PANASIAN POWER PLC

Annual Report 2014/15

PANASIAN POWER PLC

Vision

"To provide sustainable shareholder value by generating hydro and such alternative power to enhance the power requirement of the region while ensuring that all the stake holder interests are looked after"

Mission

Shareholder a sustainable return

CEB reliable standard of operation in providing electricity

Community consider them as partners of the operation

Environment value and preserve the environment that is critical to the sustainability of the project

Towards Sustainability
&
Green Energy Solutions

Contents

Financial Highlights

Year Ended 31 March		2015	2014	Change %
Operating Results				
Group Revenue	Rs. '000	298,523	222,861	34%
Operating Profit	Rs. '000	222,561	160,517	39%
Profit Before Taxation	Rs. '000	190,842	149,107	28%
Profit After Taxation	Rs. '000	167,049	144,544	16%
Profit Attributable to Equity Holders of the Parent Company	Rs. '000	168,229	143,988	17%
Gross Dividend Paid	Rs. '000	150,000	-	100%
Cash From Operations	Rs. '000	200,407	177,534	13%
Financial Position				
Total Assets	Rs. '000	1,946,187	1,170,851	66%
Equity Attributable to Equity Holders of the Parent	Rs. '000	1,208,199	1,040,191	16%
No. of Ordinary Shares	No. '000	500,000	500,000	0%
Gearing	%	56%	13%	331%
Shareholder Information				
Return on equity	%	14.9%	14.5%	3%
Earning Per Share	Rs.	0.34	0.29	17%
Dividend Per Share	Rs.	0.30	-	100%
Dividend Payout	%	88.2%	-	100%
Net Asset Per Share	Rs.	2.41	2.08	16%
Market Capitalization	Rs. '000	1,700,000	1,100,000	55%
Price Earning Ratio	Times	10.00	7.59	32%
Closing Market Price	Rs.	3.40	2.20	55%
Return on Investment	%	27%	23%	16%
Interest Cover	Times	5.98	13.52	-56%

Chairman and Chief Executive Officer's Message

The performance of the operating plants had been notable with an increase in revenue by 34% compared to last year.

A warm welcome to all of you to the Annual General Meeting of Panasian Power PLC and I am pleased to present the Annual Report and the Consolidated Audited Financial Statements for the year ended 31 March 2015.

During the year under review, the Company was successful in achieving its targets on investment plans by commissioning the Rathganga power plant with the additional 1MW and the acquisition of 90% stake of Padiyapelella Hydropower Limited.This has contributed the Group a total capacity of 11.9MW by now and 5.4MW is being supplied to the National Grid and 3.5MW is under construction.

The Rathganga plant was commissioned with an additional 1MW in the third quarter with a capacity to supply 3MW to the National Grid. Being one of the power plants with high plant factor in the Country, we expect the plant to yield high generation in the years to come.

Acquisition of 90% stake of Padiyapelella Hydropower Limited was completed successfully with balance construction work of phase 1. This decision was taken since the completion of the project was experiencing long delays due to various factors. We are now geared to complete the balance construction work of Phase 1 with 3.5MW and to commence the commercial operations.

The performance of the operating plants had been notable with an increase in revenue by 34% compared to last year. Although the increase in Avoided Cost Tariff had been instrumental for the increase, the Group level production also increased by 7%. The sections Financial Review, Management Commentary and the Consolidated Financial Statements included in this report elaborates further with more information of the Group performance.

I strongly believe that our valuable shareholders will appreciate and value their investment with the Company with the declaration of final dividend amounting to Rs 0.30 for the year under review despite the larger investment activities carried out. The Company had paid this high dividend yield in compensation for the last year as well.

A note of appreciation goes to the fellow Board members, Mr. Rifky Badurdeen, Mr. Mohd Hairol Shariff and Mr. Imtiaz Esufally who resigned from the Board during the course of the year for their contribution for the success of the Company. I also wish to warmly welcome the two Directors Mr. Suren Madanayake and Mr. Kusal Jayawardena.

I wish to place on record my sincere appreciation to my fellow Board members and staff for the great support extended throughout the year. I also thank our valuable shareholders for the support and trust vested upon us and look forward to your continuous support in the future as well.

Dr. Prathap Ramanujam
Chairman and Chief Executive Officer

Board of Directors

The Company saw a change in the directorate with the acquisition of 90% stake of Padiyapelella Hydropower Limited in August 2014 and the changes effected to the ownership of our previous parent company Resus Energy PLC (previously known as Hemas Power PLC) in December 2014. Also new directors joined the Board subsequent to the financial year ended 31 March 2015. Brief description of the members who served the Board during the year is presented below:

Dr. Prathap Ramanujam
Chairman / Chief Executive Officer

After completing extensive years of service in the Public Sector, Dr. Prathap Ramanujam who initiated the first mini hydro power project in Sri Lanka back in 1993 joined the private sector by taking up the directorship of Panasian Power in 2010. He was appointed as the Chairman and the Chief Executive Officer in the same year. He brought in his diversified expertise from his distinguished career in Public Sector over a period of 38 years.

Dr. Ramanujam holds a First Class B.Sc. (Hons.) degree from the University of Peradeniya Sri Lanka, a M.Sc. degree in Economics from the University of Bristol, U.K and a Ph.D in Economics from the Australian National University, Canberra, Australia.

He was appointed as the Chairman of Onally Holdings PLC (2008) and Waters Edge Limited (appointed by the Supreme Court of Sri Lanka in 2009). Currently he is the Chairman of Manelwala Hydropower (Pvt) Limited and Padiyapelella Hydropower Limited and serves in the Board of Ceylon Agro-Industries Limited and Panasian Investments (Pvt) Limited.

He is currently the Deputy Chairman of Senkadagala Finance PLC.

Mr. Thirunavukarasu Someswaran
Independent Non- Executive Director

Mr. Someswaran is the former Senior Partner of SJMS Associates, a firm of Chartered Accountants, an independent Correspondent Firm to Deloitte Touche Tohmatsu.

He serves on the Audit Committees of the Institute of Chartered Accountants of Sri Lanka, Esna Power (Pvt) Limited and Centre for Advancement of Resource Mobilisation (CARM) and Serendib Lands (Pvt) Ltd. He also serve on the committee of Equality based Community Support and Training in Galle. He is a member of the Organization for Professional Association and the Sri Lanka Institute of Directors.

He is a fellow member of CMA-SL and a member of its Governing Council.

Currently, he serves as Director on the Boards of Clean Co Lanka Ltd., Serendib Land PLC, Esna Power (Pvt) Ltd and CARM.

Mr. Deepal Sooriyaarachchi
Independent Non- Executive Director

Mr. Sooriyaarachchi, counts over thirty years of experience in the fields of sales, advertising, marketing to human resource development and strategy. He is a renowned Management Consultant Speaker, Trainer and Author. Before embarking on full time consultancy work he was the Managing Director of AVIVA NDB Insurance PLC (now known as AIA Insurance)

He is a Fellow member of the Chartered Institute of Marketing (CIM) UK, and holds an MBA from the Post graduate Institute of Management, University of Sri Jayewardenepura.

Mr. Sooriyaarachchi serves as a Non-Executive Independent Director of AIA Insurance Lanka PLC, Sampath Bank PLC and Hemas Manufacturing (Pvt) Limited. He is a consulting partner of RBL USA.

He is a Past President of the Sri Lanka Institute of Marketing, and a past Commissioner of Sri Lanka Inventors Commission. He had served on a number of national bodies such as National Administrative Reforms Commission, Presidential Task Force for English, Councils of Moratuwa and Kelaniya Universities.

Mr. Kishantha Nanayakkara
Non- Executive Director

Mr. Nanayakkara is the Managing Director of Resus Energy PLC and has been holding this position since the inception of the Company in 2003. He is a Fellow of the Chartered Institute of Management Accountants, UK and an Associate of the Institute of Chartered Accountants in England and Wales. He holds an MSc in Finance from the Birmingham Business School, University of Birmingham, UK and the AMP from Said Business School, University of Oxford. He has held several senior management positions and directorships in companies ranging from manufacturing to financial services during a career spanning over 25 years. Mr. Nanayakkara has served on the Board of the Sri Lanka Sustainable Energy Authority, as an advisor to the National Council for Economic Development and as a Consultant to the PERC in the past. He is an Independent Non-Executive Director of Entrust Securities PLC.

Mr. Riad Ameen
Non- Executive Director

Mr. Ameen holds a Bachelor's Degree in Law (LLB) from the University of London and a Master of Laws Degree (LLM) from the University of Colombo. He is a Barrister of the Lincoln's Inn, UK, and an Attorney-at-Law. Mr. Ameen has been a civil law practitioner for the past 17 years.

Board of Directors

The following directors resigned from the Board during the year under review

Mr. Mohd Hairol bin Mohd Shariff
Non-Executive Director

Mr. Mohd Shariff has served several organizations including C.K.Ooi & Co an Audit Firm in the Capacity of Audit Assistant under Internship, Arab Malaysian Finance Bhd, a Listed Finance Company as an Accounts Officer, MK Land Bhd, a Listed Property Development Company as Finance Manager, Land & General Bhd, a Listed Property Development Company as Finance Manager and PT Wapoga Mutiara Timber, Indonesia – subsidiary of Land & General Bhd as Head of Finance, Legal and Admin.

He holds a Diploma in Accountancy and is a Bachelor of Accountancy from the University Technology Mara, Malaysia.

At present he is the Chief Executive Officer of Power Hub International Sdn Bhd and Chief Operating Officer of Majulia Sdn Bhd.

Mr. Shariff resigned from the Board with effect from 28 August 2014.

Mr. Mohideen Rifky Badurdeen
Non- Executive Director

Mr. Badurdeen who started his business carrier in the garment industry exported garments to USA and European countries for more than 15 years. A businessman with hands on experience in many different business fields completed construction of 85,000sq ft modern office complex in Colombo in collaboration with German Partners.

Mr. Badurdeen resigned from the Board with effect from 28 August 2014.

Mr. I A H Esufally
Non – Executive Director

Mr. Imtiaz Esufally holds a Bachelor of Arts (Honours) degree in Accounting and Economics from the University of Kent, UK. He has over 25 years management experience and has been in the forefront of the aviation industry. Mr. Esufally is a Group Director and the Chairman of transportation sector of Hemas Holdings PLC. He serves in the Board of Mercantile Shipping PLC.

Mr. Esufally resigned from the Board with effect from 29 December 2014.

New members joined our Board with the change of ownership of our previous Parent Company Resus Energy PLC with effect from 29 December 2014

Mr. Kusal Jayawardana
Non - Executive Director

Mr. Kusal Jayawardana has over 18 years of experience in debt capital markets, equity capital markets, corporate advisory, mergers and acquisitions, investment management and private equity. He was designated as the CEO of NDB Capital Limited, Bangladesh at the age of 32 to set up and head the NDB's first foreign subsidiary. He was instrumental in introducing a number of innovative capital market products to Sri Lanka and Bangladesh. He was also a part of many landmark capital market transactions to be executed in Sri Lanka.

He is a Chartered Financial Analyst, Associate Member of The Chartered Institute of Management Accountants, UK and the Chartered Global Management Accountants, USA and 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 was a director of Resus Energy PLC, NDB Capital Limited, Bangladesh and Lanka Communication Services Limited. He had previously worked at KPMG, Vanik Incorporation Limited and at NDB Group. Presently, he is the co-founder and Managing Director of Liege Capital Partners (Pvt) Limited. He is a resource person in finance and capital market related topics at the Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange.

Mr. Suren Madanayake
Non – Executive Director

Mr. Suren Madanayake had his education at Royal College, Colombo and qualified as a Mechanical Engineer from the University of Texas at Austin, USA. He was appointed to the Board of ACL Cables PLC in June 1991 and appointed as Managing Director in September 2005. When Kelani Cables PLC was acquired in October 1999, he was appointed as Managing Director of Kelani Cables PLC and Lanka Olex Cables (Private) Ltd which is the Holding Company of Kelani Cables PLC. In 2003 he was appointed as Deputy Chairman of Kelani Cables PLC.

He also serves as the Chairman of Resus Energy PLC, Managing Director of ACL Plastics PLC and Director of ACL Electric (Pvt) Ltd., Ceylon Bulbs & Electricals Ltd., ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt.) Ltd., Ceylon Copper (Pvt.) Ltd., SM Lighting (Pvt) Ltd., Fab Foods (Pvt.) Ltd., Ceylon Tapioca Ltd., E-Commerce Technologies (Pvt) Ltd., Destination Ceylon (Pvt.) Ltd. and National Asset Management (Pvt) Ltd. He also serves as Trustee of CCC Foundation of Sri Lanka, which is an approved charity.

Mr. Riyaz Mohamed Sangani, Mr. Siddi Mohamed Farook and Mr. Amanda Lalindra Weerasinghe joined the directorate subsequent to the financial year ended 31 March 2015. Their profiles will be included in the report for the next financial year.

Management Commentary

Towards sustainability & green energy solutions……

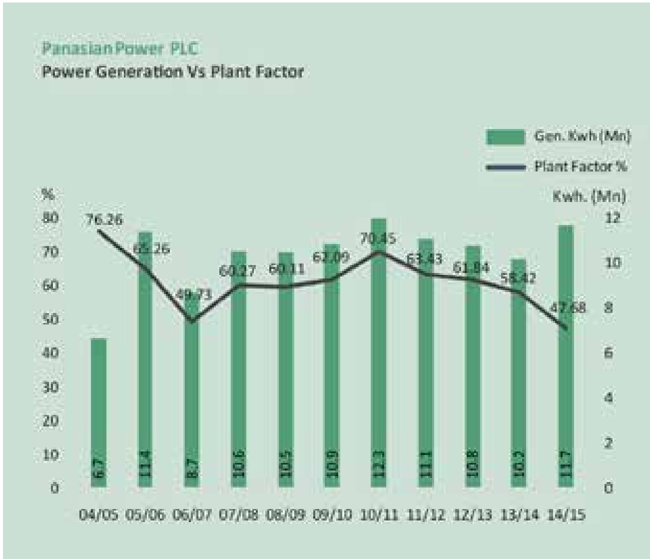
The year had been successful with the commissioning of 1 MW expansion work at Rathganga power plant and the acquisition of 90% stake of Padiyapelella Hydropower Limited which was long delayed due to numerous factors. The continuous effort of the Board and the management in resolving the hindrance has resulted in achieving the milestones. These investments have contributed to a total capacity of 11.9 MW to the Group, 5.4MW being supplied to the National Grid, 3.5MW under construction and 3MW with development rights.

Rathganga Power Plant

Installed capacity: **3 Mega Watts**
Penstock length: **1,350 Meters**
Channel length: **880 Meters**
Net head: **165 Meters**
Electro mechanical equipment Supplier: **Tianjin and Stamford**
Year of commissioning: **2004**
Total production (FY 2014/15): **11,716,713 kWh**
Catchment area: **Hapugasthenna**

The construction of additional 1MW was completed and connected to the National Grid on December 2014. A mini hydropower project with an average plant factor of 61.42, is one of the power plant with high plant factor in the country, and has supplied 114.9Mn kWh from inception. The rainfall pattern at the catchment area Hapugastanne has been 325.12mm, a decrease of 15% (2013/14 -383.63mm) compared to the previous year. The full utilisation was not reaped in the last quarter with the additional 1MW as the dry season prevails from January to April of a calendar year. The Company recorded a net profit of Rs223.4Mn, an increase of 119% compared to last year. The enormous increase is due to the dividend income of Rs 126.8 Mn categorised under other income contributing an increase of 300% in the said category.

The power generation from inception along with the plant factor is depicted below.



