(12) of the Articles of Association of the Company, Mr. J.D.N. Kekulawala and Mr. W.P.K. Jayawardana retire by rotation, and being eligible, offer themselves for re-election with the unanimous approval of the Board.

## DIRECTORS' SHAREHOLDING

The relevant interest of Directors in the shares of the Company as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024 is as follows:

| Director                 | 31 March 2025 | 31 March 2024 |
|--------------------------|---------------|---------------|
| Mr. P.G.D.B. Pallewatte  | Nil           | Nil           |
| Mr. M.R. Abeywardena     | Nil           | Nil           |
| Mr. J.D.N. Kekulawala    | 500,000       | 500,000       |
| Mr. K.C.S. Dharmawardana | Nil           | Nil           |
| Mr. A.G.R. Dissanayake   | Nil           | Nil           |
| Mr. W.P.K. Jayawardana   | Nil           | Nil           |

Mr. J.P. Gamage, the Chief Executive Officer of the Company does not hold any shares in the Company as at 31<sup>st</sup> March 2025 (31<sup>st</sup> March 2024-Nil).

## INTEREST REGISTER

The Interest Register is maintained by the Company as per the Act. All Directors have disclosed their interests pursuant to Section 192(2) of the Act.

## DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS WITH THE COMPANY

Directors' interests in contracts, both direct and indirect are referred to in Note 28 of the Financial Statements. These interests have been declared at the meetings of the Board of Directors. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

## DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company and the Group for the financial year 2024/25 is given in Note 9 of the Financial Statements.

## DONATIONS

No donations have been made by the Company during the financial year 2024/25.

## AUDITORS

The Auditors Messrs. KPMG were paid LKR 829,901 inclusive of taxes (2023/24 - LKR 539,000) as audit fees and there were no audit related other services rendered to the Company during the financial year 2024/25 (2023/24 - Nil).

## ANNUAL REPORT OF THE BOARD OF DIRECTORS

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company or any subsidiary other than those disclosed above. The Auditors also do not have any interest in the Company or in any subsidiary.

### NOMINATIONS AND GOVERNANCE COMMITTEE

The Nominations and Governance Committee of the parent namely Lanka Ventures PLC, which is also a listed entity, functions as the Nominations and Governance Committee of the Company and comprises the following members:

Mr. J.D.N. Kekulawala – Chairman  
Mr. W.P.K. Jayawardana  
Mr. A.G.R. Dissanayake

### AUDIT COMMITTEE

The Audit Committee of the parent, namely Lanka Ventures PLC, which is also a listed entity, functions as the Audit Committee of the Company and comprises the following members:

Mr. J.D.N. Kekulawala - Chairman  
Mr. M.R. Abeywardana  
Mr. W.P.K. Jayawardana

### REMUNERATION COMMITTEE

The Remuneration Committee of the parent, namely Lanka Ventures PLC, which is also a listed entity, functions as the Remuneration Committee of the Company and comprises the following members:

Mr. J.D.N. Kekulawala – Chairman  
Mr. W.P.K. Jayawardana  
Mr. A.G.R. Dissanayake

### RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee of the parent, namely Lanka Ventures PLC, which is also a listed entity, functions as the Related Party Transactions Review Committee of the Company and comprises the following members:

Mr. W.P.K. Jayawardana - Chairman  
Mr. J.D.N. Kekulawala  
Mr. A.G.R. Dissanayake

The Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange pertaining to related party transactions.

There were no non-recurrent related party transactions during the year that are required to be disclosed in compliance with Section 9.14.8. (1) of the Listing Rules of the Colombo Stock Exchange and there were no recurrent related party transactions

during the year that are required to be disclosed in compliance with Section 9.14.8. (2) of the Listing Rules of the Colombo Stock Exchange.

### GROUP FINANCIAL RESULTS

| For the year ended 31 March     | 2025      | 2024      |
|---------------------------------|-----------|-----------|
|                                 | LKR'000   | LKR'000   |
| Total Income                    | 537,011   | 486,370   |
| Profit before Interest and Tax  | 1,084,651 | 475,035   |
| Interest                        | (353,731) | (486,747) |
| Tax Expense                     | (120,767) | (53,961)  |
| Profit/(loss) for the Year      | 610,152   | (65,673)  |
| Other Comprehensive Income      | (812,315) | (765,512) |
| Retained profit brought forward | 1,528,642 | 1,625,274 |
| Retained profit carried forward | 2,092,890 | 1,528,642 |

### DIVIDEND

There has been no dividend declared for financial year 2024/25 (2023/24 - Nil).

### PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment during the year under review is set out in Note 14 of the Financial Statements.

The Directors are of the opinion that the carrying amount of properties stated in Note 14 to the Financial Statements reasonably reflects their fair values.

### STATED CAPITAL AND RESERVES

The stated capital of the Company as at 31<sup>st</sup> March 2025 comprised ordinary share capital of LKR 3,372.3 million (2023/24 - LKR 2,906.5 million). The number of ordinary shares in issue as at 31<sup>st</sup> March 2025 was 698,733,742 (2023/24 - 582,278,117).

Total reserves of the Company as at 31<sup>st</sup> March 2025 amounted to LKR 2,065.8 million (2023/24 - LKR 2,314.5 million) which was the carried forward reserves of the Company. The Group reserves as at 31<sup>st</sup> March 2025 amounted to LKR 2,059.9 million (2023/24 - LKR 2,308.6 million). The composition of reserves is shown in the Statement of Changes in Equity in the Financial Statements.

### TAXATION

As per the Inland Revenue Act No. 24 of 2017 and amendments thereto, the Company was liable to income tax at the rate of 30% for the year ended 31<sup>st</sup> March 2025.

## ANNUAL REPORT OF THE BOARD OF DIRECTORS

### SHAREHOLDER INFORMATION

The distribution of shareholders is indicated on page 84 of the Annual Report. There were 3,929 registered shareholders as at 31<sup>st</sup> March 2025 (31<sup>st</sup> March 2024 - 1,704). The public holding of the Company as at 31<sup>st</sup> March 2025 was 44.58% comprising 3,927 shareholders and a float adjusted market capitalization of LKR 1,806,673,912.66.

In terms of Rule 7.14.1.(a) of the Listing Rules of the Colombo Stock Exchange relating to Main Board listing, the Company complies with minimum public holding requirement pertaining to Option 5.

Information on share trading is given on page 84 of the Annual Report.

### EVENTS AFTER THE REPORTING DATE

No circumstances have arisen and no material events have occurred since the Balance Sheet date which would require adjustments to, or disclosure in the accounts other than those disclosed in the Financial Statements and this report.

### GOING CONCERN

The Board is satisfied that the Company has adequate resources to continue its operations in the foreseeable future and the Directors have adopted the going concern basis in preparing the accounts.

### ANNUAL GENERAL MEETING

The Fourteenth Annual General Meeting of the Company will be held at the Auditorium of the Ceylon Chamber of Commerce, No. 50, Navam Mawatha, Colombo 02 on the Twenty Sixth (26<sup>th</sup>) day of September 2025 at 10.00 a.m. The Notice of the Fourteenth Annual General Meeting is on page 86 of the Annual Report.

For and on behalf of the Board



W.P.K. Jayawardana  
Director



M.R. Abeywardena  
Director

  
Corporate Secretary  
Corporate Services (Private) Limited  
Secretaries

29<sup>th</sup> August 2025  
Colombo

# CORPORATE GOVERNANCE

"Corporate Governance" is a generic term that describes the ways in which rights and responsibilities are distributed among the various corporate bodies according to the rules, processes or laws to which they are subject. In practice, corporate governance defines the decision-making systems and structure through which owners directly or indirectly control a company. The Board of Directors of LVL Energy Fund PLC is committed to ensuring business integrity and professionalism in all its activities. As a part of this commitment, the Board of Directors has proactively encouraged good corporate governance practices within the Company based on a generally accepted policy framework, which emphasizes transparency, control and accountability.

## Board of Directors and its Role

The Board of Directors as of 31<sup>st</sup> March 2025 consist of six non-executive directors including three independent directors with wide financial and commercial knowledge and experience. The directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of LVL Energy Fund PLC. They are well aware of the Company's activities and give direction for long-term strategy, seeking and contributing views and opinions on strategic options proposed by the senior management of the Company. The directors also ensure that the Company is compliant with the provisions of the Companies Act No. 07 of 2007 and other statutory and regulatory requirements including the Listing Rules and circulars of the Colombo Stock Exchange and Securities and Exchange Commission of Sri Lanka.

The board meets once in two months and special board meetings are held whenever required to review the results of the Company with reference to monthly Financial Statements, status of portfolio, pipeline of projects, investment and divestment proposals and position papers on portfolio companies. The Board comprising entirely non-executive members is able to bring independent judgment to bear on the decision-making process of the Company.

At these meetings the board reviews;

- Monthly performance of the Company against the budget
- Formulation, monitoring and implementation of sound business strategies, internal controls and risk management procedures that are in place and monitor their effectiveness and initiate changes where required
- Secure effective information, control and audit systems
- Compliance with legal/ethical standards

The details of attendance of board meetings are as follows.

| Name of Director         | Attendance of Board Meetings |                      |                      |                     |                     |                      | Total |
|--------------------------|------------------------------|----------------------|----------------------|---------------------|---------------------|----------------------|-------|
|                          | 4 <sup>th</sup> Apr          | 10 <sup>th</sup> Jun | 20 <sup>th</sup> Aug | 1 <sup>st</sup> Oct | 2 <sup>nd</sup> Dec | 25 <sup>th</sup> Feb |       |
| Mr. P.G.D.B. Pallewatte  | √                            | √                    | √                    | √                   | √                   | √                    | 6/6   |
| Mr. M.R. Abeywardena     | √                            | √                    | √                    | √                   | √                   | √                    | 6/6   |
| Mr. J.D.N. Kekulawala    | -                            | √                    | √                    | -                   | √                   | √                    | 4/6   |
| Mr. A.G.R. Dissanayake   | √                            | √                    | √                    | √                   | √                   | √                    | 6/6   |
| Mr. W.P.K. Jayawardana   | √                            | √                    | √                    | √                   | -                   | √                    | 5/6   |
| Mr. K.C.S. Dharmawardana | √                            | √                    | √                    | -                   | √                   | √                    | 5/6   |
| Mr. M.A. Wijetunge       | √                            | -                    | -                    | √                   | √                   | -                    | 3/6   |
| Mr. M.M. Wijetunge       | √                            | √                    | √                    | √                   | √                   | -                    | 5/6   |
| Mr. R.A. Dassanayake     | √                            | √                    | √                    | √                   | √                   | -                    | 5/6   |
| Mr. N.H.T.I. Perera      | √                            | √                    | √                    | √                   | √                   | -                    | 5/6   |

Mr. M.A. Wijetunge - Resigned 15<sup>th</sup> March 2025  
 Mr. M.M. Wijetunge - Resigned 30<sup>th</sup> December 2024  
 Mr. R.A. Dassanayake - Resigned 21<sup>st</sup> January 2025  
 Mr. N.H.T.I. Perera - Resigned 21<sup>st</sup> January 2025

At the Annual General Meeting in every year, two of the directors retire by rotation on the basis prescribed in the Articles of Association of the Company and are eligible for re-election. The retiring directors eligible for re-election this year are mentioned in the Notice of the AGM.

## Composition of the Board

### Non-Executive, Non- Independent Directors

Mr. P.G.D.B. Pallewatte (Chairman)  
 Mr. M.R. Abeywardena  
 Mr. A.G.R. Dissanayake

### Non-Executive, Independent Directors

Mr. J.D.N. Kekulawala  
 Mr. W.P.K. Jayawardana  
 Mr. K.C.S. Dharmawardana

At present, there are six directors on the board, whose profiles are given on page 10 and 11 in this Annual Report. All the directors have the necessary skills and experience to direct and lead the Company.

## Independence and Managing Conflicts of Interests

The independence of all Non-Executive Independent Directors was reviewed and no Non-Executive Independent Director has a conflict of interest as at 31<sup>st</sup> March 2025.

**Board Committees**

**Audit Committee**

The Board formally constituted the Audit Committee comprising of Mr. J.D.N. Kekulawala as the Chairman and Mr. M.R. Abeywardena, non-independent non-executive director and Mr. W.P.K. Jayawardana, independent non-executive director to oversee the financial reporting and internal control systems of the Company. This committee is also directed with the task of ensuring that all statutory and regulatory requirements are complied with in preparation of the Financial Statements of the Company in order that they give a true and fair view of the Company's state of affairs.

Attendance of the Audit Committee meetings were as follows.

| <b>Name of Director</b> | <b>Status</b> | <b>Attendance</b> |
|-------------------------|---------------|-------------------|
| Mr. J.D.N. Kekulawala   | IND/NED       | 5/5               |
| Mr. R.A. Dassanayake*   | NED           | 4/5               |
| Mr. W.P.K. Jayawardana  | IND/NED       | 4/5               |
| Mr. M.R. Abeywardena**  | NED           | -                 |

\*resigned on 21.01.2025

\*\*appointed w.e.f. 25.02.2025

The detailed Audit Committee's report including areas reviewed during the financial year 2024/25 is given on Page 35 of the Annual Report.

**Remuneration Committee**

The board also has a Remuneration Committee comprising of following two non-executive independent directors and one non-independent non-executive Director and its responsibility is to establish and develop the Company's general policy on remuneration package for executive directors.

Mr. J.D.N. Kekulawala (Chairman of the committee)

Mr. W.P.K. Jayawardana

Mr. A.G.R. Dissanayake

No meetings were held during the financial year 2024/25.

**Related Party Transactions Review Committee**

The main objective of the committee is to ensure consistency of the transactions with the code of best practices on related party transactions issued by the SEC. Following Directors served as members of the committee during the financial year.

Mr. W.P.K. Jayawardana (Chairman of the committee)

Mr. J.D.N. Kekulawala

Mr. A.G.R. Dissanayake

Attendance of the Related Party Transactions Review Committee meetings were as follows.

| <b>Name of Director</b> | <b>Status</b> | <b>Attendance</b> |
|-------------------------|---------------|-------------------|
| Mr. J.D.N. Kekulawala   | IND/NED       | 4/4               |
| Mr. A.G.R. Dissanayake  | NED           | 2/4               |
| Mr. W.P.K. Jayawardana  | IND/NED       | 4/4               |

During the year, the Board of Directors confirmed that no material related party transactions occurred, based on the reports presented by the Related Party Transactions Review Committee.

**Directors' Interest and Responsibilities**

The directors of the Company have made the general disclosures provided for in Section 192(2) of the Companies Act No.07 of 2007 and have been duly entered in the interest register of the Company.

The directors are required by relevant statutory provision to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the Company for that period. In preparing the financial statements, appropriate accounting policies have been selected and applied consistently and reasonably and prudent judgments and estimates have been made. The applicable Sri Lanka Accounting Standards have been followed and explained in the notes to the financial statements.

The directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy of the financial position of the Company and to ensure that the Company's financial statements comply with the provisions of the Companies Act. No. 07 of 2007, the Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange.

The directors are also responsible for ensuring that reasonable measures are taken to safeguard the assets of the Company at all times. In this context, they have established appropriate systems of internal controls with a view to preventing and detecting frauds and other irregularities.

In preparing accounts, the directors continue to adopt the going concern basis. The directors after reviewing the Company's budget and borrowing facilities are of the view that the Company has adequate resources to continue in operation for the foreseeable future.

## CORPORATE GOVERNANCE

### Fitness of Directors

The Company assessed fitness of Directors of the Company and obtained the declaration of fitness and propriety confirming that all Directors of the Company have satisfied the Fit and Proper Assessment Criteria set out in the Section 9.7.3 of the Listing Rules of Colombo Stock Exchange.

### Policies

The board has ensured that the company operates according to internal mechanisms based on the Articles of Association and adheres to following internal policies:

- Policy on the matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and Re-election
- Policy on Remuneration
- Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- Policy on Risk management and Internal controls
- Policy on Relations with Shareholders and Investors
- Policy on Environmental, Social and Governance Sustainability
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on Whistleblowing
- Policy on Anti-Bribery and Corruption

### Compliance with Legal Requirements

The board is conscious of its responsibilities to the shareholders, the government and the society in which it operates and is unequivocally committed to upholding ethical behavior in conducting its business. The Board of Directors requires that Financial Statements are prepared in accordance with the Sri Lanka Accounting Standards and the requirements of the Colombo Stock Exchange.

### Relationship and Communication with Shareholders

LVL Energy Fund PLC aims to ensure that shareholders have access to relevant, up-to-date and consistent financial and non-financial information pertaining to the Company. The Annual Report and quarterly Financial Statements provide the shareholders as well as prospective investors with the required information to assess the Company's past performance and

analyze its future prospects. Additionally, important matters are communicated to relevant stakeholders through AGMs, EGMs, announcements to the CSE, press releases, and the corporate website.

### Corporate Governance Requirements under the Listing Rules of Colombo Stock Exchange

Sections 7 and 9 of the Listing Rules of the Colombo Stock Exchange requires all Listed Companies to include in their Annual Reports an affirmative statement relating to compliance with the Corporate Governance Rules specified in that section. The tables in page 32 to 34 contains the required affirmative statement in that regard.

### Company Secretary

The Company secretary is qualified to act in this role as per the provisions of the Companies Act No. 07 of 2007.

### External Auditors

The External Auditors are appointed by the shareholders at the Annual General Meeting and are responsible to give their opinion on the Financial Statements prepared by the Company. At the 13<sup>th</sup> Annual General Meeting of LVL Energy Fund PLC held on 27<sup>th</sup> September 2024, the shareholders reappointed the Auditors M/s. KPMG and authorized the directors to fix their remuneration. The independent auditors conduct the annual audit in order to provide an external and objective assurance on the way in which the Financial Statements have been prepared and presented.

The Company believes that the real value of corporate governance lies not in blindly satisfying a code of best practice principle but rather in actually securing the confidence of the investors and thereby achieving a lower cost of equity by conducting its affairs with utmost integrity & fairness to all stakeholders.

### Investment Committee

The Investment Committee comprising three members of the Board is responsible for considering investment and divestment proposals prior to placing them before the Board for approval.

### Responsibilities

The Board and its committees are supplied with full and timely information to enable them to discharge their responsibilities.

The responsibilities of the Board include the following:

- Exercise leadership, enterprise, integrity and judgment in directing the Company so as to achieve continuing prosperity in a manner based on transparency, accountability and responsibility.
- Ensure a managed and effective process of Board appointments.
- Determine the Company's purpose and values, strategy and ensure that appropriate procedures and practices are in place.
- Monitor and evaluate the implementation of strategies and policies for better management performance.
- Ensure compliance with the relevant laws, regulations and codes of best practice.
- Communicate with shareholders effectively and serve the legitimate interests of the shareholders.
- Periodic and timely reporting to shareholders of the progress and performance of the Company.
- Review processes and procedures regularly to ensure that internal controls are effective.
- Identify key risk areas and ensure that these risks are addressed and managed effectively.
- Appointing and evaluating the performance of the Chief Executive Officer.
- Approving the Annual Budget.
- Ensure the continuation of the Company as a going concern.

### Investor Relations

The Annual General Meeting, Annual Report of the Company and Quarterly Reports are the principal means of communication with the shareholders.

### Foreseeable risk factors

- Credit Risk  
Is the risk of loss due to uncertainty in counterparty's ability to meet its financial obligations in full and in a timely manner. Investee companies in the energy sector are dependent on a single customer for sale of electricity.
- Interest Rate Risk  
Is the risk of financial loss due to adverse movement in interest rates.

- Liquidity Risk  
Is the risk arising out of the lack of marketability of an investment. The Group's investments are in unlisted companies whose shares may not be readily marketable.
- Business Risk  
Is the risk that can have a negative impact on the operation or earnings of the Company due to internal or external factors such as changes in the cost structure, loss of market share and changes in industry or macro-economic conditions.
- Operational Risk  
Is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations. Venture capital investments are well known as high risk investments since venture capital companies invest in ventures with a high growth but also high risk potential.

The overall responsibility for the governance of operational risk lies with the Board of Directors. The Board identifies major risk areas and provide adequate resources and people to mitigate and minimize risks. Performance of the ventures and potential new investments are evaluated by the Board in order to make strategic decisions.

- Environment Risk  
Is the risk which arises due to actual or potential threat of adverse effects from environment. An environment study is carried out in respect of each power sector project. Changing weather patterns can have an impact on projects in the renewable energy sector.

### Material issues pertaining to employees and industrial relations.

There are no material issues pertaining to employees and industrial relations of the Company.

## CORPORATE GOVERNANCE

### Statement of Compliance under section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures.

#### MANDATORY PROVISIONS - FULLY COMPLIANT

| Rule            | Requirement   | Compliance Status | Reference      |
|-----------------|---|-------------------|----------------|
| (i)             | Names of persons who were Directors of the Company  | Complied          | page 28        |
| (ii)            | Principal activities of the entity and its subsidiaries during the year, and any changes therein  | Complied          | pages 12 to 17 |
| (iii)           | The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held  | Complied          | page 87        |
| (iv)            | a) The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement | Complied          | page 86 & 87   |
|                 | b) The public holding percentage in respect of non-voting Shares (where applicable)   | Not Applicable    |                |
|                 | c) The public holding percentage in respect of Foreign Currency denominated Shares  | Not Applicable    |                |
| (v)             | A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year  | Complied          | page 25        |
| (vi)            | Information pertaining to material foreseeable risk factors of the Entity   | Complied          | pages 37 & 38  |
| (vii)           | Details of material issues pertaining to employees and industrial relations   | Complied          | page 31        |
| (viii)          | Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties  | Complied          | page 65 & 66   |
| (ix)            | Number of shares representing the Entity's stated capital   | Complied          | page 26        |
| (x)             | A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings   | Complied          | page 86        |
| (xi)            | Financial ratios and market price information   | Complied          | page 85        |
| (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  | Complied          | page 65 & 66   |
| (xiii)          | Details of funds raised through a public issue; rights issue and a private placement during the year  | Complied          | page 72        |
| (xiv)           | Information in respect of employee share option scheme or share purchase schemes  | Not Applicable    |                |
| (xv)            | Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules   | Complied          | page 33 & 34   |
| (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  | Complied          | page 77 to 78  |
| (xvii) to (xxi) | Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds and/or Shariah Compliant Debt Securities listed on the CSE        | Not Applicable    |                |

### Statement of Compliance under section 7.10 of the Listing Rules of the CSE on Corporate Governance

#### MANDATORY PROVISIONS - FULLY COMPLIANT

| Rule                           | Requirement  | Compliance Status | Reference  |
|--------------------------------|--|-------------------|--|
| 7.10.1 Non Executive Directors | At least one third of the total number of directors should be non-executive directors                              | Complied          | Complied with. All six Directors are non-executive |
| 7.10.2a Independent Directors  | Two or one third of non-executive directors, whichever is higher should be independent                             | Complied          | Three non-executive directors are independent      |
| 7.10.2b Independent Directors  | Each non-executive director should submit a declaration of independence /non-independence in the prescribed format | Complied          | Submitted the independent declarations accordingly |

| <b>Rule</b>  | <b>Requirement</b>   | <b>Compliance Status</b> | <b>Reference</b>                                |
|--|--|--------------------------|---|
| 7.10.3c Disclosure Relating to Directors                                   | Names of independent directors should be disclosed in the Annual Report  | Complied                 | page 28   |
| 7.10.3c Disclosure Relating to Directors                                   | A brief resume of each director should be included in the Annual Report including the areas of expertise   | Complied                 | page 10 & 11                                    |
| 7.10.5 Remuneration Committee  | A listed Company shall have a Remuneration Committee   | Complied                 | page 26   |
| 7.10.5a Composition of Remuneration Committee                              | The Remuneration Committee shall comprise of non-executive directors a majority of whom will be independent  | Complied                 | page 29   |
| 7.10.5b Functions of Remuneration Committee                                | The Remuneration Committee shall recommend the remuneration of Chief Executive Officer and Executive Directors   | Complied                 | page 29   |
| 7.10.5c Disclosure in the Annual Report relating to Remuneration Committee | The Annual Report should set out;<br>a) Names of directors comprising the Remuneration Committee<br>b) Statement of Remuneration Policy<br>c) Aggregated remuneration paid to executive & non-executive directors  | Complied                 | page 29<br>page 59                              |
| 7.10.6 Audit Committee   | The Company shall have an Audit Committee  | Complied                 | Names of the Audit Committee members<br>page 26 |
| 7.10.6a Composition of Audit Committee                                     | The Audit Committee;<br>• Shall comprise of non-executive directors a majority of whom will be independent.  | Complied                 | page 29   |
|  | • One non-executive independent director shall be appointed as the Chairman of the committee   | Complied                 | page 29   |
|  | • Chief Executive Officer and the Chief Financial Officer should attend Audit Committee meetings   | Complied                 | page 35   |
|  | • The Chairman of the Audit Committee or one member should be a member of a professional accounting body   | Complied                 | page 10   |
| 7.10.6b Audit Committee functions  | The Audit Committee;<br>Should be as outlined in the Section 7.10.6b of the listing rules  | Complied                 | page 35   |
| 7.10.6c Disclosure in the Annual Report relating to Audit Committee        | The Annual Report should set out;<br>a) Names of directors comprising the Audit Committee<br>b) The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination<br>c) The Annual Report shall contain a report of the Audit Committee setting out the manner of compliance of the functions | Complied                 | page 29<br>page 35                              |

**The Company has complied with the following listed sections of the amendments to Rule 7.10 and section 9 of the Listing Rules of the Colombo Stock Exchange published in September 2023.**

| <b>Rule</b>  | <b>Requirement</b>  | <b>Compliance Status</b> | <b>Reference</b>   |
|--------------|---|--------------------------|--|
| 9.2 Policies | Establish the following policies:<br>(a) Policy on the matters relating to the Board of Directors<br>(b) Policy on Board Committees<br>(c) Policy on Corporate Governance, Nominations and Re-election<br>(d) Policy on Remuneration<br>(e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities<br>(f) Policy on Risk management and Internal controls<br>(g) Policy on Relations with Shareholders and Investors<br>(h) Policy on Environmental, Social and Governance Sustainability<br>(i) Policy on Control and Management of Company Assets and Shareholder Investments<br>(j) Policy on Corporate Disclosures<br>(k) Policy on Whistleblowing<br>(l) Policy on Anti-Bribery and Corruption. | Complied                 | All the 12 policies are in place as at the annual report date. |

## CORPORATE GOVERNANCE

| Rule   | Requirement  | Compliance Status | Reference   |
|--|--|-------------------|---|
| 9.3.1 Board Committees   | The Company has established the following committees:<br>(a) Remuneration Committee;<br>(b) Audit Committee<br>(c) Related Party Transaction Review Committee; and<br>(d) Nomination and Governance Committee.   | Complied          | All the Board Committees are in compliance with the said rules. |
| 9.3.2 Composition of the Board Committees                              | Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules  | Complied          | Compliance with Corporate Governance Rules                      |
| 9.3.3 Chairperson  | The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1  | Complied          | Compliance with Corporate Governance Rules                      |
| 9.4 Principle of democracy   | Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders   | Complied          | Compliance with Corporate Governance Rules                      |
| 9.5 Policy on Board Director   | Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors  | Complied          | Complied as at the Annual Report Date                           |
| 9.6.1 Chairperson and CEO  | The Chairperson shall be a non-executive Director. The position of Chairperson and CEO shall not be held by the same individual.   | Complied          | Compliance with Corporate Governance Rules                      |
| 9.6.3 SID  | The requirement of SID   | N/A               | Chairperson and CEO are not the same person                     |
| 9.7 Fitness of Directors and CEO                                       | Directors and the CEO are, at all times, fit and proper persons  | Complied          | Compliance with Corporate Governance Rules. Refer page 30       |
| 9.8.1 Board Composition  | Board of Directors shall, at a minimum, consist of five (05) Directors   | Complied          | Six Directors   |
| 9.8.2 Minimum Number of Independent Directors                          | The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.  | Complied          | Compliance with Corporate Governance Rules                      |
| 9.8.5 Make a determination as to the independence based on declaration | Submit a signed and dated declaration annually against Independence criteria and make determination based on the same.   | Complied          | Compliance with Corporate Governance Rules                      |
| 9.9 Alternate Directors  | Alternate Directors Company to provide the appointment and such requirement to be incorporated into the Articles of Association  | N/A               |   |
| 9.10 Disclosures relating to directors                                 | <ul style="list-style-type: none"> <li>- Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement.</li> <li>- Company shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees.</li> <li>- Disclosures relating to the Directors in the Annual Report.</li> </ul> | Complied          | Compliance with Corporate Governance Rules Refer page 30        |

# AUDIT COMMITTEE REPORT

The Audit Committee is assigned with the task of assisting the Board in fulfilling its responsibility in relation to the integrity of the financial statements of the Company, ensuring that a proper financial reporting system is in place in order to provide accurate and timely information, that it is in accordance with the Company's Act and other legislative reporting requirements and that adequate disclosures are made in the financial statements in accordance with the Sri Lanka Accounting Standards. The Audit Committee reviews the effectiveness of internal controls and implements changes where required and ensures that the risk management processes are effective and sufficient to identify and mitigate risks. The Audit Committee also ensures that the conduct of the business is in compliance with applicable laws and regulations.

The Audit Committee comprises of three non-executive Directors including two independent Directors in conformity with the Listing Rules of the Colombo Stock Exchange and the names of the members of the Committee are given in page 26 in the Annual Report of the Board of Directors.

The Committee met five times during the financial year (21<sup>st</sup> May 2024, 12<sup>th</sup> August 2024, 16<sup>th</sup> August 2024, 08<sup>th</sup> November 2024 and 06<sup>th</sup> February 2025) and attendance of members who participated at meetings is given in page 29 under Corporate Governance. The Chief Executive Officer of the Company and Senior Finance Manager of Lanka Ventures PLC attended all meetings by invitation.

The Committee reviewed the financial reporting system adopted by the Company in the preparation of its quarterly and annual financial statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Accounting Standards. The Committee recommended the financial statements to the Board for its deliberations and issuance.

The Committee reviewed the business process in operation and ensured that adequate controls and procedures are in place to provide reasonable assurance to the Directors that assets are safeguarded and that the financial reporting system can be relied upon in preparation and presentation of financial statements. Additionally, the Committee has received assurances from the Chief Executive Officer and Senior Finance Manager of the Group regarding the soundness and integrity of the Group's operations and financial management. The Committee is satisfied that the Company's compliance framework provided reasonable assurance that all relevant laws, rules and regulations and accounting standards have been complied with. Furthermore, the Company operates under a formal audit charter that guides the Committee's operations and responsibilities.

The Committee is satisfied that the independence of the auditors has not been compromised by any event or service that gives rise to a conflict of interest. Furthermore, as per the SEC guidelines, the Committee has obtained written assurance from the external auditors, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Committee also notes that Messrs. KPMG have been engaged as the external auditors for 13 years, with the current audit partner having served for 6 years and further the Committee has proposed that Messrs. KPMG be re-appointed as auditors for the financial year ending 31<sup>st</sup> March 2026 subject to approval by the shareholders at the Annual General Meeting.



J.D.N. Kekulawala  
Chairman  
29<sup>th</sup> August 2025

# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Committee comprises three non-executive directors including two independent directors and their names are given in page 26 of the Annual Report of the Board of Directors.

The main duties and responsibilities of the Committee and the policies and procedures adopted for reviewing related party transactions are given below:

- (1) Establish definitions and set out threshold values for each related party transaction as per the listing rules that requires discussion and disclosure.
- (2) Identify related party transactions that require prior approval of the Board, immediate market disclosure, shareholder approval and disclosure in the annual report.
- (3) Formulate a standard format for documentation of related party transactions to be presented to the Committee.
- (4) Establish guidelines to identify recurrent and non-recurrent related party transactions.
- (5) Obtain knowledge and expertise to assess proposed related party transactions where necessary including obtaining of appropriate professional and expert advice from suitably qualified persons.
- (6) Communicate to the Board its views on related party transactions reviewed by the Committee.
- (7) Periodic review by the Committee with the view to ensuring that disclosures have been made in the market or in the annual report as the case may be consistent with the listing rules.

The Committee met on four occasions during the financial year (21<sup>st</sup> May 2024, 12<sup>th</sup> August 2024, 08<sup>th</sup> November 2024 and 06<sup>th</sup> February 2025) and attendance of members is given in page 29 under Corporate Governance. The Chief Executive Officer of the Company and Senior Finance Manager of Lanka Ventures PLC attended the meetings as invitees.

The Committee reviewed the related party transactions and communicated its views to the Board. The Committee was satisfied with the quality and adequacy of the information pertaining to related party transactions presented to it by the management in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange. Additionally, the Board of Directors affirms that these rules pertaining to Related Party Transactions have been fully complied with.



W.P.K. Jayawardana

Chairman

29<sup>th</sup> August 2025

# RISK MANAGEMENT

Effective risk management is essential to ensuring sustainable value creation for our stakeholders. At LVL Energy Fund PLC, we operate in a dynamic environment influenced by macroeconomic, geopolitical, environmental, and sector-specific challenges. As such, we have embedded a robust risk management framework within our operations, grounded in the principles of governance, oversight, and accountability.

Our risk management approach is designed to:

- Proactively identify and evaluate material risks,
- Implement timely mitigation strategies,
- Foster a strong risk-aware culture across the organization.

## OUR RISK LANDSCAPE

Given our portfolio exposure across Sri Lanka and South Asia, and our investments in renewable and thermal energy, the LVL Group is exposed to a wide range of interrelated risks. These span strategic, operational, environmental, and financial dimensions.

We classify and assess our risks under the following key categories:

### 1. Strategic and Operational Risks

| Risk Description   | Impact   | Assessment                               | Mitigation Measures   |
|--|--|--|---|
| <b>Climate variability and seasonality</b>                   | Revenue loss from underperformance                   | <b>High Impact/ High Likelihood</b>      | Site-specific climate analysis and feasibility assessments are conducted to ensure optimal project locations. In addition, essential maintenance activities are strategically scheduled during periods of low energy generation to minimize revenue loss. |
| <b>Delays in dividend receipts from overseas associates</b>  | Reduced cash flows for reinvestment and debt service | <b>High Impact / Medium Likelihood</b>   | We maintain active engagement with investee companies and major shareholders to expedite dividend distributions. Additionally, alternative funding options are kept available to manage potential cash flow shortfalls.                                   |
| <b>Community and environmental concerns at project sites</b> | Reputational and regulatory risks                    | <b>Medium Impact / Medium Likelihood</b> | Community engagement programs, EIAs, and compliance with local environmental regulations  |

### 2. Economic and Financial Risks

| Risk Description   | Impact   | Assessment                               | Mitigation Measures  |
|--|--|--|--|
| <b>Exchange rate volatility – Exposure to foreign currency loans and dividends</b> | Adverse FX impact on earnings and repayments     | <b>Medium Impact / Medium Likelihood</b> | Use of natural and financial hedging mechanisms; FX alignment between revenue and borrowings                                       |
| <b>Increased borrowing costs and limited access to credit</b>                      | Constraints on project financing and refinancing | <b>Medium Impact / Medium Likelihood</b> | We maintain a diversified lender base and actively engage in negotiations with banks to secure favorable interest rate conditions. |
| <b>Changes in taxation policy or BOI incentive structures</b>                      | Reduced profitability and investor returns       | <b>Medium Impact / Medium Likelihood</b> | Proactive tax planning; applying for BOI concessions and renewable energy incentives.  |

# RISK MANAGEMENT

## 3. Environmental and Physical Risks

| Risk Description                                  | Impact  | Assessment                      | Mitigation Measures  |
|---|---|---------------------------------|--|
| Extreme weather events (floods, droughts, storms) | Damage to infrastructure and loss of generation | High Impact / Medium Likelihood | Designing resilient infrastructure; comprehensive insurance coverage for physical assets |

## OUR APPROACH TO RISK MITIGATION

- **Governance Oversight:** Our Board and Audit Committee provide independent oversight of the Group's risk posture and mitigation progress.
- **Continuous Monitoring:** Key risks are continuously reviewed in light of market and operational developments.
- **Integration with Strategy:** Risk insights are embedded into capital allocation, investment appraisal, and strategic planning processes.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibility of the Directors, in relation to the Financial Statements of the Company differs from the responsibilities of the Auditors, which are set out in the Independent Auditors' Report on page 40 to 42.

The Directors are responsible for preparing the Annual Report and the Financial Statements to the shareholders of the Company. The Directors confirm that the Financial Statements give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year, and of the profit or loss of the Company and the Group for the financial year.

In preparing the Financial Statements set out on page 43 to 47 the Directors are required to:

- Select appropriate accounting policies and then consistently make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.

The Directors confirm that they have complied with the above requirements in preparing both the Company Financial Statements and the consolidated Financial Statements. The Directors also confirm that the Company and the Group have adequate resources to continue in business for the foreseeable future and have applied going concern basis in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and the Group and to enable them to ensure the Financial Statements comply with the Companies Act No. 07 of 2007.

They are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal control.

The Directors are required to prepare Financial Statements and to provide the external Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their independent audit opinion.

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

## Compliance Report

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

By Order of the Board,

  
Corporate Services (Private) Limited  
CORPORATE SERVICES (PRIVATE) LIMITED  
Secretaries  
29<sup>th</sup> August 2025  
Colombo

# FINANCIAL STATEMENTS





**LVL ENERGY FUND PLC**



# INDEPENDENT AUDITOR'S REPORT



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

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LVL ENERGY FUND PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of LVL Energy Fund 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<sup>st</sup> March 2025, 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 material accounting policies and other explanatory 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 of 31<sup>st</sup> March 2025, and of their financial performance and their 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 Company and the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the Company and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Equity accounting of subsidiaries and associates in the Company's separate financial statements and consolidation of investments in subsidiaries and equity accounting of associates in the Group financial statements

Refer to the material accounting policies in note 3.1, 3.2 and explanatory note 15, 21.3 and 21.4 to the financial statements.

#### Risk Description

The carrying value of the subsidiaries and associates in the separate financial statements of the company amounted to Rs. 7,502 million and the carrying value of associates recorded in Consolidated financial statements amounted to Rs. 5,889 million which represents over 99% of the Company's total assets and 68% of the Group's total assets respectively as at 31<sup>st</sup> March 2025.

These investments of the Company and Group are accounted for by equity accounting and by consolidation depending on the nature of investments and the requirements of relevant accounting standards. The determination of the appropriate accounting depends upon the ability of the Company to exercise control or significant influence. The Company measures its components using the equity method of accounting in its separate financial statements in accordance with LKAS 27 and LKAS 28. The consolidated financial statements are prepared in accordance with SLFRS 10 and LKAS 28.

Further, with the foreign currency exchange rate movements resulted from the prevailing economic condition, the Company and the Group reported a loss on foreign currency translation from foreign operations amounting to Rs. 546 million during the year. Further, the Company and the Group recorded Rs. 266 million as share of other comprehensive loss on equity accounted investees during the year.

Due to the magnitude of these amounts and the judgements involved in assessing the control/ significant influence, this was considered to be a key audit matter.

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

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

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

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D. Corea Dharmaratne

**Our response*****Our audit procedures included,***

- Obtaining an understanding of and assessing the design and implementation of management's key internal controls around the application of SLFRS 10 and challenging the significant judgments that management have exercised in determining whether the Group controls its components.
- Verifying the basis of the entities accounted for as subsidiaries and associates in the financial statements.
- Obtaining and reviewing those relevant terms in the shareholders' agreements and articles of association of subsidiaries and associates.
- Recomputing the Net Controlling Interest by using net assets of each subsidiaries.
- Verifying the net assets used for equity accounting with the individual component's financial statements to ensure the accuracy.
- Checking the accuracy of elimination of intercompany transactions.
- Verifying the use of foreign exchange rates and recomputing the foreign currency translation gain/loss at the reporting date on a sample basis.
- Reviewing the work carried out by component auditors where necessary including cashflow hedge accounting as per SLFRS 9 of components with the consultation of inhouse specialist and performing analytical reviews for non-significant components.
- Evaluating the adequacy of the disclosures made in the financial statements.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITOR'S REPORT



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3544.

A handwritten signature in blue ink that reads 'KPMG'.

Chartered Accountants  
Colombo, Sri Lanka  
29<sup>th</sup> August 2025

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts in Sri Lanka Rupees thousands)

| For the year ended 31 March,  | Notes | Group            |                  | Company          |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | 2025             | 2024             | 2025             | 2024             |
| <b>Revenue</b>  |       |                  |                  |                  |                  |
| Income from power generation  | 6     | 436,978          | 419,181          | -                | -                |
|   |       | <b>436,978</b>   | <b>419,181</b>   | -                | -                |
| <b>Interest income</b>  | 7     | 24,483           | 13,646           | 12,296           | 2,746            |
| <b>Other income</b>   | 8     | 75,550           | 53,542           | 35               | 7,001            |
| <b>Operating expenses</b>   |       |                  |                  |                  |                  |
| Sales and establishment expenses  |       | (159)            | (25)             | -                | -                |
| Other operating expenses  |       | (74,498)         | (69,663)         | (49,305)         | (49,484)         |
| Direct expenses - subsidiaries  | 6     | (200,046)        | (198,090)        | -                | -                |
| <b>Results from operating activities</b>  | 9     | <b>262,308</b>   | <b>218,590</b>   | <b>(36,974)</b>  | <b>(39,737)</b>  |
| Finance cost  | 10    | (353,731)        | (486,747)        | (258,860)        | (304,975)        |
| Share of profit of equity accounted investees, net of tax   | 11    | 822,342          | 256,445          | 884,196          | 266,687          |
| <b>Profit/(loss) before income tax</b>  |       | <b>730,919</b>   | <b>(11,712)</b>  | <b>588,362</b>   | <b>(78,025)</b>  |
| Income tax expense  | 12    | (120,767)        | (53,961)         | (24,742)         | (18,607)         |
| <b>Profit/(loss) for the year</b>   |       | <b>610,152</b>   | <b>(65,673)</b>  | <b>563,620</b>   | <b>(96,632)</b>  |
| <b>Other comprehensive income, net of income tax</b>  |       |                  |                  |                  |                  |
| <b>Items that are or may be re-classified subsequently to profit or loss</b>                                    |       |                  |                  |                  |                  |
| Foreign operations - foreign currency translation differences   | 15.2  | (545,903)        | (689,088)        | (545,903)        | (689,088)        |
| Share of other comprehensive income from equity accounted investees   | 15.2  | (266,412)        | (76,424)         | (266,412)        | (76,424)         |
| <b>Total other comprehensive income that are or may be re-classified to profit or loss in subsequent period</b> |       | <b>(812,315)</b> | <b>(765,512)</b> | <b>(812,315)</b> | <b>(765,512)</b> |
| <b>Items that will not be re-classified subsequently to profit or loss</b>                                      |       | -                | -                | -                | -                |
| <b>Total other comprehensive income for the year, net of income tax</b>   |       | <b>(812,315)</b> | <b>(765,512)</b> | <b>(812,315)</b> | <b>(765,512)</b> |
| <b>Total comprehensive income for the year</b>  |       | <b>(202,163)</b> | <b>(831,185)</b> | <b>(248,695)</b> | <b>(862,144)</b> |
| <b>Profit attributable to:</b>  |       |                  |                  |                  |                  |
| Equity holders of the Company   |       | 563,620          | (96,632)         | 563,620          | (96,632)         |
| Non-controlling interest  |       | 46,532           | 30,959           | -                | -                |
| <b>Profit/(loss) for the year</b>   |       | <b>610,152</b>   | <b>(65,673)</b>  | <b>563,620</b>   | <b>(96,632)</b>  |
| <b>Total comprehensive income attributable to:</b>  |       |                  |                  |                  |                  |
| Equity holders of the Company   |       | (248,695)        | (862,144)        | (248,695)        | (862,144)        |
| Non-controlling interest  |       | 46,532           | 30,959           | -                | -                |
| <b>Total comprehensive income for the year</b>  |       | <b>(202,163)</b> | <b>(831,185)</b> | <b>(248,695)</b> | <b>(862,144)</b> |
| Basic and diluted earnings/(loss) per share   | 13    | 0.83             | (0.16)           | 0.83             | (0.16)           |

The accounting policies and notes to the financial statements form an integral part of these financial statements.  
Figures in brackets indicates deductions.

# STATEMENT OF FINANCIAL POSITION

(All amounts in Sri Lanka Rupees thousands)

| As at 31 March,   | Notes | Group            |                  | Company          |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | 2025             | 2024             | 2025             | 2024             |
| <b>Assets</b>   |       |                  |                  |                  |                  |
| <b>Non-current assets</b>   |       |                  |                  |                  |                  |
| Property, plant and equipment                                     | 14    | 1,461,694        | 1,528,134        | -                | 176              |
| Right-to-use land   | 14.1  | 2,426            | 2,614            | -                | -                |
| Investment in equity accounted investees                          | 15    | 5,889,023        | 6,525,407        | 7,502,012        | 7,618,331        |
| Intangible assets   | 16    | 115,467          | 120,403          | -                | -                |
| <b>Total non-current assets</b>                                   |       | <b>7,468,610</b> | <b>8,176,558</b> | <b>7,502,012</b> | <b>7,618,507</b> |
| <b>Current assets</b>   |       |                  |                  |                  |                  |
| Loans and receivables   | 17    | 60,163           | 120,346          | 179              | 1,651            |
| Amounts due from related parties                                  | 18.1  | 511              | 3,843            | 20,214           | 26,166           |
| Other receivables   | 19    | 988,603          | 495,195          | 10,290           | 60,000           |
| Income tax receivables  | 25.1  | 10,512           | 6,602            | 5,236            | 5,236            |
| Cash and cash equivalents   | 20    | 153,751          | 157,416          | 14,485           | 1,198            |
| <b>Total current assets</b>                                       |       | <b>1,213,540</b> | <b>783,403</b>   | <b>50,404</b>    | <b>94,251</b>    |
| <b>Total assets</b>   |       | <b>8,682,150</b> | <b>8,959,960</b> | <b>7,552,416</b> | <b>7,712,758</b> |
| <b>Equity</b>   |       |                  |                  |                  |                  |
| Stated capital  | 21.1  | 3,372,295        | 2,906,472        | 3,372,295        | 2,906,472        |
| Revaluation reserve   | 21.2  | 9,101            | 9,101            | 9,101            | 9,101            |
| Translation reserve   | 21.3  | 1,436,529        | 1,982,432        | 1,436,529        | 1,982,432        |
| Cash flow hedge reserve   | 21.4  | (1,478,615)      | (1,211,575)      | (1,478,615)      | (1,211,575)      |
| Retained earnings   |       | 2,092,890        | 1,528,642        | 2,098,818        | 1,534,570        |
| <b>Total equity attributable to equity holders of the company</b> |       | <b>5,432,200</b> | <b>5,215,072</b> | <b>5,438,128</b> | <b>5,221,000</b> |
| Non controlling interest  |       | 151,993          | 156,596          | -                | -                |
| <b>Total equity</b>   |       | <b>5,584,193</b> | <b>5,371,668</b> | <b>5,438,128</b> | <b>5,221,000</b> |
| <b>Liabilities</b>  |       |                  |                  |                  |                  |
| <b>Non-current liabilities</b>                                    |       |                  |                  |                  |                  |
| Interest bearing borrowings                                       | 22    | 2,370,122        | 2,881,315        | 1,618,381        | 2,004,797        |
| Deferred tax liability  | 23    | 128,167          | 74,781           | -                | -                |
| <b>Total non-current liabilities</b>                              |       | <b>2,498,289</b> | <b>2,956,096</b> | <b>1,618,381</b> | <b>2,004,797</b> |
| <b>Current liabilities</b>  |       |                  |                  |                  |                  |
| Interest bearing borrowings                                       | 22    | 481,286          | 571,475          | 412,671          | 484,290          |
| Amounts due to related parties                                    | 18.2  | -                | 746              | -                | 746              |
| Other payables  | 24    | 18,679           | 31,754           | 1,676            | 1,925            |
| Income tax payable  | 25.2  | 18,143           | 28,221           | -                | -                |
| Bank overdraft  | 20    | 81,560           | -                | 81,560           | -                |
| <b>Total current liabilities</b>                                  |       | <b>599,668</b>   | <b>632,196</b>   | <b>495,907</b>   | <b>486,961</b>   |
| <b>Total liabilities</b>  |       | <b>3,097,957</b> | <b>3,588,292</b> | <b>2,114,288</b> | <b>2,491,758</b> |
| <b>Total equity and liabilities</b>                               |       | <b>8,682,150</b> | <b>8,959,960</b> | <b>7,552,416</b> | <b>7,712,758</b> |

The accounting policies and notes to the financial statements form an integral part of these financial statements.  
Figures in brackets indicates deductions.