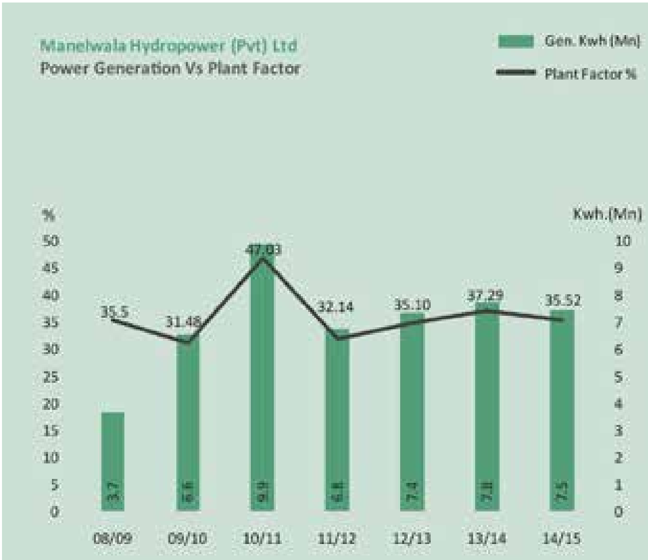
Management Commentary

Manelwala Mini Hydro Power Plant

Installed capacity: **2.4 Mega Watts**
Penstock length: **950 Meters**
Channel length: **1,800 Meters**
Net head: **280 Meters**
Electro mechanical equipment Supplier: **Global Hydro Electric, Austria**
Year of commissioning: **2008**
Total production (FY 2014/15): **7,467524 kWh**
Catchment area: **Kurunduoya and High Forest**

The heavy drought conditions experienced in the catchment area resulted in the decline of power generation during the year under review. The total generation for the year was 7.5Mn kWh with a 4% reduction compared to previous year. (2013/14 – 7.8 Mn kWh). However, the increase in the Avoided Cost Tariff for the year with an average increase of Rs 3.26 per KW compensated the reduction in units with the total revenue of Rs 119 Mn marking an increase by 19.3% from last year.

The chart below illustrates the power generation and plant factor from commissioning the plant in June 2008.



Management Commentary

Padiyapelella Hydro Power Plant

Installed capacity: **3.5 Mega Watts**
Penstock length: **470 Meters**
Channel length: 2,675 Meters
Net head: **140 Meters**
Electro mechanical equipment Supplier: **Global Hydro Electric, Austria**
Catchment area: **Piduruthalagala**

The Company was successful in concluding the acquisition of 90% stake of Padiyapelella Hydropower Limited on 28 August 2014. This has brought in a total 6.5 MW to the Group. There were constraints resulting in considerable time gap with number of reschedules to the estimated time line. Eventually, the Board decided to acquire the stake with partly completed work for Phase 1, despite the initial agreement to acquire commissioned project with 3.5MW.

We are now working towards in completing the balance construction work and to connect to the National Grid at the earliest. A team balanced with required skills and experience has been deployed in the assignment.

The Company is currently positioned to take up the challenges and to work towards accomplishing the set milestones. There had been no material issues affecting employees or industrial relationships during the year under review.

Management Commentary

Risk Management

Panasian Power is committed in implementing an effective Risk Management process which comprises identification of risks, assessing the impact and likelihood and responding with appropriate strategy.

The Group identifies the potential risks, internal or external that may negatively impact the set objectives and a smooth run of the operations. The significance is measured in terms of impact and likelihood of occurrence.

The Audit Committee closely works with the management to ensure that risk management complies with the relevant standards and that is working effectively. As an integral part of risk management the Audit Committee overlooks the adequacy and the efficiency of internal controls of the Group through internal audits, recommendation of External Auditors and compliance reports submitted by the Management.

Key Risks

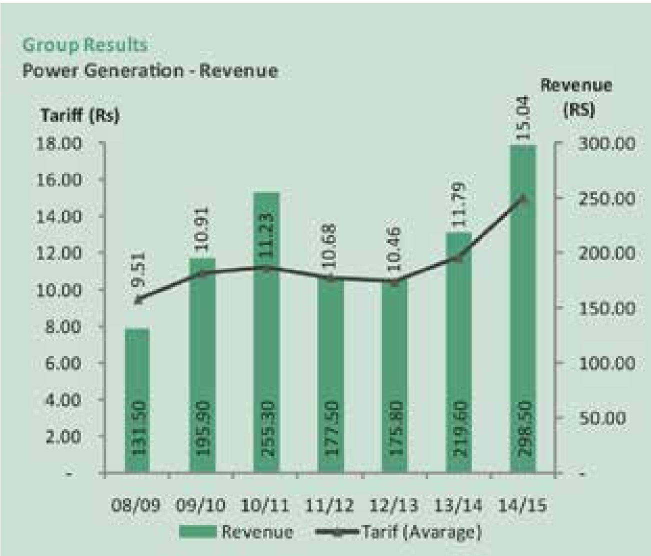
Risks		Responses
Environmental Risk	Probability of business operations creating negative consequences in the environment and creating non – compliance or reputational risk	Necessary steps taken to mitigate any adverse environmental impacts and compliance with industry requirements
Credit Risk	Delays in payments by the Ceylon Electricity Board (CEB)	Transactions executed in line with Standard Power Purchase Agreement entered into with the CEB
HR Risk	Risk arising as result of failure to attract, develop and retain skilled work force	Implementation of good HR practices and procedures
Interest rate Risk	Potential losses as result of adverse movement of interest rate	Negotiations with the financial institutions with the clear track record in the past
Operational Risks	Potential losses due to inadequate internal controls, failures on internal processes, people, and systems, natural and man-made disasters	Close supervision of all plants by the management Review by the Internal Auditors Overlook by the Audit Committee
Regulatory and compliance Risk	Potential losses due to violations of or non-compliance with laws, rules, regulations, internal policies and procedures or ethical standards	Adequate internal control procedures in place Close monitoring by the Audit Committee
New project overrun Risk	Adverse impact on estimated project returns	Prudent cost estimation with the assistance of experts

Financial Review

"The Group recorded a growth of 34% in revenue to Rs. 298.5 Million and net profit attributable to shareholders rose by 17% to Rs. 167.8 Million in FY 2014 / 2015."

Revenue

The group reported a consolidated revenue of Rs. 298.5 Mn for the year under review which is a 34% increase over the previous year.Though there is a 15% increase to 11.7 Mn KW in power generation at Rathganga Hydropower [2013/14 - 10.2 Mn KW] the contribution made by tariff for the increase was well above to the total growth in revenue. The average tariff during the year was Rs. 15.04 per KW in both dry and wet seasons compared to the Rs. 11.79 per KW in previous year. The rainfall in the catchment area at Manelwala Hydropower project was significantly low for most of the months in the year. However, we have produced 7.467 Mn KWH power generation [2013/14: 7.841Mn KWH] which is 5% decrease compared to previous year.



Earnings Before Interest and Tax (EBIT)

During the year, EBIT increased by 36% to Rs. 219.8 Mn [2013/14: 160.5 Mn] driven by increase in contribution from Rathganga Hydropower Project although a slight decrease in power generation at Manelwala Hydropower plant was evidenced compared to previous year (from 7.841MnKWH to 7.467 Mn KWH). The Increase in Tariff together with the notable performance at Rathganga plant during the year had been instrumental for the increase noted.

Return On Capital Employed (ROCE) and Return on Equity (ROE)

The ROCE increased to 19% in comparison with 15.7% in previous year. Similarly, ROE also has improved from 14.5% to 15% during the year. The increase in EBIT had contributed for the above growth. The above results have been arrived after excluding the amount of Capital Work in Progress at Padiyapalella Hydropower Limited as the project has not commenced to yield returns as at the year-end.

Liquidity

The current ratio increased to 9.1 times and cash ratio increased to 6.2 times during year under review compared to the 1.1 times and 0.7 times in previous year. This is mainly due to funds retained for final dividend payment and proceeds from loan for the construction of balance work of Padiyapelella Hydropower Project.

Efficiency of Assets Utilization/Asset Management

The Group assets have been continuously utilsed efficiently with a Return of Assets of 13.7% (2013/14 – 13.30) while the total asset turnover for year under review increased to 0.24 times from 0.19 times compared to previous financial year. Also,fixed asset turnover ratio increased to 0.59times from 0.50 times compared to previous financial year. The assets of Padiyapelella Hydropower project was excluded in the above calculation.

Financial Leverage

The Debt to Equity ratio increased to 0.56 times (or 56%) in the current year compared to 0.13 times (or 13%) in the previous year. The term loan secured for the acquisition and construction of balance work of PadiyapelellaHydropower Project is reflected here.

Financial Review

Shareholders return

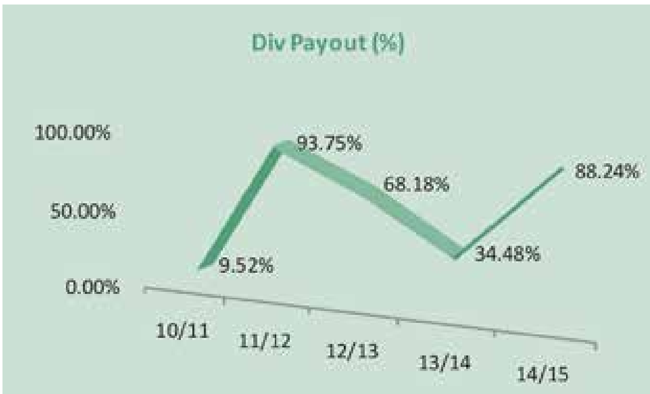
The Earnings Per Share (EPS) of the Group for the financial year increased by 17% to Rs. 0.34 [2013/14: Rs. 0.29] with the increase in profit attributable to equity holders of the company. The Price Earning Ratio (P/E Ratio) at the year-end was 10 times while it stood at 7.5 times in the previous year.

Net Asset Value per Share increased from Rs. 2.08 to Rs. 2.4, marking an increase of 15.8% during the year under review.

Although a dividend payment was not declared for the previous year due to expansion activities, the Company declared and paid Rs 0.30 per share (DPS), the highest dividend to date, for the year under review.

The graph below depictsthe patterns of EPS, DPS over the last five years.

A comparison of dividend payout and dividend yield is illustrated below:



Net Finance Cost

The finance expenses increased by 182% to Rs 33.5Mn while the expenses remained at Rs 11.8 Mn in the previous year. While the term loan taken for Padiyapelella Hydropower Project has given the rise of finance expenses,an increase on finance income also notable from 0.4Mn to 1.8 Mn with an increase of 293%.

Taxation

Panasian Power enjoys a tax holiday of 15 years from the year 2002 / 2003 under Section 18A of the Inland Revenue Act 38 of 2000 (subsequently governed by Section 218(2) of the Inland revenue Act 10 of 2006) granted by the Department of Inland Revenue. Manelwala Hydropower (Pvt) Limited which enjoyed a tax holiday of five years pursuant to the agreement entered into with the Board of Investment is liable to tax at a concessionary rate of 10% from the financial year 2014/15. On completion of two years at the above concessionary rate, the Company is liable to pay taxes at the rate of 20%. The above exemption and concessionary tax rates are applicable for the income earned from the generation and supply of hydropower to the National Grid. The Group is taxed on the prevailing rates on other income earned.

Capital Structure

As at the year end, the total shareholders' funds attributable to equity holders of the Company stood at Rs 1.2 Bn with 16% increase compared to previous year. The gearing of the Group increased during the year due to the reason explained under "financial gearing".

Investor Information

1. Analysis of shareholders according to the number of shares held as at 31 March 2015

Shareholding	Resident			Non Resident			Total		
	Number of Shareholders	No. of Shares	Percentage %	Number of Shareholders	No. of Shares	Percentage %	Number of Shareholders	No. of Shares	Percentage %
01-1,000	2,283	1,475,122	0.30	8	5,601	0.00	2,291	1,480,723	0.30
1,001-10,000	2,949	13,594,764	2.72	13	85,100	0.02	2,962	13,679,864	2.74
10,001- 100,000	1,099	37,426,647	7.49	15	693,500	0.14	1,114	38,120,147	7.62
100,001-1,000,000	175	51,432,939	10.29	3	853,810	0.17	178	52,286,749	10.46
Over 1,000,000	38	390,807,517	78.16	1	3,625,500	0.73	39	394,432,517	78.89
Total	6,544	494,736,989	99	40	5,263,011	1.05	6,584	500,000,000	100.00

2.. Shareholders by Category as at 31 March 2015

Categories of shareholders	Number of shareholders	No. of shares
Individual	6,420	131,124,947
Institutional	164	368,875,053
Total	6,584	500,000,000

3. Twenty Major Shareholders of the Company as at 31 March

Name	2015		2014
	No. of Shares	Percentage(%)	No. of Shares
Resus Energy PLC (Previous known as Hemas Power PLC)	146,500,000	29.30	46,500,000
Amana Bank Limited/Vidullanka PLC	41,124,330	8.22	-
Almar Trading Co (Pvt) Ltd	31,331,735	6.27	16,235,297
Omega Group (Pvt) Ltd	24,121,899	4.82	-
Weswin Power (Private) Limited	18,417,676	3.68	-
Power Hub Green Energy (Private) Limited	16,118,250	3.22	-
Vidullanka PLC	13,417,890	2.68	-
Mr. Mohamed Firdouse Farook	12,500,855	2.50	3,000,855
Commercial Bank of Ceylon PLC/A. K. Pathirage	12,000,000	2.40	16,000,000
People's Leasing & Finance PLC/C. D. Kohombanwickramage	10,868,139	2.17	-
DPMC Assetline Holdings (Pvt) Ltd - Account No. 02	7,203,505	1.44	-
Mr. Zulficar Ahamed Mohamed Thahir	5,500,000	1.10	7,500,000
Dee Investments (Pvt) Ltd	5,213,859	1.04	4,125,000
Commercial Credit and Finance PLC	4,000,000	0.80	17,094,690
Elgin Investment Limited	3,625,000	0.73	-
Asian Alliance Insurance PLC - A/C 02 (Life Fund)	3,090,000	0.62	-
Mr. Mohamed Armil Najmul Sammoon Joint Mrs. S T R Sammoon	3,000,000	0.60	3,000,000
Mr. Pattiyapawulage Don Raj Rohitha Weerarathne	2,800,000	0.56	11,799,900
Mr. Herbert Beruwalage	2,764,200	0.55	-
Cocoshel Activated Carbon Company Limited	2,600,000	0.52	3,356,055
	366,197,338	73.24	
Shares held by remaining shareholders	133,802,662	26.76	
	500,000,000	100	

Investor Information

4. Public Holding

Description	Number of shares 2015	Number of shares 2014
Major shareholders		
Power Hub International Sdn Bhd	-	117,174,900
Standard Chartered Bank /Hemas Power PLC	-	100,000,000
Resus Energy PLC(earlier known as Hemas Power PLC)	146,500,000	46,500,000
Amana Bank Limited/Vidullanka PLC	41,124,330	-
Vidullanka PLC	13,417,890	-
Directors' shareholding		
Dr. P. Ramanujam	2,350,000	2,350,000
Mr. H. A. S. Madanayake	400,000	-
	203,792,220	166,024,900
Issued share capital	500,000,000	500,000,000
Less: Directors' shareholding and major shareholders	203,792,220	166,024,900
Public Holding	296,207,780	333,975,100
Public holding as a % of issued share	59.24	66.80

5. Share Trading Information - Company

Market Values	2014/15	2013/14
Highest (Rs)	3.80	3.00
Lowest (Rs)	3.10	2.20
Closing (Rs)	3.40	2.20
Price Earnings Ratio (Times)	7.56	11.00

6. Equity Information - Company

	2014/15	2013/14
Earnings per share (Rs)	0.45	0.20
Dividends per share (Rs)	0.30	-
Net Asset Value per share (Rs)	2.19	1.74
Dividend Payout Ratio	88.24%	-
Dividend yield	8.82%	-

7. Group Real Estate Portfolios

Owning Company & Location	Land	
	Freehold	Leasehold
Properties in Ratnapura District		
Panasian Power PLC	3A 2R 20P	1A 28.3P
Properties in Nuwara Eliya District		
Manelwala Hydropower (Pvt) Ltd	3A 2R 29P	2A 2R 4.9P
Padiyapelella Hydropower Limited	6A 3R 37.2P	27.1P

Corporate Governance

Introduction

Corporate Governance is the system by which Companies are directed and controlled by the Board in the best interest of it's stakeholders and others. It essentially involves balancing the interests of many stakeholders in a Company – these include its shareholders, management, customers, suppliers, financiers, government and the community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

Company's Philosophy on Corporate Governance

Panasian Power PLC is fully aware and committed to implementing governance standards that conform to best practices and is working towards enhancing its processes over the period of time.

The level of compliance with the Code of best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka & the Securities & Exchange Commission of Sri Lanka is described in the table below.

Corporate Governance Principle	Principle No	Level of Compliance	Status of compliance
Directors			
Frequency of Board Meetings	A 1.1	Four Board meetings are scheduled annually to determine the Company's strategic direction, review the operational and financial performance, and to provide oversight. Ad-hoc meetings are also convened to discuss and review specific matters which require the attention of the Board. Frequent Board meetings were held during the year with regard to the acquisition and progress of Padiayapelella Hydropower Project. Apart from Board meetings, the Board also takes decisions via circular resolutions, which are required to be signed by all the Directors. The attendance of Directors at the Board and Committee meetings held during the year is depicted below:	Complied

Name of Director	Board Meting	Audit Committee		Remuneration Committee	
	No. of meeting attended	Capacity	No. of meeting attended	Capacity	No. of meeting attended
Dr. P Ramanujam	9/9	-	-	-	-
Mr. T Someswaran	9/9	Chairman	4/4	Member	2/2
Mr. D Sooriyaarachchi	9/9	Member	4/4	Chairman	2/2
Mr. K Nanayakkara	9/9	-	-	-	-
Mr. R Ameen	9/9	-	-	Member	1/1
Mr. K Jayawardena	3/3	Member	1/1	-	-
Mr. S Madanayake	2/3	-	-	-	-
Mr. M R Badurdeen	1/3	-	-	-	-
Mr. M H Shariff	1/3	-	-		-
Mr. I Esufally	7/7	-	3/3	-	1/1

Corporate Governance

Corporate Governance Principle	Principle No	Level of Compliance	Status of compliance
Responsibilities of the Board	A 1.2	The Board is responsible for ensuring :- • the formulation, implementation & monitoring of strategy • effective systems are in place to secure the integrity of information, internal controls & risk management • compliance with laws, regulations and ethical standards • all stakeholder interests are considered in corporate decisions The Board has delegated several of it's functions to Board Committees, while retaining final decision rights pertaining to it's matters under the purview of the Committees. The composition and the functions of these sub–committees are discussed in detail under the relevant sections of this Report.	Complied
Compliance with Laws & independent Professional advice	A 1.3	The Directors individually and collectively as a Board act in accordance with the laws applicable to the business enterprise. In discharging their duties the Directors seek independent professional advice from external parties when necessary at the expense of the Company.	Complied
Company Secretary	A 1.4	The Directors' have access to the advice and services of the Company Secretary. The Company Secretary ensures that Board procedures, relevant statutory obligations and other applicable rules and regulations are complied with.	Complied
Independent judgment	A 1.5	Directors exercise independent judgment in all decisions pertaining to strategy, performance, resource allocation and standards of business conduct.	Complied
Dedication of adequate time & effort	A 1.6	Board members dedicate adequate time and effort to fulfill their duties & responsibilities as Directors of the Company and ensure that they are satisfactorily discharged.	Complied
Separation of role Chairman & CEO	A 2.1	Considering the scale of operations of the Company it has been considered appropriate not to separate the role of the Chairman and CEO.	Complied
Chairman's Role in conducting meetings	A 3.1	The Chairman is responsible for preserving order and facilitating the effective discharge of Board functions. The Chairman in running of the Board facilitates the effective discharge of board proceedings and ensures:- • the effective participation of both executive and non- executive directors • effective contributions by all Directors at proceedings, • the views of directors on issues under consideration are ascertained, • Board control on the affairs of the company and its obligations to all stakeholders.	Complied
Financial Acumen	A 4	The Board comprises of members who possess the necessary knowledge and competence to offer guidance on matters of finance.	Complied
Board Balance	A 5.1	As at 31st March 2015, six of the seven Diectors were consideraed as Non Executive Directors.	Complied

Corporate Governance Principle	Principle No	Level of Compliance	Status of compliance
Independent Directors	A 5.2	As at 31st March 2015, two Directors out of the six Non executive directros were considered independent.	Complied
	A 5.3	These Directors are independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.	Complied
	A 5.4	The Independent Directors have submitted written Declarations of their independence as required by section 7.10.2(b) of the Listing rules.	Complied
	A 5.5	The Board annually determines the independence of each Non – Executive Director based on the Declarations submitted by them. Mr. T. Someswaran and Mr. D. Sooriyaarachchi meet the criteria for independence specified by Rule 7.10.4 of the Listing Rules of the Colombo Stock Exchange.	Complied
Alternate Directors	A 5.6	The following directors were appointed as alternate directors with effect from 11 November 2014; Mr. T. Someswaran alternate director for Mr. D. Sooriyaarchchi Mr. D. Sooriyaarchchi alternate director for Mr. T. Someswaran	Complied
Recording of concerns in Board Minutes	A 5.10	Concerns raised by the Directors on matters of the Company, which cannot be resolved unanimously are duly recorded in the Board minutes.	Complied
Managements obligation to provide appropriate & timely information	A 6.1	The Board is provided with timely information in an appropriate manner enabling it to discharge it duties effectively.	Complied
	A 6.2	The Agenda for the Board meeting and connected discussion papers are circulated to the Directors in advance to facilitate the effective conduct of the meeting.	Complied
Appointments to the Board	A 7.1	The Board has not established a Nominations Committee to make recommendations on Board appointments. Hence appointments to the Board are made collectively and with the consent of all the Directors.	Complied
	A 7.3	The Colombo Stock Exchnage is informed upon the appointment of a new Director to the Board, along with a brief resume of the Director which includes; • the nature of his expertise in relevant functional area • other Directorships or memberships in Board sub committees • whether the Director is considered an 'independent' Director	Complied
Re-election of Directors	A 8.1	A Director appointed by the Directors during the year retires at the next Annual General Meeting of the Company and seeks re- appointment in terms of the Articles of the Company.	Complied
	A 8.2	In addition, a Director who has reached 70 years of age vacates office at the conclusion of the Annual General Meeting commencing next year after he attains the age of 70 years or if he is re-appointed as a Director after attaining the age of 70 years at the Annual General Meeting following that re-appointment.	

Corporate Governance

Corporate Governance Principle	Principle No	Level of Compliance	Status of compliance
Disclosure of information in respect of Directors	A 10.1	The biographical details of the Directors' are set out on pages 7 and 8 of this Annual Report. Their qualifications, nature of expertise in relevant functional areas. membership in Board – sub committees, attendance at Board and sub Committees, other directorships and Directors Interest in Contracts are set out under the relevant sections of this Report.	Complied
Directors' Remuneration			Complied
Establishment of a Remuneration Committee	B 1.1	The Board has appointed a Remuneration Committee to make recommendations to the Board on remuneration policy and practice that is consistent with the objectives of the Company.	Complied
Composition	B 1.2 B 1.3	The Remuneration Committee consists of two Independent Directors and a Non Executive Director. The Chairman of the Committee is an Independent Director. The members of the Committee are indicated In the Annual Report of the Board of Directors.	Complied
Determination of remuneration	B 1.4	In terms of the Articles of Association of the Company, the Directors determine the fees payable to Independent Directors.	Complied
Level and mark up of remuneration	B 2.2	The committee ensures that the remuneration of executives at each level of management is competitive and is line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is on par with those of competitive companies.	Complied
Disclosure of remuneration	B 3.1	The total remuneration paid to the Directors are disclosed in Note 9 to the Financial Statement.	Complied
Relations with Shareholders			
Proxy votes	C 1.1	The Company counts all proxies lodged on each resolution and the percentage 'for' and 'against' each resolution.	Complied
Separate resolutions	C 1.2	A separate resolution is proposed for each issue at the AGM.	Complied
Availability of Board sub- committee chairpersons	C 1.3	The chairpersons of the Audit and Remuneration Committees are present at the AGM to answer any questions raised by the shareholders if so requested by the Chairman.	Complied
Adequate notice of AGM	C 1.4	The Notice of the Annual General Meeting and the relevant documents are published and dispatched to the shareholders within 15 working days prior to the meeting as required by Section 135(1) of the Companies Act No. 7 of 2007.	Complied
Procedure for voting	C 1.5	The procedure governing votes at the General Meeting is circulated with the Notice of Meeting.	Complied
Major transaction	C 3	The Directors ensure that any corporate transaction that would materially affect the net asset base of the Company or the Group is communicated to the shareholders and approval obtained in accordance with the statues. The Company acquired 90% stake of Padiyapelella Hydropower Limited on 28 August 2014. The shareholder approval for this transaction was obtained on 26th September 2012 which amounted to a major transaction in terms of Section 185 of the Companies Act No. 7 of 2007.	Complied

Corporate Governance Principle	Principle No	Level of Compliance	Status of compliance
Accountability & Audit			
Boards responsibility for statutory and regulatory reporting	D 1.1	The Board is accountable for presenting the Financial Statements of the Company and Group to regulators as well as the information required to be presented by Statute.	Complied
Declarations	D 1.2	The Declarations required to be made by the Board is given in the Annual Report of the Board of Directors.	Complied
Statement of Directors and Auditors responsibility for the Financial Statements	D 1.3	The statement of Directors responsibility in preparation of the Financial Statements is given on page 31 while the independent auditors report on page 33 state the Auditors responsibility for the Financial Statements.	Complied
Management Discussion Analysis	D 1.4	Management commentary and Financial Review are given on pages 9 to 12 and 13 to 14 respectively of this report.	Complied
Declaration on Going concern	D 1.5	The declarations by the Board that the Company is a going concern is given in the Annual Report of the Board of Directors.	Complied
Serious loss of capital	D 1.6	The Directors ensure that in the event the net assets of the Company fall below 50% of the value of the Company's shareholders' funds an Extraordinary General Meeting will be convened to notify the shareholders of the position and the remedial action being taken.	Complied
Related Party transactions	D 1.7	The transactions entered into by the Company with related parties is disclosed in Note 29 to the Financial Statements.	Complied
Internal Control	D 2	The Board has established an effective system of internal control to safeguard the assets of the Company.	Complied
Composition of the Audit Committee	D 3.1	The Audit Committee consists of two Independent Directors and one Non Executive Director. The Chairman of the Committee is an independent Director appointed by the Board.	Complied
Duties	D 3.2	The duties of the Audit Committee include keeping under review the scope and results of the internal and external audit and its effectiveness and the independence and objectivity of the external auditors. In the event the auditors are contracted for non-audit services, the Committee reviews the nature and extent of such services with the aim of balancing objectivity, independence and value for money.	Complied
Terms of Reference	D 3.3	The Terms of Reference of the Audit Committee has been approved by the Board.	Complied
Disclosures	D 3.4	The members of the Committee are indicated in the Audit Committe Report.	Complied
Code of Business Conduct and Ethics	D 4.1	The Company has adopted a Code of Business Conduct and Ethics and the Directors are committed to the code and the principles contained therein.	Complied
Corporate Governance Disclosures	D 5.1	The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the Code.	Complied
Institutional Investors			
Shareholder Voting	E.1	The Company is committed to maintaining good communications with investors. The Chairman conducts a structured dialogue with the shareholders based on the mutual understanding of objectives and ensures that the views of the shareholders are communicated to the Board as whole.	Complied

Corporate Governance

Corporate Governance Principle	Principle No	Level of Compliance	Status of compliance
Evaluation of Governance disclosures	E.2	When evaluating the governance arrangements particularly, in relating to Board structure and composition, institutional investors are encouraged to give due weight to all relevant factors drawn to their attention.	Complied
Other Investors			Complied
Investing & Divesting decisions	F.1	Individual shareholders, investing or divesting directly in shares of the Company are encouraged to carry out adequate analysis and seek the independent advice in such decisions.	Complied
Shareholder Voting	F.2	All shareholders are encouraged to participate at meetings of the company and a Form of Proxy accompanies each notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote.	Complied

The following table presents the Company's compliance with Section 7.10 of the Listing Rules on Corporate Governance issued by the Colombo Stock Exchange.

CSE Rule No.	Applicable Rule	Requirement	Status of compliance
Board of Directors			
7.10.1	Non executive Directors(NEDs)	One – third of the total number of Directors subject to a minimum of two.	Complied
7.10.2 (a)	Independent Directors	One – third of the Non – Executive Directors subject to a minimum of two.	Complied
7.10.2 (b)		Each Non-Executive Director should submit a declaration of independence/ non-independence.	Complied
7.10.3 (a) and (b)	Disclosures relating to Directors Independence	Names of Independent Directors should be disclosed in the Annual Report and the basis for determination of independence of NEDs, if criteria for independence is not met.	Complied
7.10.3 (c)		A brief resume of each Director should be included in the Annual Report, including his area of expertise.	Complied
7.10.3 (d)		Upon appointment of a new Director a brief resume of the Director should be submitted to the Exchange.	Complied
Remuneration Committee			
7.10.5 (a)	Composition	The Committee shall Comprise of Non–Executive Directors, a majority of whom shall be independent. The Chairman of the Committee shall be a Non-Executive Director.	Complied

CSE Rule No.	Applicable Rule	Requirement	Status of compliance
7.10.5 (b)	Functions of the Remuneration Committee	The Committee shall recommend the remuneration payable to the Executive Directors and Chief Executive Officer or equivalent role.	Complied
7.10.5 (c)	Disclosure in the Annual Report	The Annual Report should set out the names of the members of the Committee, a statement of Remuneration Policy and the aggregate remuneration paid to Executive and Non - Executive Directors.	Complied
Audit Committee			
7.10.6 (a)	Composition	The committee shall comprise Non Executive Directors a majority of who shall be independent. The Chairman shall be a Non-Executive director. The Chairman or a member should be a member of a recognized professional accounting body.	Complied
7.10.6 (b)	Functions	*Overseeing the preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with the SLAS. *Overseeing compliance with financial reporting related regulations and requirements. *Overseeing the processes to ensure that internal controls and risk management are adequate. *Assessing the independence and performance of the external Auditors. *Recommending to the Board the appointment, re- appointment and removal of the external auditors and approving their remuneration and terms of engagement.	Complied
7.10.6 (c)	Disclosure in the Annual Report	The names of the members of the Audit Committee should be disclosed in the Annual Report.	Complied
		The committee to determine the independence of Auditors and disclose the basis of such determination in the Annual Report.	Complied
		Annual Report to contain a report by the Audit Committee setting out the manner of compliance in relation with their functions.	Complied

Audit Committee Report

The members of the Audit Committee ("the Committee") of the Company are appointed by the Board of Directors with the following objectives:

- Increase public confidence in the credibility and objectivity of published financial information;
- Assisting directors in meeting their responsibilities in respect of financial reporting in accordance with relevant Laws, Regulations and Standards; and
- Strengthening the independent position of the Company's External Auditor.

The Committee is comprised with Mr. Thirunavukarasu Someswaran, an Independent Non-Executive Director as the Chairman, and Mr. Deepal Sooriyaarachchi, an Independent Non-Executive Director who served the Committee for the full term. Mr. Imtiaz Esufally, a Non – Executive Director tendered his resignation from the Board and the Committee with effect from 29 December 2014 and Mr. W P K Jayawardena, a Non-Executive Director was appointed on 07 January 2015 as a replacement to Mr. Imtiaz Esufally. The composition of the Committee members is in accordance to the Standard recommended by the Colombo Stock Exchange and brief profile of the members of the Committee is included in pages 7 to 8.