I certify that these consolidated financial statements have been prepared and presented in compliance with the requirements of the Companies Act No 07 of 2007.



**K.J. Pradeep**  
Finance Manager

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

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of the Board;



**W.P.K. Jayawardana**  
Director



**M.R. Abeywardana**  
Director

# STATEMENT OF CHANGES IN EQUITY

(All amounts in Sri Lanka Rupees thousands)

| Group  | Attributable to equity holders of the group |                  |                     |                         |                     |                   |                  |                          |                  |
|--|---|------------------|---------------------|-------------------------|---------------------|-------------------|------------------|--------------------------|------------------|
|  | Notes                                       | Stated capital   | Revaluation reserve | Cash flow hedge reserve | Translation reserve | Retained earnings | Total            | Non controlling interest | Total            |
| <b>Balance as at 01 April 2023</b>   |   | <b>2,906,472</b> | <b>9,101</b>        | <b>(1,135,151)</b>      | <b>2,671,520</b>    | <b>1,625,274</b>  | <b>6,077,216</b> | <b>156,169</b>           | <b>6,233,385</b> |
| Total comprehensive income for the year  |   |                  |                     |                         |                     |                   |                  |                          |                  |
| Loss for the year  |   | -                | -                   | -                       | -                   | (96,632)          | (96,632)         | 30,959                   | (65,673)         |
| Other comprehensive income for the year  |   |                  |                     |                         |                     |                   |                  |                          |                  |
| Foreign operations - foreign currency translation difference   | <b>21.3</b>                                 | -                | -                   | -                       | (689,088)           | -                 | (689,088)        | -                        | (689,088)        |
| Share of OCI - equity accounted investees  | <b>21.4</b>                                 | -                | -                   | (76,424)                | -                   | -                 | (76,424)         | -                        | (76,424)         |
| <b>Total comprehensive income for the year</b>   |   | <b>-</b>         | <b>-</b>            | <b>(76,424)</b>         | <b>(689,088)</b>    | <b>(96,632)</b>   | <b>(862,144)</b> | <b>30,959</b>            | <b>(831,185)</b> |
| Transactions with equity holders recognized directly in equity contributions by & distribution to equity holders |   |                  |                     |                         |                     |                   |                  |                          |                  |
| Dividend paid  |   | -                | -                   | -                       | -                   | -                 | -                | (30,532)                 | (30,532)         |
|  |   | -                | -                   | -                       | -                   | -                 | -                | (30,532)                 | (30,532)         |
| <b>Balance as at 31 March 2024</b>   |   | <b>2,906,472</b> | <b>9,101</b>        | <b>(1,211,575)</b>      | <b>1,982,432</b>    | <b>1,528,642</b>  | <b>5,215,072</b> | <b>156,596</b>           | <b>5,371,668</b> |
| <b>Balance as at 01 April 2024</b>   |   | <b>2,906,472</b> | <b>9,101</b>        | <b>(1,211,575)</b>      | <b>1,982,432</b>    | <b>1,528,642</b>  | <b>5,215,072</b> | <b>156,596</b>           | <b>5,371,668</b> |
| <b>Shares issued</b>   | <b>21.1</b>                                 | 465,823          | -                   | -                       | -                   | -                 | 465,823          | -                        | 465,823          |
| Total comprehensive income for the year  |   |                  |                     |                         |                     |                   |                  |                          |                  |
| Profit for the year  |   | -                | -                   | -                       | -                   | 563,620           | 563,620          | 46,532                   | 610,152          |
| Other comprehensive income for the year  |   |                  |                     |                         |                     |                   |                  |                          |                  |
| Share of OCI - equity accounted investees  | <b>21.4</b>                                 | -                | -                   | (267,040)               | -                   | 628               | (266,412)        | -                        | (266,412)        |
| Foreign operations - foreign currency translation difference   | <b>21.3</b>                                 | -                | -                   | -                       | (545,903)           | -                 | (545,903)        | -                        | (545,903)        |
| <b>Total comprehensive income for the year</b>   |   | <b>-</b>         | <b>-</b>            | <b>(267,040)</b>        | <b>(545,903)</b>    | <b>564,248</b>    | <b>(248,695)</b> | <b>46,532</b>            | <b>(202,163)</b> |
| Transactions with equity holders recognized directly in equity contributions by & distribution to equity holders |   |                  |                     |                         |                     |                   |                  |                          |                  |
| Dividend paid  |   | -                | -                   | -                       | -                   | -                 | -                | (51,135)                 | (51,135)         |
|  |   | -                | -                   | -                       | -                   | -                 | -                | (51,135)                 | (51,135)         |
| <b>Balance as at 31 March 2025</b>   |   | <b>3,372,295</b> | <b>9,101</b>        | <b>(1,478,615)</b>      | <b>1,436,529</b>    | <b>2,092,890</b>  | <b>5,432,200</b> | <b>151,993</b>           | <b>5,584,193</b> |

The accounting policies and notes to the financial statements form an integral part of these financial statements. Figures in brackets indicate deductions.

## STATEMENT OF CHANGES IN EQUITY

(All amounts in Sri Lanka Rupees thousands)

| Company  | Attributable to equity holders of the company |                  |                     |                         |                     |                   | Total            |
|--|---|------------------|---------------------|-------------------------|---------------------|-------------------|------------------|
|  | Notes   | Stated capital   | Revaluation reserve | Cash Flow hedge reserve | Translation reserve | Retained earnings |                  |
| <b>Balance as at 01 April 2023</b>             |   | 2,906,472        | 9,101               | (1,135,151)             | 2,671,520           | 1,631,202         | 6,083,144        |
| Total comprehensive income for the year        |   |                  |                     |                         |                     |                   |                  |
| Loss for the year                              |   | -                | -                   | -                       | -                   | (96,632)          | (96,632)         |
| Other comprehensive income for the year        |   |                  |                     |                         |                     |                   |                  |
| Foreign currency translation difference        | 21.3  | -                | -                   | -                       | (689,088)           | -                 | (689,088)        |
| Share of OCI - equity accounted investees      | 21.4  | -                | -                   | (76,424)                | -                   | -                 | (76,424)         |
| <b>Total comprehensive income for the year</b> |   | -                | -                   | <b>(76,424)</b>         | <b>(689,088)</b>    | <b>(96,632)</b>   | <b>(862,144)</b> |
| <b>Balance as at 31 March 2024</b>             |   | <b>2,906,472</b> | <b>9,101</b>        | <b>(1,211,575)</b>      | <b>1,982,432</b>    | <b>1,534,570</b>  | <b>5,221,000</b> |
| <b>Balance as at 01 April 2024</b>             |   | <b>2,906,472</b> | <b>9,101</b>        | <b>(1,211,575)</b>      | <b>1,982,432</b>    | <b>1,534,570</b>  | <b>5,221,000</b> |
| <b>Share issue</b>                             | 21.1  | 465,823          | -                   | -                       | -                   | -                 | 465,823          |
| <b>Total comprehensive income for the year</b> |   |                  |                     |                         |                     |                   |                  |
| Profit for the year                            |   | -                | -                   | -                       | -                   | 563,620           | 563,620          |
| Other comprehensive income for the year        |   |                  |                     |                         |                     |                   |                  |
| Share of OCI - equity accounted investees      | 21.4  | -                | -                   | (267,040)               | -                   | 628               | (266,412)        |
| Foreign currency translation difference        | 21.3  | -                | -                   | -                       | (545,903)           | -                 | (545,903)        |
| <b>Total comprehensive income for the year</b> |   | -                | -                   | <b>(267,040)</b>        | <b>(545,903)</b>    | <b>564,248</b>    | <b>(248,695)</b> |
| <b>Balance as at 31 March 2025</b>             |   | <b>3,372,295</b> | <b>9,101</b>        | <b>(1,478,615)</b>      | <b>1,436,529</b>    | <b>2,098,818</b>  | <b>5,438,128</b> |

The accounting policies and notes to the financial statements form an integral part of these financial statements.  
 Figures in brackets indicates deductions.

# STATEMENT OF CASH FLOWS

(All amounts in Sri Lanka Rupees thousands)

| For the year ended 31 March,                                      | Notes   | Group            |                  | Company          |                  |
|---|---------|------------------|------------------|------------------|------------------|
|   |         | 2025             | 2024             | 2025             | 2024             |
| <b>Cash flows from operating activities</b>                       |         |                  |                  |                  |                  |
| Profit/ (loss) before tax   |         | 730,919          | (11,712)         | 588,362          | (78,025)         |
| <b>Adjustments for:</b>   |         |                  |                  |                  |                  |
| Interest income   | 7       | (24,483)         | (13,646)         | (12,296)         | (2,746)          |
| Other income  | 8       | (75,550)         | (53,542)         | (35)             | (7,001)          |
| Interest expense  | 10      | 350,074          | 482,789          | 256,338          | 304,954          |
| Depreciation  | 14      | 80,518           | 82,457           | 176              | 2,110            |
| Amortization  | 14.1/16 | 5,124            | 5,091            | -                | -                |
| Share of profit of equity accounted investees (net of income tax) | 11      | (822,342)        | (256,445)        | (884,196)        | (266,687)        |
| <b>Operating cash flows before working capital changes</b>        |         | <b>244,260</b>   | <b>234,992</b>   | <b>(51,651)</b>  | <b>(47,395)</b>  |
| <b>Changes in working capital</b>                                 |         |                  |                  |                  |                  |
| Loans and receivables   |         | 60,183           | 184,179          | 1,471            | 495              |
| Amounts due from related parties                                  |         | 3,332            | (2,132)          | 5,952            | 14,327           |
| Other receivables   |         | (1,213)          | -                | -                | -                |
| Amounts due to related parties                                    |         | (746)            | (10,168)         | (746)            | (10,168)         |
| Other payables  |         | (13,075)         | (538)            | (249)            | 585              |
| <b>Cash generated from/(used in) operating activities</b>         |         | <b>292,741</b>   | <b>406,333</b>   | <b>(45,223)</b>  | <b>(42,155)</b>  |
| Interest paid   |         | (338,141)        | (445,748)        | (243,457)        | (229,503)        |
| Taxes paid  |         | (39,779)         | (2,113)          | -                | -                |
| <b>Net cash used in operating activities</b>                      |         | <b>(85,179)</b>  | <b>(41,527)</b>  | <b>(288,680)</b> | <b>(271,657)</b> |
| <b>Cash flows from investing activities</b>                       |         |                  |                  |                  |                  |
| Interest received   |         | 100,033          | 67,188           | 12,331           | 9,747            |
| Dividend received   |         | 133,762          | 147,506          | 213,174          | 277,588          |
| Acquisition of property plant and equipment                       | 14      | (14,078)         | (2,038)          | -                | -                |
| <b>Net cash from investing activities</b>                         |         | <b>219,717</b>   | <b>212,656</b>   | <b>225,505</b>   | <b>287,336</b>   |
| <b>Cash flows from financing activities</b>                       |         |                  |                  |                  |                  |
| Dividend paid to minority share holders by subsidiary             |         | (72,268)         | (41,788)         | -                | -                |
| Issue of shares   | 21      | 465,823          | -                | 465,823          | -                |
| Cash proceeds of interest bearing borrowings                      | 22      | -                | 680,400          | -                | -                |
| Cash repayments of interest bearing borrowings                    | 22      | (613,318)        | (819,048)        | (470,921)        | (15,000)         |
| <b>Net cash used in financing activities</b>                      |         | <b>(219,763)</b> | <b>(180,436)</b> | <b>(5,098)</b>   | <b>(15,000)</b>  |
| <b>Net (decrease) / increase in cash &amp; cash equivalents</b>   |         | <b>(85,225)</b>  | <b>(9,308)</b>   | <b>(68,273)</b>  | <b>678</b>       |
| <b>Cash and cash equivalents at 01 April</b>                      |         | <b>157,416</b>   | <b>166,724</b>   | <b>1,198</b>     | <b>520</b>       |
| <b>Cash and cash equivalents at 31 March</b>                      | 20      | <b>72,191</b>    | <b>157,416</b>   | <b>(67,075)</b>  | <b>1,198</b>     |

The accounting policies and notes to the financial statements form an integral part of these financial statements.  
Figures in brackets indicates deductions.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

LVL Energy Fund PLC is a Public Quoted Company with limited liability incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The address of the Company's registered office is No. 46/12, Navam Mawatha, Colombo 02.

The Financial Statements of the Company and the Group as at and for the year ended 31 March 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in its equity accounted investees. The Financial Statements of all Companies within the Group are prepared for a common financial year which ends 31 March 2025.

Lanka Ventures PLC is the parent company for LVL Energy Fund PLC, which has 55.35% controlling interest and the ultimate parent is Hatton National Bank PLC. LVL Energy Fund PLC ('the Company') and its subsidiaries (together 'the Group') invest in the equity and equity related financial instruments of new and existing companies of Sri Lanka which undertake projects with potential for high growth. There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under audit.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements of the Company and the Group comprise the statements of profit or loss and other comprehensive income, financial position, changes in equity, and cash flows, together with the material accounting policies and notes to the financial statements.

The financial statements have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as LKASs and SLFRSs), laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Further, these statements comply with the requirements of the companies Act No. 07 of 2007.

### 2.2 Approval of financial statements by directors

The Consolidated and Company's Financial Statements were authorised for issue by the Board of Directors in accordance with the resolution of the directors on 29<sup>th</sup> August 2025.

## 2.3 Responsibility for financial statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company and the Group as per the provisions of the Companies Act No 07 of 2007.

The Board of Directors acknowledges this responsibility and such responsibilities include the following components:

- Information on the financial performance of the Group for the year under review.
- Information on the financial position of the Group as at the year end.
- Showing all changes in shareholders' equity during the year under review.
- Information to the users on the movement of the cash and cash equivalents.
- Notes to the financial statements including the material accounting policies and other explanatory notes.

## 2.4 Basis of measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements except for the following;

- Investment in equity accounted investees

### 2.4.1 Functional and presentation currency

These financial statements are presented in Sri Lankan Rupees, which is the Group's functional currency. Financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand unless indicated otherwise.

## 2.5 Presentation of financial statements

The assets and liabilities of the Group and the Company is presented in its Statement of Financial Position are grouped by nature and listed in an order that reflects the irrelative liquidity and maturity pattern.

## 2.6 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 01 - "Presentation of Financial Statements". Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group and the Company. Understandability of the financial statement is not compromised by obscuring material information

(All amounts in Sri Lanka Rupees thousands)

with immaterial information or by aggregating material items that have different natures or functions.

### 2.7 Going concern basis for accounting

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's and Group's ability to continue as a going concern. Therefore, the Financial Statements of the Company and the Group continue to be prepared on a going concern basis.

### 2.8 Use of estimates and judgements and assumptions

The preparation of the financial statements in conformity with Sri Lanka Accounting Standards (LKASs and SLFRSs) requires management to make judgments, estimates and assumptions that affect the application of the Group's and the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities at the reporting date. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the Financial Statements are described in the following notes:

- I. Note 3.10.2 - Recognition of deferred tax liabilities
- II. Note 3.4.3 - Depreciation on property, plant and equipment
- III. Note 3.5.2 - Amortization of intangible assets

## 3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in these financial statement except if mentioned otherwise.

### 3.1 Basis of consolidation

#### 3.1.1 Business combinations

The Group accounts for business combinations using the acquisition method when Control is transferred to the Group. The consideration transferred in 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 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 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 does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in statement of profit or loss and other comprehensive income.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

#### 3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

The Company 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

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

listed above. Total comprehensive income of subsidiary is attached to the owners of the Company and to the non-controlling interest, even this result in the non-controlling interest having a deficit balance.

### 3.1.2.1 Interest in subsidiaries

Set out below are the Group's principal subsidiaries as at 31 March 2025.

| Name of the entity                                   | Place of business/<br>Country of<br>incorporation | Effective<br>percentage of<br>ownership held by<br>the group | Principal activities   |
|--|---|--|--|
| Lanka Energy International (Private) Limited         | Colombo, Sri Lanka                                | 100.00%  | Investing in new and existing companies outside Sri Lanka which undertake projects with potential for high growth. |
| Sapthakanya Hydro Electric Company (Private) Limited | Norton Bridge,<br>Sri Lanka                       | 85.00%   | Building and operating of mini hydropower stations and supply of electricity to the National Grid.                 |
| Pupulaketiya Mini Hydro Power (Private) Limited      | Ratnapura, Sri Lanka                              | 100.00%  | Building and operating of mini hydropower stations and supply of electricity to the National Grid.                 |
| Unit Energy Lanka (Private) Limited (Sub Subsidiary) | Ginigathhena, Sri Lanka                           | 54.86%   | Building and operating of mini hydropower stations and supply of electricity to the National Grid.                 |
| LVS Energy (Private) Limited                         | Kolonnawa, Sri Lanka                              | 57.75%   | Investment in power generation companies.  |
| Campion Hydro (Private) Limited                      | Bogawantalawa,<br>Sri Lanka                       | 84.29%   | Building and operating of mini hydropower stations and supply of electricity to the National Grid.                 |
| Solar Energy Investments (Private) Limited           | Colombo, Sri Lanka                                | 100.00%  | Investment in solar power projects.  |
| SEI Maho (Private) Limited                           | Maho, Sri Lanka                                   | 81.47%   | Building and operating of mini solar power plants and supply of electricity to the National Grid.                  |
| SEI Pallekele (Private) Limited                      | Pallekele, Sri Lanka                              | 81.10%   | Building and operating of mini solar power plants and supply of electricity to the National Grid.                  |
| SEI Mathugama (Private) Limited                      | Mathugama, Sri Lanka                              | 77.15%   | Building and operating of mini solar power plants and supply of electricity to the National Grid.                  |

### 3.1.3 Non-controlling interest

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### 3.1.4 Loss of control

When the Group loses control over a subsidiary, it derecognizes the asset and liabilities of the subsidiary, and any related NCI (if applicable) and other components of equity. Any resulting gain or loss is recognized in the statement of profit or loss and other comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### 3.1.5 Interest in equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating

policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of the investee, unless this can be clearly demonstrated that this is not the case.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

Investments in associates are accounted for under the equity method. They are initially recognized 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 other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

(All amounts in Sri Lanka Rupees thousands)

### 3.1.6 Transactions eliminated on consolidation

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

### 3.1.7 Equity accounting investees in separate financial statements

The Company measures its subsidiaries and associates using the equity method of accounting in accordance with LKAS 28. The Company accounts its subsidiaries and associates using equity method in its separate financial statements as per LKAS 27. Subsequent to initial recognition, the separate Financial Statements include the Company's share of the profit or loss and other comprehensive income of subsidiaries and equity accounted investees, until the date on which control or significant influence ceases. The dividends are recognized as a reduction of the carrying amount of the investments.

## 3.2 Foreign currency translation

### 3.2.1 Foreign currency translations

Translations in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the date of translation.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

### 3.2.2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into rupees at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into rupees at the exchange rates at the dates of the transactions. Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially as such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-attributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

## 3.3 Financial instruments

### 3.3.1 Financial assets

#### Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and subsequent measurement of financial assets

The Group classifies its financial assets into the following measurement categories:

- Financial Assets measured at amortised cost

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

The Group classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

At the inception, the Financial Assets are classified in one of the following categories:

- Financial assets measured at amortised cost

At the inception, the Financial Liabilities are classified in one of the following categories:

- Financial liabilities at amortised cost

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### Initial measurements of financial instruments

Financial assets and liabilities are initially measured at their fair value plus transaction cost, except in the case of financial assets and liabilities recorded at fair value through profit or loss.

### Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets (as defined in SLFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for 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, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL as per the simplified approach. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, 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 Group's historical experience and informed credit assessment, and includes 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 Group to actions such as realizing security (if any is held). 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 Group is exposed to credit risk.

### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost 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;
- 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.

### 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.

### Write-offs

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

### 3.3.2 Financial liabilities

#### Recognition, initial measurement and derecognition

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities measured at amortised cost include other payables, interest bearing borrowings, bank overdrafts and amounts due to related parties.

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

#### 3.3.2.1 Fair value measurement

Fair value 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability

(All amounts in Sri Lanka Rupees thousands)

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 for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable for the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change had occurred.

### 3.4 Property, plant and equipment

#### 3.4.1 Cost

Property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses. All items of property, plant and equipment are initially recorded at cost.

The cost of property, plant and equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its condition for its intended use.

#### 3.4.2 Subsequent measurement

The subsequent cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be reliably measured. The costs of the day to day servicing property, plant and equipment are charged to the Statement of profit or loss and other comprehensive Income.

#### 3.4.3 Depreciation

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any change in estimate accounted for on a prospective basis. The estimated useful lives of property, plant and equipment are as follows;

| Class of tangible assets | Useful life |
|--------------------------|-------------|
| Plant and machinery      | 30 Years    |
| Buildings                | 30 Years    |
| Motor vehicle            | 05 Years    |

#### 3.4.4 De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" and "other expenses" in profit or loss.

When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the placed part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 3.4.5 Borrowing costs

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 expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 3.5 Intangible assets

Intangible assets that are acquired by the Group include cost incurred to obtain approval for power projects, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

#### 3.5.1 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognized in the statement of profit or loss and other comprehensive income as incurred.

#### 3.5.2 Amortization

Amortization is recognized in the Statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current periods are as follows:

|               |          |
|---------------|----------|
| Approval cost | 30 Years |
|---------------|----------|

#### 3.5.3 Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indicator exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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 risks-specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.6 Leases

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the

(All amounts in Sri Lanka Rupees thousands)

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

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

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

### 3.7 Stated capital

#### 3.7.1 Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

### 3.8 Provisions

A provision is recognized if, as a result of a past event, 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.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

### 3.9 Income and expenses

#### Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

#### Amortised cost and gross carrying amounts

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 01st April 2018). The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

#### Presentation

Interest income calculated using the effective interest method presented in the Statement of profit or loss and OCI includes—

- Interest on financial assets and financial liabilities measured at amortised cost;
- Other income presented in the statement of profit or loss and OCI includes interest income from loans given to related parties and interest income on delayed interest payments.

Interest expense presented in the Statement of profit or loss and OCI includes:

- Financial liabilities measured at amortised cost.

#### 3.9.1 Dividend income

Dividend income is recognised in profit or loss on an accrual basis when the Group's right to receive the dividend is established.

This is usually on the ex-dividend date for equity securities. Dividends are presented in net trading income or net income from other financial instruments at fair value through profit or loss based on the underlying classification of the equity investment.

When equity method of accounting is used for Subsidiaries and associates, the dividends are recognized as a reduction of the carrying amount of the investments.

#### 3.9.2 Other income

Other Income is recognized on an accrual basis.

#### 3.10 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

### 3.10.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the reporting date, and any adjustment to tax payable in respect of previous years.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 45 of 2022 as amended by subsequent legislation enacted or substantively enacted by the reporting date.

Provision for taxation on overseas subsidiaries/equity accounted investees are made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of the relevant statutes in those countries.

### 3.10.2 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 jointly controlled entities 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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to

offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax is not recognized for the undistributed profits of subsidiaries as the parent group has control over the dividend policy of its subsidiaries and distribution of those profits. 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 realized.

### 3.11 Earnings per share

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

### 3.12 Cash flow statement

The Cash Flow Statement has been prepared using the indirect method of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (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 equivalent include cash in hand, balances with banks and short-term investments.