The Committee met four times during the year under review.The Chairman / CEO, Dr. Prathap Ramanujam and the Financial Controller, Mrs. Koshala Kalaichevan were invited to attend its meetings. The Committee discharged its duties based on the following Terms of References;

- to review effectiveness of company's internal risk controls and risk management systems to ensure the procedures are adequate to meet the requirements of the Sri Lanka Auditing Standards;
- to monitor the integrity of annual and interim financial statements of the Company, the clarity of disclosure and the context in which statements are made and discuss with the management and the Auditor;
- review of the annual financial statements presented to shareholders;
- to review and challenge where necessary the consistency of, and any changes to, accounting policies with the introduction of new accounting standards;
- to investigate any matter within its terms of reference, full access to and co-operation by management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- to review the internal and external audit functions;
- to evaluate the independence and effectiveness of the work of the External Auditors;
- receiving and dealing with External Auditors' criticism of management, and ensuring that recommendations of Internal and External Auditors have been implemented;
- recommending appointment, re-appointment, removal, remuneration and terms of engagement of the external auditors;
- ensuring compliance with codes of best practice on corporate governance set out jointly by Colombo Stock Exchange and The Institute of Chartered Accountants of Sri Lanka or other similar institutions;
- assessing the Company's ability to continue as a going concern in the foreseeable future;
- establishing mechanisms for the confidential receipt, retention and treatment of complaints alleging fraud, received from internal/external sources and pertaining to accounting, internal controls or other such matters;
- meeting separately, periodically with management, auditors and internal auditors;
- discussion of the Company's earnings press releases and financial information and earnings guidance provided to analysts and rating agencies;
- providing a reporting channel for "whistle blowing" and assuring confidentiality to whistle blowing employees;
- setting clear hiring policies for employees or former employees of the auditors; and
- reporting regularly to the Board of Directors.

An Internal Audit was not carried out during the year. Messrs.'Pricewaterhouse Coopers, Chartered Accountants, carried out a comprehensive internal audit for the year ended 31 March 2014 under the supervision of the Risk and Control division of Hemas Holdings PLC. A follow up on the recommended practices were carried out by the Risk and Control division of Hemas Group during the year under review.

The Committee reviewed the Risk Analysis process adopted by the management in identifying, evaluating and managing the risks faced by the Company and its subsidiaries and recommended for improvements. The Committee is satisfied that adequate controls are in place to safeguard the Company's assets and that the financial position and the results disclosed in the Audited Financial Statements are free from any material misstatements.

On review of Non Audit Services rendered by the External Auditors, the Committee is of the view that Messrs KPMG is an independent entity as such services were not prohibited under Guidelines for Listed Companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka. The Committee has recommended the Board of Directors that Messrs KPMG, Firm of Chartered Accountants, be re-appointed for the financial year ending 31 March 2016, subject to the approval of shareholders at the next Annual General Meeting.

Mr. Thirunavukarasu Someswaran

Chairman - Audit Committee

Remuneration Committee Report

Composition

The Remuneration Committee ("the Committee") comprises Non – Executive members of the Board of Directors including two Independent Directors. The Committee chaired by Mr. Deepal Sooriyaarachchi, Independent Non – Executive Director and Mr. Thirunavukarasu Someswaran who is also an Independent Non-Executive Director served the full term. Mr. Imtiaz Esuafally, a Non-Executive Director served the Committee till 29 December 2014, on which day he tendered his resignation from the Committee was succeeded by Mr. Riad Ameen, a Non – Executive Director appointed to the Committee with effect from 07 January 2015. Brief profiles of the members of the Committee is given on pages 7 to 8.

Dr. Prathap Ramanujam, Chairman / CEO and Mrs. Koshala Kalaichelvan, Financial Controller attended the meetings on invitation. The remuneration paid to the directors are set out in Note 9 to the Financial Statements.

Policy

The Remuneration Committee must establish remuneration packages which are sufficient to attract, retain and motivate directors and staff to run the company successfully, but without paying more than is necessary. The level of remuneration must strike a balance between the interests of the company and its shareholders.

Responsibilities

The main responsibilities of the Committee are as follows:

- to set salary level, terms and conditions relating to Executive staff;
- take recommendations to the Board on the Company's framework of Executive Directors' remuneration and its cost and to make determination on behalf of the Board specific remuneration packages for executive directors and staff;
- recommend any contract of employment or related contract with Executive Directors on behalf of the Company; and
- determination the terms of any compensation package in the event of early termination of the contract of any Executive Director.

Meetings

The Committee met twice during the year under review. The minutes were circulated amongst the members and it was ensured that the matters were discussed implemented and adapted by the Board.

Advisors

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

Mr. Deepal Sooriyaarachchi

Chairman - Remuneration Committee

Panasian Power PLC

Financial Information

2014/15

Annual Report of the Board of Directors

The Board of Directors is pleased to present their Report and the Audited Financial Statements of the Company and Consolidated Financial Statements of the Group for the year ended 31st March, 2015. The details set out herein provide pertinent information required by the Companies Act, No.7 of 2007 and the Colombo Stock Exchange Listing Rules and are guided by recommended best accounting practices.

Review of the year

The Chairman's Review, Management Commentary and Financial Review describe Group and Company's financial and operational performance and mentions important events of the year. These reports together with the Audited Financial Statements reflect the state of affairs of the Company and the Group.

Principal Activity

Generation of hydro power continues to be the principal activity of the Company and its subsidiaries.

The Board of Directors after considering the financial position, operating conditions, regulatory and other factors and such other matters required to be addressed in the Corporate Governance code, have a reasonable expectation that the Company possesses adequate resources to continue its operations for the foreseeable future. For this reason, the Company continues to adopt the 'Going Concern' in preparing the financial statements.

Financial Statements and Auditor's Report

The financial statements of the Company and the Group as at 31st March 2015 are given in pages 34 to 59 of this report. while the Auditor's report on the financial statements is given on page 33 of this report.

Accounting Policies

The Accounting Policies adopted in preparation of Financial Statements are given on pages 38 to 46 There were no material changes in the Accounting Policies adopted.

Director's Interests in Contracts

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 29 to the Financial Statements.

Directors Remuneration and Other Benefits

Directors remuneration in respect of the Group and the Company for the financial year ended 31st March 2015 is given in Note 9 to the Financial Statements.

Corporate Donations

Donations made by the Group and the Company during the year under review amounted to Rs 1,267,046 (2014 – Rs 651,636) and Rs 1,147,046 (2014 – Rs 554,176) respectively. No donations were made for political purposes.

Directors and their Shareholdings

Directors of the Company and their respective shareholding in compliance with Section 200 of the Companies Act, during the financial year under review is disclosed below:

Shareholding	As at 31.3.2015	As at 31.3.2014
Dr. P Ramanujam	2,350,000	2,350,000
Mr. D.Sooriyaarachchi	Nil	Nil
Mr. M.R.Ameen	Nil	Nil
Mr.W.P.K.Jayawardana	Nil	Nil
Mr. H.A.S.Madanayake	400,000	Nil
Mr. T. Someswaran	Nil	Nil
Mr. G.A.K.Nanayakkara	Nil	Nil
Mr.M.R.Badurdeen	Resigned w.e.f.28.08.2014	Nil
Mr.M.H.M.Shariff	Resigned w.e.f.28.08.2014	Nil
Mr.I.Esufally	Resigned w.e.f.29.12.2014	Nil

Mr.R.M.Sangani was appointed a Director of the Company with effect from 01st April 2015 and Mr. S.M.Farook and Mr.A.L.Weerasinghe were appointed as Directors of the Company with effect from 23rd June 2015. In terms of Article 24 (2) of the Articles of Association of the Company, they retires from office and being eligible offers themself for re- election.

Board Committees

The following members served the sub-committees appointed by the Board.

Audit Committe

Mr. T Someswaran (Chairman)
Mr. D Sooriyaarachchi
Mr. I A H Esufally (resigned with effect from 29th December 2014)
Mr. W P K Jayawardena (appointed with effect from 7th January 2015)

Remuneration Committee

Mr. D Sooriyaarachchi (Chairman)
Mr. T Someswaran
Mr. I A H Esufally (resigned with effect from 29th December 2014)
Mr. M R Ameen(appointed with effect from 7th January 2015)

Interest Register

In compliance with the requirements of the Companies Act No 7.of 2007, an Interest Register was maintained by the Company during the accounting period ended 31 March 2015.

Internal Controls

The Board has reviewed the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of its effectiveness.

Auditors

The Financial Statements for the year ended 31st March 2015 have been audited by Messrs.' KPMG, Chartered Accountants. The Audit fees payable and fees paid for other services rendered are as follows:

Audit fees Rs. 270,000 (2014 – Rs. 240,000)
Fees for non- audit services - Rs. Nil (2014 – Rs 50,000)

The Directors have confirmed that to the best of their knowledge the Auditors have had no interest in or relationship with the Company or its subsidiaries other than that of External Auditors.

The Auditors have confirmed that they are independent in accordance with the code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

Messrs.' KPMG have expressed their willingness to continue in office. In accordance with the Companies Act No.07 of 2007, a resolution relating to their re-appointment and authorizing the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

Shareholders

The Company has made all endeavours to ensure equitable treatment to all shareholders.

Dividends

The Directors paid a Final Dividend of Rs.0.30 per share for the Financial Year ended 31st March, 2015. (2014 – Nil)

Investments

Details of investments held by the Company are disclosed in Notes 16 and 17 to the Financial Statements.

Property, Plant and Equipment

An Analysis of the property, plant and equipment of the Group and Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 13 to the Financial Statements.

The capital expenditure incurred by the Group and Company during the year amounted to Rs. 81,517,730 (2014 – 999,049) and Rs. 81,517,730 (2014 – 977,399) respectively.

Details of Land held by the Company and Group is given below:

Location	Extent
Ratnapura	3.6 acres
Walapane	3.7 acres
Padiyapelella	7.1 acres

Stated Capital

The Stated Capital of the Company amounted to Rs 630,000,000 divided into 500,000,000 ordinary shares. There was no change to the stated capital of the Company during the year under review.

Capital Commitments

There are no material capital commitments that would require disclosures in the Financial Statements except for shown in Note 30 for the year under review.

Contingent Liabilities

Details of contingent liabilities are given in Note 31 to the Financial Statements.

Events Occurring After the Balance Sheet Date

No circumstances have arisen since the Balance Sheet date that would require adjustment to or disclosures other than those disclosed in Note 32 to the Financial Statements.

Reserves

Total Group reserves as at 31st March 2015 amount to Rs. 490,174,886 comprising of retained earnings. Movements are shown in the Statement of Changes in Equity in the Financial Statements.

Employment Policies

The Company adopts a non -discriminatory policy in recruitment and employment which gives full and fair consideration to persons in selection, training, development and promotion ensuring all decision are based on merit. The total number of employees of the Company and the Group as at the year end were 19 and 30 respectively (2014 – 17 and 27).

Taxation

The tax position of the Group and the Company is given in Note 10 to the Financial Statements.

Annual Report of the Board of Directors

Disclosure as per Colombo Stock Exchange Rule No.7.6

	31.03.2015 Rs.	31.03.2014 Rs.
Market price per shares as at 31st March	3.40	2.20
Highest share price during the year	3.80	3.00
Lowest share price during the year	3.40	2.20

- Related party transactions

As per the Agreement entered into between Panasian Power PLC and its affiliates Power Hub International Sdn Bhd, Padiyapelella Hydropower Limited on 28 August 2014 for the acquisition of 90% stake of Padiyapelella Hydropower Limited, working capital credit of Rs. 252,908,508.80 payable to Power Hub International Sdn Bhd by Padiyapelella Hydropower Limited was transferred to Panasian Power PLC.

Shareholding

The number of registered shareholders of the Company as at 31st March, 2015 was 6584. The distribution and analysis of shareholdings are given on page 15.

Major Shareholders

The twenty largest shareholders/option holders of the Company as at 31st March 2015, together with an Analysis are given on pages 15 and 16.

Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of the and in respect of the employees of the Company and its subsidiaries as at the Balance sheet date have been paid or where relevant provided for in the Financial Statements.

The Company has also ensured that it complies with the applicable laws and regulations including the Listing rules of the Colombo Stock Exchange.

Environment, Health and Safety

The Company confirms that it complies with all relevant laws and regulations applicable to the industry.

Corporate Governance

The Company has put in place systems and procedures to ensure the implementation of sound corporate governance principles and confirm is in compliance with the Rules on Corporate Governance laid by the Colombo Stock Exchange. The Corporate Governance practices of the Company are given on pages 17 to 23 of this report.

Annual General Meeting

The Annual General Meeting of the Company will be held at the Auditoriam of Ceylon Chamber of Commerce, Colombo 02 on 28th September 2015 at 10.30 A.M.

For and on behalf of the Board of Directors of
PANASIAN POWER PLC

Dr. Prathap Ramanujam
Chairman

Mr. Thirunavukarasu Someswaran
Director

S S P Corporate Services (Private) Limited,
Secretaries

21st August 2015

Statement of Directors' Responsibility

The Companies Act No.7 of 2007 stipulates that the Directors to prepare and circulate amongst the shareholders the Financial Statements which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and the profit or loss of the Company and the Group for the financial year (refer pages 35 and 34 respectively).

The Board of Directors of the Company is responsible for the adequacy of the company's system of internal control and for reviewing its design and effectiveness regularly. The Board is of the view that the prevalent internal control systems instituted by them and which comprise internal checks, internal audit, risk management policies and financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Audit Committee and the Remuneration Committee established by the Board strengthen the process of identifying and reviewing the adequacy and integrity of the system of internal controls and risk management.

In the above process, the directors are responsible for:

- preparing the annual report and the Group and Company Financial Statements in accordance with applicable laws and regulations;
- preparing the Financial Statements which give a true and fair view of the state of affairs at the financial year end and profit or loss for the period then ended of the Company and the Group in accordance with SLFRSs and LKASs;
- keeping proper accounting records which disclose with reasonable accuracy, at any time the financial positions of the Group and the Company and enable them to ensure that the Group financial statements comply with applicable laws and regulations;
- establishing an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and the Company, and to regularly review the effectiveness of such process;
- taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities; and
- preparing the financial statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspection they consider to be appropriate, to express their opinion on the financial statements given on page 33

Further, the directors are required to ensure that in preparing the Financial Statements:

- suitable accounting policies have been selected and applied consistently;
- judgements and estimates made have been reasonable and prudent; and
- the Group and Company financial statements have been prepared on a "Going Concern" basis, after reviewing the Group and Company future financial projections, cash flows and current performance and is satisfied that the Group and the Company have adequate resources to continue its operations in the foreseeable future.

Further, as required by Section 56 (2) of the Companies Act No 7 of 2007, the Directors have confirmed that the Company, based on the information available, satisfies the solvency test immediately after the distribution of dividends, in accordance with Section 57 of the Companies Act No 7 of 2007, and has obtained a certificate of solvency from the Auditors, prior to the payment of an final dividend of Rs 0.30 per share for the year under review.

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 all other known statutory dues as were due and payable by the Company as at the financial year end have been paid or, where relevant provided for in arriving the financial results for the year under review.

For and on behalf of the Board of
Panasian Power PLC

Dr. Prathap Ramanujam
Chairman / CEO

Mr. T Someswaran
Director

21st August 2015

Independent Auditors' Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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TO THE SHARE HOLDERS OF PANASIAN POWER PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Panasian Power PLC, ("the Company"), and the consolidated financial statement of the Company and its subsidiaries ("Group"), which comprises the statements of financial position as at March 31, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information set out on page 34 to 59 of the Annual Report.

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by Section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above
b) In our opinion:
   - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company;
   - the financial statements of the Company give a true and fair view of its financial position as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards;
   - the financial statements of the Company, and the Group comply with the requirements of sections 151 and 153 of the Companies Act No. 07 of 2007.

KPMG

Chartered Accountants
Colombo

21st August, 2015

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March,	Note	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Revenue	6	298,522,878	222,861,068	179,487,184	123,084,852
Cost of Electricity Generated		(33,048,600)	(26,908,294)	(17,134,880)	(11,687,595)
Gross profit		265,474,278	195,952,774	162,352,303	111,397,257
Administrative expenses		(45,663,745)	(35,435,799)	(31,518,719)	(31,316,901)
Other operating income	7	2,750,595	-	126,864,526	31,716,131
Finance income	8.1	1,822,030	463,441	767,796	240,866
Finance expenses	8.2	(33,540,704)	(11,873,684)	(33,333,185)	(11,506,909)
Net finance expenses		(31,718,674)	(11,410,243)	(32,565,389)	(11,266,043)
Profit before taxation	9	190,842,454	149,106,732	225,132,720	100,530,444
Income tax expense	10	(23,572,013)	(5,118,045)	(1,346,795)	877,161
Profit for the year		167,270,442	143,988,687	223,785,925	101,407,605
Other comprehensive income for the year					
Items that will not be reclasasified to profit or loss					
- Actuarial gain/(loss) on defined benefit obligation		(245,604)	617,122	(426,649)	731,523
- Deferred tax effect on actuarial gain or loss		24,561	(61,712)	42,665	(73,152)
Items that are or may be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year		(221,043)	555,410	(383,984)	658,371
Total comprehensive income for the year		167,049,398	144,544,097	223,401,941	102,065,976
Profit attributable to:					
Equity holders of the of the parent		168,229,304	143,988,687	223,785,925	101,407,605
Non-Controlling Interest		(958,862)	-	-	-
		167,270,442	143,988,687	223,785,925	101,407,605
Total comprehensive income attributable to:					
Equity holders of the of the parent		168,008,261	144,544,097	223,401,941	102,065,976
Non-Controlling Interest		(958,862)	-	-	-
		167,049,398	144,544,097	223,401,941	102,065,976
Earnings per share (Rs.)	11	0.34	0.29	0.45	0.20
Dividend per share (Rs.)	12	-	0.10	-	0.10

The notes on pages 38 to 59 form an integral part of these financial statements.

The figures in bracket indicate deductions.

Statement of Financial Position

As at 31st March,	Note	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Assets					
Non-current assets					
Property, plant and equipment	13	508,893,170	442,113,667	219,740,731	144,910,739
Capital work in progress	14	682,276,323	42,849,117	-	42,849,117
Intangible assets	15	470,164,081	297,856,807	5,216,922	5,860,160
Investment in subsidiaries	16	-	-	1,142,177,694	605,107,184
Other financial assets	17	-	276,450,000	-	241,450,000
		1,661,333,574	1,059,269,591	1,367,135,346	1,040,177,200
Current assets					
Trade and other receivables	18	89,962,011	42,483,908	29,119,601	20,130,053
Amount due from related companies	19	-	1,320,000	292,093,773	1,320,000
Cash and cash equivalents	20	194,891,682	67,777,787	109,394,267	17,064,741
		284,853,693	111,581,695	430,607,641	38,514,794
Total assets		1,946,187,267	1,170,851,286	1,797,742,986	1,078,691,994
Equity and liabilities					
Equity					
Stated capital	21	630,000,000	630,000,000	630,000,000	630,000,000
Revaluation reserves		88,024,541	88,024,541	59,079,041	59,079,041
Retained earnings		490,174,886	322,166,625	403,568,247	180,166,306
Total equity attributable to equity holders of the company		1,208,199,427	1,040,191,166	1,092,647,288	869,245,347
Non controlling interest		39,451,297	-	-	-
Total Equity		1,247,650,723	1,040,191,166	1,092,647,288	869,245,347
Non-current liabilities					
Retirement benefit obligations	22	2,865,586	1,887,949	2,571,913	1,511,636
Interest bearing loans and borrowings	23	635,611,308	1,709,281	635,611,308	1,709,281
Deferred tax liabilities	24	28,554,041	25,029,967	10,507,594	9,418,445
		667,030,935	28,627,197	648,690,815	12,639,362
Current liabilities					
Finance lease obligations	25	-	1,893,734	-	881,354
Interest bearing loans and borrowings	23	1,472,428	1,657,452	1,472,428	1,657,452
Short term loans	26	-	90,000,000	-	90,000,000
Amount due to related companies	27	378,854	1,849,039	49,297,328	101,049,039
Other payables and accruals	28	23,488,064	4,891,551	5,092,648	1,495,164
Income tax payable		6,166,263	1,741,147	542,479	1,724,276
		31,505,609	102,032,923	56,404,883	196,807,285
Total liabilities		698,536,544	130,660,120	705,095,698	209,446,647
Total equity and liabilities		1,946,187,267	1,170,851,286	1,797,742,986	1,078,691,994

The notes on pages 38 to 59 form an integral part of these financial statements.

I certify that these financial statements for the year ended 31st March 2015 are in compliance with the requirements of the Companies Act No. 07 of 2007.

Koshala Kalaichelvan
Financial Controller

The Board of Directors is responsible for the preparation and presentation of the financial statements.
Signed on behalf of the board

Dr. Prathap Ramanujam
Chairman

Mr. Thirunavukarasu Someswaran
Director

21 August 2015
Colombo

Statement of Changes in Equity

Group	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total Rs.	Non-Controlling Interest Rs.	Total equity Rs.
	Attributable to equity holders of the company					
Balance as at 1st April, 2013	630,000,000	88,024,541	227,622,528	945,647,069	-	945,647,069
Total comprehensive income for the year						
- Profit	-	-	143,988,687	143,988,687	-	143,988,687
- Other comprehensive income	-	-	555,410	555,410	-	555,410
Total comprehensive income for the year	-	-	144,544,097	144,544,097	-	144,544,097
Transaction with owners - dividend paid	-	-	(50,000,000)	(50,000,000)	-	(50,000,000)
Balance as at 31st March, 2014	630,000,000	88,024,541	322,166,625	1,040,191,166	-	1,040,191,166
Non Controlling interest	-	-	-	-	40,410,159	40,410,159
Total comprehensive income for the year						
- Profit	-	-	168,229,304	168,229,304	(958,862)	167,270,442
- Other comprehensive income	-	-	(221,043)	(221,043)	-	(221,043)
Balance as at 31st March, 2015	630,000,000	88,024,541	490,174,886	1,208,199,427	39,451,297	1,247,650,723

Company	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total equity Rs.
Balance as at 1st April, 2013	630,000,000	59,079,041	128,100,330	817,179,371
Total comprehensive income for the year				
- Profit	-	-	101,407,605	101,407,605
- Other comprehensive income	-	-	658,371	658,371
Transaction with owners - dividend paid	-	-	(50,000,000)	(50,000,000)
Balance as at 31st March, 2014	630,000,000	59,079,041	180,166,306	869,245,347
Total comprehensive income for the year				
- Profit	-	-	223,785,925	223,785,925
- Other comprehensive income	-	-	(383,984)	(383,984)
Balance as at 31st March, 2015	630,000,000	59,079,041	403,568,247	1,092,647,288

The notes on pages 38 to 59 form an integral part of these financial statements.

The figures in bracket indicate deductions.

Statement of Cash Flows

For the year ended 31st March,	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Cash flows from operating activities				
Profit before tax	190,842,454	149,106,732	225,132,720	100,530,444
Adjustments for,				
Depreciation of property, plant and equipment	14,738,227	15,849,574	6,687,738	6,705,818
Amortisation of intangible asset	1,711,709	1,568,588	1,283,138	1,140,019
Provision for retiring gratuity	732,033	574,475	633,628	454,537
Dividend income	-	-	(126,864,526)	(31,716,131)
Fixed asset written off	128,877	-	-	-
Creditors written back	(2,750,595)	-	-	-
Interest income	(1,822,030)	(463,441)	(767,796)	(240,866)
Interest expense	33,540,704	11,873,684	33,333,185	11,506,909
Operating profit before working capital changes	237,121,380	178,509,611	139,438,088	88,380,729
(Increase) / Decrease in receivables	(22,731,094)	(1,501,950)	(8,989,548)	(4,238,079)
(Increase) / Decrease in related company receivables	1,320,000	-	(290,773,773)	-
Increase / (Decrease) in payables	(14,235,457)	(1,322,619)	3,528,978	(42,474)
Increase /(Decrease) in related company payables	(1,470,185)	1,849,039	(51,751,711)	18,849,039
Cash generated from operations	200,004,644	177,534,082	(208,547,966)	102,949,216
Interest paid	(33,383,918)	(11,426,683)	(33,264,679)	(11,294,603)
Income tax paid	(1,502,200)	(3,613,676)	(1,396,777)	(67,444)
Retiring gratuity paid	-	(261,850)	-	(74,250)
Net cash generated from operating activities	165,118,527	162,231,872	(243,209,422)	91,512,919
Cash flows from investing activities				
Purchase of property, plant and equipment	(13,326,016)	(999,048)	(13,326,016)	(977,399)
Investment in intangible asset	(639,900)	(400,187)	(639,900)	(400,187)
Investment in capital work in progress	(54,560,564)	(42,849,117)	(25,342,587)	(42,849,117)
Investment in other financial assets	-	(115,000,000)	-	(115,000,000)
Invesement in subsidiary	-	-	(295,620,510)	-
Acquisition of subsidiary	(513,123,450)	-	-	-
Dividend income received	-	-	126,864,526	31,716,131
Interest income received	1,822,030	463,441	767,796	240,866
Net cash flows used in investing activities	(579,827,900)	(158,784,911)	(207,296,701)	(127,269,705)
Cash flows from financing activities				
Proceeds from loan	635,000,000	90,000,000	635,000,000	90,000,000
Repayment of loan	(91,282,997)	(1,031,894)	(91,282,997)	(1,031,894)
Dividend paid	-	(50,000,000)	-	(50,000,000)
Payment of finance lease liabilities	(1,893,734)	(2,186,049)	(881,354)	(1,025,287)
Net cash flows from / (used in) financing activities	541,823,269	36,782,057	542,835,650	37,942,819
Net increase / (decrease)in cash & cash equivalents	127,113,895	40,229,019	92,329,526	2,186,033
Cash and cash equivalents at the beginning of the year	67,777,787	27,548,768	17,064,741	14,878,708
Cash and cash equivalents at the end of the year (Note 20)	194,891,682	67,777,787	109,394,267	17,064,741

The notes on pages 38 to 59 form an integral part of these financial statements.

Notes to the Financial Statements

1 General Information

1.1 Reporting entity

Panasian Power PLC (the "Company") is a public limited company , incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company is located at No. 03, Elibank Road, Colombo 5.

The consolidated financial statements of the Company as at and for the year ended 31 March 2015 comprise the Financial Statements of Company and its subsidiaries Manelwala Hydropower (Pvt) Limited, Padiyapelella Hydropower Limited and Panasian Investments (Pvt) Limited (together reference as the "Group and individually" is Group Entites).

1.2 Principal activities and nature of operations

The principal activity of the Company and its Subsidiaries Manelwala Hydropower (Pvt) Limited is to produce hydro power. The ultimate parent of the Company was Hemas Holding PLC until 30 November 2014 and, currently Resus Energy PLC (Formaly known as "Hemas Power PLC") enjoys the status of the major share holder.

The Company entered into Standardized Power Purchase Agreements with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Rath Ganga Mini-Hydro Production Facilities for a period of 15 years, beginning on the commercial operation Date of 5th July 2004. The capacity of power potential is 3000KW and situated at Rath Ganga, Ratnapura.

The Subsidiary, Manelwala Hydropower (Pvt) Limited entered into Standardized Power Purchase Agreements with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Kurundu Oya Mini-Hydro Production Facilities for a period of 15 years, beginning on the Commercial Operation Date of 18th June 2008. The capacity of power potential is 2400KW and situated at Walapane.

The Subsidiary, Padiyapella Hydropower Limited entered into Small Power Purchase Agreements with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Beliul Oya. Mini-Hydro Production Facilities for a period of 20 years and still the construction is in progress. The capacity of power potential of Phase I is 3500KW and situated at Padiyapelella.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the company have been prepared in accordance with new Sri Lanka Accounting Standards (herein referred to as SLFRSs/ LKASs) issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and in compliance with the requirement of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No.15 of 1995.

2.2 Approval of financial statements

The financial statements of the Group and Company for the year ended 31st March 2015 were authorized for issue by the Board of Directors on the 21st August 2015.

2.3 Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis except for Retirement benefit obligation which is measured at the present value of the defined benefit obligations as explained in the respective notes to the financial statements.

2.4 Functional and presentation currency

These financial statements are presented in Sri Lankan rupees, which is the Group's functional currency.

2.5 Use of Estimates and judgments

The preparation of the financial statements of the Group and the Company in conformity with SLFRSs/LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associates assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which from the basis of making a judgment about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 22 – Measurement of retirement benefit obligation
- Note 24 – Deferred tax liabilities

2.6 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern and being satisfied that it has the resources to continue in business for the foreseeable future confirm that they do not intend either to liquidate or to cease operations.

3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statement of the Group and the Company.

3.1 Basis of consolidation

3.1.1 Business combinations and Goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date, as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus

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

- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed measured at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

The goodwill arising on acquisition of subsidiaries is presented as a intangible asset.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity acquired exceed the cost of the acquisition of the entity, the surplus, which is a gain on bargain purchase is recognised immediately in the consolidated income statement.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

3.1.2 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee

- The ability to use its power over the investee to affect its returns

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes ; The contractual arrangement with the other vote holders of the investee, Rights arising from other contractual arrangements and The Group's voting rights and potential voting rights over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Entities that are subsidiaries of another entity which is a subsidiary of the company are also treated as subsidiaries of the company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

3.1.3 Non-controlling interest

The proportion of the profits or losses after taxation applicable to outside shareholders of subsidiary companies is included under the heading "Non – controlling interest "in the Consolidated Income Statement. Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

The interest of the minority shareholders in the net assets employed of these companies are reflected under the heading "Non – controlling interest" in the Consolidated Statement of Financial Position.

Acquisitions of non-controlling interests are accounted for as transactions with the equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3.1.4 Loss of control

On the loss of control, the Group immediately derecognises the assets including goodwill and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available–for-sale financial asset depending on the level of influence retained.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3.1.5 Reporting date

All the Group's subsidiaries, and equity-accounted investees has the same reporting period as the parent company.

Notes to the Financial Statements

3.1.6 Intra-group transactions

Pricing policies of all intra-group sales are identical to those adopted for normal trading transactions, which are at market prices.

3.1.7 Transactions eliminated on consolidation

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

3.2 Foreign Currency Transactions

Transactions in foreign currencies are translated to Sri Lankan rupees, which is the functional currency, at the exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on translation are recognised in statement of comprehensive income.

3.3 Financial Instruments

Financial assets and financial liabilities are recognised when a Group company becomes a party to the contractual provisions of the instrument.

The classification of financial instruments at initial recognition is dependent on their purpose and characteristics and the management's intention in acquiring them.

Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities other than financial instruments recognised as fair value through profit and loss, are added to or deducted from the fair value of the financial instruments. Transaction costs, which are insignificant are expensed immediately to the income statement.

3.3.1 Non-derivative financial assets

3.3.1.1 Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets.

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets including assets designated at fair value through profit or loss are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets at initial recognition.

3.3.1.1.1 Financial assets at fair value through profit or loss

A financial asset is recognised at fair value through profit or loss, if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired for the purpose of trading in the near term. Financial assets at fair value through profit or loss are measured at fair value, and any changes therein, are recognised in the income statement.

Attributable transaction costs of fair value through profit or loss financial assets are recognised in the income statement when incurred.

Financial assets at fair value through profit or loss comprise of its portfolio of investments in treasury bills and treasury bonds. The Group has not designated any equity instruments in this category.

3.3.1.1.2 Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs, if the transaction costs are significant. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest rate method (EIR) less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

3.3.1.1.3 Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities until maturity, then such financial assets are classified as held-to–maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs if the transaction costsare significant. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

During the financial year the Group has not designated any financial assets as held-to-maturity investments.