## 4. FINANCIAL RISK MANAGEMENT

### 4.1 Introduction and overview

The Group has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risks
- operational risks

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

(All amounts in Sri Lanka Rupees thousands)

### 4.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board consists of three Directors with wide financial and commercial knowledge and experience.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

### 4.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures its liquidity is maintained by investing in short, medium and long-term financial instruments to support operational and other funding requirements. The Group determines its liquidity requirements by the use of both short and long-term cash forecasts. These forecasts are supplemented by a financial head room analysis which is used to assess funding adequacy for at least a 12-month period and the same is reviewed on an annual basis.

### 4.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### 4.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and

from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management within the Group.

This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Training and professional development.
- Ethical and business standards.

### 4.6 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor market confidence and to sustain future development of the business. Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

There were no changes in the Group's approach to capital management during the year. Group wishes to raise additional capital to invest in more diversified investments to mitigate the future operational risk.

## 5. STANDARD ISSUED BUT NOT YET EFFECTIVE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/ improvements to existing standards effective from 1 April 2025. These new standards are set to become effective in the coming years. Early application

## NOTES TO THE FINANCIAL STATEMENTS

*(All amounts in Sri Lanka Rupees thousands)*

of these standards is allowed, but the Group has not early adopted any of the new or amended standards in the preparation of these financial statements

- **Lack of Exchangeability (Amendments to LKAS 21)**
- **SLFRS S1 General requirements for disclosure of sustainability related financial information**

SLFRS S1 General Requirements for disclosure of sustainability related financial information requires an entity to disclose information about its sustainability-

related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

- **SLFRS S2 Climate-related disclosures**

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

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 6 Subsidiary company income / direct expenses

| For the year ended 31 March  | Group          |                | Company  |          |
|------------------------------|----------------|----------------|----------|----------|
|                              | 2025           | 2024           | 2025     | 2024     |
| Income from Power generation | 436,978        | 419,181        | -        | -        |
| Direct expenses (Note 6.1)   | (200,046)      | (198,090)      | -        | -        |
|                              | <b>236,932</b> | <b>221,091</b> | <b>-</b> | <b>-</b> |

Subsidiary companies income constitutes power generation income of Unit Energy Lanka (Private) Limited, Sapthakanya Hydro Electric Company (Private) Limited, Campion Hydro (Private) Limited and Solar Energy Investments (Private) Limited. Subsidiary companies expenses constitute direct expenses relating to power generation.

#### 6.1 Direct expenses

| For the year ended 31 March           | Group          |                | Company  |          |
|---------------------------------------|----------------|----------------|----------|----------|
|                                       | 2025           | 2024           | 2025     | 2024     |
| Lease rentals                         | 33,654         | 37,142         | -        | -        |
| Electricity                           | 3,275          | 4,060          | -        | -        |
| Insurance                             | 4,106          | 3,836          | -        | -        |
| Operational and maintenance fees      | 62,134         | 62,028         | -        | -        |
| Machines repairs and maintenance fees | 16,902         | 11,044         | -        | -        |
| Depreciation - Plant & Machinery      | 79,975         | 79,980         | -        | -        |
|                                       | <b>200,046</b> | <b>198,090</b> | <b>-</b> | <b>-</b> |

### 7 Interest income

| For the year ended 31 March                           | Group         |               | Company       |              |
|---|---------------|---------------|---------------|--------------|
|   | 2025          | 2024          | 2025          | 2024         |
| Interest on savings                                   | 7,754         | 7,423         | -             | -            |
| Interest on security purchased under resale agreement | 16,729        | 6,223         | 12,296        | 2,746        |
|   | <b>24,483</b> | <b>13,646</b> | <b>12,296</b> | <b>2,746</b> |

### 8 Other income

| For the year ended 31 March                          | Group         |               | Company   |              |
|--|---------------|---------------|-----------|--------------|
|  | 2025          | 2024          | 2025      | 2024         |
| Interest income on advances given to related parties | -             | 5,580         | 35        | 7,001        |
| Management fee                                       | 3,931         | 9,928         | -         | -            |
| Interest income on delayed interest payment*         | 71,619        | 38,034        | -         | -            |
|  | <b>75,550</b> | <b>53,542</b> | <b>35</b> | <b>7,001</b> |

\*The Interest income on delayed interest represents amount received from Ceylon Electricity Board (CEB) on the delayed payments.

### 9 The result from operating activities is after charging all expenses including the following;

| For the year ended 31 March  | Group  |        | Company |        |
|--|--------|--------|---------|--------|
|  | 2025   | 2024   | 2025    | 2024   |
| Directors' fees  | 1,547  | 1,535  | 1,547   | 1,535  |
| Management fees  | 42,000 | 42,000 | 42,000  | 42,000 |
| Auditor's remuneration - Audit fees                                      | 2,138  | 974    | 830     | 539    |
| Depreciation of Property, Plant and Equipment                            | 80,518 | 82,457 | 176     | 2,110  |
| Depreciation of right of use asset and amortization of intangible assets | 5,124  | 5,091  | -       | -      |

### 10 Finance cost

| For the year ended 31 March      | Group          |                | Company        |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | 2025           | 2024           | 2025           | 2024           |
| Interest on loans and borrowings | 350,073        | 482,788        | 256,338        | 304,951        |
| Interest on bank overdraft       | 1,181          | -              | 1,181          | -              |
| Other charges                    | 2,477          | 3,959          | 1,341          | 24             |
|                                  | <b>353,731</b> | <b>486,747</b> | <b>258,860</b> | <b>304,975</b> |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 11 Share of profit of equity accounted investees

#### 11.1 Share of profit/(loss)

| Group                                | 2025      |                   |                     |                  |                          | 2024              |                     |                 |                          |  |
|--------------------------------------|-----------|-------------------|---------------------|------------------|--------------------------|-------------------|---------------------|-----------------|--------------------------|--|
|                                      | Ownership | Income            | Expenses            | Profit / (loss)  | Share of profit / (loss) | Income            | Expenses            | Profit / (loss) | Share of profit / (loss) |  |
| Pawan Danavi (Pvt) Ltd               | 40.00%    | 288,440           | (259,734)           | 28,706           | 11,482                   | 391,206           | (370,120)           | 21,086          | 8,435                    |  |
| Hayleys Hydro Energy (Pvt) Ltd       | 49.00%    | -                 | (1,624)             | (1,625)          | (796)                    | -                 | (1,053)             | (1,053)         | (516)                    |  |
| Nala Dhanavi (Pvt) Ltd               | 49.00%    | 233,180           | (207,849)           | 25,331           | 12,412                   | 157,596           | (197,692)           | (40,096)        | (19,647)                 |  |
| Neluwa Cascade Hydro Power (Pvt) Ltd | 49.00%    | 96,135            | (64,279)            | 31,856           | 15,610                   | 78,583            | (53,638)            | 24,945          | 12,223                   |  |
| Raj Lanka Power Company Limited      | 20.25%    | 1,294,544         | (1,447,138)         | (152,594)        | (30,900)                 | 3,373,654         | (4,465,852)         | (1,092,198)     | (221,170)                |  |
| Lakdhanavi Bangla Power Limited      | 33.16%    | 8,481,202         | (8,115,810)         | 365,392          | 121,164                  | 11,137,934        | (11,011,688)        | 126,246         | 41,863                   |  |
| Feni Lanka Power Limited             | 29.17%    | 20,599,242        | (18,374,777)        | 2,224,465        | 648,839                  | 23,563,389        | (21,661,952)        | 1,901,437       | 554,618                  |  |
| Parambe Hydro (Pvt) Ltd              | 43.88%    | -                 | (511)               | (511)            | (224)                    | -                 | (499)               | (499)           | (219)                    |  |
| Bambarapana Hydro Power (Pvt) Ltd    | 40.00%    | 224,301           | (107,106)           | 117,195          | 46,878                   | 218,470           | (137,596)           | 80,874          | 32,350                   |  |
| Nividhu (Pvt) Ltd                    | 25.00%    | 122,729           | (90,054)            | 32,675           | 8,169                    | 114,901           | (93,659)            | 21,243          | 5,311                    |  |
| Nividhu Assupiniella (Pvt) Ltd       | 25.00%    | 148,867           | (85,222)            | 63,645           | 15,911                   | 114,132           | (105,842)           | 8,290           | 2,072                    |  |
| LTL Energy (Pvt) Ltd                 | 45.00%    | 5,943             | (192,803)           | (186,860)        | (84,087)                 | 4,337             | (177,283)           | (172,946)       | (76,395)                 |  |
| Makarigad Hydro Power (Pvt) Ltd      | 41.63%    | 890,409           | (751,347)           | 139,062          | 57,884                   | 696,106           | (882,843)           | (186,737)       | (82,480)                 |  |
| <b>Total</b>                         |           | <b>32,384,992</b> | <b>(29,698,255)</b> | <b>2,686,738</b> | <b>822,342</b>           | <b>39,850,308</b> | <b>(39,159,717)</b> | <b>690,592</b>  | <b>256,445</b>           |  |

The Group's share of profit from its equity accounted investees for the year amounted to LKR 822,342,047 (2024 – LKR 256,444,771).

Lanka Energy International (Private) Limited did not receive any dividend during the year from Lakdhanavi Bangla Power Limited and from Raj Lanka Power Company Limited.

None of the Group's equity accounted investees are publicly listed, and accordingly, there are no published price quotations available for these ities.

| Company                                  | 2025      |                  |                    |                  |                          | 2024             |                    |                  |                          |  |
|--|-----------|------------------|--------------------|------------------|--------------------------|------------------|--------------------|------------------|--------------------------|--|
|  | Ownership | Income           | Expenses           | Profit / (loss)  | Share of profit / (loss) | Income           | Expenses           | Profit / (loss)  | Share of profit / (loss) |  |
| <b>Associates</b>                        |           |                  |                    |                  |                          |                  |                    |                  |                          |  |
| Pawan Danavi (Pvt) Ltd                   | 40.00%    | 288,440          | (259,734)          | 28,707           | 11,482                   | 391,206          | (370,120)          | 21,086           | 8,435                    |  |
| Hayleys Hydro Energy (Pvt) Ltd           | 49.00%    | -                | (1,624)            | (1,624)          | (796)                    | -                | (1,053)            | (1,053)          | (516)                    |  |
| Nala Dhanavi (Pvt) Ltd                   | 49.00%    | 233,180          | (207,849)          | 25,331           | 12,412                   | 157,596          | (197,692)          | (40,096)         | (19,647)                 |  |
| Neluwa Cascade Hydro Power (Pvt) Ltd     | 49.00%    | 96,135           | (64,279)           | 31,856           | 15,610                   | 78,583           | (53,638)           | 24,945           | 12,223                   |  |
| Parambe Hydro (Pvt) Ltd                  | 43.88%    | -                | (511)              | (511)            | (224)                    | -                | (499)              | (499)            | (219)                    |  |
| Bambarapana Hydro Power (Pvt) Ltd        | 40.00%    | 224,301          | (107,106)          | 117,196          | 46,878                   | 218,470          | (137,596)          | 80,874           | 32,350                   |  |
| Nividhu (Pvt) Ltd                        | 25.00%    | 122,729          | (90,054)           | 32,675           | 8,169                    | 114,901          | (93,659)           | 21,242           | 5,311                    |  |
| Nividhu Assupiniella (Pvt) Ltd           | 25.00%    | 148,867          | (85,222)           | 63,645           | 15,911                   | 114,132          | (105,842)          | 8,290            | 2,072                    |  |
| LTL Energy (Private) Limited             | 45.00%    | 5,943            | (192,803)          | (186,861)        | (84,087)                 | 4,337            | (177,283)          | (172,946)        | (76,395)                 |  |
| Makarigad Hydro Power (Pvt) Ltd          | 41.63%    | 890,409          | (751,347)          | 139,062          | 57,884                   | 696,106          | (882,843)          | (186,737)        | (82,480)                 |  |
| <b>Sub Total</b>                         |           | <b>2,010,004</b> | <b>(1,760,528)</b> | <b>249,475</b>   | <b>83,239</b>            | <b>1,775,331</b> | <b>(2,020,224)</b> | <b>(244,893)</b> | <b>(118,865)</b>         |  |
| <b>Subsidiaries</b>                      |           |                  |                    |                  |                          |                  |                    |                  |                          |  |
| LVS Energy (Pvt) Ltd                     | 57.75%    | 4,045            | (18,335)           | (14,290)         | (8,252)                  | 10,057           | (14,461)           | (4,404)          | (2,544)                  |  |
| Sapthakanya Hydro Electric Co. (Pvt) Ltd | 85.00%    | 56,333           | (101,180)          | (44,847)         | (38,120)                 | 11,878           | (21,718)           | (9,840)          | (8,364)                  |  |
| Pupulakatiya Mini Hydro Power (Pvt) Ltd  | 100.00%   | -                | (109)              | (109)            | (109)                    | -                | (114)              | (114)            | (114)                    |  |
| Lanka Energy International (Pvt) Ltd     | 100.00%   | 739,246          | (237)              | 739,009          | 739,009                  | 376,189          | (464)              | 375,725          | 375,725                  |  |
| Campion Hydro Power (Pvt) Ltd            | 84.29%    | 87,416           | (87,692)           | (276)            | (233)                    | 36,749           | (31,655)           | 5,094            | 4,294                    |  |
| SEI Mathugama (Pvt) Ltd                  | 77.15%    | 36,978           | (22,692)           | 14,286           | 11,022                   | 28,954           | (32,433)           | (3,479)          | (2,683)                  |  |
| SEI Pallekele (Pvt) Ltd                  | 81.10%    | 72,997           | (53,475)           | 19,522           | 15,833                   | 50,580           | (68,181)           | (17,601)         | (14,274)                 |  |
| SEI Maho (Pvt) Ltd                       | 81.47%    | 105,177          | (74,166)           | 31,011           | 25,264                   | 76,578           | (97,052)           | (20,474)         | (16,679)                 |  |
| Solar Energy Investments (Pvt) Ltd       | 100.00%   | 6                | (158)              | (152)            | (152)                    | 2                | (143)              | (141)            | (141)                    |  |
| Unit Energy Lanka (Pvt) Ltd              | 54.86%    | 197,309          | (93,970)           | 103,339          | 56,695                   | 209,271          | (117,527)          | 91,744           | 50,332                   |  |
| <b>Sub Total</b>                         |           | <b>1,299,507</b> | <b>(452,014)</b>   | <b>847,493</b>   | <b>800,957</b>           | <b>800,258</b>   | <b>(383,748)</b>   | <b>416,510</b>   | <b>385,552</b>           |  |
| <b>Total</b>                             |           | <b>3,309,511</b> | <b>(2,212,542)</b> | <b>1,096,969</b> | <b>884,196</b>           | <b>2,575,589</b> | <b>(2,403,972)</b> | <b>171,617</b>   | <b>266,687</b>           |  |

(All amounts in Sri Lanka Rupees thousands)

## 11 Share of profit of equity accounted investees (Contd.)

### 11.1 Share of profit/(loss) (Contd.)

During the year under review, the Company received net dividends of LKR 53,267,378 from Nividhu (Private) Limited, LKR 17,000,000 from Bambarapana Hydro Power (Private) Limited, LKR 50,999,976 from Pawan Danawi (Private) Limited, and LKR 12,495,000 from Nala Dhanavi (Private) Limited. In comparison, the corresponding figures for 2024 were LKR 45,687,502, LKR 51,848,390, Nil, and LKR 29,155,000 respectively.

The Company received dividends of LKR 55,135,580 from LVS Energy (Private) Limited and LKR 24,276,000 from Sapthakanya Hydro Electric Company (Private) Limited during the year. No dividend was received from Lanka Energy International (Private) Limited. In the previous year (2024), dividends received amounted to LKR 36,835,392 from LVS Energy (Private) Limited, while no dividends were received from the other two subsidiaries.

The Company's share of profit from its equity accounted investees for the year was LKR 884,194,913/- (2024 - LKR 266,686,639).

### 11.2 Summary of Financial Position of Associates and Subsidiaries

| 2025                                    | Ownership | Current assets    | Non current assets | Total assets      | Current liabilities | Non current liabilities | Total liabilities | Net assets        |
|---|-----------|-------------------|--------------------|-------------------|---------------------|-------------------------|-------------------|-------------------|
| <b>Associates</b>                       |           |                   |                    |                   |                     |                         |                   |                   |
| Pawan Danavi (Pvt) Ltd                  | 40.00%    | 39,311            | 1,107,078          | 1,146,389         | 6,511               | 5,887                   | 12,398            | 1,133,991         |
| Hayleys Hydro Energy (Pvt) Ltd          | 49.00%    | 737               | 119,100            | 119,837           | 403                 | -                       | 403               | 119,433           |
| Nala Dhanavi (Pvt) Ltd                  | 49.00%    | 11,944            | 617,907            | 629,851           | 74,511              | -                       | 74,511            | 555,340           |
| Neluwa Cascade Hydro Power (Pvt) Ltd    | 49.00%    | 136,942           | 205,411            | 342,353           | 27,355              | 3,796                   | 31,151            | 311,202           |
| Raj Lanka Power Company Limited         | 20.25%    | 1,367,034         | 5,988,832          | 7,355,866         | 4,234,839           | 980                     | 4,235,819         | 3,120,047         |
| Lakdhanavi Bangla Power Limited         | 33.16%    | 3,226,972         | 5,740,050          | 8,967,022         | 4,577,521           | 298,014                 | 4,875,535         | 4,091,487         |
| Feni Lanka Power Limited                | 29.17%    | 11,128,347        | 13,941,582         | 25,069,929        | 8,261,016           | 9,957,279               | 18,218,294        | 6,851,634         |
| Parambe Hydro (Pvt) Ltd                 | 43.88%    | 3,971             | 76,986             | 80,957            | 1,727               | -                       | 1,727             | 79,230            |
| Bambarapana Hydro Power (Pvt) Ltd       | 40.00%    | 98,459            | 591,140            | 689,599           | 75,917              | 72,944                  | 148,861           | 540,738           |
| Nividhu (Pvt) Ltd                       | 25.00%    | 60,734            | 214,614            | 275,348           | 53,057              | -                       | 53,057            | 222,291           |
| Nividhu Assupiniella (Pvt) Ltd          | 25.00%    | 160,952           | 39,013             | 199,965           | 36,457              | -                       | 36,457            | 163,508           |
| LTL Energy (Private) Limited            | 45.00%    | 49,713            | 1,639,619          | 1,689,332         | 414,208             | -                       | 414,208           | 1,275,124         |
| Makarigad Hydro Power (Pvt) Ltd         | 41.63%    | 257,824           | 5,604,004          | 5,861,828         | 224,581             | 3,888,666               | 4,113,247         | 1,748,581         |
| <b>Total</b>                            |           | <b>16,542,940</b> | <b>35,885,336</b>  | <b>52,428,276</b> | <b>17,988,102</b>   | <b>14,227,566</b>       | <b>32,215,668</b> | <b>20,212,606</b> |
| <b>Subsidiaries</b>                     |           |                   |                    |                   |                     |                         |                   |                   |
| LVS Energy (Pvt) Ltd                    | 57.75%    | 1,676             | 242,416            | 244,092           | 118                 | -                       | 118               | 243,974           |
| Sapthakanya Hydro Electric Co.(Pvt) Ltd | 85.00%    | 19,502            | 245,808            | 265,310           | 29,838              | 97,880                  | 127,719           | 137,591           |
| Pupulakatiya Mini Hydro Power (Pvt) Ltd | 100.00%   | 73                | 26,673             | 26,747            | 169                 | 2,689                   | 2,858             | 23,889            |
| Lanka Energy International (Pvt) Ltd    | 100.00%   | 979,223           | 4,028,089          | 5,007,312         | 174                 | -                       | 174               | 5,007,138         |
| Campion Hydro Power (Pvt) Ltd           | 84.29%    | 30,014            | 286,251            | 316,265           | 20,821              | 108,805                 | 129,626           | 186,640           |
| SEI Mathugama (Pvt) Ltd                 | 77.15%    | 13,955            | 133,558            | 147,514           | 11,786              | 81,148                  | 92,934            | 54,579            |
| SEI Pallekele (Pvt) Ltd                 | 81.10%    | 18,313            | 303,543            | 321,856           | 15,182              | 245,350                 | 260,532           | 61,325            |
| SEI Maho (Pvt) Ltd                      | 81.47%    | 50,937            | 382,076            | 433,012           | 9,355               | 331,858                 | 341,213           | 91,799            |
| Solar Energy Investments (Pvt) Ltd      | 100.00%   | 350               | 132,534            | 132,885           | 18,158              | -                       | 18,158            | 114,726           |
| Unit Energy Lanka (Pvt) Ltd             | 54.86%    | 74,367            | 247,826            | 322,192           | 20,738              | 46,280                  | 67,018            | 255,174           |
| <b>Total</b>                            |           | <b>1,188,410</b>  | <b>6,028,774</b>   | <b>7,217,185</b>  | <b>126,340</b>      | <b>914,010</b>          | <b>1,040,350</b>  | <b>6,176,835</b>  |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 11 Share of profit of equity accounted investees (Contd.)

#### 11.2 Summary of Financial Position of Associates and Subsidiaries (Contd.)

| 2024                                    | Ownership | Current assets    | Non current assets | Total assets      | Current liabilities | Non current liabilities | Total liabilities | Net assets        |
|---|-----------|-------------------|--------------------|-------------------|---------------------|-------------------------|-------------------|-------------------|
| <b>Associates</b>                       |           |                   |                    |                   |                     |                         |                   |                   |
| Pawan Danavi (Pvt) Ltd                  | 40.00%    | 171,720           | 1,235,051          | 1,406,771         | 301,486             | -                       | 301,486           | 1,105,285         |
| Hayleys Hydro Energy (Pvt) Ltd          | 49.00%    | 12,289            | 119,100            | 131,389           | 10,591              | -                       | 10,591            | 120,798           |
| Nala Dhanavi (Pvt) Ltd                  | 49.00%    | 24,270            | 689,082            | 713,352           | 153,343             | -                       | 153,343           | 560,009           |
| Neluwa Cascade Hydro Power (Pvt) Ltd    | 49.00%    | 129,471           | 192,944            | 322,415           | 16,886              | 2,454                   | 19,340            | 303,075           |
| Raj Lanka Power Company Limited         | 20.25%    | 3,154,664         | 7,099,230          | 10,253,894        | 6,553,659           | 2,734                   | 6,556,393         | 3,697,501         |
| Lakdhanavi Bangla Power Limited         | 33.16%    | 5,176,093         | 6,790,818          | 11,966,911        | 6,300,500           | 778,969                 | 7,079,469         | 4,887,442         |
| Feni Lanka Power Limited                | 29.17%    | 12,610,727        | 16,295,023         | 28,905,750        | 9,618,511           | 11,748,676              | 21,367,187        | 7,538,563         |
| Parambe Hydro (Pvt) Ltd                 | 43.88%    | 3,971             | 76,986             | 80,957            | 1,216               | -                       | 1,216             | 79,741            |
| Bambarapana Hydro Power (Pvt) Ltd       | 40.00%    | 81,328            | 633,476            | 714,804           | 74,921              | 166,340                 | 241,261           | 473,543           |
| Nividhu (Pvt) Ltd                       | 25.00%    | 178,056           | 219,307            | 397,363           | 53,600              | -                       | 53,600            | 343,763           |
| Nividhu Assupiniella (Pvt) Ltd          | 25.00%    | 183,278           | 45,492             | 228,770           | 44,974              | -                       | 44,974            | 183,796           |
| LTL Energy (Private) Limited            | 45.00%    | 184,817           | 1,639,619          | 1,824,436         | 362,452             | -                       | 362,452           | 1,461,984         |
| Makarigad Hydro Power (Pvt) Ltd         | 45.00%    | 256,163           | 6,045,873          | 6,302,036         | 258,737             | 4,363,221               | 4,621,958         | 1,680,078         |
| <b>Total</b>                            |           | <b>22,166,847</b> | <b>41,082,001</b>  | <b>63,248,848</b> | <b>23,750,876</b>   | <b>17,062,394</b>       | <b>40,813,270</b> | <b>22,435,578</b> |
| <b>Subsidiaries</b>                     |           |                   |                    |                   |                     |                         |                   |                   |
| LVS Energy (Pvt) Ltd                    | 57.75%    | 5,366             | 253,651            | 259,017           | 3,454               | -                       | 3,454             | 255,563           |
| Sapthakanya Hydro Electric Co.(Pvt) Ltd | 85.00%    | 48,941            | 257,447            | 306,388           | 29,071              | 61,279                  | 90,350            | 216,038           |
| Pupulakatiya Mini Hydro Power (Pvt) Ltd | 100.00%   | 73                | 26,673             | 26,746            | 2,749               | -                       | 2,749             | 23,997            |
| Lanka Energy International (Pvt) Ltd    | 100.00%   | 437,534           | 4,614,463          | 5,051,997         | 296                 | -                       | 296               | 5,051,701         |
| Campion Hydro Power (Pvt) Ltd           | 84.29%    | 29,793            | 299,134            | 328,927           | 48,827              | 93,184                  | 142,011           | 186,916           |
| SEI Mathugama (Pvt) Ltd                 | 77.15%    | 12,362            | 138,817            | 151,179           | 19,237              | 91,648                  | 110,885           | 40,294            |
| SEI Pallekele (Pvt) Ltd                 | 81.10%    | 30,283            | 299,443            | 329,726           | 20,373              | 267,550                 | 287,923           | 41,803            |
| SEI Maho (Pvt) Ltd                      | 81.47%    | 39,487            | 390,681            | 430,168           | 6,522               | 362,858                 | 369,380           | 60,788            |
| Solar Energy Investments (Pvt) Ltd      | 100.00%   | 497               | 105,872            | 106,369           | 18,152              | -                       | 18,152            | 88,217            |
| Unit Energy Lanka (Pvt) Ltd             | 54.86%    | 145,621           | 253,516            | 399,137           | 57,355              | 74,781                  | 132,136           | 267,001           |
| <b>Total</b>                            |           | <b>749,957</b>    | <b>6,639,697</b>   | <b>7,389,654</b>  | <b>206,036</b>      | <b>951,300</b>          | <b>1,157,336</b>  | <b>6,232,318</b>  |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 12 Income tax expense

|                        | Group          |               | Company       |               |
|------------------------|----------------|---------------|---------------|---------------|
|                        | 2025           | 2024          | 2025          | 2024          |
| Income tax (note 12.1) | 67,381         | 59,308        | 24,742        | 18,607        |
| Deferred tax (note 23) | 53,386         | (5,347)       | -             | -             |
|                        | <b>120,767</b> | <b>53,961</b> | <b>24,742</b> | <b>18,607</b> |

#### 12.1 Income tax expense

Liability to income tax of the Company and its subsidiaries has been computed in accordance with the provisions of Inland Revenue Act No. 24 of 2017 and amendments thereon.

|                    | Group         |               | Company       |               |
|--------------------|---------------|---------------|---------------|---------------|
|                    | 2025          | 2024          | 2025          | 2024          |
| Current tax charge | 67,381        | 59,308        | 24,742        | 18,607        |
|                    | <b>67,381</b> | <b>59,308</b> | <b>24,742</b> | <b>18,607</b> |

#### 12.1.1 Reconciliation between accounting profit/ (loss) and income tax expense

|  | Group          |                | Company          |                  |
|--|----------------|----------------|------------------|------------------|
|  | 2025           | 2024           | 2025             | 2024             |
| Profit/(loss) before income tax                    | 730,919        | (11,712)       | 588,362          | (78,025)         |
| Disallowable expenses                              | 865,851        | 87,426         | 176              | 2,110            |
| Allowable expenses                                 | (935,116)      | (155,813)      | -                | -                |
| Income from other sources and exempt income        | (456,884)      | 193,744        | (896,527)        | (276,432)        |
| <b>Taxable business profit/(loss) for the year</b> | <b>204,770</b> | <b>113,645</b> | <b>(307,989)</b> | <b>(352,347)</b> |
| Taxable business (loss)/profit during the year     | (184,856)      | 665,654        | -                | -                |
| Tax losses recognized during the year              | 389,626        | (552,009)      | -                | -                |
|  | 204,770        | 113,645        | (307,989)        | (352,347)        |
| Other income liable for tax                        | 24,518         | 58,053         | 12,331           | 9,747            |
| <b>Total taxable income</b>                        | <b>229,288</b> | <b>171,698</b> | <b>12,331</b>    | <b>9,747</b>     |
| Tax loss utilized (Note 12.1.2)                    | (106,671)      | (73,555)       | (12,331)         | (9,747)          |
| <b>Taxable income</b>                              | <b>122,617</b> | <b>98,143</b>  | -                | -                |
| Income tax charged at the rate of 20%              | 21,990         | -              | -                | -                |
| Income tax charged at the rate of 30%              | 3,800          | 29,443         | -                | -                |
| Tax on dividend at the rate of 15%                 | 41,591         | 29,865         | 24,742           | 18,607           |
| <b>Current tax expense for the year</b>            | <b>67,381</b>  | <b>59,308</b>  | <b>24,742</b>    | <b>18,607</b>    |

The Companies in the Group are taxable at following rates;

| Name of the company                                  | Applicable Tax rate |      |
|--|---------------------|------|
|  | 2025                | 2024 |
| LVL Energy Fund PLC                                  | 30%                 | 30%  |
| Unit Energy Lanka (Private) Limited *                | 20%                 | 30%  |
| Sapthakanya Hydro Electric Company (Private) Limited | 30%                 | 30%  |
| LVS Energy (Private) Limited                         | 30%                 | 30%  |
| Lanka Energy International (Private) Limited         | 30%                 | 30%  |
| Campion Hydro Power (Private) Limited                | 30%                 | 30%  |
| Solar Energy Investments (Private) Limited           | 30%                 | 30%  |
| SEI Mathugama (Private) Limited                      | 30%                 | 30%  |
| SEI Pallekele (Private) Limited                      | 30%                 | 30%  |
| SEI Maho (Private) Limited                           | 30%                 | 30%  |

\* As per BOI agreement of Unit Energy Lanka (Private) Limited is taxed at 20%

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 12 Income tax expense (Contd.)

#### 12.1.2 Tax losses

|  | Group            |                  | Company          |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2025             | 2024             | 2025             | 2024             |
| Unutilized tax losses at the beginning of the year | 1,726,577        | 1,267,017        | 1,541,827        | 1,218,121        |
| Adjustments during the year                        | 459,352          | (18,894)         | 56               | (18,894)         |
| Tax losses recognized during the year              | 389,626          | 552,009          | 307,989          | 352,347          |
|  | 2,575,555        | 1,800,132        | 1,849,872        | 1,551,574        |
| Tax losses utilized                                | (106,671)        | (73,555)         | (12,331)         | (9,747)          |
| Unutilized tax losses at the end of the year       | <b>2,468,884</b> | <b>1,726,577</b> | <b>1,837,541</b> | <b>1,541,827</b> |

### 13 Basic and diluted earnings/(loss) per share

Basic earnings/(loss) per share has been calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, as per the requirements of the Sri Lanka Accounting Standards LKAS 33 - Earnings per share.

There were no potentially diluted shares outstanding at any time during the year. Therefore, the diluted earnings per share are equal to the Basic earnings per share.

|  | Group   |                  | Company |                  |
|--|---------|------------------|---------|------------------|
|  | 2025    | 2024<br>Restated | 2025    | 2024<br>Restated |
| Present number of ordinary shares ('000)                   | 698,734 | 582,278          | 698,734 | 582,278          |
| Weighted average number of ordinary shares in issue ('000) | 681,481 | 595,218          | 681,481 | 595,218          |
| Profit attributable to equity holders of the company       | 563,620 | (96,632)         | 563,620 | (96,632)         |
| Earnings/(loss) per share                                  | 0.83    | (0.16)           | 0.83    | (0.16)           |

Diluted earnings per share is same as computed above

|  | Group          |                  | Company        |                  |
|--|----------------|------------------|----------------|------------------|
|  | 2025           | 2024<br>Restated | 2025           | 2024<br>Restated |
| <b>Movement of weighted average number of ordinary shares in issue ('000)</b>        |                |                  |                |                  |
| Issued ordinary shares as at 01 April  | 582,278        | 582,278          | 582,278        | 582,278          |
| Effect of rights issue of shares (Bonus elements)                                    | 12,940         | 12,940           | 12,940         | 12,940           |
| Effect of rights issue of shares (New shares)  | 86,263         | -                | 86,263         | -                |
| <b>Adjusted weighted - average number of ordinary shares in issue as at 31 March</b> | <b>681,481</b> | <b>595,218</b>   | <b>681,481</b> | <b>595,218</b>   |

During the year, the Company completed a rights issue, offering 116,455,625 new ordinary shares at a price of Rs. 4.00 per share, which was below the market price at the time of the offer. As the rights issue contained a bonus element, in accordance with LKAS 33 – Earnings Per Share, the weighted average number of ordinary shares for the comparative period has been adjusted retrospectively using a bonus factor to ensure comparability of earnings per share between periods.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 14 Property, plant and equipment (Group)

|   | Land          | Plant & Machinery | Building     | Motor Vehicle | Capital work in Progress | Total            |
|---|---------------|-------------------|--------------|---------------|--------------------------|------------------|
| <b>Cost</b>                                 |               |                   |              |               |                          |                  |
| Balance as at 01 April 2023                 | 72,238        | 1,995,356         | 8,672        | 10,550        | -                        | 2,086,816        |
| Additions during the year                   | -             | 2,038             | -            | -             | -                        | 2,038            |
| Balance as at 31 March 2024                 | 72,238        | 1,997,394         | 8,672        | 10,550        | -                        | 2,088,854        |
| Accumulated depreciation                    |               |                   |              |               |                          |                  |
| Balance as at 01 April 2023                 | -             | (468,593)         | (1,406)      | (8,264)       | -                        | (478,263)        |
| Charge for the year                         | -             | (79,961)          | (386)        | (2,110)       | -                        | (82,457)         |
| Balance as at 31 March 2024                 | -             | (548,554)         | (1,792)      | (10,374)      | -                        | (560,720)        |
| <b>Carrying amounts as at 31 March 2024</b> | <b>72,238</b> | <b>1,448,840</b>  | <b>6,880</b> | <b>176</b>    | <b>-</b>                 | <b>1,528,134</b> |
| <b>Cost</b>                                 |               |                   |              |               |                          |                  |
| Balance as at 01 April 2024                 | 72,238        | 1,997,394         | 8,672        | 10,550        | -                        | 2,088,854        |
| Additions during the year                   | 1,301         | -                 | -            | -             | 12,777                   | 14,078           |
| Balance as at 31 March 2025                 | 73,539        | 1,997,394         | 8,672        | 10,550        | 12,777                   | 2,102,932        |
| Accumulated depreciation                    |               |                   |              |               |                          |                  |
| Balance as at 01 April 2024                 | -             | (548,554)         | (1,792)      | (10,374)      | -                        | (560,720)        |
| Charge for the year                         | -             | (80,065)          | (277)        | (176)         | -                        | (80,518)         |
| Balance as at 31 March 2025                 | -             | (628,619)         | (2,069)      | (10,550)      | -                        | (641,238)        |
| <b>Carrying amounts as at 31 March 2025</b> | <b>73,539</b> | <b>1,368,775</b>  | <b>6,603</b> | <b>-</b>      | <b>12,777</b>            | <b>1,461,694</b> |

- (a) The work in progress pertains to the penstock upgrade associated with the power plant operated by Unit Energy Lanka (Private) Limited.
- (b) Property, plant and equipment included fully depreciated assets, amounting to Rs. 10,550,000/- as at 31 March 2025 (2024 - Nil).
- (c) Refer Note 22 for information regarding property plant & equipment pledged as securities for liabilities obtained by subsidiaries.
- (d) As at 31 March 2025, the Group did not have any idle plant and equipment.
- (e) As at 31 March 2025, there are no borrowing cost capitalized in the capital work in progress.

| Property, plant and equipment (Company)     | Motor Vehicle | Total      |
|---|---------------|------------|
| <b>Cost</b>                                 |               |            |
| Balance as at 01 April 2023                 | 10,550        | 10,550     |
| Balance as at 31 March 2024                 | 10,550        | 10,550     |
| Accumulated depreciation                    |               |            |
| Balance as at 01 April 2023                 | (8,264)       | (8,264)    |
| Charge for the year                         | (2,110)       | (2,110)    |
| Balance as at 31 March 2024                 | (10,374)      | (10,374)   |
| <b>Carrying amounts as at 31 March 2024</b> | <b>176</b>    | <b>176</b> |
| <b>Cost</b>                                 |               |            |
| Balance as at 01 April 2024                 | 10,550        | 10,550     |
| Balance as at 31 March 2025                 | 10,550        | 10,550     |
| Accumulated depreciation                    |               |            |
| Balance as at 01 April 2024                 | (10,374)      | (10,374)   |
| Charge for the year                         | (176)         | (176)      |
| Balance as at 31 March 2025                 | (10,550)      | (10,550)   |
| <b>Carrying amounts as at 31 March 2025</b> | <b>-</b>      | <b>-</b>   |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 14 Property, plant and equipment (Company) (Contd.)

- (a) At 31 March 2025, no property plant and equipments were pledged has securities for liabilities obtained.  
 (b) Property, plant and equipment included fully depreciated assets, amounting to Rs. 10,550,000/- as at 31 March 2025 (2024 - Nil).  
 (c) As at 31 March 2025, the Company did not have any idle plant and equipment.

#### 14.1 Right-to-use land (Group)

| Cost                            | 2025           | 2024           |
|---------------------------------|----------------|----------------|
| Balance as at 01 April 2024     | 5,105          | 5,105          |
| Balance as at 31 March 2025     | 5,105          | 5,105          |
| <b>Accumulated depreciation</b> |                |                |
| Balance as at 01 April 2024     | (2,491)        | (2,303)        |
| (+) Depreciation for the year   | (188)          | (188)          |
| Balance as at 31 March 2025     | <b>(2,679)</b> | <b>(2,491)</b> |
|                                 | <b>2,426</b>   | <b>2,614</b>   |

Land rights pertain to the property situated in Peragahamulla, Ginigathhena, where the power plant operated by Unit Energy Lanka (Private) Limited is located.

Land rights are relevant for a project with a lifetime of 27 years and 2 months, which commenced in August 2005.

The land right is amortized over its project lifetime.

### 15 Equity accounted investees

#### 15.1 Investment in subsidiaries (Company)

| As at 31 March                               | 2025        |                    |                  | 2024         |                    |                  |
|--|-------------|--------------------|------------------|--------------|--------------------|------------------|
|  | Holding (%) | Cost of investment | Carrying Value   | % of holding | Cost of investment | Carrying Value   |
| LVS Energy (Pvt) Ltd *                       | 57.75%      | 135,397            | 141,146          | 57.75%       | 135,397            | 147,839          |
| Sapthakanya Hydro Electric Company (Pvt) Ltd | 85.00%      | 142,800            | 116,953          | 85.00%       | 142,800            | 183,632          |
| Pupulakatiya Mini Hydro Power (Pvt) Ltd      | 100.00%     | 29,000             | 23,889           | 100.00%      | 29,000             | 23,997           |
| Lanka Energy International (Pvt) Ltd         | 100.00%     | 2,508,200          | 5,063,533        | 100.00%      | 2,508,200          | 5,108,094        |
| Campion Hydro Power (Pvt) Ltd                | 84.29%      | 118,000            | 157,310          | 84.29%       | 118,000            | 157,543          |
| Solar Energy Investments (Pvt) Ltd**         | 100.00%     | 200,000            | 138,248          | 100.00%      | 200,000            | 86,282           |
|  |             | <b>3,133,397</b>   | <b>5,641,079</b> |              | <b>3,133,397</b>   | <b>5,707,387</b> |

\* The investment in Unit Energy Lanka (Private) Limited is held through LVS Energy (Private) Limited.

\*\* The investment in SEI Maho (Private) Limited, SEI Pallekele (Private) Limited, SEI Mathugama (Private) Limited is held through Solar Energy Investments (Private) Limited.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 15 Equity accounted investees (Contd.)

#### 15.1 (a) Non controlling interest (NCI)

The following table summarizes the information related to each of the Group's subsidiaries that has material NCI, before any intra - group eliminations.

|  | 2025                         |                                     | 2024                         |                                     |
|--|------------------------------|-------------------------------------|------------------------------|-------------------------------------|
|  | LVS Energy (Private) Limited | Unit Energy Lanka (Private) Limited | LVS Energy (Private) Limited | Unit Energy Lanka (Private) Limited |
| <b>As at 31 March,</b>   |                              |                                     |                              |                                     |
| <b>NCI Percentage</b>  | <b>42.25%</b>                | <b>45.14%</b>                       | <b>42.25%</b>                | <b>45.14%</b>                       |
| Non current assets   | 242,416                      | 247,826                             | 253,651                      | 253,516                             |
| Current assets   | 1,676                        | 74,367                              | 5,366                        | 145,621                             |
| Non - current liabilities  | -                            | (46,280)                            | -                            | 74,781                              |
| Current liabilities  | (118)                        | (20,738)                            | 3,454                        | 57,355                              |
| <b>Net assets</b>  | <b>243,974</b>               | <b>255,174</b>                      | <b>255,563</b>               | <b>267,001</b>                      |
| Carrying amount of NCI   | 103,079                      | 115,179                             | 107,975                      | 120,518                             |
| Revenue  | 3,931                        | 185,580                             | 9,928                        | 164,721                             |
| Profit for the year  | 83,882                       | 103,339                             | 82,753                       | 91,744                              |
| Other comprehensive income for the year, net of income tax       | -                            | -                                   | -                            | -                                   |
| <b>Total comprehensive income for the year</b>                   | <b>83,882</b>                | <b>103,339</b>                      | <b>82,753</b>                | <b>91,744</b>                       |
| Profit allocated to NCI  | 35,440                       | 46,645                              | 34,963                       | 41,411                              |
| OCI allocated to NCI   | -                            | -                                   | -                            | -                                   |
| Dividend paid of NCI   | (40,336)                     | (5,758)                             | (26,948)                     | (3,584)                             |
| Cash flows from operating activities                             | 2,594                        | 133,722                             | 6,431                        | 37,578                              |
| Cash flows from investment activities                            | 92,558                       | (12,777)                            | 56,841                       | (2,037)                             |
| Cash flows from financing activities                             | (95,472)                     | (120,166)                           | (63,784)                     | (27,000)                            |
| <b>Net cash (decrease)/ increase in cash and cash equivalent</b> | <b>(320)</b>                 | <b>779</b>                          | <b>(512)</b>                 | <b>8,541</b>                        |

Campion Hydro (Private) Limited (15.71%) and Sapthakanya Hydro Electric (Private) Limited (15%) are not considered as a material NCI during the year.

Refer Note 3.1.2.1 for the place of business/ country of operation.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 15 Equity accounted investees (Contd.)

#### 15.2 Investment in associates

| Group                                | Ownership | As at 01 April   | Investments | Share of profits | Share of OCI     | Foreign currency adjustment | Dividend distribution | As at 31 March   |
|--------------------------------------|-----------|------------------|-------------|------------------|------------------|-----------------------------|-----------------------|------------------|
| <b>2025</b>                          |           |                  |             |                  |                  |                             |                       |                  |
| Hayleys Hydro Energy (Pvt) Ltd       | 49.00%    | 42,394           | -           | (796)            | 628              | -                           | (10,290)              | <b>31,936</b>    |
| Neluwa Cascade Hydro Power (Pvt) Ltd | 49.00%    | 110,607          | -           | 15,610           | -                | -                           | -                     | <b>126,217</b>   |
| Pawan Danavi (Pvt) Ltd               | 40.00%    | 442,115          | -           | 11,482           | -                | -                           | -                     | <b>453,597</b>   |
| Nala Dhanavi (Pvt) Ltd               | 49.00%    | 274,404          | -           | 12,412           | -                | -                           | (14,700)              | <b>272,116</b>   |
| Lakdhanavi Bangla Power Limited      | 33.16%    | 1,620,675        | -           | 121,164          | 3,755            | (186,924)                   | (202,688)             | <b>1,356,733</b> |
| Raj Lanka Power Company Limited      | 20.25%    | 748,745          | -           | (30,900)         | -                | (86,034)                    | -                     | <b>631,811</b>   |
| Feni Lanka Power Limited             | 29.17%    | 2,245,041        | -           | 648,839          | (270,795)        | (243,575)                   | (321,844)             | <b>2,039,546</b> |
| Nividhu (Pvt) Ltd                    | 25.00%    | 28,681           | -           | 8,169            | -                | -                           | (59,520)              | <b>(22,670)</b>  |
| Nividhu Assupiniella (Pvt) Ltd       | 25.00%    | 195,631          | -           | 15,911           | -                | -                           | -                     | <b>211,542</b>   |
| Parambe Hydro (Pvt) Ltd              | 43.88%    | 34,999           | -           | (224)            | -                | -                           | -                     | <b>34,775</b>    |
| Bambarapana Hydro Power (Pvt) Ltd    | 40.00%    | 191,485          | -           | 46,878           | -                | -                           | (20,000)              | <b>218,363</b>   |
| LTL Energy (Pvt) Ltd                 | 45.00%    | 761,304          | -           | (84,087)         | -                | -                           | -                     | <b>677,217</b>   |
| Makarigad Hydro Power (Pvt) Ltd      | 41.63%    | (170,674)        | -           | 57,884           | -                | (29,370)                    | -                     | <b>(142,160)</b> |
|                                      |           | <b>6,525,407</b> | -           | <b>822,342</b>   | <b>(266,412)</b> | <b>(545,903)</b>            | <b>(629,042)</b>      | <b>5,889,023</b> |
| <b>2024</b>                          |           |                  |             |                  |                  |                             |                       |                  |
| Hayleys Hydro Energy (Pvt) Ltd       | 49.00%    | 42,910           | -           | (516)            | -                | -                           | -                     | <b>42,394</b>    |
| Neluwa Cascade Hydro Power (Pvt) Ltd | 49.00%    | 119,199          | -           | 12,223           | -                | -                           | (20,815)              | <b>110,607</b>   |
| Pawan Danavi (Pvt) Ltd               | 40.00%    | 433,680          | -           | 8,435            | -                | -                           | -                     | <b>442,115</b>   |
| Nala Dhanavi (Pvt) Ltd               | 49.00%    | 328,351          | -           | (19,647)         | -                | -                           | (34,300)              | <b>274,404</b>   |
| Lakdhanavi Bangla Power Limited      | 33.16%    | 1,751,438        | -           | 41,863           | 8,657            | (181,283)                   | -                     | <b>1,620,675</b> |
| Raj Lanka Power Company Limited      | 20.25%    | 1,068,591        | -           | (221,170)        | -                | (98,676)                    | -                     | <b>748,745</b>   |
| Feni Lanka Power Limited             | 29.17%    | 2,017,041        | -           | 554,618          | (85,081)         | (289,667)                   | -                     | <b>2,245,041</b> |
| Nividhu (Pvt) Ltd                    | 25.00%    | 73,370           | -           | 5,311            | -                | -                           | (50,000)              | <b>28,681</b>    |
| Nividhu Assupiniella (Pvt) Ltd       | 25.00%    | 193,559          | -           | 2,072            | -                | -                           | -                     | <b>195,631</b>   |
| Parambe Hydro (Pvt) Ltd              | 43.88%    | 35,218           | -           | (219)            | -                | -                           | -                     | <b>34,999</b>    |
| Bambarapana Hydro Power (Pvt) Ltd    | 40.00%    | 199,135          | -           | 32,350           | -                | -                           | (40,000)              | <b>191,485</b>   |
| LTL Energy (Pvt) Ltd                 | 45.00%    | 837,699          | -           | (76,395)         | -                | -                           | -                     | <b>761,304</b>   |
| Makarigad Hydro Power (Pvt) Ltd      | 41.63%    | 31,268           | -           | (82,480)         | -                | (119,462)                   | -                     | <b>(170,674)</b> |
|                                      |           | <b>7,131,459</b> | -           | <b>256,445</b>   | <b>(76,424)</b>  | <b>(689,088)</b>            | <b>(145,115)</b>      | <b>6,525,407</b> |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 15 Equity accounted investees (Contd.)