3.3.1.1.4 Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the previous categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and any changes therein, other than impairment losses and foreign currency differences on available for sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised the gain or loss accumulated in equity is reclassified to the income statement.

The Group designates listed and unlisted equity investments that are not held for trading purposes as available-for-sale financial instruments. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold or redeemed in response to needs for liquidity or in response to changes in market conditions.

Interest income on available-for-sale debt securities calculated using the effective interest method and dividend income on available for sale quoted and unquoted equity investments are recognised in the income statement.

3.3.1.2 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that is impaired. A financial asset is impaired if, there is objective evidence as a result of one or more events that has occurred after the initial recognition of the financial asset (an incurred 'loss event') and the estimated future cash flows of the investment have been affected.

3.3.1.2.1 Loans and Receivables

The objective evidence of impairment could include significant financial difficulty of the issuer or counter party, breach of contract such as default in interest or principal payments, or it becomes probable that the borrower will enter bankruptcy or financial reorganisation.

The Group considers impairment of trade receivables at both a specific significant individual debtor level and collectively. Any Group company which has any individually significant debtors assesses them for specific impairment. All individually insignificant debtors that are not specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together based on similar risk characteristics. In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred and adjusted for the management's judgment. The carrying amount of the trade receivables is reduced through the use of the bad debt provision account and the amount of the loss is recognised in the income statement. If there is no realistic prospect of future recovery of a debt, the amount is written off.

An impairment loss in respect of other financial assets measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement to the extent that the carrying amount of the financial asset at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

3.3.1.2.2 Available for sale

For equity instruments classified as available for sale financial assets a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

Impairment losses of an available-for-sale security investment are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to the income statement as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to the income statement is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in the income statement. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed, with the amount of the reversal recognised in the income statement. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

3.3.1.3 Derecognition of financial assets

The Group derecognises a financial asset when;

- The right to receive cash flows from the asset have expired or the entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either

- The entity has transferred substantially all the risks and rewards of the asset, or

- The entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset or the carrying amount allocated to the portion of the asset transferred and the sum of the consideration received together with receivable and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement.

3.3.2 Non–derivative financial liabilities

3.3.2.1 Initial recognition and measurement

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

3.3.2.1.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit loss.

Gains or losses on liabilities held for trading are recognised in the income statement.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

3.3.2.1.2 Other financial Liabilities

All financial liabilities other than those at fair value through profit and loss are classified as other financial liabilities

All other financial liabilities are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts.

3.3.2.2 Derecognition of financial assets and liabilities

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

3.3.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised

Notes to the Financial Statements

amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.3.4 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period.

3.4 Assets and bases of their valuation

3.4.1 Property, plant and equipment

3.4.1.1 Measurement

All property, plant and equipment is stated at historical cost or construction cost, including incidental expenses less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

All items of property, plant and equipment is initially recognised at cost. A revaluation is carried out when there is a substantial difference between fair value and the carrying amount of the property, and is undertaken by professionally qualified values.

Expenditure incurred for the purpose of acquiring, extending or improving Assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business has been treated as capital expenditure.

The cost of replacing a part of an item of property, plant and equipment is recognised in carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The cost of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

3.4.1.2 Depreciation

Depreciation is based on the cost of an asset less its residual value. Freehold land is not depreciated as it is deemed to have an indefinite life. Depreciation is recognized in the Statement of profit or loss on a straight line basis over the estimated useful lives. Estimated useful lives as follows,

Office equipment	4 years
Furniture and fittings	4 years
Motor vehicles	4 years
Civil construction (Note I) (Up to 31st March 2011)	15 years
Electro Mechanical Equipment (Note II) (Up to 31st March 2011)	10 years

Note I

The Group has reestimeted the economic life of the assets group of of Civil Construction as follows;

Component	
Intake Weir	44 years
Headrace Channel	44 years
De-silting Tank	47 years
Spillway Gate	41 years
Forebay tank	47 years
Penstock	44 years
Power House	44 years
Rest Rooms	41 years

Note II

The Group has reestimeted the economic life of the assets group of Electro Mechanical Equipment as follows;

Component	
Turbines	27-37 years
Generators	29-37 years
Transfomers and Power Lines	29-32 years
Voltage Panel	27-32 years
Crane	27-32 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

3.4.1.3 Disposals

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in determining operating profit or loss in the statement of comprehensive income.

3.4.2 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.4.3 Intangible assets

3.4.3.1 Initial Recognition and measurement

The Group recognises intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

3.4.3.2 Subsequent costs

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

3.4.3.3 Subsequent measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3.4.3.4 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets for measurement of goodwill at initial recognition.

3.4.3.5 Subsequent Measurement

Goodwill is measured of cost less acquired impairment Losses.

3.4.4 Leases

3.4.4.1 Finance leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased assets under property, plant and equipment, is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate interest on the remaining balance of the liability.

3.4.4.2 Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the assets are classified as operating leases. Payments under operating leases are recognised as an expense in the income statement on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

3.4.5 Trade and other receivables

Trade and other receivables are carried at anticipated realisable value. An impairment estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end.

3.4.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

3.4.7 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

3.4.8 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Notes to the Financial Statements

3.4.9 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they incurred.

3.4.10 Taxation

(a) Current taxation

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

Taxation for the current and previous periods to the extent unpaid is recognized as liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset in the financial assets.

(b) Deferred taxation

"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 the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and differences relating to investment in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities recognized by individual companies within the Group are disclosed separately as assets and liabilities in the Group statement of financial position are not off set against each other.

3.4.11 Employee benefits

(a) Defined benefit obligation

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the Projected Unit Credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

"Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees."

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

The Group recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income as they occur.

(b) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligations to pay further amounts. All employees of the Group and the Company are members of the Employees' Provident Fund and Employees' Trust Fund, to which their employers contribute 12% - 15% and 3% respectively of such employees' basic or consolidated wage or salary, cost of living and all other allowances. Obligations for contributions to defined benefit plans, EPF and ETF, are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(c) Short term employee benefits

Short term employee benefit obligations are mentioned as an undiscounted basis and are explained as the related service is provided. A liability is recognized for the amount expected to be paid in cash as bonus in the short term, if the Group has a present legal or constructive obligation to pay this amount as a result of a past service rendered by the employee, and the obligation can be measured reliably.

3.4.12 Provisions

The provision is recognized if, as a result of past events, the group has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money ant the rates specific to the liability. The unwinding of the discount is recognized as finance cost.

3.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably, regardless of when the payments being received. Revenue is measured at the fair value the consideration received or receivable, taking in to account contractually defined terms of payment.

(a) Service income

Sale of services is recognised upon performance of services, net of sales taxes and discounts.

(b) Finance income/(expenses)

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

Finance expenses comprise interest expense on borrowings, preference dividends and impairment losses recognised on financial assets.

(c) Dividend income

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

3.6 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are paid by the Company's shareholders.

3.7 Cash flow statement

The cash flow statement has been prepared using the "indirect method".

3.8 Capital commitments and contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non occurrence of uncertain future events, which are beyond the Group's control. Capital commitments and contingent liabilities of the Group and Company are disclosed in the respective notes to the financial statements.

3.9 Events occuring after the reporting date

All material post balance sheet events have been considered and where appropriate adjustment to or disclosures have been made in the financial statements.

3.10 Earnings per share (EPS)

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

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group and Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Estimated impairment of non-current assets

The Group reviews for impairment of property, plant and equipment in accordance with the Accounting Policy in Note 2.5 The recoverable amount of these assets have been determined based on higher of the assets' fair value less cost to sell and value in use. These calculations require the use of estimates and judgments.

Management believes that any reasonably possible change in the estimated future cash flows of the operations on which the recoverable amounts of the cash-generating units is based would not cause the cash-generating units' carrying on amount to exceed its recoverable amount.

(b) Defined benefit plan - Gratuity

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit plan include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit plan. Other key assumptions for defined benefit plan are based in part on current market conditions, additional information is disclosed in Note 22.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit plan. Other key assumptions for defined benefit plan are based in part on current market conditions. Additional information is disclosed in Note no 22.

Notes to the Financial Statements

5. NEW ACCOUNTING STANDARDS ISSUED

5.1. New and amended standards and interpretations adopted during the year

For the first time, the Group applied, the following new Sri Lanka Accounting Standards and amendments which became applicable to the financial statements with effect from 1st January 2014.

5.1.1. SLFRS 10 - Consolidated Financial Statements

With the adoption of SLFRS 10, the Group changed its accounting policy for determining whether an investee is a subsidiary based on the definition of control as explained in Note 3.1

5.1.2. SLFRS 12 - Disclosure of Interestsin Other Entities

SLFRS 12 sets out the requirementsfor disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

5.1.3. SLFRS 13 - Fair Value Measurement

SLFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other LKASs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Application of this standard has not materially impacted the fair value measurements carried out by the Group.

5.1.4. Amendments to LKAS 1- Presentation of Financial Statements

As a result of the amendment to LKAS 1, Company modified the presentation of items of OCI in the statement of profit or loss and OCI, to present separately items that would be reclassified to profit or loss from those that would never be. Comparative information has been re-presented accordingly.

5.2. New Standards and interpretations issued but not yet effective

The Institute of Chartered Accountants of Sri Lanka has issued the following standards which become effective for annual periods beginning after the current financial year. Accordingly these standards have not been applied in preparing theses financial statements. The Company is currently in the process of evaluating the potential effect of adoption of these standards and amendments on its financial statements. Such impact has not been quantified as at the reporting date. The Company will be adopting these standards when they become effective.

SLFRS 9 - Financial Instruments - effective for annual periods beginning on or after 1st of January 2018.

SLFRS 14 - Regulatory Deferral Accounts– effective for annual periods beginning on or after 1st of January 2016.

SLFRS 15 - Revenue from Contracts with Customers– effective for annual periods beginning on or after 1st of January 2018.

Amendment to LKAS 16 and LKAS 41– Agriculture; Bearer Biological Plants -effective for annual periods beginning on or after 1st of January 2016.

For the year ended 31st March,	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
6 Revenue				
Turnover	298,522,878	222,861,068	179,487,184	123,084,852
	298,522,878	222,861,068	179,487,184	123,084,852

The Group entered into Standardized Power Purchase Agreements with the Ceylon Electricity Board (CEB) for the sale of electrical energy from Rath Ganga and Kurudu Oya Mini-hydro production facilities for a period of 15 years, from the Commercial Operation date of 5th July 2004 and 18th July 2008 for Rath Ganga and Kurudu Oya respectively. The capacity of Rath Ganga power plant is 2,000KW and it is situated at Rath Ganga. The capacity of the Kurudu Oya power plant is 2,400KW which is situated at Walapane. Further the rathganga plant capacity enhancement done during the year with additional 1,000 KW and which was commissioned on 23rd December 2014.

For the year ended 31st March,	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
7 Other operating income				
Dividend income from subsidiary company	-	-	126,864,526	31,716,131
Creditors written back	2,750,595	-	-	-
	2,750,595	-	126,864,526	31,716,131
8 Finance income / (expense)				
8.1 Finance income				
Interest income	1,822,030	463,441	767,796	240,866
	1,822,030	463,441	767,796	240,866
8.2 Finance expense				
Interest on term loan	(33,108,066)	(11,159,664)	(33,108,066)	(11,159,664)
Interest on finance lease obligations	(432,638)	(714,020)	(225,119)	(347,245)
	(33,540,704)	(11,873,684)	(33,333,185)	(11,506,909)
Net finance expense	(31,718,674)	(11,410,243)	(32,565,389)	(11,266,043)
9 Profit before taxation				
Profit before taxation is stated after charging all the expenses including the following :				
Direct costs				
Staff cost (Note 9.1)	8,102,351	7,571,930	5,057,215	4,752,666
Insurance	3,807,231	2,698,312	1,576,491	1,156,929
Repairs and maintenance services	3,937,917	1,609,427	2,445,554	812,044
Depreciation on property, plant and equipment	12,970,278	13,787,558	4,973,652	4,161,251
Amortisation of intangible assets	1,711,709	1,568,588	1,283,138	1,140,019
Administrative expenses				
Depreciation on property, plant and equipment	1,767,950	2,062,016	1,714,086	2,544,567
Donations	1,267,046	651,636	1,147,046	554,176
Directors' fees	7,771,250	6,577,004	5,973,125	6,577,004
Staff cost (Note 9.2)	8,333,884	6,840,097	5,789,613	5,888,233
Auditors remumaration - statutory audit	640,000	415,000	270,000	240,000
- non audit services	-	50,000	-	50,000

Notes to the Financial Statements

For the year ended 31st March,	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
9.1 Staff Cost - Direct cost				
Salaries and wages	7,290,297	6,472,035	4,517,052	4,033,097
Defined contribution plan cost - EPF and ETF	812,054	1,099,895	540,163	719,569
	8,102,351	7,571,930	5,057,215	4,752,666
9.2 Staff cost - Administrative expenses				
Salaries and wages	6,652,345	4,968,041	4,357,419	4,282,285
Defined contribution plan cost - EPF and ETF	949,506	1,297,581	798,566	1,151,411
Defined benefit plan cost - retiring gratuity	732,033	574,475	633,628	454,537
	8,333,884	6,840,097	5,789,613	5,888,233
Total staff cost	16,436,235	14,412,027	10,846,828	10,640,899
Number of employee	30	27	19	17
10 Income tax expense				
Current tax expense				
Taxation on current year's profit	5,927,320	129,764	214,983	67,442
Over provision in respect of previous year	-	(1,266,993)	-	(1,266,993)
Tax on dividend paid by subsidiaries	14,096,058	3,524,105	-	-
	20,023,378	2,386,876	214,983	(1,199,551)
Deferred tax expense				
Origination of temporary differences	3,548,635	2,731,169	1,131,812	322,390
Income tax expense in statement of comprehensive income	23,572,013	5,118,045	1,346,795	(877,161)
Tax reconciliation statement				
Profit before taxation	190,842,454	149,106,732	225,132,720	100,530,444
Non business income	(4,572,625)	(463,411)	(142,163,605)	(240,866)
Aggregate disallowed expenses	18,801,113	19,709,089	9,940,079	9,250,527
Aggregate allowable expenses	(61,453,448)	(42,623,745)	(27,643,363)	(9,187,858)
	143,617,494	125,728,665	65,265,831	100,352,247
Exempt income from business	(97,147,646)	(125,728,665)	(65,265,831)	(100,352,247)
Taxable income from business	46,469,848	-	-	-
Income from other sources				
Interest income	4,572,625	463,441	767,796	240,866
Taxable income	4,572,625	463,441	767,796	240,866
Income tax charged at				
Tax @ 10%	4,646,985	-	-	-
Tax @ 28%	1,280,335	129,764	214,983	67,442
Taxation on current years' profits	5,927,320	129,764	214,983	67,442

Panasian Power PLC

The Company enjoys a tax holiday of 15 years from the year 2002/2003 under Section 18 A of the Inland Revenue Act 38 of 2000 (subsequently governed by Section 218 (2) of the Inland Revenue Act 10 of 2006), granted by the Department of Inland Revenue. After the expiration on the aforesaid tax exemption period, the profits and income of the enterprise shall be charged at the rate of 10% for a period of two years immediately succeeding the last date of the tax exemption period. After the expiration of the aforesaid concessionary tax rate of 10%, the profit and income of the Company for any year of assessment be charged at the rate of 20%. Income from other sources of the Company will be taxed at the standard rate of 28%.

Manelwala Hydropower (Pvt) Ltd.

The Company enjoyed a 5 year tax holiday that ended in June 2014. As per provisions of the agreement entered into with the Board of Investment of Sri Lanka. Immediately upon completion of the tax holiday period, the business income is be liable to tax at a concessionary rate of 10% for a period of 2 years. According to the same agreement, the Company is liable to income tax at 20% after the completion of the concessionary tax period. Income from other sources of the company will be taxed at the standard rate of 28% .