#### 15.2 Investment in associates (Contd.)

| Company  | Ownership | As at 01 April   | Investments | Share of profits | Share of OCI | Foreign currency adjustment | Dividend distribution | As at 31 March   |
|--|-----------|------------------|-------------|------------------|--------------|-----------------------------|-----------------------|------------------|
| <b>2025</b>                                      |           |                  |             |                  |              |                             |                       |                  |
| Hayleys Hydro Energy (Pvt) Ltd                   | 49.00%    | 42,392           | -           | (796)            | 628          | -                           | (10,290)              | <b>31,936</b>    |
| Neluwa Cascade Hydro Power (Pvt) Ltd             | 49.00%    | 110,607          | -           | 15,610           | -            | -                           | -                     | <b>126,217</b>   |
| Pawan Danavi (Pvt) Ltd                           | 40.00%    | 442,115          | -           | 11,482           | -            | -                           | -                     | <b>453,597</b>   |
| Nala Dhanavi (Pvt) Ltd                           | 49.00%    | 274,404          | -           | 12,412           | -            | -                           | (14,700)              | <b>272,116</b>   |
| Nividhu (Pvt) Ltd                                | 25.00%    | 28,681           | -           | 8,169            | -            | -                           | (59,520)              | <b>(22,670)</b>  |
| Nividhu Assupiniella (Pvt) Ltd                   | 25.00%    | 195,631          | -           | 15,911           | -            | -                           | -                     | <b>211,542</b>   |
| Parambe Hydro (Pvt) Ltd                          | 43.88%    | 34,999           | -           | (224)            | -            | -                           | -                     | <b>34,775</b>    |
| Bambarapana Hydro Power (Pvt) Ltd                | 40.00%    | 191,485          | -           | 46,878           | -            | -                           | (20,000)              | <b>218,363</b>   |
| LTL Energy (Pvt) Ltd                             | 45.00%    | 761,304          | -           | (84,087)         | -            | -                           | -                     | <b>677,217</b>   |
| Makarigad Hydro Power (Pvt) Ltd                  | 41.63%    | (170,674)        | -           | 57,884           | -            | (29,370)                    | -                     | <b>(142,160)</b> |
|  |           | <b>1,910,944</b> | <b>-</b>    | <b>83,239</b>    | <b>628</b>   | <b>(29,370)</b>             | <b>(104,510)</b>      | <b>1,860,933</b> |
| <b>2024</b>                                      |           |                  |             |                  |              |                             |                       |                  |
| Hayleys Hydro Energy (Pvt) Ltd                   | 49.00%    | 42,908           | -           | (516)            | -            | -                           | -                     | <b>42,392</b>    |
| Neluwa Cascade Hydro Power (Pvt) Ltd             | 49.00%    | 119,199          | -           | 12,223           | -            | -                           | (20,815)              | <b>110,607</b>   |
| Pawan Danavi (Pvt) Ltd                           | 40.00%    | 433,680          | -           | 8,435            | -            | -                           | -                     | <b>442,115</b>   |
| Nala Dhanavi (Pvt) Ltd                           | 49.00%    | 328,351          | -           | (19,647)         | -            | -                           | (34,300)              | <b>274,404</b>   |
| Nividhu (Pvt) Ltd                                | 25.00%    | 73,370           | -           | 5,311            | -            | -                           | (50,000)              | <b>28,681</b>    |
| Nividhu Assupiniella (Pvt) Ltd                   | 25.00%    | 193,559          | -           | 2,072            | -            | -                           | -                     | <b>195,631</b>   |
| Parambe Hydro (Pvt) Ltd                          | 43.88%    | 35,218           | -           | (219)            | -            | -                           | -                     | <b>34,999</b>    |
| Bambarapana Hydro Power (Pvt) Ltd                | 40.00%    | 199,135          | -           | 32,350           | -            | -                           | (40,000)              | <b>191,485</b>   |
| LTL Energy (Pvt) Ltd                             | 45.00%    | 837,699          | -           | (76,395)         | -            | -                           | -                     | <b>761,304</b>   |
| Makarigad Hydro Power (Pvt) Ltd                  | 41.63%    | 31,268           | -           | (82,480)         | -            | (119,462)                   | -                     | <b>(170,674)</b> |
|  |           | <b>2,294,387</b> | <b>-</b>    | <b>(118,865)</b> | <b>-</b>     | <b>(119,462)</b>            | <b>(145,115)</b>      | <b>1,910,944</b> |
| <b>15.1 Investment in subsidiaries (Company)</b> |           |                  |             |                  |              |                             |                       |                  |
|  |           |                  |             |                  | <b>Group</b> |                             | <b>Company</b>        |                  |
|  |           |                  |             |                  | <b>2025</b>  | <b>2024</b>                 | <b>2025</b>           | <b>2024</b>      |
|  |           |                  |             |                  | -            | -                           | 5,641,079             | 5,707,387        |
| <b>15.2 Investment in associates</b>             |           |                  |             |                  | 5,889,023    | 6,525,407                   | 1,860,933             | 1,910,944        |
|  |           |                  |             |                  | 5,889,023    | 6,525,407                   | 7,502,012             | 7,618,331        |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 15.3 Summarized financial information on associates

| Company                              | 2025       |                              |           |           | 2024       |                              |           |             |
|--------------------------------------|------------|------------------------------|-----------|-----------|------------|------------------------------|-----------|-------------|
|                                      | Revenue    | Profit/<br>(Loss)<br>from CO | OCI       | TCI       | Revenue    | Profit/<br>(Loss)<br>from CO | OCI       | TCI         |
| Pawan Danavi (Pvt) Ltd               | 287,206    | 28,706                       | -         | 28,706    | 340,490    | 21,087                       | -         | 21,087      |
| Hayleys Hydro Energy (Pvt) Ltd       | -          | 19,635                       | -         | 19,635    | -          | 41,465                       | -         | 41,465      |
| Nala Dhanavi (Pvt) Ltd               | 233,167    | 25,331                       | -         | 25,331    | 155,553    | (40,096)                     | -         | (40,096)    |
| Neluwa Cascade Hydro Power (Pvt) Ltd | 75,409     | 31,856                       | 1,282     | 33,138    | 76,898     | 24,945                       | 45        | 24,990      |
| Raj Lanka Power Company Limited      | 1,288,601  | (171,093)                    | -         | (171,093) | 3,358,000  | (1,111,975)                  | -         | (1,111,975) |
| Lakdhanavi Bangla Power Limited      | 8,429,746  | 350,101                      | 16,802    | 366,903   | 11,081,496 | (129,903)                    | 25,679    | (104,224)   |
| Feni Lanka Power Limited             | 20,548,235 | 2,159,416                    | (872,295) | 1,287,121 | 23,463,421 | 1,639,449                    | (288,068) | 1,351,381   |
| Parambe Hydro (Pvt) Ltd              | -          | (511)                        | -         | (511)     | -          | (499)                        | -         | (499)       |
| Bambarapana Hydro Power (Pvt) Ltd.   | 221,386    | 117,195                      | -         | 117,195   | 216,389    | 80,874                       | -         | 80,874      |
| Nividhu (Pvt) Ltd                    | 97,433     | 116,608                      | -         | 116,608   | 105,237    | 142,083                      | -         | 142,083     |
| Nividhu Assupiniella (Pvt) Ltd       | 119,005    | 63,645                       | -         | 63,645    | 143,248    | 71,318                       | -         | 71,318      |
| LTL Energy (Pvt) Ltd                 | -          | (186,860)                    | -         | (186,860) | -          | (172,946)                    | -         | (172,946)   |
| Makarigad Hydro Power (Pvt) Ltd      | 707,101    | 144,576                      | -         | 144,576   | 696,008    | (186,283)                    | -         | (186,283)   |

\* There are no discontinued operations for all above associates.

CO: Continuing operations

OCI: Other comprehensive income

TCI: Total comprehensive income

|                                      | Place of Business/Country of incorporation | Nature of the activities |
|--------------------------------------|--|--------------------------|
| Pawan Danavi (Pvt) Ltd               | Kalpitiya, Sri Lanka                       | Wind power investment    |
| Hayleys Hydro Energy (Pvt) Ltd       | Colombo, Sri Lanka                         | Hydro power investment   |
| Nala Dhanavi (Pvt) Ltd               | Kalpitiya, Sri Lanka                       | Wind power investment    |
| Neluwa Cascade Hydro Power (Pvt) Ltd | Neluwa, Sri Lanka                          | Hydro power investment   |
| Raj Lanka Power Company Limited      | Rajshahi, Bangladesh                       | Thermal power investment |
| Lakdhanavi Bangla Power Limited      | Comilla, Bangladesh                        | Thermal power investment |
| Feni Lanka Power Limited             | Feni, Bangladesh                           | Thermal power investment |
| Parambe Hydro (Pvt) Ltd              | Kegalle, Sri Lanka                         | Hydro power investment   |
| Bambarapana Hydro Power (Pvt) Ltd.   | Badulla, Sri Lanka                         | Hydro power investment   |
| Nividhu (Pvt) Ltd                    | Balangoda, Sri Lanka                       | Hydro power investment   |
| Nividhu Assupiniella (Pvt) Ltd       | Aranayake, Sri Lanka                       | Hydro power investment   |
| LTL Energy (Pvt) Ltd                 | Colombo, Sri Lanka                         | Hydro power investment   |
| Makarigad Hydro Power (Pvt) Ltd      | Kathmandu, Nepal                           | Hydro power investment   |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 16 Intangible assets

| Group                           | 2025           | 2024           |
|---------------------------------|----------------|----------------|
| <b>Cost</b>                     |                |                |
| Balance as at 01 April          | 136,149        | 136,149        |
| Balance as at 31 March          | <b>136,149</b> | <b>136,149</b> |
| <b>Accumulated amortization</b> |                |                |
| Balance as at 01 April          | (15,746)       | (10,842)       |
| Amortization for the year       | (4,936)        | (4,904)        |
| Balance as at 31 March          | (20,682)       | (15,746)       |
| <b>Carrying value</b>           | <b>115,467</b> | <b>120,403</b> |

Approval costs, totaling LKR 26,673,346/- (both in the current year and 2024), comprise expenditures related to approvals, surveys, and engineering designs for Pupalaketiya Hydro Power (Private) Limited. This amount will be amortized starting from the commencement of commercial operations.

Approval costs for Sapthakanya Hydro Electric Company (Private) Limited (LKR 1,981,602/-), Campion Hydro (Private) Limited (LKR 30,000,000/-), SEI Maho (Private) Limited (LKR 33,712,755/-), SEI Mathugama (Private) Limited (LKR 16,007,720/-), and SEI Pallekele (Private) Limited (LKR 27,773,766/-), are being amortized over the period.

### 17 Loans and receivables

|  | Group         |                | Company    |              |
|--|---------------|----------------|------------|--------------|
|  | 2025          | 2024           | 2025       | 2024         |
| Receivable from Ceylon Electricity Board | 43,120        | 78,165         | -          | -            |
| Advances                                 | 125           | 39,910         | -          | 1,503        |
| Prepayments                              | 16,819        | 2,114          | 179        | 148          |
| WHT & Interest receivable                | 99            | 157            | -          | -            |
|  | <b>60,163</b> | <b>120,346</b> | <b>179</b> | <b>1,651</b> |

### 18 Amounts due from / due to related parties

#### 18.1 Amounts due from related parties

|                                    | Group      |              | Company       |               |
|------------------------------------|------------|--------------|---------------|---------------|
|                                    | 2025       | 2024         | 2025          | 2024          |
| Campion Hydro (Pvt) Ltd            | -          | -            | 35            | 6,090         |
| Pupalaketiya Hydro Power (Pvt) Ltd | -          | -            | 2,792         | 2,689         |
| Parambe Hydro Power (Pvt) Ltd      | 511        | 511          | 511           | 511           |
| Solar Energy Investments (Pvt) Ltd | -          | -            | 16,876        | 16,876        |
| VS Hydro (Pvt) Ltd *               | -          | 3,332        | -             | -             |
|                                    | <b>511</b> | <b>3,843</b> | <b>20,214</b> | <b>26,166</b> |

\* During the previous financial year, LVS Energy (Pvt) Ltd was considered a related party of the Company as its O&M partner, VS Hydro (Pvt) Ltd, was a shareholder of LVS Energy (Pvt) Ltd. During the current financial year, VS Hydro (Pvt) Ltd ceased to be a shareholder of LVS Energy (Pvt) Ltd.

#### 18.2 Amounts due to related party

|                    | Group |            | Company |            |
|--------------------|-------|------------|---------|------------|
|                    | 2025  | 2024       | 2025    | 2024       |
| Lanka Ventures PLC | -     | 746        | -       | 746        |
|                    | -     | <b>746</b> | -       | <b>746</b> |

Refer Note 28 for additional disclosures relevant for the related party transactions.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 19 Other receivables

|  | Group          |                | Company       |               |
|--|----------------|----------------|---------------|---------------|
|  | 2025           | 2024           | 2025          | 2024          |
| Dividend receivable                    | 987,390        | 495,195        | 10,290        | 60,000        |
| Receivable from VS Hydro (Pvt) Limited | 1,213          | -              | -             | -             |
|  | <b>988,603</b> | <b>495,195</b> | <b>10,290</b> | <b>60,000</b> |

### 20 Cash and cash equivalents

|   | Group          |                | Company         |              |
|---|----------------|----------------|-----------------|--------------|
|   | 2025           | 2024           | 2025            | 2024         |
| <b>Favorable balances</b>                                       |                |                |                 |              |
| Cash at bank  | 143,743        | 108,416        | 4,477           | 1,198        |
| Short term investments  | 10,008         | 49,000         | 10,008          | -            |
|   | <b>153,751</b> | <b>157,416</b> | <b>14,485</b>   | <b>1,198</b> |
| <b>Unfavorable balances</b>                                     |                |                |                 |              |
| Bank overdraft  | 81,560         | -              | 81,560          | -            |
| <b>Cash and cash equivalents in the Statement of Cash Flows</b> | <b>72,191</b>  | <b>157,416</b> | <b>(67,075)</b> | <b>1,198</b> |

### 21 Stated capital and reserves

#### 21.1 Stated capital

|                               | Group              |                    | Company            |                    |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
|                               | 2025               | 2024               | 2025               | 2024               |
| Balance as at 1 April         | 2,906,472          | 2,906,472          | 2,906,472          | 2,906,472          |
| Shares issued during the year | 465,823            | -                  | 465,823            | -                  |
| <b>Balance as at 31 March</b> | <b>3,372,295</b>   | <b>2,906,472</b>   | <b>3,372,295</b>   | <b>2,906,472</b>   |
| <b>Number of shares</b>       |                    |                    |                    |                    |
| Balance as at 1 April         | 582,278,117        | 582,278,117        | 582,278,117        | 582,278,117        |
| Share issued during the year  | 116,455,625        | -                  | 116,455,625        | -                  |
| Balance as at 31 March        | <b>698,733,742</b> | <b>582,278,117</b> | <b>698,733,742</b> | <b>582,278,117</b> |

The Company raised Rs. 465,822,500/- through a Rights Issue which was concluded on the 31<sup>st</sup> May 2024. A total of 116,455,625 ordinary shares were issued to the holders of ordinary voting shares of the Company, on the basis of one (1) new ordinary voting share for every five (5) ordinary voting shares held, at a consideration of Rs. 4/- per share.

The holders of ordinary shares are entitled to recover dividends as declared from time to time, and are entitled to one vote per individual at meetings of shareholders or one vote per share in case of poll.

Stated capital as per the requirements of the Companies Act No. 07 of 2007.

|  | Group            |                  | Company          |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2025             | 2024             | 2025             | 2024             |
| Ordinary share capital                                 | 3,372,295        | 2,906,472        | 3,372,295        | 2,906,472        |
| Stated capital as per the Companies Act No. 07 of 2007 | <b>3,372,295</b> | <b>2,906,472</b> | <b>3,372,295</b> | <b>2,906,472</b> |

#### 21.2 Revaluation reserve

Revaluation reserve comprise of share of revaluation reserve attributable to the Company/Group from its equity accounted investees.

#### 21.3 Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(All amounts in Sri Lanka Rupees thousands)

## 21 Stated capital and reserves (Contd.)

### 21.3.1 Foreign currency translation difference

During the period, foreign currency translation differences of LKR (186,923,035/-) from Lakdhanavi Bangla Power Limited, LKR (86,034,313/-) from Raj Lanka Power Company Limited, LKR (243,574,768/-) from Feni Lanka Power Limited, and LKR (29,370,438/-) from LTL Energy (Private) Limited were recognized in Other Comprehensive Income (OCI). (2024: LKR (181,282,164/-), LKR (98,674,611/-), LKR (241,536,373/-), and LKR (119,462,470/-) respectively).

### 21.4 Cash flow hedge reserve

Two of our investee companies in Bangladesh namely Lakdhanavi Bangla Power Limited and Feni Lanka Power Limited have USD borrowings as well as a USD revenue component as per the Power Purchase Agreement (PPA) signed with the Bangladesh Power Development Board. Both companies have sufficient USD cash inflows to cover the USD loan repayments. According to IFRS 9 (SLFRS 9) Financial Instruments, the respective investee companies have treated the said transaction as a "Cash Flow Hedge" in the financial statements and the two companies expect to hedge the variability in the cash flows corresponding to the loan repayments attributable to changes in exchange rates over the period.

In this situation, USD borrowing was recognized as the Hedge Instrument and the USD revenue from the PPA is identified as the Hedged Item and both meet the recognition criteria set out in IFRS 9 (SLFRS 9). Further, Hedge Effectiveness appears to be 100%. Accordingly, respective investee companies have applied hedge accounting principles in their financial statements.

Since both these investments are associates, as per the guidelines of LKAS 28 Investments in Associates and Joint Ventures, Company has applied equity method of accounting and recognized relevant share of the profit or loss, other comprehensive income and net assets in its financial statements in respect of these investments.

## 22 Interest bearing borrowings

|                                     | Group            |                  | Company          |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|
|                                     | 2025             | 2024             | 2025             | 2024             |
| Balance as at 1 April               | 3,452,790        | 3,554,397        | 2,489,087        | 2,428,638        |
| Capital repayments during the year  | (613,318)        | (819,048)        | (470,921)        | (15,000)         |
| Interest repayments during the year | (338,138)        | (445,748)        | (243,452)        | (229,503)        |
| Obtained during the period          | -                | 680,400          | -                | -                |
| Interest for the year               | 350,074          | 482,789          | 256,338          | 304,951          |
| <b>Balance as at 31 March</b>       | <b>2,851,408</b> | <b>3,452,790</b> | <b>2,031,052</b> | <b>2,489,087</b> |
| Repayments due within one year      | 481,286          | 571,475          | 412,671          | 484,290          |
| Repayments due after one year       | 2,370,122        | 2,881,315        | 1,618,381        | 2,004,797        |
|                                     | <b>2,851,408</b> | <b>3,452,790</b> | <b>2,031,052</b> | <b>2,489,087</b> |

| Financial institution      | Security   | Repayment terms and maturity  | Interest rate                                 | Principal value | Amount outstanding |
|----------------------------|--|---|---|-----------------|--------------------|
| <b>LVL Energy Fund PLC</b> |  |   |   |                 |                    |
| Hatton National Bank PLC   | A mortgage bond for LKR 410.0 million has been secured over 40.0 million ordinary shares of Lanka Energy International Pvt Ltd, which are owned by LVL Energy Fund PLC. This is accompanied by an irrevocable Power of Attorney. | Repayable in 5 equal annual installments from March 2023.               | AWPLR of the preceding month plus 2.00% p.a . | 75,000          | 30,164             |
| DFCC Bank PLC              | Unsecured  | Repayable in 5 equal annual installments from March 2024.               | AWPLR of the preceding month plus 1.75% p.a.  | 200,000         | 85,878             |
| DFCC Bank PLC              | Unsecured  | Repayable in 4 equal annual installments from March 2024.               | AWPLR of the preceding month plus 1.75% p.a.  | 600,000         | 109,539            |
| DFCC Bank PLC              | Unsecured  | Repayable in 28 equal quarterly installments commenced from March 2024. | AWPLR of the preceding month plus 1.50% p.a.  | 500,000         | 319,896            |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 22 Interest bearing borrowings (Contd.)

| Financial institution                                       | Security  | Repayment terms and maturity   | Interest rate   | Principal value  | Amount outstanding |
|---|---|--|---|------------------|--------------------|
| DFCC Bank PLC   | Unsecured   | Repayable in 12 quarterly installments, commencing March 2024.   | 0% p.a.   | 8,834            | 5,889              |
| DFCC Bank PLC   | Unsecured   | To be waived off upon settlement of the other term loans in full   | 0% p.a.   | 31,500           | 31,500             |
| Sampath Bank PLC  | The company has mortgaged its shares in Lanka Energy International (Pvt) Limited.   | Repayable on 28th April 2026 for a sum of LKR 1,016 Mn.  | Fixed rate of 10.52% p.a.   | 750,000          | 946,392            |
| National Development Bank PLC                               | The company holds a primary mortgage of LKR 1.5 billion over its shares in Lanka Energy International (Private) Limited, along with an additional mortgage of LKR 337.5 million on its shares in Naladhanavi (Pvt) Ltd. | A sum of LKR 26 million, due for repayment as of July 26, 2024, will be settled through two distinct schedules: 12 equal monthly installments of LKR 2,150,000 commencing in August 2024, and 4 equal semi-annual installments of LKR 60 million starting in April 2025.                             | Interest will not be applicable for the LKR 26 million commencing from August 2024. Subsequently, interest payments will be made in equal semi-annual installments, concurrently with the capital repayment, at a rate based on the Average Weighted Prime Lending Rate (AWPLR) plus varying margins. | 600,000          | 501,794            |
|   |   |  |   | <b>Sub total</b> | <b>2,031,052</b>   |
| <b>Sapthakanya Hydro Electric Company (Private) Limited</b> |   |  |   |                  |                    |
| DFCC Bank PLC   | Leasehold right of land and immovable project assets in Laxapanagalla division of Theberton Group.  | Repayable in 40 equal monthly installments of LKR 2,451,160/- commencing from January 2024.  | AWPLR plus 1.60% p.a  | 176,250          | 61,279             |
|   |   |  |   | <b>Sub total</b> | <b>61,279</b>      |
| <b>Campion Hydro (Private) Limited</b>                      |   |  |   |                  |                    |
| National Development Bank PLC                               | Leasehold right of land, and immovable project assets in Campion Tea Estate, Bogawantalawa and Primary mortgage book debts and receivables of project.  | Repayable in 12 equal monthly installments of LKR 2,400,000/-, 12 equal monthly installments of LKR 1,375,000/-, 12 equal monthly installments of LKR 1,150,000/-, 12 equal monthly installments of LKR 1,460,000/- and 8 equal monthly installments of LKR 2,450,000/- commencing from August 2024. | AWPLR of the preceding month plus 2.5% p.a  | 150,400          | 77,020             |
|   |   |  |   | <b>Sub total</b> | <b>77,020</b>      |
| <b>SEI Mathugama (Private) Limited</b>                      |   |  |   |                  |                    |
| Sampath Bank PLC  | All project assets of solar power plant at Mathugama.   | Repayable in 50 equal monthly installments of LKR 875,000/-, 36 equal monthly installments of LKR 1,000,000/-, 9 equal monthly installments of LKR 1,250,000/- and final installment of LKR 1,523,138/- from March 2025.   | AWPLR plus 1.25% p.a  | 129,000          | 91,648             |
|   |   |  |   | <b>Sub total</b> | <b>91,648</b>      |

(All amounts in Sri Lanka Rupees thousands)

**22 Interest bearing borrowings (Contd.)**

| Financial institution                  | Security  | Repayment terms and maturity   | Interest rate        | Principal value                          | Amount outstanding |
|--|---|--|----------------------|--|--------------------|
| <b>SEI Pallekele (Private) Limited</b> |   |  |                      |  |                    |
| Sampath Bank PLC                       | All project assets of solar power plant at Pallekele together with entirety of shares issued by Solar Energy Investments Pallekele (Pvt) Ltd. | Repayable in 15 equal monthly installments of LKR 600,000/-, 18 equal monthly installments of LKR 700,000/-, 18 equal monthly installments of LKR 800,000/-, 18 equal monthly installments of LKR 1,200,000/-, 18 equal monthly installments of LKR 1,300,000/-, 18 equal monthly installments of LKR 1,400,000/-, 18 equal monthly installments of LKR 2,000,000/-, 18 equal monthly installments of LKR 2,500,000/-, 18 equal monthly installments of LKR 2,800,000/-, 4 monthly equal installments of LKR 3,000,000/- and a final installment of LKR 3,550,000/- from March 2025. | AWPLR plus 1.25% p.a | 281,700                                  | 252,549            |
|  |   |  |                      | <b>Sub total</b>                         | <b>252,549</b>     |
| <b>SEI Maho (Private) Limited</b>      |   |  |                      |  |                    |
| Sampath Bank PLC                       | All project assets of solar power plant at Maho together with entirety of shares issued by SEI Maho (Private) Limited.                        | Repayable in 15 equal monthly installments of LKR 500,000/-, 18 equal monthly installments of LKR 600,000/-, 18 equal monthly installments of LKR 750,000/-, 18 equal monthly installments of LKR 1,500,000/-, 18 equal monthly installments of LKR 2,000,000/-, 18 equal monthly installments of LKR 2,500,000/-, 18 equal monthly installments of LKR 3,500,000/-, 18 equal monthly installments of LKR 3,750,000/-, 16 equal monthly installments of LKR 4,000,000/- and a final installment of LKR 4,058,000/- from March 2025.  | AWPLR plus 1.25% p.a | 398,700                                  | 337,859            |
|  |   |  |                      | <b>Sub total</b>                         | <b>337,859</b>     |
|  |   |  |                      | <b>Total interest bearing borrowings</b> | <b>2,851,408</b>   |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 23 Deferred tax liability / (Assets)

Deferred tax assets and liabilities are recognized for all taxable and deductible temporary differences that arise from differences between the accounting bases and the tax bases of assets and liabilities.

|   | Group          |               | Company |      |
|---|----------------|---------------|---------|------|
|   | 2025           | 2024          | 2025    | 2024 |
| <b>Balance as at 01 April 2024</b>                  | 74,781         | 80,128        | -       | -    |
| Recognition of previously unrecognized deferred tax | (189,403)      | -             | -       | -    |
| Charge/(reverse)                                    | 242,789        | (5,347)       | -       | -    |
| <b>Balance as at 31 March 2025</b>                  | <b>128,167</b> | <b>74,781</b> | -       | -    |

Deferred tax assets, which were previously unrecognised, have been recognised during the current year as the subsidiary has recorded consistent profits over the past two financial years, providing sufficient evidence of future taxable profits. In addition, adequate taxable temporary differences (deferred tax liabilities) were available to set off against the deferred tax assets.