11 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

	Group		Company	
For the year ended 31st March,	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Net profit attributable to ordinary shareholders (Rs.)	168,229,304	143,988,687	223,785,925	101,407,605
Weighted average number of ordinary shares	500,000,000	500,000,000	500,000,000	500,000,000
Earnings per share (Rs.)	0.34	0.29	0.45	0.20

There were no potentially dilutive ordinary shares outstanding at any time during the year, hence diluted earnings per share is equal to the basic earning per share.

12 Dividend per share

The calculation of dividend per share is based on the dividend attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year.

	Group		Company	
For the year ended 31st March,	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Dividend declared (Rs.)	-	50,000,000	-	50,000,000
Number of ordinary shares	500,000,000	500,000,000	500,000,000	500,000,000
Dividend per share (Rs.)	-	0.10	-	0.10

Notes to the Financial Statements

13 Property, plant and equipment

Group

					Civil construction				Electro mechanical equipment				
	Freehold land	Office equipment	Furniture and fittings	Motor vehicles	Intake weir and Headrace channel	De-silting tank and forbay tank	Spillware gate and rest rooms	Pen stock and power house	Turbines and Generators	Transformers and power lines	Voltage panel and crane	Leasehold Motor vehicle	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost													
Balance as at 1st April 2014	10,273,000	3,832,386	966,216	6,842,839	102,750,000	64,487,500	26,720,000	57,081,346	177,245,949	11,845,000	24,326,250	7,845,476	494,215,962
Additions during the year	-	208,170	148,229	-	8,316,085	-	-	-	-	-	4,653,532	-	13,326,016
Acquisition of subsidiary	-	606,680	526,943	-	-	-	-	-	-	-	-	-	1,133,623
Transfer during the year	-	-	-	7,845,476	-	-	-	23,483,641	35,725,766	8,314,563	667,744	(7,845,476)	68,191,714
Balance as at 31st March 2015	10,273,000	4,647,236	1,641,388	14,689,315	111,066,085	64,487,500	26,720,000	80,564,987	212,971,715	20,159,563	29,647,526	7,845,476	576,867,315
Depreciation													
Balance as at 1st April 2014	-	3,492,725	817,088	4,296,719	7,002,880	4,117,732	1,955,114	3,818,246	15,197,743	1,137,110	2,421,463	7,845,476	52,102,295
Depreciation for the year	-	244,147	143,451	1,655,730	2,387,909	1,346,426	651,708	1,446,529	5,521,123	474,439	866,495	-	14,738,227
Written off during the period	-	64,846	64,031	-	-	-	-	-	-	-	-	-	128,877
Accumulated depreciation on acquisition	-	541,834	462,912	-	-	-	-	-	-	-	-	-	1,004,746
Transfer during the year	-	-	-	7,845,476	-	-	-	-	-	-	-	(7,845,476)	-
Balance as at 31st March 2015	-	4,343,822	1,487,482	13,437,925	9,390,789	5,464,158	2,606,822	5,264,775	20,718,866	1,611,549	3,287,958	-	67,974,145
Carrying amount													
As at 31-03-2015	**10,273,000**	**303,414**	**153,907**	**890,390**	**101,675,296**	**59,023,342**	**24,113,178**	**75,300,212**	**192,252,849**	**18,548,014**	**26,359,568**	**-**	**508,893,170**
As at 31-03-2014	10,273,000	339,661	149,128	2,546,120	95,747,120	60,369,768	24,764,886	53,263,100	162,048,206	10,707,890	21,904,787	-	442,113,667
Fully Depreciated Assets													
As at 31-03-2015	**-**	**3,606,616**	**680,057**	**8,065,396**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12,352,069**
As at 31-03-2014	-	2,906,241	527,857	424,135	-	-	-	-		-	-	-	5,329,996

During the year group has acquired Rs. 1,133,623 value property, plant and equipment through a business combination.

Revaluation

The Company revalued freehold land, electro mechanical equipment and civil construction on 1st April 2011, the Company engaged Mr S Sivaskantha, Incorporated Valuer, to implement the component depreciation for the mentioned categories. Components were identified as at 01st April 2011

13 Property, plant and equipment

Company

	Freehold land	Office equipment	Furniture and fittings	Motor vehicles	Civil construction: Intake weir and Headrace channel	Civil construction: De-silting tank and forbay tank	Civil construction: Spillware gate and rest rooms	Electro mechanical equipment: Pen stock and power house	Electro mechanical equipment: Turbines and Generators	Electro mechanical equipment: Transformers and power lines	Electro mechanical equipment: Voltage panel and crane	Leasehold Motor vehicle	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost													
Balance as at 1st April 2014	5,950,000	3,149,177	561,266	6,740,719	39,100,000	27,200,000	11,900,000	23,261,346	35,420,949	2,695,000	8,085,000	3,711,966	167,775,423
Additions	-	208,170	148,229	-	8,316,085	-	-	-	-	-	4,653,532	-	13,326,016
Transfer during the year	-	-	-	3,711,966	-	-	-	23,483,641	35,725,766	8,314,563	667,744	(3,711,966)	68,191,714
Balance as at 31st March 2015	5,950,000	3,357,347	709,495	10,452,685	47,416,085	27,200,000	11,900,000	46,744,987	71,146,715	11,009,563	13,406,276	-	249,293,153
Depreciation													
Balance as at 1st April 2014	-	2,861,327	432,027	4,194,600	2,664,843	1,736,807	870,728	1,513,260	3,702,252	278,840	898,034	3,711,966	22,864,683
Depreciation for the year	-	196,593	137,412	1,655,730	941,319	553,074	290,244	677,893	1,688,015	188,501	358,956	-	6,687,738
Transfer during the year	-	-	-	3,711,966	-	-	-	-	-	-	-	(3,711,966)	-
Balance as at 31st March 2015	-	3,057,920	569,439	9,562,296	3,606,162	2,289,881	1,160,972	2,191,153	5,390,267	467,341	1,256,990	-	29,552,422
Carrying amount													
As at 31-03-2015	**5,950,000**	**299,427**	**140,056**	**890,389**	**43,809,923**	**24,910,119**	**10,739,028**	**44,553,833**	**65,756,448**	**10,542,222**	**12,149,286**	**-**	**219,740,731**
As at 31-03-2014	5,950,000	287,850	129,239	2,546,119	36,435,157	25,463,193	11,029,272	21,748,086	31,718,697	2,416,160	7,186,966	-	144,910,739
Fully Depreciated Assets													
As at 31-03-2015	**-**	**2,670,157**	**296,757**	**4,033,981**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,000,895**
As at 31-03-2014	-	2,414,332	144,557	117,800	-	-	-	-	-	-	-	-	2,676,689

Revaluation

The Company revalued freehold land, electro mechanical equipment and civil construction on 1st April 2011, the Company engaged Mr S Sivaskantha, Incorporated Valuer, to implement the component depreciation for the mentioned categories. Components were identified as at 01st April 2011.

Notes to the Financial Statements

		Group		Company	
	As at 31st March,	2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
14	**Capital work in progress**				
	Balance at the beginning of the year	42,849,117	-	42,849,117	-
	Acquisition of subsidiary	653,058,358	-	-	-
	Additions during the year				
	- Padiyapelella Hydropower Limited	29,217,965	-	-	-
	- Expansion of Rathganga project by 1 MW	25,342,597	42,849,117	25,342,597	42,849,117
	Transferred to property plant and equipment during the year	(68,191,714)	-	(68,191,714)	-
		682,276,323	42,849,117	-	42,849,117
15	**Intangible assets**				
	Right to generate hydro power				
	Cost				
	At the beginning of the year	17,000,000	17,000,000	11,000,000	11,000,000
	Additions during the year	560,000	-	560,000	-
	At the end of the year	17,560,000	17,000,000	11,560,000	11,000,000
	Amortisation				
	At the beginning of the year	7,642,862	6,114,293	5,500,008	4,400,008
	Amortisation for the year	1,610,030	1,528,569	1,181,459	1,100,000
	At the end of the year	9,252,892	7,642,862	6,681,467	5,500,008
	Carrying amount	8,307,108	9,357,138	4,878,533	5,499,992
	Software License				
	Cost				
	At the beginning of the year	400,187	-	400,187	-
	Additions during the year	79,900	400,187	79,900	400,187
	At the end of the year	480,087	400,187	480,087	400,187
	Amortisation				
	At the beginning of the year	40,019	-	40,019	-
	Amortisation for the year	101,679	40,019	101,679	40,019
	At the end of the year	141,698	40,019	141,698	40,019
	Carrying amount	338,389	360,168	338,389	360,168
	Goodwill on acquisition of subsidiary	461,518,584	288,139,501	-	-
	Total intangible assets	470,164,081	297,856,807	5,216,922	5,860,160

(i) The right to generate hydro power represent the amounts paid to purchase exclusive rights to generate hydropower.

(ii) Goodwill on acquisition of subsidiary represents that arising from the acquisition of equity in Manelwala Hydropower (Pvt) Ltd and Padiyapelella Hydropower Limited.

(iii) There has been no permanent impairment of intangible assets that requires a provision. Methods used in estimating recoverable amount is given below: The recoverable value of Manelwala Hydropower (Pvt) Ltd was based on value in use. Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and key assumptions used there given below,

Business Growth	Based on historical growth rate and business plan
Inflation	Based on the current inflation rate and the percentage of the total cost subjected to the inflation.
Discount rate	Average market borrowing rate adjusted for risk premium.
Margin	Based on current margin and business plan.

(iv) There has been no permanent impairment of intangible assets that requires a provision. Methods used in estimating recoverable amount is given below: The recoverable value of Padiyapelella Hydropower Limited was based on value in use. Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and key assumptions used there given below,

Business Growth	Based on historical growth rate and business plan
Inflation	Based on the current inflation rate and the percentage of the total cost subjected to the inflation.
Discount rate	Average market borrowing rate adjusted for risk premium.
Margin	Based on current margin and business plan.

(v) Remaining amortisation amount of rights to generate hydro power and software license is as follows,

Remaining amortisation period	Remaining Amortisation Amount	
	Right to generate hydropower	Software license
	Rs.	Rs.
Due within five year	8,307,108	360,168
Due after five years	-	-
	8,307,108	360,168

As at 31st March,		Group 2015	Group 2014	Company 2015	Company 2014
		Rs.	Rs.	Rs.	Rs.
16 Investment in subsidiaries	**% Holding**				
Manelwala Hydropower (Pvt) Ltd	100%	-	-	565,107,184	565,107,184
Panasian Investments (Pvt) Ltd	100%	-	-	40,000,000	40,000,000
Padiyapelella Hydropower Limited	90%	-	-	537,070,510	-
		-	-	1,142,177,694	605,107,184

16.1 Business combination and acqusition

Acqusition of Padiyapelella Hydropower Limited

On 28th August 2014, the Group acquired 90% of the voting shares of Padiyapelella Hydropower Limited.

Assets acquired and liabilities asumed

The fair value of identifiable assets acquired and liabilities assumed of Padiyapelella Hydropower Limited as at the date of acquisition were:

Year ended 31st March 2015	Fair value recognised on acquisition
	Rs
Assets	
Property, plant and equipment	128,876
Capital work in progress	653,058,358

Notes to the Financial Statements

Trade and other current assets	24,747,010
Cash and cash equivalents	405,569
Total assets	678,339,813
Liabilities	
Amount due to related companies	252,908,509
Accruals and other payables	21,329,719
Total liabilities	274,238,228
Fair value of consideration paid	537,070,510
Non-controlling interest, based on their proportionate interest in the recognized amounts of assets and liabilities	40,410,159
	577,480,669
Total identifiable net assets at fair value	404,101,585
Goodwill arising on acquisition	173,379,084
Purchase consideration transferred	
Transfer of advance to Padiyapelella Hydropower Limited	276,450,000
Cash paid	513,529,019
Transfer of current account balance with Padiyapelella Hydropower Limited	(252,908,509)
Investment in subsidiary	537,070,510

		Group		Company	
	As at 31st March,	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
17	**Other financial assets**				
	Advance to Padiyapelella Hydropower Limited	-	276,450,000	-	241,450,000
		-	276,450,000	-	241,450,000
18	**Trade and other receivables**				
	Trade receivable				
	Ceylon Electricity Board	71,502,877	29,556,429	21,382,096	8,782,557
	Other receivables				
	Deposits paid	1,782,413	282,413	73,331	73,331
	Prepayments	5,903,372	2,740,568	394,574	1,445,667
	Advance paid	8,043,859	8,685,000	4,550,109	8,609,000
	Other receivable	2,729,491	1,219,498	2,719,491	1,219,498
		89,962,011	42,483,908	29,119,601	20,130,053
19	**Amount due from related companies**				
	Powerhub International SDN.BHD	-	1,320,000	-	1,320,000
	Padiyapelella Hydropower Limited	-	-	292,093,773	
		-	1,320,000	292,093,773	1,320,000
20	**Cash and cash equivalents**				
	Cash at bank	194,671,646	67,417,751	109,199,231	16,724,705
	Cash in hand	220,036	360,036	195,036	340,036
	Cash and cash equivalents for the purpose of cash flow statement	194,891,682	67,777,787	109,394,267	17,064,741

As at 31st March,	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.

21 Stated capital

Issued and fully paid number of shares				
500,000,000 ordinary shares	630,000,000	630,000,000	630,000,000	630,000,000

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

22 Retirement benefit obligations

	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Present value of unfunded obligations	2,865,586	1,887,949	2,571,913	1,511,636
Total present value of the obligation	2,865,586	1,887,949	2,571,913	1,511,636
Movement in present value of the defined benefit obligation				
Balance as at the beginning of the year	1,887,949	2,192,446	1,511,636	1,862,872
Current service cost	538,825	333,746	482,464	250,061
Interest cost	193,208	240,729	151,164	204,476
Actuarial (gain) / losses	245,604	(617,122)	426,649	(731,523)
	2,865,586	2,149,799	2,571,913	1,585,886
Benefit paid during the year	-	(261,850)	-	(74,250)
Balance as at end of the year	2,865,586	1,887,949	2,571,913	1,511,636
	-			
Expense recognised in profit or loss;				
Interest cost	193,208	240,729	151,164	204,476
Current service cost	538,825	333,746	482,464	250,061
	732,033	574,475	633,628	454,537
Actuarial gains and losses recognised in other comprehensive income				
Acturial (gain) / losses	245,604	(617,122)	426,649	(731,523)

Principal actuarial assumptions used	2015	2014
(i) Rate of discount	9%	10%
(ii) Salary increment rate	9%	9%
(iii) Retirement age	55 years	55 years

(iv) The company will continue in business as going concern

(v) Assumption regarding future mortality are based on published statistics and mortality tables.

Notes to the Financial Statements

22.1 Sensitivity of assumptions employed in actuarial valuation

The following table demonstrates the sensitivity to a reasonable possible change in key assumptions employed with all other variables held constant in the retiring benefit obligations measurement as at 31st March 2015. The sensitivity of the statement of financial position and statement of comprehensive income is the effect of the assumed changes in the discount rate on the profit or loss and retiring benefit obligation for the year.

Increase/(decrease)		Present Value of Defined Benefit Obligation
Discount Rate	Salary Increment Rate	Rs.
1%	-	2,613,469
-1%	-	3,163,347
-	1%	3,167,518
-	-1%	2,607,070

This note indicates the assumptions used and the movement in the employee benefits and is not externally funded. As at 31st March 2015 the gratuity liability was actuarially valued under the projected unit credit (PUC) method by Mr. M. Poopalanathan of Actuarial & Management Consultants (Pvt) Limited. The liability is not externally funded. The valuation is performed annually.