Deferred tax assets/ (liabilities) have been recognised in respect of the following assets and liabilities and it has been calculated by applying the current tax rate (30%) of respective companies in the group which are liable for income tax.

#### 23.1 Deferred tax liability / (Assets)

|  | Group                |                |                      |               |
|--|----------------------|----------------|----------------------|---------------|
|  | 2025                 |                | 2024                 |               |
|  | Temporary Difference | Tax Effect     | Temporary Difference | Tax Effect    |
| Deferred tax liabilities recognized on Property, Plant and Equipment | 1,135,700            | 317,570        | 249,270              | <b>74,781</b> |
| Deferred tax Assets recognized on Taxable Loss                       | (631,342)            | (189,403)      | -                    | -             |
| <b>Net Deferred tax liabilities / ( Assets)</b>                      | <b>504,358</b>       | <b>128,167</b> | <b>249,270</b>       | <b>74,781</b> |

#### 23.2 Unrecognized deferred tax liability / (Assets)

|  | Group            |                  | Company          |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2025             | 2024             | 2025             | 2024             |
| Deferred tax liability recognized on Property, Plant and Equipment | -                | -                | -                | <b>(176)</b>     |
| Deferred tax assets recognized on tax losses                       | 1,837,541        | 1,726,577        | 1,837,541        | 1,541,827        |
|  | (1,837,541)      | (1,726,577)      | (1,837,541)      | (1,541,651)      |
| Tax rate applicable  | 30%              | 30%              | 30%              | 30%              |
| <b>Net Deferred tax liabilities / ( Assets)</b>                    | <b>(551,262)</b> | <b>(517,973)</b> | <b>(551,262)</b> | <b>(462,495)</b> |

### 24 Other payables

|                                   | Group         |               | Company      |              |
|-----------------------------------|---------------|---------------|--------------|--------------|
|                                   | 2025          | 2024          | 2025         | 2024         |
| Dividend payable                  | 669           | 647           | 639          | 617          |
| Audit fees payable                | 1,794         | 1,538         | 765          | 665          |
| Electricity payable               | 224           | 524           | -            | -            |
| Lease rental payable              | 4,827         | 14,903        | -            | -            |
| Operation and maintenance payable | 6,874         | 11,530        | -            | -            |
| Management fees payable           | 3,543         | 1,375         | -            | -            |
| Director fee payable              | 23            | 239           | 23           | 239          |
| Insurance payable                 | 222           | 139           | -            | -            |
| Professional fees payable         | 503           | 858           | 249          | 404          |
|                                   | <b>18,679</b> | <b>31,754</b> | <b>1,676</b> | <b>1,925</b> |

(All amounts in Sri Lanka Rupees thousands)

### 25 Income tax receivable/ payable

#### 25.1 Income tax receivable

|  | Group         |              | Company      |              |
|--|---------------|--------------|--------------|--------------|
|  | 2025          | 2024         | 2025         | 2024         |
| Balance as at 01 April                   | 6,602         | 6,378        | 5,236        | 5,236        |
| Provision for the year                   | (467)         | (410)        | -            | -            |
| WHT deduction                            | 78            | -            | -            | -            |
| Write Off Unclamable Tax Credit          | (150)         | -            | -            | -            |
| Payments during the year                 | 4,449         | 634          | -            | -            |
| <b>Balance receivable as at 31 March</b> | <b>10,512</b> | <b>6,602</b> | <b>5,236</b> | <b>5,236</b> |

#### 25.2 Income tax payable

|                                       | Group         |               | Company  |          |
|---------------------------------------|---------------|---------------|----------|----------|
|                                       | 2025          | 2024          | 2025     | 2024     |
| Balance as at 01 April                | 28,221        | 667           | -        | -        |
| Provision for the year                | 25,323        | 29,033        | -        | -        |
| WHT deduction                         | (188)         | (346)         | -        | -        |
| Write Off Unclamable Tax Credit       | 459           | -             | -        | -        |
| Payments during the year              | (35,672)      | (1,133)       | -        | -        |
| <b>Balance payable as at 31 March</b> | <b>18,143</b> | <b>28,221</b> | <b>-</b> | <b>-</b> |

### 26 Capital commitments and contingencies

There were no commitments and contingencies at the balance sheet date, which require adjustments to or disclosure in the Financial Statements.

### 27 Events after the reporting date

There were no material events after the reporting date, which require adjustments to or disclosure in the Financial Statements.

### 28 Related parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS) 24 - Related Party Disclosure, the details of which are reported this note.

Lanka Ventures PLC (LVL) serves as the parent company for LVL Energy Fund PLC, holding a 55.35% controlling interest. The company has related party relationship with its parent company, subsidiary, ultimate parent company, associate companies and with its key management personnel.

#### 28.1 Transactions with key management personnel

According to Sri Lanka Accounting Standard (LKAS) 24 – Related Party Disclosures, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Key management personnel include all the members of the Board of Directors of the Company and the CEO of the Company having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

Board of Directors of the Company are as follows;

Mr. P. G. D. B. Pallewatte

Mr. M. R. Abeywardena

Mr. J. D. N. Kekulawala

Mr. K. C. S. Dharmawardena

Mr. A. G. R. Dissanayake

Mr. W. P. K. Jayawardana

Mr. P. G. D. B. Pallewatte serves as the Managing Director and Chief Executive Officer of Hatton National Bank PLC (HNB). He also holds directorships at HNB Investment Bank (Private) Limited and HNB Securities (Private) Limited, and is the Chairman of Lanka Ventures PLC.

Mr. M. R. Abeywardena is the Managing Director/Group Chief Executive Officer of HNB Investment Bank (Private) Limited. He also serves as the Chairman of HNB Stockbrokers (Private) Limited, HNB Securities Limited, and is a Director of Lanka Ventures PLC.

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 28 Related parties (Contd..)

#### 28.1 Transactions with key management personnel (Contd..)

Mr. J. D. N. Kekulawala is a Director of Lanka Ventures PLC.

Mr. A. G. R. Dissanayake is the Executive Vice President, SME & Micro Finance at Hatton National Bank PLC. He also serves as a Director of HNB Investment Bank (Private) Limited and Lanka Ventures PLC.

Mr. W. P. K. Jayawardana is a Director of Lanka Ventures PLC.

Mr. J.P.I. Gamage, who is the Chief Executive Officer of both the Company and Lanka Ventures PLC, also serves as a director for all of the Company's associate and subsidiary companies.

#### 28.2 Transactions with key management personnel

##### (i) Key management personnel compensation

Compensation paid to / on behalf of key management personnel of the group/Company are as follows.

|  | Group |       | Company |       |
|--|-------|-------|---------|-------|
|  | 2025  | 2024  | 2025    | 2024  |
| <b>Short term employee benefits</b>                              |       |       |         |       |
| Director's remuneration  | 1,547 | 1,535 | 1,547   | 1,535 |
| Director's fee payable   | 23    | 239   | 23      | 239   |
| <b>Post employment/termination/long term employment benefits</b> | Nil   | Nil   | Nil     | Nil   |

##### (ii) Loans given to directors

The Company has not given any loans for the directors of the company during the year ended 31 March 2025.

#### 28.3 Other related party transactions

| Group                         | Name of the related party     | Relationship | Nature of transaction      | 2025                     |                        | 2024                     |                        |
|-------------------------------|-------------------------------|--------------|----------------------------|--------------------------|------------------------|--------------------------|------------------------|
|                               |                               |              |                            | Amounts received/ (paid) | Balance as at 31 March | Amounts (paid)/ received | Balance as at 31 March |
| Hatton National Bank PLC      | Ultimate parent               |              | Term loan - repaid         | (15,000)                 | 30,165                 | (15,000)                 | 45,397                 |
|                               |                               |              | Interest on term loan      | (233)                    | -                      | (11,378)                 | -                      |
|                               |                               |              | Bank charges               | (19)                     | -                      | (11)                     | -                      |
| HNB Securities Limited        | Subsidiary of ultimate parent |              | TB repurchase interest     | -                        | -                      | 2,746                    | -                      |
|                               |                               |              | TB repurchase - Investment | -                        | -                      | -                        | -                      |
| Lanka Ventures PLC            | Parent                        |              | Current account            | 41,254                   | -                      | 161,642                  | 746                    |
|                               |                               |              | Management fees            | (42,000)                 | -                      | (42,000)                 | -                      |
| Parambe Hydro Power (Pvt) Ltd | Associate                     |              | Current account            | -                        | 511                    | -                        | 511                    |
| VS Hydro (Pvt) Ltd            | Common shareholder            |              | Operation & Management fee | -                        | -                      | 7,795                    | 3,332                  |

\* During the previous financial year, LVS Energy (Pvt) Ltd was considered a related party of the Company as its O & M partner, VS Hydro (Pvt) Ltd, was a shareholder of LVS Energy (Pvt) Ltd. During the current financial year, VS Hydro (Pvt) Ltd ceased to be a shareholder of LVS Energy (Pvt) Ltd.

| Company                            | Name of the related party     | Relationship | Nature of transaction      | 2025                     |                        | 2024                     |                        |
|------------------------------------|-------------------------------|--------------|----------------------------|--------------------------|------------------------|--------------------------|------------------------|
|                                    |                               |              |                            | Amounts received/ (paid) | Balance as at 31 March | Amounts (paid)/ received | Balance as at 31 March |
| Hatton National Bank PLC           | Ultimate parent               |              | Term loan - repaid         | (15,000)                 | 30,165                 | (15,000)                 | 45,397                 |
|                                    |                               |              | Interest on term loan      | (233)                    | -                      | (11,378)                 | -                      |
|                                    |                               |              | Bank charges               | (19)                     | -                      | (11)                     | -                      |
| HNB Securities Limited             | Subsidiary of ultimate parent |              | TB repurchase interest     | -                        | -                      | 2,746                    | -                      |
|                                    |                               |              | TB repurchase - Investment | -                        | -                      | -                        | -                      |
| Lanka Ventures PLC                 | Parent                        |              | Current account            | 41,254                   | -                      | 161,642                  | 746                    |
|                                    |                               |              | Management fees            | (42,000)                 | -                      | (42,000)                 | -                      |
| Campion Hydro (Pvt) Ltd            | Subsidiary                    |              | Current account            | (6,055)                  | 35                     | -                        | 6,090                  |
| Pupulaketiya Hydro Power (Pvt)d    | Subsidiary                    |              | Current account            | 103                      | 2,792                  | 108                      | 2,689                  |
| Parambe Hydro Power (Pvt) Ltd      | Associate                     |              | Current account            | -                        | 511                    | -                        | 511                    |
| Solar Energy Investments (Pvt) Ltd | Subsidiary                    |              | Current account            | -                        | 16,876                 | 48                       | 16,876                 |

(All amounts in Sri Lanka Rupees thousands)

**29 Disclosures under Section 9.3.2 of the Listing Rules of the Colombo Stock Exchange**

**(a) Non-recurrent related party transactions**

No non-recurrent related party transactions requiring disclosure.

**(b) Recurrent related party transactions**

No recurrent related party transactions requiring disclosure.

**30 Financial risk management and financial instruments**

Risk management of the Group is the systematic process of identifying, quantifying and managing all risks and opportunities that can affect the achievement of LVL Energy Fund PLC and its subsidiary's strategic and financial goals. The Group has established a sound risk management framework to identify and mitigate the risk exposure.

Financial instruments held by the Group, principally comprise of cash and cash equivalents and investments held under amortized cost category. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Group.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group risk management processes / guidelines and procedures and reviews the adequacy of the risk management framework in relation to the risks.

Financial risk management of the Group is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the Group. The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department.

The Group has identified 4 critical types of risk which can affect the Group's operations adversely as Credit risk, Liquidity risk, Market risk and operation risk (note 4.5).

**30.1 Exposure to credit risk**

**Cash at bank and other financial assets**

The Group held cash at bank and short term investments of LKR 153,751,076 as at 31 March 2025 ( 2024- LKR 157,415,773) which represents its maximum credit exposure on these assets. These are invested / held with licensed commercial banks and security company's to limit its exposure to credit risk, which have better fitch ratings ranging from AA to BBB+.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

|                                  | Notes | Carrying amounts |                |               |               |
|----------------------------------|-------|------------------|----------------|---------------|---------------|
|                                  |       | Group            |                | Company       |               |
|                                  |       | 2025             | 2024           | 2025          | 2024          |
| Loans and receivables*           | 17    | 60,064           | 120,189        | 179           | 1,651         |
| Amounts due from related parties | 18    | 511              | 3,843          | 20,214        | 26,166        |
| Short term investments           | 20    | 10,008           | 49,000         | 10,008        | -             |
| Cash at bank                     | 20    | 143,743          | 108,416        | 4,477         | 1,198         |
|                                  |       | <b>214,326</b>   | <b>281,448</b> | <b>34,878</b> | <b>29,015</b> |

\* The loans and receivables that are not financial assets (WHT and interest receivable Rs. 99 (2024 - Rs. 157).

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 30 Financial risk management and financial instruments (Continued..)

#### 30.1 Exposure to credit risk

##### Aging

The aging of financial assets at the reporting date was as follows.

|               | Carrying amounts |                |               |               |
|---------------|------------------|----------------|---------------|---------------|
|               | Group            |                | Company       |               |
|               | 2025             | 2024           | 2025          | 2024          |
| Below 30 days | 174,328          | 178,845        | 14,485        | 1,201         |
| 30 - 60 days  | 22,543           | 17,435         | -             | -             |
| Over 61 days  | 17,455           | 85,168         | 20,393        | 87,814        |
|               | <b>214,326</b>   | <b>281,448</b> | <b>34,878</b> | <b>29,015</b> |

There were no objective evidence of impairment as a result of one or more loss events that occurred subsequent to their initial recognition. Hence no impairment provision made in the financial statements as at 31 March 2025. These funds are held with licensed commercial banks and securities companies in order to limit exposure to credit risk. The selected institutions possess Fitch ratings ranging from AA to BBB+.

#### 30.2 Exposure to liquidity risk

The following are the contractual maturities of financial liabilities:

##### The maturity analysis of liabilities - 2025

| Group                       | Carrying value | Current     | Non current  |              |               | Total     |
|-----------------------------|----------------|-------------|--------------|--------------|---------------|-----------|
|                             |                | Upto 1 year | 1 to 2 years | 2 to 5 years | Above 5 years |           |
| Interest bearing borrowings | 2,851,408      | 1,088,224   | 1,017,197    | 1,915,225    | 606,688       | 4,627,332 |
| Other payable               | 18,679         | 18,679      | -            | -            | -             | 18,679    |

| Company                     | Carrying value | Current     | Non current  |              |               | Total     |
|-----------------------------|----------------|-------------|--------------|--------------|---------------|-----------|
|                             |                | Upto 1 year | 1 to 2 years | 2 to 5 years | Above 5 years |           |
| Interest bearing borrowings | 2,031,052      | 886,454     | 646,658      | 1,420,439    | 41,667        | 2,995,217 |
| Other payable               | 1,676          | 1,676       | -            | -            | -             | 1,676     |

##### The maturity analysis of liabilities - 2024

| Group                          | Carrying value | Current     | Non current  |              |               | Total     |
|--------------------------------|----------------|-------------|--------------|--------------|---------------|-----------|
|                                |                | Upto 1 year | 1 to 2 years | 2 to 5 years | Above 5 years |           |
| Interest bearing borrowings    | 3,452,790      | 1,195,663   | 1,072,428    | 2,422,769    | 614,956       | 5,305,815 |
| Other payable                  | 31,754         | 31,754      | -            | -            | -             | 31,754    |
| Amounts due to related parties | 746            | 746         | -            | -            | -             | 746       |

| Company                        | Carrying value | Current     | Non current  |              |               | Total     |
|--------------------------------|----------------|-------------|--------------|--------------|---------------|-----------|
|                                |                | Upto 1 year | 1 to 2 years | 2 to 5 years | Above 5 years |           |
| Interest bearing borrowings    | 2,489,087      | 975,323     | 697,989      | 1,857,040    | -             | 3,530,352 |
| Other payable                  | 1,925          | 1,925       | -            | -            | -             | 1,925     |
| Amounts due to related parties | 746            | 746         | -            | -            | -             | 746       |

(All amounts in Sri Lanka Rupees thousands)

### 30 Financial risk management and financial instruments (Contd.)

#### 30.3 Exposure to market risk

##### 30.3.1 Currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts

| 31 March   | 2025        | 2024        |
|--|-------------|-------------|
|  | BDT         | BDT         |
| <b>Investment in equity accounted investees</b>                          |             |             |
| Raj Lanka Power Company Limited  | 234,300     | 234,300     |
| Lakdhanavi Bangla Power Limited  | 386,800     | 386,800     |
| Feni Lanka Power Limited   | 677,600     | 677,600     |
| <b>Share of profit of equity accounted investees (net of income tax)</b> |             |             |
| Raj Lanka Power Company Limited  | (13,802)    | (77,337)    |
| Lakdhanavi Bangla Power Limited  | 46,249      | 13,695      |
| Feni Lanka Power Limited   | 250,923     | 185,955     |
|  | NPR         | NPR         |
| <b>Investment in equity accounted investees</b>                          |             |             |
| Makarigad Hydro Power (Pvt) Ltd  | 370,879     | 370,879     |
| <b>Share of profit of equity accounted investees (net of income tax)</b> |             |             |
| Makarigad Hydro Power (Pvt) Ltd  | 27,352      | (34,010)    |
| The following exchange rates applied on 31 March                         |             |             |
| <b>Spot rate as at 31 March</b>  | <b>2025</b> | <b>2024</b> |
| Bangladesh Taka (BDT)  | 2.4391      | 2.7443      |
| Nepal Rupee (NPR)  | 2.1591      | 2.2577      |
| <b>Average rate for the year ended 31 March</b>                          |             |             |
| Bangladesh Taka (BDT)  | 2.5102      | 2.9116      |
| Nepal Rupee (NPR)  | 2.2002      | 2.4071      |

#### Sensitivity analysis

A strengthening /(weakening) of the LKR and BDT against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and increased /(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024, albeit that the impact of reasonably possible foreign exchange rate variances were nil, as indicated below.

|                                    | Equity        |           | Profit or loss |           |
|------------------------------------|---------------|-----------|----------------|-----------|
|                                    | Strengthening | Weakening | Strengthening  | Weakening |
| 31 March 2025 - BDT (10% movement) | 316,766       | (316,766) | 69,117         | (69,117)  |
| 31 March 2024 - BDT (10% movement) | 356,402       | (356,402) | 33,566         | (33,566)  |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 30 Financial risk management and financial instruments (Contd.)

#### 30.3.2 Interest rate risk

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments were:

| As at 31 March                   | Carrying amounts |                  |                  |                  |
|----------------------------------|------------------|------------------|------------------|------------------|
|                                  | Group            |                  | Company          |                  |
|                                  | 2025             | 2024             | 2025             | 2024             |
| <b>Fixed rate instruments</b>    |                  |                  |                  |                  |
| Financial assets                 | 10,008           | 49,000           | 10,008           | -                |
|                                  | <b>10,008</b>    | <b>49,000</b>    | <b>10,008</b>    | -                |
| <b>Variable rate instruments</b> |                  |                  |                  |                  |
| Financial liabilities            | 2,851,407        | 3,452,791        | 2,031,051        | 2,489,087        |
|                                  | <b>2,851,407</b> | <b>3,452,791</b> | <b>2,031,051</b> | <b>2,489,087</b> |

#### 30.3.2.1 Sensitivity Analysis

The impact to profit before tax and equity if the interest rate had increased/decreased by 8% (2024 - 8%) is shown below.

|                     | Group     |           | Company   |           |
|---------------------|-----------|-----------|-----------|-----------|
|                     | 2025      | 2024      | 2025      | 2024      |
| Percentage increase | (228,113) | (276,223) | (162,484) | (199,127) |
| Percentage decrease | 228,113   | 276,223   | 162,484   | 199,127   |

The impact on the profit before tax is Rs. 197.0 Mn (2024-Rs. 241.6 Mn).