As at 31st March,	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
23 Interest bearing loans and borrowings				
Balance as at the beginning of the year	3,366,733	4,398,627	3,366,733	4,398,627
Obtained during the year	635,000,000	-	635,000,000	
Repayments made during the year	(1,282,997)	(1,031,894)	(1,282,997)	(1,031,894)
Balance as at the end of the year	637,083,736	3,366,733	637,083,736	3,366,733
Payable within one year	1,472,428	1,657,452	1,472,428	1,657,452
Payable between two and five years	413,743,838	1,709,281	413,743,838	1,709,281
Payable after five years	221,867,470	-	221,867,470	-
	637,083,736	3,366,733	637,083,736	3,366,733

During the year Company obtained a loan of Rs. 635 Million to acquire 90% of stake in Padiyapelella Hydropower Limited from Sampath Bank PLC on 1st September 2014. Loan period is 95 months including capital grace period of 12 months and applicable interest rate is 8% p.a.

24 Deferred tax liabilities				
Balance as at beginning of the year	25,029,967	22,237,086	9,418,445	9,022,903
Origination of temporary difference				
- Recognised in profit or loss	3,548,635	2,731,169	1,131,812	322,390
- Recognised in other comprehensive income	(24,561)	61,712	(42,665)	73,152
Balance as at end of the year	28,554,041	25,029,967	10,507,594	9,418,445

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset assets against tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Composition of deferred tax assets and liabilities is as follows

As at 31st March,	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Property, plant and equipment	28,883,265	25,218,762	10,807,449	9,569,609
Employee benefits	(329,224)	(188,795)	(299,855)	(151,164)
Net deferred tax liability	28,554,041	25,029,967	10,507,594	9,418,445

25 Finance lease obligations

	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Balance as at the beginning of the year	1,893,734	4,236,589	881,354	1,975,147
Lease rentals paid during the year	(1,893,734)	(2,186,049)	(881,354)	(1,025,287)
Balance at the end of the year	-	2,050,540	-	949,860
Finance charges unamortised	-	(156,786)	-	(68,506)
Balance as at the end of the year	-	1,893,754	-	881,354
Due within one year	-	1,893,734	-	881,354
Due after one year	-	-	-	-
	-	1,893,734	-	881,354

26 Short term loan

	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Short term loan	-	90,000,000	-	90,000,000
	-	90,000,000	-	90,000,000

27 Amount due to related companies

	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Panasian Investment (Pvt) Ltd	-	-	35,000,000	-
Manelwala Hydropower (Pvt) Limited	-	-	13,918,474	99,200,000
Hemas Holding PLC	-	611,044	-	611,044
Hemas Corporate Services	-	197,555	-	197,555
Vishwa BPO (Pvt) Ltd	-	37,143	-	37,143
Diethelm Travel Lanka (Pvt) Ltd	-	14,062	-	14,062
Hemas Travels (Pvt) Ltd	-	42,100	-	42,100
Resus Energy PLC	378,854	947,135	378,854	947,135
	378,854	1,849,039	49,297,328	101,049,039

28 Other payables and accruals

	Group 2015 Rs.	Group 2014 Rs.	Company 2015 Rs.	Company 2014 Rs.
Other payables	21,459,643	4,039,510	4,379,121	1,070,914
Accrued expenses	2,028,421	852,041	713,527	424,250
	23,488,064	4,891,551	5,092,648	1,495,164

Notes to the Financial Statements

29 Related party transactions

29.1 Identify of the related parties

During the year company acquired 90% of Padiyapelella Hydropower Limited on 28th August 2014. The company has related party relationship with its subsidiaries and affiliates.

29.2 Transactions with key management personnel

Key management personnel comprise of directors of the Company.

(i) Loans given to directors

No loans given to the Directors of the Company.

(ii) Key management personnel compensation

Key management personnel comprises Directors of the Company and directors fees paid during the financial year. (Note 9)

(iii) Transactions with affiliate companies

The Company has a related party relationship with its related Group Companies. The following transactions were carried out with related parties during the year ended 31st March 2015.

Name of the Company	Relation-ship	Nature of Transaction	Transaction Amount Rs.	Amount due from / (to) as at 31/3/2015
Panasian Investment (Pvt) Ltd	Subsidiary	Investment in PHL	35,000,000	(35,000,000)
Manelwala Hydropower (Pvt) Ltd	Subsidiary	Fund transfer & Dividend Received	85,281,526	(13,918,474)
Resus Energy PLC	Affiliate	Office Rent	2,083,697	(378,854)
Padiyapelella Hydropower Limited	Subsidiary	Capital work in progress	39,185,264	292,093,773

The above transactions have been carried out in the ordinary course of business with parties which are defined as related parties as per LKAS 24 - Related Party Disclosure.

30 Capital commitments

No capital commitments by the Company and Group other than the following:

	Group		Company	
As at 31st March,	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Amount approved but not contracted for	1,920,000	-	-	-
Amount contracted for but not incurred	-	-	-	-

31 Contingent liabilities

There were no material contingent liabilities as at reporting date which require adjustments to or disclosure in the financial statements.

32 Events occurring after reporting date

Group has declared a final dividend of Rs.0.30 per share for the financial year ended 31st March 2015 on 13th May 2015. There were no other material event that occurred after the reporting date that require adjustment to or disclosure in th financial statements.

33 Financial Risk Management

he Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables and cash deposits that arrive directly from its operations.

33.1 Credit risk

'Credit risk' is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

As at 31st March,	2015 Rs.	2014 Rs.
Trade receivables	21,382,096	8,782,557
Prepayments and deposits	467,905	1,518,998
Other receivables	2,719,491	1,219,498
	24,569,492	11,521,053

33.2. Market risk

'Market risk' is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include loans, borrowings and deposits.

33.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates.

The table below summarises the maturity profile of the Company's financial liabilities

As at 31 March 2015	Less than 12 months	1 to 5 years	Above five years	Total
Interest bearing loans	1,472,428	413,743,838	221,867,470	637,083,736
Accruals and other payables	5,092,648	-	-	5,092,648
Finance lease obligations	-	-	-	-
	6,565,076	413,743,838	221,867,470	642,176,384
As at 31 March 2014				
Interest bearing loans	91,657,452	1,709,281	-	93,366,733
Accruals and other payables	1,495,164	-	-	1,495,164
Finance lease obligations	881,354	-	-	881,354
	94,033,970	1,709,281	-	95,743,251

Five Years Summary

	2015 Rs.	2014 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
A) Summary of the Operations					
Turnover	179,487,184	123,084,852	104,723,416	110,035,071	141,149,938
Gross Profit	162,352,303	111,397,257	94,086,924	97,494,296	119,102,199
Profit before Finance Cost	257,698,110	111,796,487	85,701,071	91,970,347	92,028,781
Profit before Taxation	225,132,720	100,530,444	86,729,754	93,297,014	90,706,700
Taxation	(1,346,795)	877,161	(1,079,297)	(1,175,419)	(2,058,262)
Profit or loss after Taxation	223,785,975	101,407,605	85,650,457	92,121,595	88,648,438
B) Summary of Financial Position					
Capital Reserves					
Ordinary Shares	630,000,000	630,000,000	630,000,000	630,000,000	630,000,000
Retained Earnings	403,568,247	180,166,306	128,100,330	117,449,873	150,328,278
Other Reserves	59,079,041	59,079,041	59,079,041	59,079,041	59,079,041
Total Equity	1,092,647,288	869,245,347	817,179,371	806,528,914	839,407,319
Asset & Liabilities					
Current Assets	430,607,641	38,514,794	32,090,682	71,530,157	130,370,654
Current Liabilities	56,404,883	196,807,285	7,065,171	6,833,298	8,370,495
Net Current Assets / (Liabilities)	374,202,758	(158,292,491)	25,025,511	48,551,495	122,000,159
Property Plant & Equipment	219,740,731	144,910,739	150,639,158	161,227,142	160,269,389
Other Non Current Assets	1,147,394,615	895,266,461	738,157,176	613,012,041	574,030,257
Related Party Payables	49,297,328	101,049,039	82,200,000	17,000,000	Nil
Non Current Liabilities	648,690,815	12,639,362	14,442,474	15,202,263	16,769,509
Net Assets	1,092,647,288	869,245,347	817,179,371	806,528,914	839,407,319
Total Assets	1,797,742,986	1,078,691,994	920,887,016	845,564,475	864,547,323
Stated Capital	630,000,000	630,000,000	630,000,000	630,000,000	630,000,000
Dividends Declared / Paid	150,000,000	-	50,000,000	75,000,000	125,000,000

Notes

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of **Panasian Power PLC** will be held at **Auditorium of the Ceylon Chamber of Commerce, No 50, Nawam Mawatha, Colombo 02 on Monday, 28 September 2015 at 10.30 a.m.**

AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31st March 2015 with the Report of the Auditors thereon.

2. To re-elect Mr.Riyaz Mohamed Sangani, who in terms of Article 24 (2) of the Articles of Association of the Company retires at the Annual General Meeting as a Director.

3. To re-elect Mr.Siddi Mohamed Farook, who in terms of Article 24 (2) of the Articles of Association of the Company retires at the Annual General Meeting as a Director.

4. To re-elect Mr.Amanda Lalindra Weerasinghe, who in terms of Article 24 (2) of the Articles of Association of the Company retires by rotation at the Annual General Meeting as a Director.

5. To re-appoint as a Director Mr. T.Someswaran who has attained the age of 70 years on 04th August 2013 and to pass the undernoted ordinary resolution in compliance with Section 211 of the Companies Act No.7 of 2007 in relation to his re-appointment.

   Ordinary Resolution
   That the age limit of 70 years referred to in Section 210 of the Companies Act, shall not apply to Mr. Thirunavukarasu Someswaran , who is 70 years of age (having reached 70 years on 04th August 2013) and accordingly that Mr. Thirunavukarasu Someswaran be and is hereby re-appointed a Director of the Company, in terms of Section 211 of the Companies Act No.7 of 2007"

6. To re-appoint M/s KPMG, Chartered Accountants as Auditors of the Company and authorize the Directors to determine their remuneration.

7. To authorize the Directors to determine donations for the year 2015 / 2016.

By Order of the Board of

Panasian Power PLC

S S P CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries

Colombo
28th August 2015

Note:

1. *A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her. Such Proxy need not be a member of the Company.*

2. *A Form of Proxy accompanies this notice.*

3. *The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 3,Elibank Road, Colombo 5 not later than 48 hours before the time appointed for the meeting.*

4. *Shareholders attending the meeting are kindly requested to bring with them their National Identity Card or other similar form of identification for production at the reception desk.*

Form of Proxy

I/We*..holder of NIC

No..of..

being a Member/Members* of PANASIAN POWER PLC do hereby appoint ....holder of NIC No ....

of...or failing him/her

Dr. Prathap Ramanujam	of Colombo or failing him
Mr. Godakande Aratchige Kishantha Nanayakkara	of Colombo or failing him
Mr. Mahmud Riad Ameen	of Colombo or failing him
Mr.Wickramasinghe Pathiranage Kusal Jayawardana	of Colombo or failing him
Mr. Hiran Arjuna Suren Madanayake	of Colombo or failing him
Mr. Thirunavukarasu Someswaran	of Colombo or failing him
Mr. Deepal Sooriyaarachchi	of Colombo or failing him
Mr. Riyaz Mohamed Sangani	of Colombo or failing him
Mr.Siddi Mohamed Farook	of Colombo or failing him
Mr.Amanda Lalindra Weerasinghe	of Colombo

as my/*our Proxy to represent me/*us and to vote as indicated below on my/*our behalf at the Annual General Meeting of the Company to be held **on Monday, 28 September 2015 at 10.30 a.m at the Auditorium of the Ceylon Chamber of Commerce, No 50, Nawam Mawatha, Colombo 02** and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

		For	Against
1	To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31st March, 2015 with the Report of the Auditors thereon.		
2	To re-elect Mr. Riyaz Mohamed Sangani, who in terms of Article 24 (2) of the Articles of Association of the Company retires at the Annual General Meeting as a Director		
3	To re-elect Mr. Siddi Mohamed Farook, who in terms of Article 24 (2) of the Articles of Association of the Company retires at the Annual General Meeting as a Director.		
4	To re-elect Mr. Amanda Lalindra Weerasinghe, who in terms of Article 24 (2) of the Articles of Association of the Company retires at the Annual General Meeting as a Director.		
5.	To re-appoint as a Director Mr. T. Someswaran who has attained the age of 70 years on 04th August 2013 and to pass the undernoted ordinary resolution in compliance with Section 211 of the Companies Act No.7 of 2007 in relation to his re-appointment.		

Ordinary Resolution

That the age limit of 70 years referred to in Section 210 of the Companies Act, shall not apply to Mr. Thirunavukarasu Someswaran , who is 70 years of age (having reached 70 years on 04th August 2013) and accordingly that Mr. Thirunavukarasu Someswaran be and is hereby re-appointed a Director of the Company, in terms of Section 211 of the Companies Act No.7 of 2007"

6.	To re-appoint M/s KPMG, Chartered Accountants as Auditors of the Company and authorize the Directors to determine their remuneration.		
7.	To authorize the Directors to determine donations for the year 2015 / 2016.		

Signature of Shareholder/s ....

NIC/Passport No.................................Dated this .... day of 2015

Note:

(i) Instructions as to completion appear on the reverse hereto.

(ii) * Please delete the inappropriate words, and mark 'X' in the appropriate cages to indicate your instructions as to voting.

(iii) A proxy need not be a member of the Company.

INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, your instructions as to voting, by signing in the space provided and filling in the date of signature.

2. Please indicate with an 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given the Proxy in his/her discretion may vote as he/she thinks fit.

3. The completed Form of Proxy should be deposited at the Registered Office of the Company, No 3, Elibank Road, Colombo 5 not less than 48 hours before the time appointed for holding the meeting.

4. If the form of proxy is signed by an attorney, the relative Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

Note: If the shareholder is a Company or body corporate, Section 138 of the Companies Act No. 07 of 2007 applies to shareholders of Panasian Power PLC and Section 138 provides for representation of Companies at meeting of other Companies. A Corporation, whether a Company within the meaning of this Act or not, may where it is a member of another corporation, being a company within the meaning of this Act, by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represents as that Corporation could exercise if it were an Individual shareholder of that other Company.

Corporate Information

Name of the Company

Panasian Power PLC

Legal Form

A Public Quoted Company with limited liablity incorporated under the Provision of the Companies Act No 07 of 2007. The Company has been registered under Section 17(2) of the BOI Law No 4 of 1978 on 26 November 2008

Date of incorporation

22 April, 2002

Company Registration Number

PV 9959 PB/PQ

Accounting Year End

31, March

Stated Capital

Rs 630,000,000

Number of shares representing the stated capital

500,000,000 Ordinary Shares

Registered Office and Head Office

03, Elibank Road, Colombo 05.

Subsiadiary Companies

Manelwala Hydropower (Pvt) Limited
Panasian Investments (Pvt) Limited
Padiyapelella Hydropower Limited

Nature of business

Generate and supply hydro power to the National Grid

Directors

Dr. Prathap Ramanujam
Mr. Deepal Sooriyaarachchi
Mr. Godakande Aratchige Kishantha Nanayakkara
Mr. Thirunavukarasu Someswaran
Mr. Mahmud Riad Ameen
Mr. W P Kusal Jayawardena
Mr. H A Suren Madanayake
Mr. Riyaz Sangani (appointed with effect from 01 April 2015)
Mr. S M Farook (appointed with effect from 23 June 2015)
Mr. A L Weerasinghe (appointed with effect from 23 June 2015)

Audit Committee

Mr. Thirunavukarasu Someswaran (Chairman)
Mr. Deepal Sooriyaarachchi
Mr. W P Kusal Jayawardena

Remuneration Committee

Mr. Deepal Sooriyaarachchi (Chairman)
Mr. Thirunavukarasu Someswaran
Mr. Mahmud Riad Ameen

Secretaries and Registrars

S S P Corporate Services (Pvt) Limited
No 101, Inner Flower Road,
Colombo 3.
Tel: +94112573894

Auditors

M/s KPMG
Chartered Accountants
32A, Sir Mohamed Macan Marker Mawatha,
Colombo 3.
Tel: +94112426301

Bankers

Sampath Bank PLC
110, Sir James Peiris Mawatha,
Colombo 2.
Tel: +94112303050

Website

www.panasianpower.com

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