#### 30.4 Analysis of financial assets and liabilities by measurement basis

The fair values of financial assets and liabilities, together with carrying amounts shown in the Statement of Financial Position are as follows.

| Group                            | Note | Measured at Amortized cost | Other financial liabilities | Total            |
|----------------------------------|------|----------------------------|-----------------------------|------------------|
| <b>2025</b>                      |      |                            |                             |                  |
| <b>Financial assets</b>          |      |                            |                             |                  |
| Loans and receivables *          | 17   | 60,064                     | -                           | 60,064           |
| Amounts due from related parties | 18   | 511                        | -                           | 511              |
| Cash and cash equivalents        | 20   | 153,751                    | -                           | 153,751          |
|                                  |      | <b>214,326</b>             | -                           | <b>214,326</b>   |
| <b>Financial liabilities</b>     |      |                            |                             |                  |
| Interest bearing borrowings      | 22   | -                          | 2,851,408                   | 2,851,408        |
|                                  |      | -                          | <b>2,851,408</b>            | <b>2,851,408</b> |

\* The loans and receivables that are not financial assets (WHT and interest receivable Rs. 99 (2024 - Rs. 157)

| Group                            | Note | Measured at Amortized cost | Other financial liabilities | Total            |
|----------------------------------|------|----------------------------|-----------------------------|------------------|
| <b>2024</b>                      |      |                            |                             |                  |
| <b>Financial assets</b>          |      |                            |                             |                  |
| Loans and receivables            | 17   | 120,189                    | -                           | 120,189          |
| Amounts due from related parties | 18   | 3,843                      | -                           | 3,843            |
| Cash and cash equivalents        | 20   | 157,416                    | -                           | 157,416          |
|                                  |      | <b>281,448</b>             | -                           | <b>281,448</b>   |
| <b>Financial liabilities</b>     |      |                            |                             |                  |
| Interest bearing borrowings      | 22   | -                          | 3,452,791                   | 3,452,791        |
| Amounts due from related parties | 18   | -                          | 746                         | 746              |
|                                  |      | -                          | <b>3,453,537</b>            | <b>3,453,537</b> |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 30 Financial risk management and financial instruments (Contd.)

#### 30.4 Analysis of financial assets and liabilities by measurement basis (Contd.)

| Company                          | Note | Measured at Amortized cost | Other financial liabilities | Total            |
|----------------------------------|------|----------------------------|-----------------------------|------------------|
| <b>2025</b>                      |      |                            |                             |                  |
| <b>Financial assets</b>          |      |                            |                             |                  |
| Loans and receivables            | 17   | 179                        | -                           | 179              |
| Amounts due from related parties | 18   | 20,214                     | -                           | 20,214           |
| Cash and cash equivalents        | 20   | 14,485                     | -                           | 14,485           |
|                                  |      | <b>45,168</b>              | <b>-</b>                    | <b>45,168</b>    |
| <b>Financial liabilities</b>     |      |                            |                             |                  |
| Interest bearing borrowings      | 22   | -                          | 2,031,051                   | 2,031,051        |
|                                  |      | <b>-</b>                   | <b>2,031,051</b>            | <b>2,031,051</b> |

| Company                          | Note | Measured at Amortized cost | Other financial liabilities | Total            |
|----------------------------------|------|----------------------------|-----------------------------|------------------|
| <b>2024</b>                      |      |                            |                             |                  |
| <b>Financial assets</b>          |      |                            |                             |                  |
| Loans and receivables            | 17   | 1,651                      | -                           | 1,651            |
| Amounts due from related parties | 18   | 26,166                     | -                           | 26,166           |
| Cash and cash equivalents        | 20   | 1,198                      | -                           | 1,198            |
|                                  |      | <b>29,015</b>              | <b>-</b>                    | <b>29,015</b>    |
| <b>Financial liabilities</b>     |      |                            |                             |                  |
| Interest bearing borrowings      | 22   | -                          | 2,489,087                   | 2,489,087        |
| Amounts due to related parties   | 18   | -                          | 746                         | 746              |
|                                  |      | <b>-</b>                   | <b>2,489,833</b>            | <b>2,489,833</b> |

The Company does not anticipate the fair value of the above to be significantly different to their carrying values and consider the impact as non material for disclosure.

The carrying amounts of financial asset and financial liabilities not measured at fair value approximate the fair value.

#### 30.5 Financial instruments not valued at fair value

The table below analyses fair value of the financial instruments measured at amortised cost at the end of the reporting date, by the level of the fair value hierarchy.

| Group   | Note  | Level II       | Level III        | Total            |
|---|-------|----------------|------------------|------------------|
| <b>As at 31 March 2025</b>                              |       |                |                  |                  |
| <b>Financial assets not measured at fair value</b>      |       |                |                  |                  |
| Loans and other receivables                             | 17,18 | -              | 1,048,666        | 1,037,164        |
| Amounts due from related parties                        | 18.1  | -              | 511              | 511              |
| Cash and cash equivalents                               | 20    | 153,751        | -                | 153,751          |
|   |       | <b>153,751</b> | <b>1,049,177</b> | <b>1,202,929</b> |
| <b>Financial liabilities not measured at fair value</b> |       |                |                  |                  |
| Interest bearing borrowings                             | 22    | -              | 2,851,408        | 2,851,408        |
|   |       | <b>-</b>       | <b>2,851,408</b> | <b>2,851,408</b> |
| <b>As at 31 March 2024</b>                              |       |                |                  |                  |
| <b>Financial assets not measured at fair value</b>      |       |                |                  |                  |
| Loans and other receivables                             | 17,18 | -              | 615,384          | 615,384          |
| Amounts due from related parties                        | 18.1  | -              | 3,843            | 3,843            |
| Cash and cash equivalents                               | 20    | 157,416        | -                | 157,416          |
|   |       | <b>157,416</b> | <b>619,227</b>   | <b>776,643</b>   |
| <b>Financial liabilities not measured at fair value</b> |       |                |                  |                  |
| Interest bearing borrowings                             | 22    | -              | 3,452,791        | 3,452,791        |
| Amounts due to related parties                          | 18.2  | -              | 746              | 746              |
|   |       | <b>-</b>       | <b>3,453,537</b> | <b>3,453,537</b> |

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees thousands)

### 30 Financial risk management and financial instruments (Contd.)

#### 30.5 Financial instruments not valued at fair value (Contd.)

| Company   |       |               |                  |                  |
|---|-------|---------------|------------------|------------------|
| As at 31 March 2025                                     | Note  | Level II      | Level III        | Total            |
| <b>Financial assets not measured at fair value</b>      |       |               |                  |                  |
| Loans and other receivables                             | 17,18 | -             | 179              | 179              |
| Amounts due from related parties                        | 18.1  | -             | 20,214           | 20,214           |
| Cash and cash equivalents                               | 20    | 14,485        | -                | 14,485           |
|   |       | <b>14,485</b> | <b>20,393</b>    | <b>34,878</b>    |
| <b>Financial liabilities not measured at fair value</b> |       |               |                  |                  |
| Interest bearing borrowings                             | 22    | -             | 2,031,051        | 2,031,051        |
|   |       | -             | <b>2,031,051</b> | <b>2,031,051</b> |
| <b>As at 31 March 2024</b>                              |       |               |                  |                  |
|   | Note  | Level II      | Level III        | Total            |
| <b>Financial assets not measured at fair value</b>      |       |               |                  |                  |
| Loans and other receivables                             | 17,18 | -             | 1,651            | 1,651            |
| Amounts due from related parties                        | 18.1  | -             | 26,166           | 26,166           |
| Cash and cash equivalents                               | 20    | 1,198         | -                | 1,198            |
|   |       | <b>1,198</b>  | <b>27,817</b>    | <b>29,015</b>    |
| <b>Financial liabilities not measured at fair value</b> |       |               |                  |                  |
| Interest bearing borrowings                             | 22    | -             | 2,489,087        | 2,489,087        |
| Amounts due to related parties                          | 18.2  | -             | 746              | 746              |
|   |       | -             | <b>2,489,833</b> | <b>2,489,833</b> |

There were no transfers between Level 1, Level 2 and Level 3 during 2024 and 2025.

#### 30.6 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

| As at 31st March,               | Carrying amounts |                  |                  |                  |
|---------------------------------|------------------|------------------|------------------|------------------|
|                                 | Group            |                  | Company          |                  |
|                                 | 2025             | 2024             | 2025             | 2024             |
| Total liabilities               | 3,097,957        | 3,588,292        | 2,114,288        | 2,491,758        |
| Less: Cash and cash equivalents | (153,751)        | (157,416)        | (14,485)         | (1,198)          |
| <b>Net debt</b>                 | <b>2,944,206</b> | <b>3,430,876</b> | <b>2,099,803</b> | <b>2,490,561</b> |
| Total equity                    | 5,584,193        | 5,371,668        | 5,438,128        | 5,221,000        |
| <b>Net debt to equity ratio</b> | <b>0.53</b>      | <b>0.64</b>      | <b>0.39</b>      | <b>0.48</b>      |

# TEN YEAR SUMMARY

|  | 2025        | 2024        | 2023        | 2022        | 2021        | 2020        | 2019        | 2018        | 2017        | 2016        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | LKR '000    | LKR '000    | LKR '000    | LKR '000    | LKR '000    | LKR '000    | LKR '000    | LKR '000    | LKR '000    | LKR '000    |
| <b>For the year ended 31 March</b>                       |             |             |             |             |             |             |             |             |             |             |
| <b>Operating Results</b>                                 |             |             |             |             |             |             |             |             |             |             |
| Revenue  | 436,978     | 419,181     | 280,873     | 428,140     | 336,993     | 315,054     | 355,323     | 326,238     | 224,457     | 248,351     |
| Operating profit   | 262,308     | 218,590     | 81,371      | 279,781     | 212,361     | 216,564     | 275,370     | 219,970     | 131,457     | 187,644     |
| Share of profit net of tax of equity accounted investees | 822,342     | 256,445     | 444,367     | 900,004     | 774,764     | 576,218     | 508,181     | 468,468     | 423,360     | 303,893     |
| Profit for the year                                      | 610,152     | (65,673)    | (318,699)   | 724,282     | 688,541     | 419,154     | 556,214     | 439,358     | 464,933     | 356,909     |
| Profit attributable to equity holders of the company     | 563,620     | (96,632)    | (262,677)   | 657,683     | 633,232     | 374,777     | 516,046     | 399,147     | 430,914     | 295,819     |
| Non controlling interest                                 | 46,532      | 30,959      | (56,021)    | 66,599      | 55,309      | 44,377      | 40,168      | 40,211      | 34,019      | 61,090      |
| <b>Statement of Financial Position</b>                   |             |             |             |             |             |             |             |             |             |             |
| Non Current Assets                                       | 7,468,610   | 8,176,558   | 8,868,121   | 11,033,245  | 7,756,351   | 6,684,134   | 4,384,515   | 3,923,884   | 3,710,666   | 3,267,085   |
| Current Assets   | 1,213,540   | 783,403     | 1,043,663   | 1,042,057   | 606,549     | 681,031     | 942,554     | 1,038,282   | 251,356     | 168,355     |
| Total assets   | 8,682,149   | 8,959,961   | 9,911,784   | 12,075,302  | 8,362,900   | 7,365,165   | 5,327,069   | 4,962,165   | 3,962,022   | 3,435,440   |
| Interest bearing borrowings                              | (2,851,407) | (3,452,791) | (3,554,397) | (3,447,251) | (2,911,170) | (2,588,715) | (762,989)   | (561,704)   | (716,766)   | (536,682)   |
| Other liabilities  | (246,548)   | (135,502)   | (124,002)   | (150,811)   | (178,660)   | (220,169)   | (401,085)   | (779,238)   | (809,728)   | (745,043)   |
| Total liabilities  | (3,097,957) | (3,588,292) | (3,678,398) | (3,598,062) | (3,089,830) | (2,808,884) | (1,164,074) | (1,340,942) | (1,526,494) | (1,281,725) |
| Net assets   | 5,584,192   | 5,371,669   | 6,233,386   | 8,477,240   | 5,273,070   | 4,556,281   | 4,162,995   | 3,621,224   | 2,435,528   | 2,153,715   |
| <b>Financed by</b>                                       |             |             |             |             |             |             |             |             |             |             |
| Stated capital   | 3,372,295   | 2,906,472   | 2,906,472   | 2,906,472   | 2,906,472   | 2,906,472   | 2,906,472   | 2,906,472   | 1,706,472   | 1,370,270   |
| Equity attributable to equity holders of the company     | 5,432,200   | 5,215,072   | 6,077,216   | 8,241,396   | 5,065,439   | 4,382,936   | 3,998,898   | 3,473,291   | 2,268,559   | 1,881,710   |
| Non controlling interest                                 | 151,993     | 156,596     | 156,169     | 235,844     | 207,631     | 173,345     | 164,097     | 147,933     | 166,969     | 272,005     |
| Total equity   | 5,584,193   | 5,371,668   | 6,233,385   | 8,477,240   | 5,273,070   | 4,556,281   | 4,162,995   | 3,621,224   | 2,435,528   | 2,153,715   |
| <b>Performance Indicators</b>                            |             |             |             |             |             |             |             |             |             |             |
| Return on equity ratio (%)                               | 10.93       | (1.22)      | (3.67)      | 9.88        | 13.40       | 8.94        | 13.81       | 13.90       | 20.77       | 16.21       |
| Return on total assets ratio (%)                         | 7.03        | (0.73)      | (2.90)      | 7.09        | 8.76        | 6.60        | 10.81       | 9.85        | 12.57       | 10.79       |
| Total debt to equity ratio (%)                           | 51.06       | 64.28       | 57.02       | 40.66       | 57.01       | 59.88       | 26.13       | 29.04       | 60.77       | 56.75       |
| P/E ratio (times)  | 6.99        | -           | -           | 7.53        | 8.92        | 6.53        | 8.91        | 14.44       | -           | -           |
| Price to book value ratio (times)                        | 0.73        | 0.50        | 0.64        | 0.60        | 1.12        | 0.56        | 1.15        | 1.66        | -           | -           |
| Net assets per share (LKR)                               | 7.77        | 8.96        | 10.44       | 14.15       | 8.70        | 7.53        | 6.87        | 5.97        | 4.91        | 4.48        |
| Earnings per share (LKR)                                 | 0.83        | (0.16)      | (0.45)      | 1.13        | 1.09        | 0.64        | 0.89        | 0.69        | 0.93        | 0.70        |
| Dividend per share (LKR)                                 | -           | -           | -           | -           | 0.35        | 0.35        | 0.65        | 0.64        | 0.60        | 0.55        |
| Market price per share (LKR)                             | 5.80        | 4.50        | 6.70        | 8.50        | 9.70        | 4.20        | 7.90        | 9.90        | -           | -           |

# INFORMATION TO SHAREHOLDERS

## 1. Stock Exchange Listing

The issued ordinary shares of LVL Energy Fund PLC are listed on the Colombo Stock Exchange.

## 2. Shares held by the Public

The percentage of shares held by the public is 44.58% as at 31<sup>st</sup> March 2025.

## 3. Distribution of Shareholding as at 31<sup>st</sup> March 2025

| No. of Shares Held  | No. of Shareholders | No. of Shareholders % | Total Holdings     | Total Holdings % |
|---------------------|---------------------|-----------------------|--------------------|------------------|
| 1 - 1,000           | 1,160               | 29.52                 | 400,984            | 0.06             |
| 1,001 - 10,000      | 1,243               | 31.63                 | 5,725,736          | 0.82             |
| 10,001 - 100,000    | 1,077               | 27.41                 | 40,202,841         | 5.75             |
| 100,001 - 1,000,000 | 399                 | 10.16                 | 113,521,866        | 16.25            |
| Over 1,000,000      | 50                  | 1.27                  | 538,882,315        | 77.12            |
| <b>Total</b>        | <b>3929</b>         | <b>100.00</b>         | <b>698,733,742</b> | <b>100.00</b>    |

|               | No. of Shareholders | No. of Shareholders % | Total Holdings     | Total Holdings % |
|---------------|---------------------|-----------------------|--------------------|------------------|
| Individual    | 3,873               | 98.57                 | 252,079,548        | 36.08            |
| Institutional | 56                  | 1.43                  | 446,654,194        | 63.92            |
| <b>Total</b>  | <b>3,929</b>        | <b>100.00</b>         | <b>698,733,742</b> | <b>100.00</b>    |
| Resident      | 3,904               | 99.36                 | 695,768,650        | 99.58            |
| Non-Resident  | 25                  | 0.64                  | 2,965,092          | 0.42             |
| <b>Total</b>  | <b>3,929</b>        | <b>100.00</b>         | <b>698,733,742</b> | <b>100.00</b>    |

**4. Twenty Largest Shareholders as at 31<sup>st</sup> March 2025**

|  | No. of Shares      | % of Issued Capital |
|--|--------------------|---------------------|
| Lanka Ventures PLC   | 386,762,730        | 55.35               |
| Sri Lanka Insurance Corporation Ltd - General Fund         | 21,000,000         | 3.01                |
| Mr. G. Anuragavan  | 15,272,910         | 2.19                |
| People's Leasing and Finance PLC/ Mr. L.P. Hapangama       | 7,720,807          | 1.10                |
| Mr. M.M. Sunil   | 6,686,737          | 0.96                |
| Bansei Securities Capital (Pvt) Ltd/ J.P.N.P.K. Jayasekara | 6,088,453          | 0.87                |
| Seylan Bank PLC / Karagoda Loku Gamage Udayananda          | 5,614,812          | 0.80                |
| Dialog Finance PLC/ Fors Investment (Pvt) Ltd              | 5,128,878          | 0.73                |
| PMF Finance PLC/ K.L.G. Udayanga                           | 5,000,000          | 0.72                |
| J.B. Cocoshell (Pvt) Ltd                                   | 4,859,968          | 0.70                |
| People's Leasing & Finance PLC / Mr. D.M.P. Disanayake     | 4,650,868          | 0.67                |
| Mr. L.T.R.S.L. Jayawardhana                                | 4,000,000          | 0.57                |
| People's Leasing & Finance PLC/ Mr. R.A.J.S. Perera        | 3,265,000          | 0.47                |
| Dr. G.N. Indika  | 3,000,000          | 0.43                |
| Merchant Bank of Sri Lanka & Finance PLC 01                | 2,950,000          | 0.42                |
| Est. of LAT K.C. Vignarajah                                | 2,859,744          | 0.41                |
| People's Leasing & Finance PLC / L.H.L.M.P. Haradasa       | 2,839,088          | 0.41                |
| Dr. S.I. Bangamuarachchi                                   | 2,700,000          | 0.39                |
| Mr. K. Thineskumar   | 2,663,126          | 0.38                |
| Mr. D.M.D.R. Gunathilaka                                   | 2,500,115          | 0.36                |
| <b>Total</b>   | <b>495,563,236</b> | <b>70.94</b>        |

**5. Share Trading Information**

| <i>Year to 31 March</i>      | <b>2025</b>      | <b>2024</b>      |
|------------------------------|------------------|------------------|
| Number of Transactions       | 31,917.00        | 4,722.00         |
| Number of Shares Traded      | 520,226,531.00   | 41,978,686.00    |
| Value of Shares Traded (LKR) | 3,104,242,568.50 | 250,687,244.50   |
| Highest Price (LKR)          | 7.20             | 7.70             |
| Lowest Price (LKR)           | 5.60             | 4.10             |
| Closing Price (LKR)          | 5.80             | 4.50             |
| Market Capitalisation (LKR)  | 4,052,655,703.60 | 2,620,251,526.50 |



# FORM OF PROXY

\*I/We ..... of .....  
 being \* a shareholder /shareholders of LVL ENERGY FUND PLC, do hereby appoint ..... of  
 ..... (failing whom)

|                         |                           |
|-------------------------|---------------------------|
| Mr. P.G.D.B. Pallewatte | of Colombo or failing him |
| Mr. M.R. Abeywardena    | of Colombo or failing him |
| Mr. J.D.N. Kekulawala   | of Colombo or failing him |
| Mr. W.P.K. Jayawardana  | of Colombo or failing him |
| Mr. A.G.R. Dissanayake  | of Colombo or failing him |
| Mr. K. Jayawardana      | of Colombo                |

as \*my/our Proxy to represent \*me/us and to speak and vote for \*me/us on \*my/our behalf at the ANNUAL GENERAL MEETING OF THE COMPANY to be held at the Auditorium of the Ceylon Chamber of Commerce, No. 50, Navam Mawatha, Colombo 02, on the 26<sup>th</sup> day of September 2025 at 10.00 a.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

|   | <b>FOR</b>               | <b>AGAINST</b>           |
|---|--------------------------|--------------------------|
| 1) To receive and consider the Annual Report of the Board of Directors together with the Financial Statements of the Company for the year ended 31 <sup>st</sup> March 2025 together with the Report of the Auditors thereon.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) To re-elect Mr. J.D.N. Kekulawala who retires by rotation in terms of Article 27(12) of the Articles of Association of the Company, and being eligible has offered himself for re-election.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3) To re-elect Mr. W.P.K. Jayawardana who retires by rotation in terms of Article 27(12) of the Articles of Association of the Company, and being eligible has offered himself for re-election.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4) To re-appoint Messrs. KPMG, Chartered Accountants, as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be agreed with by the Board of Directors and to audit the Financial Statements of the Company for the accounting period ending 31 <sup>st</sup> March 2026. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5) To authorize the Directors to determine contribution to charities for the ensuing year.  | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this..... day of .....Two Thousand and Twenty Five.

.....  
 \*Signature/s

**Note:**

- 1) \*Please delete the inappropriate words.
- 2) Instructions as to completion are noted on the reverse hereof.

## **INSTRUCTIONS AS TO COMPLETION**

1. Kindly perfect the Form of Proxy after filling in legibly your full name and address and signing in the space provided and filling in the date of signature.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a member, to attend and vote instead of him. Please indicate with an "X" in the boxes provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.
3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy for registration, if such power of attorney has not already been registered with the Company.
4. In the case of a Corporate Member, the Form of Proxy must be executed in the manner prescribed by the Articles of Association.
5. The completed Form of Proxy should be lodged with the Company not less than forty eight (48) hours before the Meeting.

# CORPORATE INFORMATION

## NAME OF COMPANY

LVL Energy Fund PLC

## LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938, (Registered under the Companies Act No. 07 of 2007) and listed on the Colombo Stock Exchange.

## REGISTRATION NUMBER

PV1966PB/PQ

## DATE OF INCORPORATION

26<sup>th</sup> June 2006

## REGISTERED OFFICE

2<sup>nd</sup> Floor, "Sayuru Sevana", No. 46/12, Navam Mawatha, Colombo 02, Sri Lanka  
Tel : +94 112439201 Fax : +94 112439203  
E-Mail : lvl@sltnet.lk

## DIRECTORS

Mr. P.G.D.B. Pallewatte  
Mr. M.R. Abeywardena  
Mr. A.G.R. Dissanayake  
Mr. J.D.N. Kekulawala  
Mr. K.C.S. Dharmawardana  
Mr. W.P.K. Jayawardana

## SECRETARIES

Corporate Services (Private) Limited  
No. 216, De Saram Place, Colombo 10, Sri Lanka

## AUDITORS

KPMG  
No. 32A, Sir Mohamed Macan Markar Mawatha,  
Colombo 03, Sri Lanka

## LAWYERS

F J & G De Saram  
No. 216, De Saram Place, Colombo 10, Sri Lanka.

## SUBSIDIARY COMPANIES

LVS Energy (Private) Limited  
Lanka Energy International (Private) Limited  
Unit Energy Lanka (Private) Limited  
Sapthakanya Hydro Electric Company (Private) Limited  
Campion Hydro (Private) Limited  
Pupulaketiya Hydro Power (Private) Limited  
Solar Energy Investments (Private) Limited  
Solar Energy Investments Pallekele (Private) Limited  
SEI Mathugama (Private) Limited  
SEI Maho (Private) Limited

## ASSOCIATE COMPANIES

Hayleys Hydro Energy (Private) Limited  
Neluwa Cascade Hydropower (Private) Limited  
Pawan Danavi (Private) Limited  
Nala Dhanavi (Private) Limited  
Raj Lanka Power Company Limited  
Lakdhanavi Bangla Power Limited  
Feni Lanka Power Limited  
Nividhu (Private) Limited  
Nividhu Assupiniella (Private) Limited  
Bambarapana Hydro Power (Private) Limited  
LTL Energy (Private) Limited  
Makari Gad Hydro Power ((Private) Limited  
Parambe Hydro (Private) Limited

## BANKERS

Hatton National Bank PLC  
DFCC Bank PLC  
National Development Bank PLC  
Sampath Bank PLC  
Commercial Bank of Ceylon PLC



LVL ENERGY FUND PLC



2<sup>nd</sup> Floor, "Sayuru Sevana", No. 46/12, Navam Mawatha, Colombo 02  
Telephone : +94 11 2 439201 Facsimile : +94 11 2 439203  
E-Mail : [contact@lvleenergyfund.lk](mailto:contact@lvleenergyfund.lk)